



Economic Development Update Q3 2017

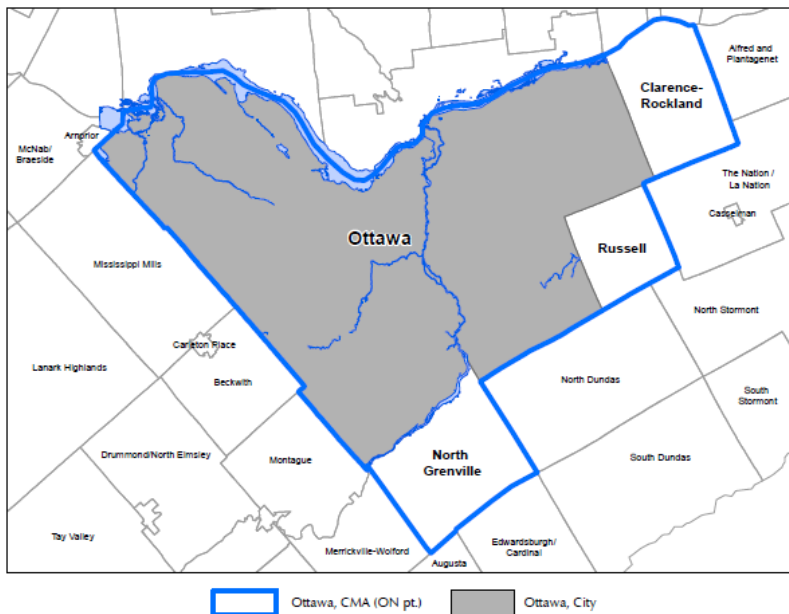
About

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators to the city's economy. This report will be available on a quarterly basis on Ottawa.ca and via an email subscription:

<https://app06.ottawa.ca/esubscriptions/signup-form-en.html>

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The Q3 2017 update covers the months of July, August, and September 2017. Most of the indicators are based on two geographic boundaries depending on the source data. The applicable geography for each dataset is indicated on the top left corner of each table highlighted in green.



“Ottawa, City” represents the City of Ottawa;

“Ottawa CMA (ON pt.)” represents the Ontario portion of the Ottawa-Gatineau Census Metropolitan Area, which includes City of Ottawa, Township of Russell, City of Clarence-Rockland and the Municipality of North Grenville.

New and Noteworthy in Q4 2017

- **Canada's first on-street test of an Autonomous Vehicle in Ottawa:** In October 2017, Ottawa became the first Canadian city to launch testing of an on-street autonomous vehicle (AV) communication with live City infrastructure. By partnering with BlackBerry QNX and its Autonomous Vehicle Innovation Centre, the car took its first spin around the Kanata North Technology Park.
- **Smart City 2.0:** In November 2017, City Council approved the Smart City 2.0 – Ottawa's Smart City Strategy. Smart City 2.0 is centered on three goals: Connected City, a Smart Economy, and an Innovative Government. With these goals, the Smart City 2.0 strategy ensures Ottawa maintains its smart city edge and is proactive in implementing technology as means to improving quality of life and economic prosperity.
- **Ottawa's bid for Amazon HQ2:** In October 2017, the City of Ottawa, with its partners the Ville de Gatineau and Invest Ottawa placed a bid to host the next headquarters of Amazon, Amazon HQ2, in Ottawa-Gatineau. To view information and a video promoting Ottawa-Gatineau, please visit www.hq2ottawa-gatineau.com.

What Happened in Q3 2017

- **Smart Agri-food Super Cluster:** In April 2017, Ottawa became an active partner in Smart Agri-food Super Cluster (SASC), a pan-Canadian partnership of agencies, academic institutions, and industry. As one of nine shortlisted applicants, SASC combined the technological and communications expertise, as well as, the agricultural experience of Ottawa with partners in Alberta and Saskatchewan. In November, SASC submitted their final application to Innovation Superclusters Initiative. In parallel with the application is Ottawa's plan to develop an agriculture and smart technology innovation hub at the NCC Greenbelt Research Farm, located at 1740 Woodroffe Avenue, where agricultural practices and data management would mix with autonomous vehicles, and advanced robotics to increase the efficiency and yield of farms and lower the environmental impact of farming. On December 8th, Ottawa held a meeting to update local partners. For more information on the event, read this [article](#) or view this [video](#) for information on SASC.
- **Inspiration Village:** An Ottawa 2017 event, Inspiration Village, which was built out of sea containers into an aesthetic artistic installation within the ByWard Market, had over 340,000 visitors from May 20 to September 4. For more information, please visit Ottawa2017.ca.
- **Kontinuum:** An Ottawa 2017 event, Kontinuum, was an underground journey through the Confederation Line Lyon Station, and had over 325,000 visitors from July 15 to September 14th. For more information on Kontinuum, please visit Ottawa2017.ca.

Snapshot

	Q3-2016	Q2-2017	Q3-2017	Status Compared to Q3-2016
Employed Labour Force	544,700	547,500	541,100	Negative ✖
Unemployment Rate	6.1%	5.7%	6.1%	Neutral ○
Participation Rate	69.3%	68.5%	67.7%	Negative ✖
Housing Starts	1,635	1,717	2,098	Positive ✔
Average Resale Price	\$390,729	\$435,670	\$419,045	Positive ✔
Resale Units Sold	3,505	5,093	3,453	Negative ✖
Population	N/A	974,191	N/A	Neutral ○
Inflation	1.0%	1.2%	1.3%	Neutral ○
Average Weekly Earning	\$1,094	\$1,103	\$1,129	Positive ✔
Construction Permit Value	\$799,165	\$869,811	\$746,540	Negative ✖
Office Vacancy Rate	12.7%	11.7%	11.5%	Positive ✔
Retail Vacancy Rate	N/A	N/A	N//A	Neutral ○
Industrial Vacancy Rate	7.7%	7.0%	7.3%	Positive ✔

Please refer to individual tables below for more details.

Labour Force

Labour Force, Seasonally Adjusted, 3-Month Moving Average

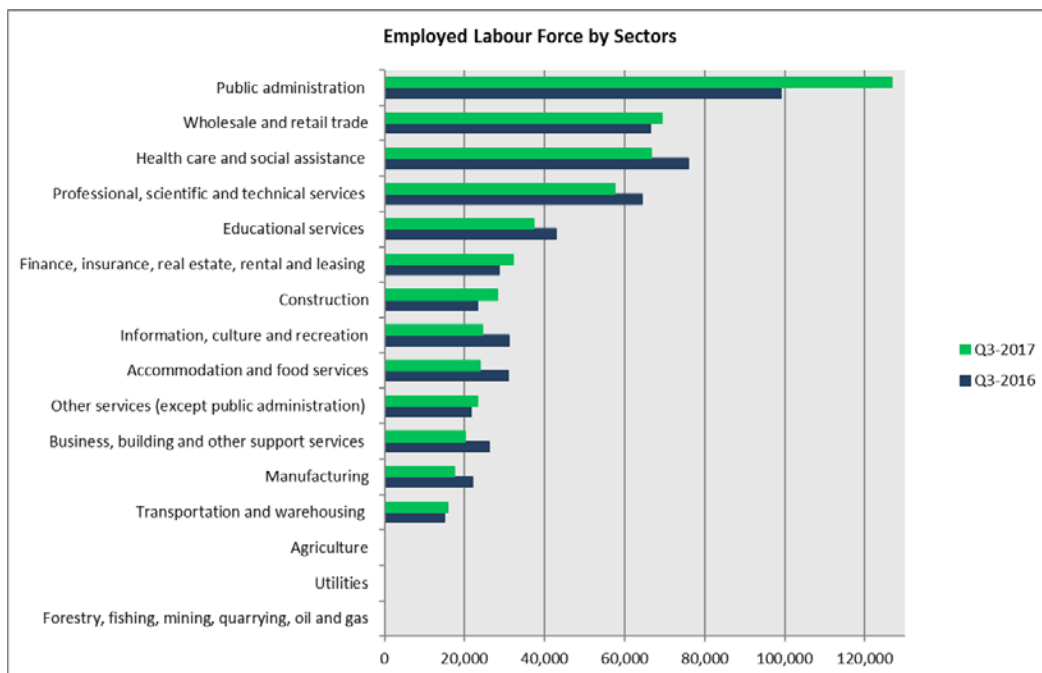
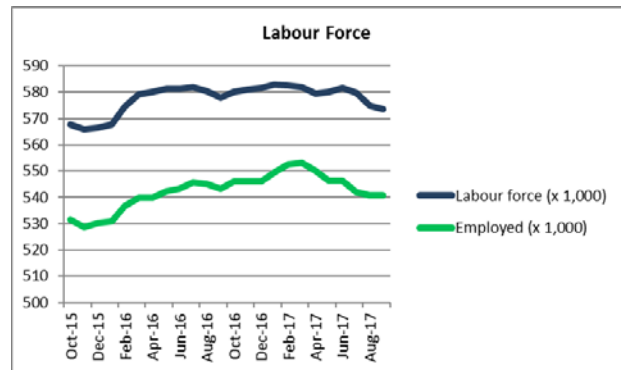
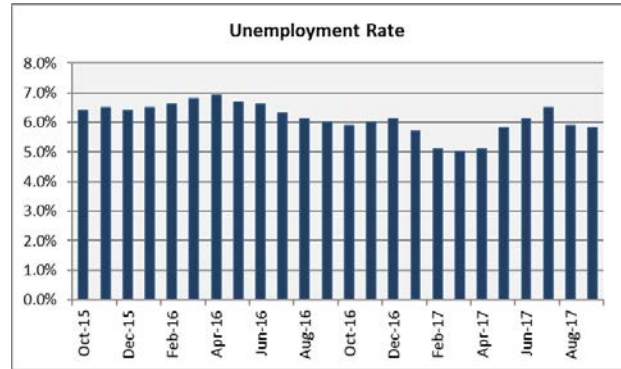
Source: Statistics Canada, CANSIM 282-0135

Ottawa, CMA (ON pt.)	Q3-16	Q2-17	Q3-17
Labour Force*	580.0	580.4	576.0
Employed*	544.7	547.5	541.1
Unemployed*	35.4	32.9	34.9
Unemployment Rate	6.1%	5.7%	6.1%
Participation Rate	69.3%	68.5%	67.7%

*(x 1,000)

Employed residents (-0.7%) and labour force (-0.7%) both decreased over the past year. Despite a -2.3% change in the participation rate, the unemployment rate remained steady at 6.1% in Q3 2017 from Q3 2016. Public Administration and Construction saw the largest increase in Q3 2017 from Q3 2016 with Accommodation and Food Services and the Business, Building, and Other Support Services sectors experiencing the largest decreases.

Ottawa, CMA (ON pt.)	YTD-16	YTD-17
Unemployment Rate	6.5%	5.7%
Participation Rate	69.3%	68.4%



Housing

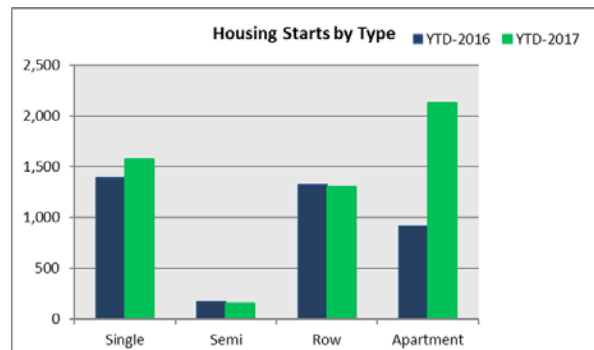
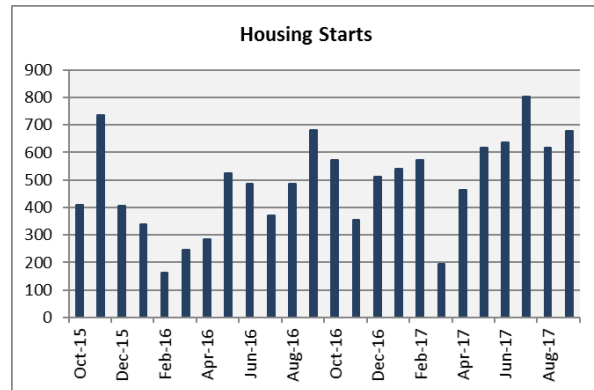
Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q3-16	Q2-17	Q3-17
Housing Starts	1,635	1,717	2,098
Single	556	615	636
Semi	84	63	54
Row	550	452	599
Apartment	442	587	809

Housing starts increased 28.3% in Q3 2017 from Q3 2016. Apartments saw a large increase followed by singles and row units, while semi units decreased from the previous year.

Ottawa, City	YTD-16	YTD-17
Housing Starts	3,804	5,169
Single	1,395	1,576
Semi	168	157
Row	1,323	1,310
Apartment	915	2,126



Housing Sales

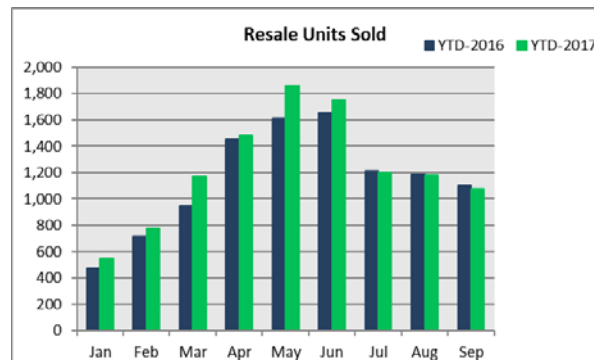
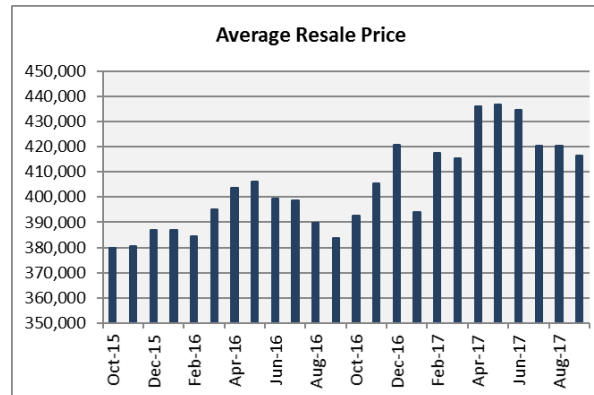
Source: Ottawa Real Estate Board

Ottawa, City*	Q3-16	Q2-17	Q1-17
Average Resale Price	\$390,729	\$435,670	\$419,045
Resale Units Sold	3,505	5,093	3,453

A total of 3,453 units were sold through the MLS system in Q3 2017, a -1.5% decrease from Q3 2016. The average resale price increased 7.3% to reach \$419,045 in Q3 2017 from the previous year.

Ottawa, City*	YTD-16	YTD-17
Average Resale Price	\$394,184	\$421,221
Resale Units Sold	10,352	11,042

* Includes City of Ottawa and surrounding areas where OREB members sold properties (i.e. Carleton Place, Kemptville, Clarence-Rockland, etc.)



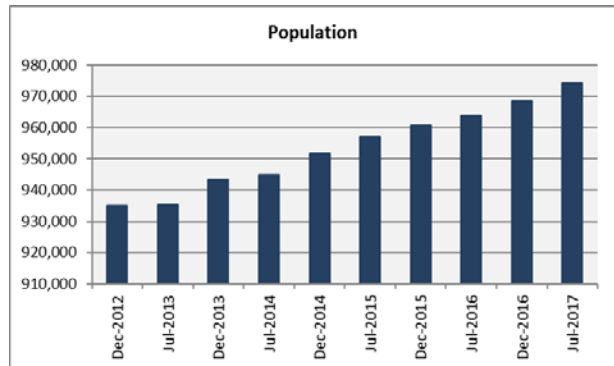
Population

Source: City of Ottawa estimate*

Ottawa, City	Q2-16	Q4-16	Q2-17
Population	963,857	968,580	974,191

*Population estimate reported twice a year

The City of Ottawa population increased by 1.1% over the past year to reach 974,191. Over the long term, the City's population is projected to reach the one million mark in 2019 and 1.2 million people by 2036.

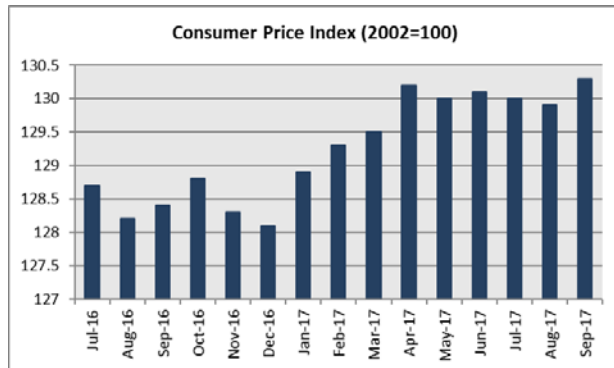


Consumer Price Index (2002=100)

Source: Statistics Canada, CANSIM 326-0020

Ottawa, CMA (ON pt.)	Q3-16	Q2-17	Q3-17
Consumer Price Index	128.4	130.1	130.0
Inflation	1.0%	1.2%	1.3%

The Consumer Price Index saw a slight increase at 130.0 in Q3 2017, up 1.25% from Q3 2016. Inflation increased 0.1% from the previous quarter; and 0.3% from Q3 2016.

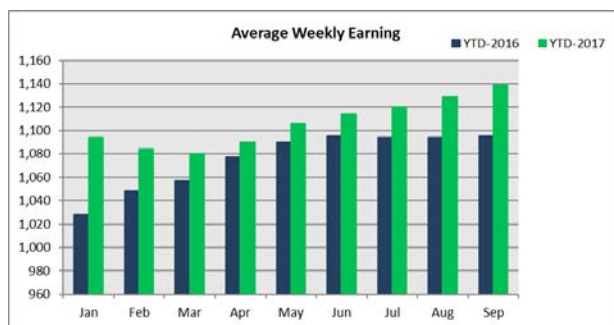


Average Weekly Earning

Source: CMHC Housing Now Report

Ottawa, CMA (ON pt.)	Q3-16	Q2-17	Q3-17
Avg. Weekly Earning	\$1,094	\$1,103	\$1,129

The average weekly earning increased 3.2% in Q3 2017 from Q3 2016. In comparison to the previous quarter, Q3 2017 had an increase of 2.4%.



Economy

Construction Permits, Seasonally Adjusted

Source: Statistics Canada, CANSIM 026-0006

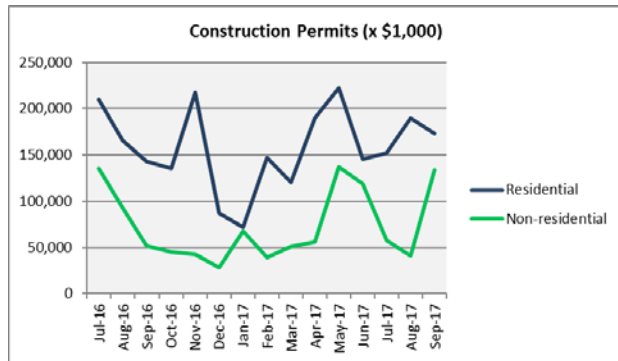
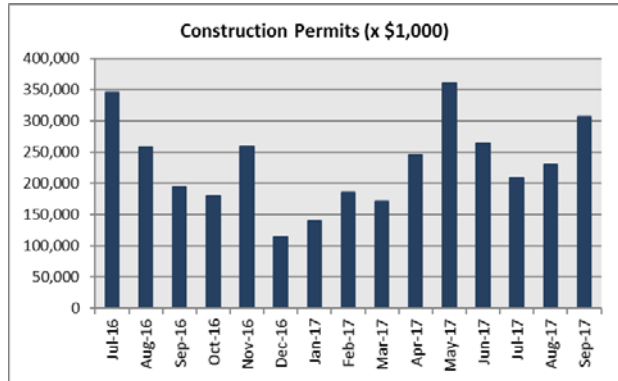
Ottawa, CMA (ON pt.)	Q3-16	Q2-17	Q3-17
Total Permits	\$799,165	\$869,811	\$746,540
Residential	\$518,585	\$557,324	\$514,151
Non-residential	\$280,580	\$312,487	\$232,389

(x \$1,000)

Total construction permits decreased by 6.6% in Q3 2017 from Q3 2016. Residential permits decreased 0.9% and non-residential permits recorded a 17.2% decrease. Compared to the previous quarter, construction permits decreased by 14.2%, led by a decrease of 7.8% in residential permits and a 25.6% decrease in non-residential permits.

Ottawa, CMA (ON pt.)	YTD-16	YTD-17
Total Permits	\$2,127,191	\$2,112,913
Residential	\$1,261,926	\$1,411,059
Non-residential	\$865,265	\$701,854

(x \$1,000)

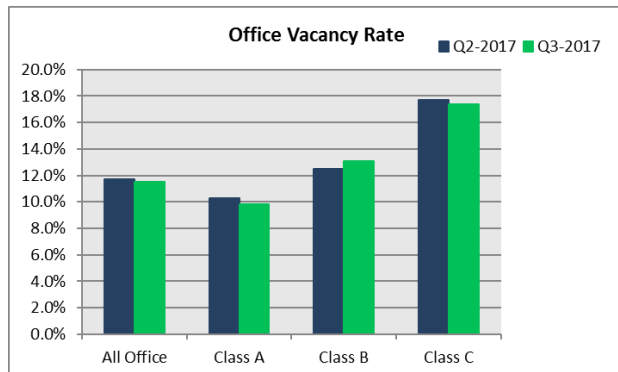


Office Vacancy Rate

Source: Colliers International, Ottawa Office Market Report

Ottawa, City	Q3-16	Q2-17	Q3-17
All Office	12.7%	11.7%	11.5%
Class A	11.4%	10.3%	9.8%
Class B	13.6%	12.5%	13.1%
Class C	18.3%	17.7%	17.4%

The City's office vacancy rate decreased -0.2% from the previous quarter. This decrease is a result from Class A buildings which saw a decrease of -0.5%. Class C also decreased (-0.3%) while Class B (+0.6%) buildings saw an increase in vacancy in Q3 2017 from the previous quarter.



Economy

Retail and Industrial Vacancy Rates*

Source: Cushman & Wakefield, Retail and Industrial Report

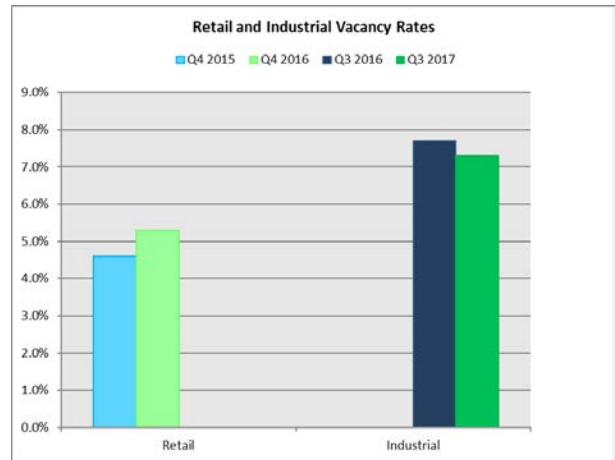
Ottawa, City	Q4-15	Q2-16	Q4-16
Retail Vacancy Rate	4.6%	N/A	5.3%

* Retail is reported twice a year.

Unfortunately, retail vacancy information was not released for Q2 2017 as scheduled. At the end of 2016, retail vacancy rate sat 5.3%, an increase from Q4 2015.

Ottawa, City	Q3-16	Q2-17	Q1-17
Ind. Vacancy Rate	7.7%	7.0%	7.3%

Industrial vacancy rates decreased 0.4% year-over-year, to sit at 7.3% in Q3 2017.



Retail Vacancy by Format*

Source: Cushman & Wakefield, Retail and Industrial Report

Ottawa, City	Q4-15	Q2-16	Q4-16
Regional Malls & Larger Power Centres	3.6%	4.1%	3.7%
Community Malls & Smaller Power Centre	5.4%	5.1%	7.2%
Downtown Core	9.9%	7.0%	4.9%
Neighbourhood Malls	4.4%	6.1%	5.2%

* Retail is reported twice a year.

Unfortunately, retail vacancy information was not released for Q2 2017 as scheduled. The next release is scheduled for Q4 2017.

Except for the downtown core, all other locations experienced an increase in the vacancy rate compared to Q4 2015. Out of the four different retail formats, regional malls and larger power centres had the lowest vacancy with 3.7%.

