



Economic Development Update Q3 2018

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators to the city's economy. The Q3 2018 update covers the months of July, August, and September 2018. This report will be available on a quarterly basis on Ottawa.ca and via an [email subscription](#).

New and Noteworthy in Q4 2018: October, November, and December 2018

- **Ottawa's housing market less vulnerable than national average:** In October 2018, Canadian Mortgage and Housing Corporation (CMHC) reported that Ottawa's housing market had a low degree of vulnerability. The report stated that while Ottawa has seen growth in both demand and prices in recent quarters, the rates of acceleration did not warrant concerns of overvaluation in Ottawa. Nationally, Canada's housing market was highly vulnerable as reported by CMHC. To view the full report, please visit <https://www.cmhc-schl.gc.ca/en/data-and-research/publications-and-reports/housing-market-assessment>.
- **Ottawa Tourism's Ottawa's Own videos:** In October 2018, Ottawa Tourism launched the second series of Ottawa's Own videos. Ottawa's Own is a campaign that aims to ignite a spark among Ottawans and to incite visitation interest amongst millennials. The videos feature a group of talented Ottawa-based makers, artists, and entrepreneurs who highlight their contribution to the city and some of the city's most exciting features. For more information, visit www.ottawasown.ca.
- **New Central Library:** After a review of 33 submissions, including architectural firms from around the world, and a shortlist of five finalists, the evaluation committee for the new joint facility shared by Ottawa Public Library and Library and Archives Canada has recommended entering into negotiations with the consortium of Diamond Schmitt Architects and KWC Architects. For more information on the new central library, please visit Ottawacentrallibrary.ca.

What Happened in Q3 2018: July, August, and September 2018

- **Ottawa Film Office Sound Stage:** In August 2018, the Ottawa Film Office announced its proposal for a \$40-million sound stage and creative hub on the site of the former Greenbelt Research Farm on Woodroffe Avenue. The sound stage will create upwards of 500 new jobs and invest an additional \$40 million in the local economy in the first few years alone. In November 2018, the National Capital Commission approved the proposal. For more information on the sound stage, please visit Ottawa.Film.
- **Ottawa Tourism's Customer Service Training:** In August 2018, Ottawa Tourism, working with Algonquin College and La Cite, launched the Ottawa Host Customer Service Training, a free training tool aimed at empowering hotel, attraction, restaurant, and transportation frontline staff with the knowledge and information needed to provide outstanding customer service to Ottawa visitors. The training tool, which consists of two modules, is one of the legacy projects from Ottawa 2017 and it is open to residents. The training is available on the Ottawa Tourism website.
- **Ottawa ranked top among North American tech hubs with growth:** In July 2018, real estate services firm CBRE released a tech talent scorecard that ranked major North American markets across 13 metrics including tech job growth, office rents, population trends, educational levels and housing costs. Ottawa ranked number one among North American tech hubs as the fastest growing tech talent markets. Overall, Ottawa ranked 13th among the 50 markets surveyed based on its depth of talent, vitality, and attractiveness to employers. To view the tech talent scorecard, please visit CBRE.com.

Snapshot

	Q3-2017	Q2-2018	Q3-2018	Status Compared to Q3-2017
Employed Labour Force	576,100	586,800	586,000	Positive ✓
Unemployment Rate	6.1%	4.2%	4.5%	Positive ✓
Participation Rate	67.7%	67.8%	67.3%	Neutral ○
Housing Starts	1,919	1,871	1,920	Neutral ○
Average Resale Price	\$419,129	\$456,560	\$441,165	Positive ✓
Resale Units Sold	3,453	5,025	3,472	Neutral ○
Population	N/A	985,469	N/A	Neutral ○
Inflation	1.3%	2.3%	3.1%	Positive ✓
Average Weekly Earning	\$1,129	\$1,133	\$1,134	Positive ✓
Construction Permit Value	\$746,540	\$759,684	\$861,812	Positive ✓
Office Vacancy Rate	11.5%	10.3%	10.1%	Positive ✓
Retail Vacancy Rate	N/A	N/A	N/A	Neutral ○
Industrial Vacancy Rate	7.3%	5.5%	4.1%	Positive ✓

Please refer to individual tables below for more details.

Labour Force

Labour Force, Seasonally Adjusted, 3-Month Moving Average

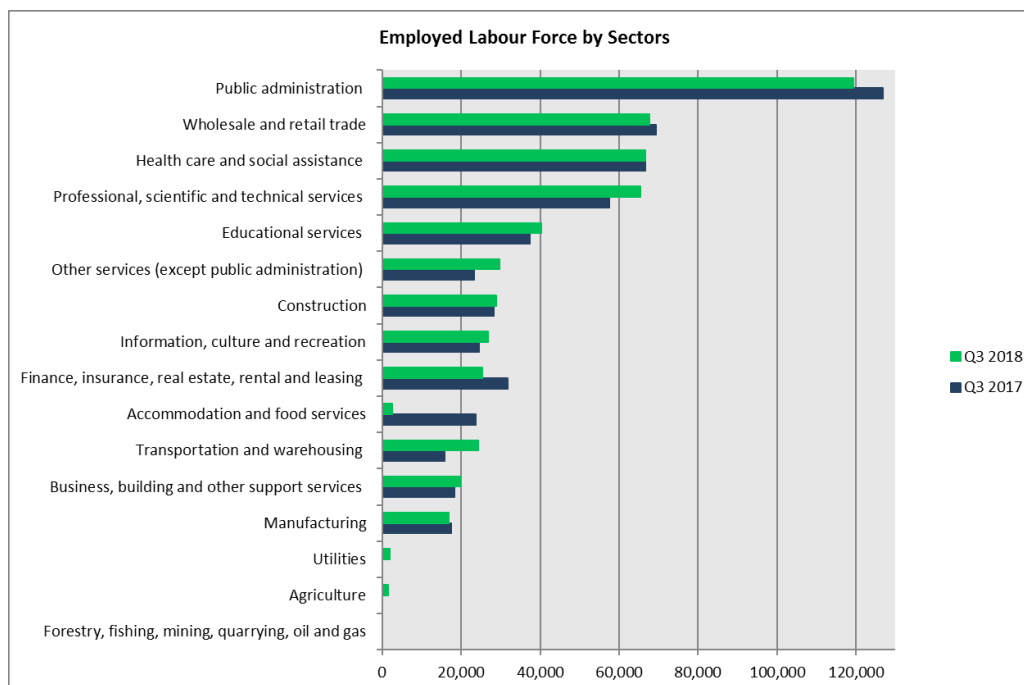
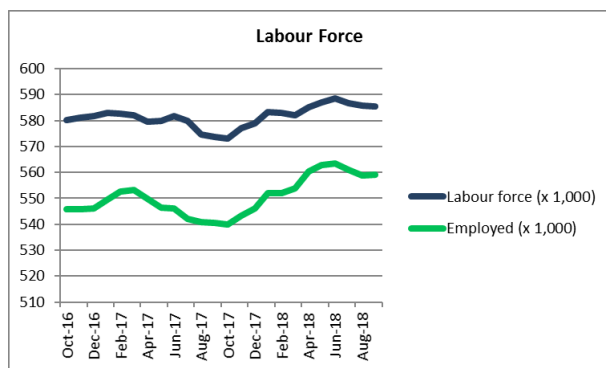
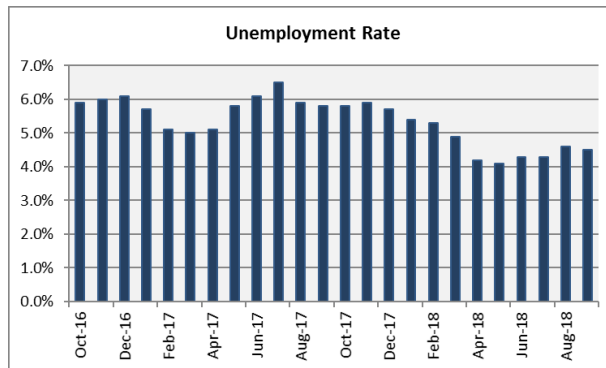
Source: Statistics Canada, Table 14-10-0294-01

Ottawa, CMA (ON pt.)	Q3-17	Q2-18	Q3-18
Labour Force*	576.1	586.8	586.0
Employed*	541.1	562.1	559.7
Unemployed*	35.0	24.7	26.3
Unemployment Rate	6.1%	4.2%	4.5%
Participation Rate	67.7%	67.8%	67.3%

*(x 1,000)

Employed residents (3.4%) and labour force (1.7%) both increased over the past year. The unemployment rate decreased 1.6% in Q3 2018 from Q3 2017. The Transportation and Warehousing, Other Services (except Public Administration) and the Professional, Scientific and Technical Services sectors all saw the largest increase in Q3 2018 from Q3 2017, with the Finance, Insurance, Real Estate, Rental and Leasing sector experiencing the largest decrease.

Ottawa, CMA (ON pt.)	YTD-17	YTD-18
Unemployment Rate	5.7%	4.6%
Participation Rate	68.4%	67.6%



Housing

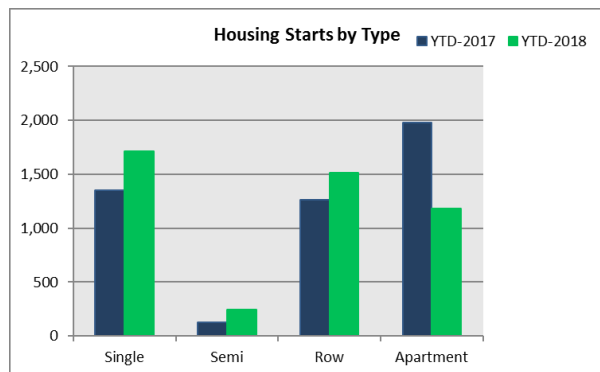
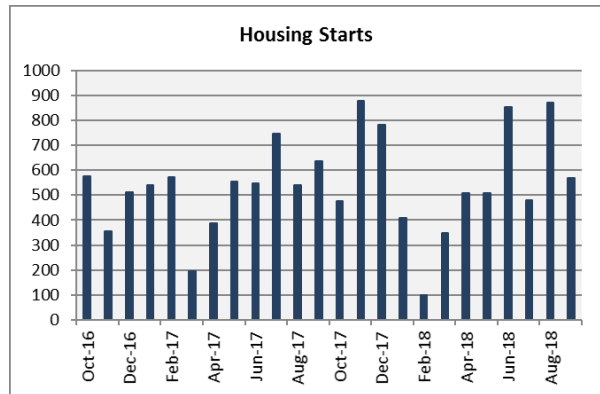
Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q3-17	Q2-18	Q3-18
Housing Starts	1,919	1,871	1,920
Single	527	646	764
Semi	42	66	116
Row	575	719	571
Apartment	775	440	469

Housing starts were steady in Q3 2018 from Q3 2017. Singles (45.0%), semis (176.2%) increased in Q3 2018 from Q3 2017, while row units (-0.7%) and apartments (-39.5%) decreased.

Ottawa, City	YTD-17	YTD-18
Housing Starts	4,713	4,648
Single	1,349	1,712
Semi	125	244
Row	1,260	1,512
Apartment	1,979	1,180



Housing Sales

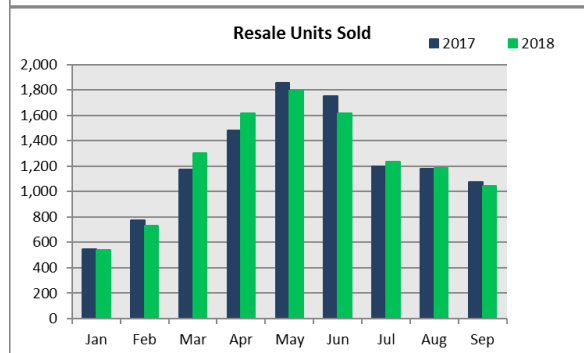
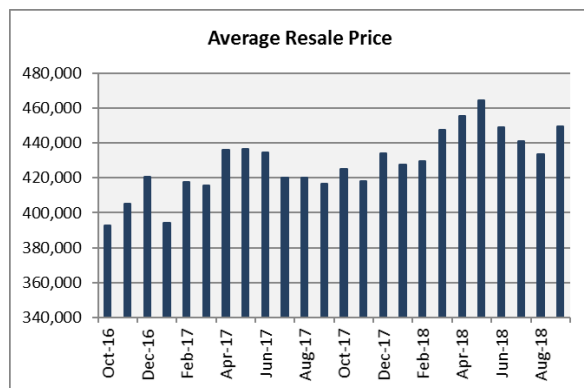
Source: Ottawa Real Estate Board

Ottawa, City*	Q3-17	Q2-18	Q3-18
Average Resale Price	\$419,129	\$456,560	\$441,165
Resale Units Sold	3,453	5,025	3,472

A total of 3,472 units were sold through the MLS system in Q3 2018, a 0.6% increase from Q3 2017. The average resale price increased 5.3% to reach \$441,165 in Q3 2018 from the previous year.

Ottawa, City*	YTD-17	YTD-18
Average Resale Price	\$425,003	\$447,480
Resale Units Sold	11,042	11,067

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



Living

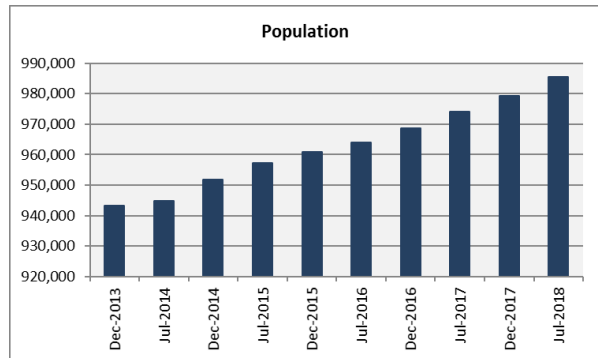
Population

Source: City of Ottawa estimate*

Ottawa, City	Q2-17	Q4-17	Q2-18
Population	974,191	979,173	985,469

*Population estimate reported twice a year

The City of Ottawa population increased by 1.2% over the past year to reach 985,469. Over the long term, the City's population is projected to reach the one million mark in 2019-2020.

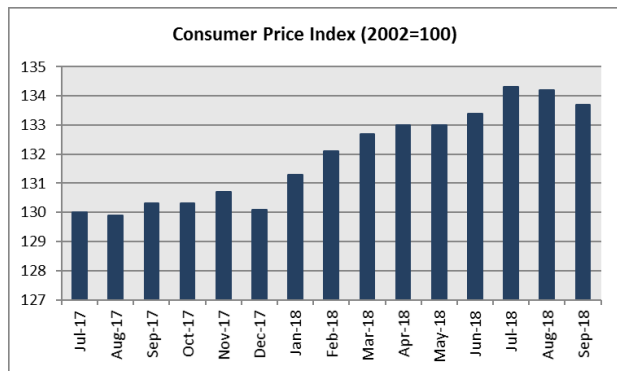


Consumer Price Index (2002=100)

Source: Statistics Canada, Table 18-10-0004-01

Ottawa, CMA (ON pt.)	Q3-17	Q2-18	Q3-18
Consumer Price Index	130.1	133.1	134.1
Inflation	1.3%	2.3%	3.1%

The Consumer Price Index saw a slight increase at 134.1 in Q3 2018, up 3.1% from Q3 2017. Inflation increased 0.8% from the previous quarter, and 1.8% from Q3 2017.

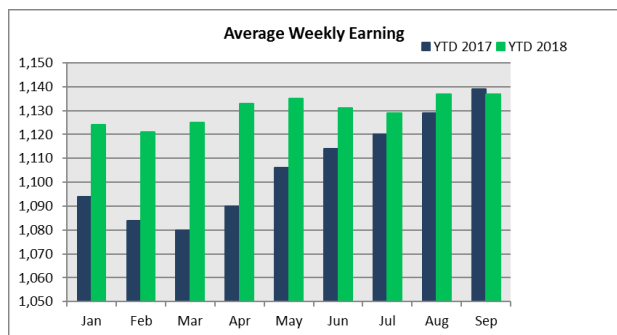


Average Weekly Earning

Source: CMHC Housing Now Report

Ottawa, CMA (ON pt.)	Q3-17	Q2-18	Q3-18
Avg. Weekly Earning	\$1,129	\$1,133	\$1,134

The average weekly earning increased 0.4% in Q3 2018 from Q3 2017. In comparison to the previous quarter, Q3 2018 had an increase of 0.1%.



Economy

Construction Permits, Seasonally Adjusted

Source: Statistics Canada, Table 34-10-0066-01

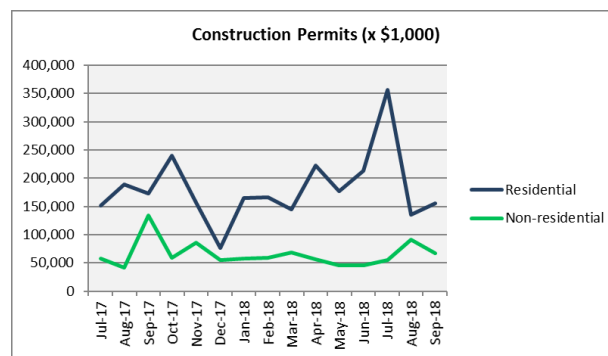
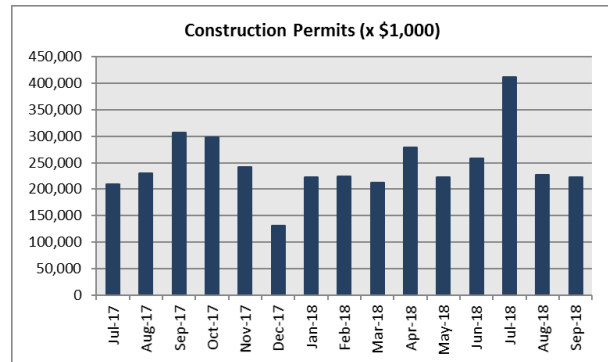
Ottawa, CMA (ON pt.)	Q3-17	Q1-18	Q3-18
Total Permits	\$746,540	\$759,684	\$861,812
Residential	\$514,151	\$612,326	\$648,037
Non-residential	\$232,389	\$147,358	\$213,775

(x \$1,000)

Total construction permits increased by 15.4% in Q3 2018 from Q3 2017. Residential permits increased 26.0% while non-residential permits decreased 8.0%. Compared to the previous quarter, construction permits increased 13.4%, led by an increase of 45.1% in non-residential permits and an increase of 5.8% in residential permits.

Ottawa, CMA (ON pt.)	YTD-17	YTD-18
Total Permits	\$2,112,913	\$2,282,217
Residential	\$1,411,059	\$1,735,037
Non-residential	\$701,854	\$547,180

(x \$1,000)

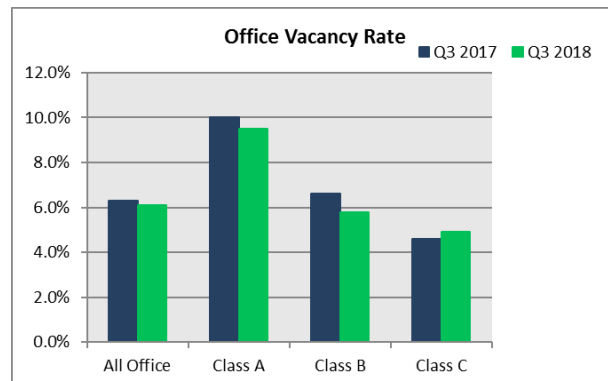


Office Vacancy Rate

Source: CoStar Realty Information Inc.

Ottawa, City	Q3-17	Q2-18	Q3-18
All Office	6.3%	6.3%	6.1%
Class A	10.0%	9.8%	9.5%
Class B	6.6%	5.9%	5.8%
Class C	4.6%	5.3%	4.9%

The City's office vacancy rate decreased 0.2% in Q3 2018 from Q3 2017. Class A and B buildings experienced a decrease in vacancy in Q3 2018 from Q3 2017, while Class C buildings experienced a slight increase.



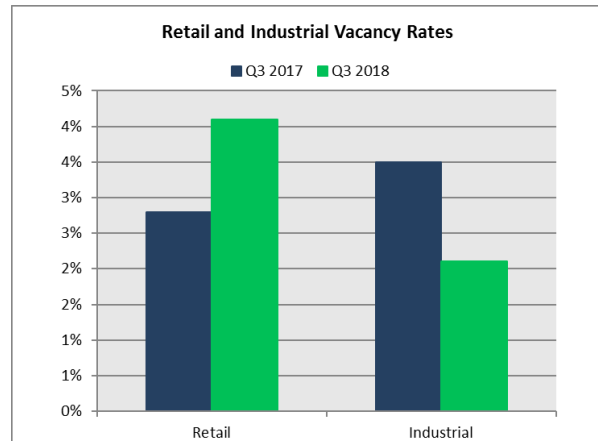
Economy

Retail and Industrial Vacancy Rates

Source: CoStar Realty Information Inc.

Ottawa, City	Q3-17	Q2-18	Q3-18
Retail Vacancy Rate	2.8%	3.6%	4.1%
Ind. Vacancy Rate	3.5%	2.7%	2.1%

Retail vacancy rate increased 1.3% year-over-year, to sit at 4.1% in Q3 2018. From the previous quarter, the vacancy rate increase 0.5%. The industrial vacancy rate decreased 1.4% year-over-year, to sit at 2.1% in Q3 2018, which is a 0.6% decrease from the previous quarter.

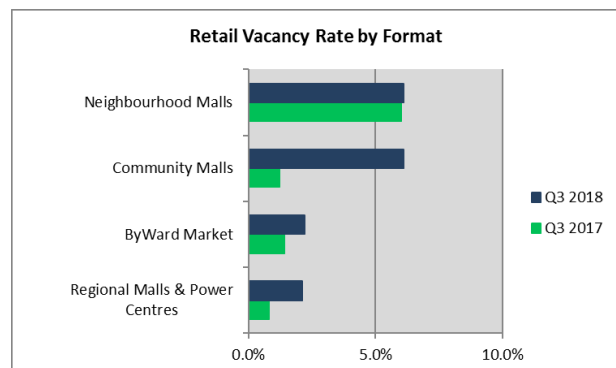
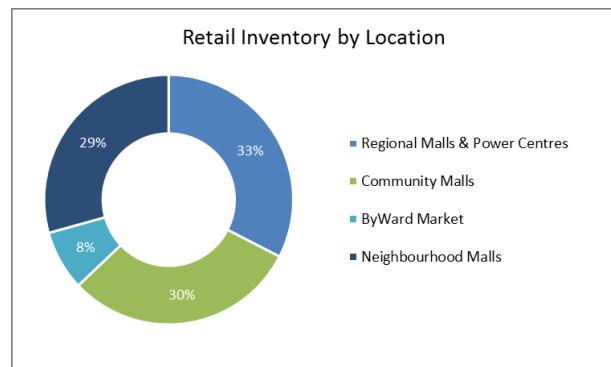


Retail Vacancy by Format

Source: CoStar Realty Information Inc.

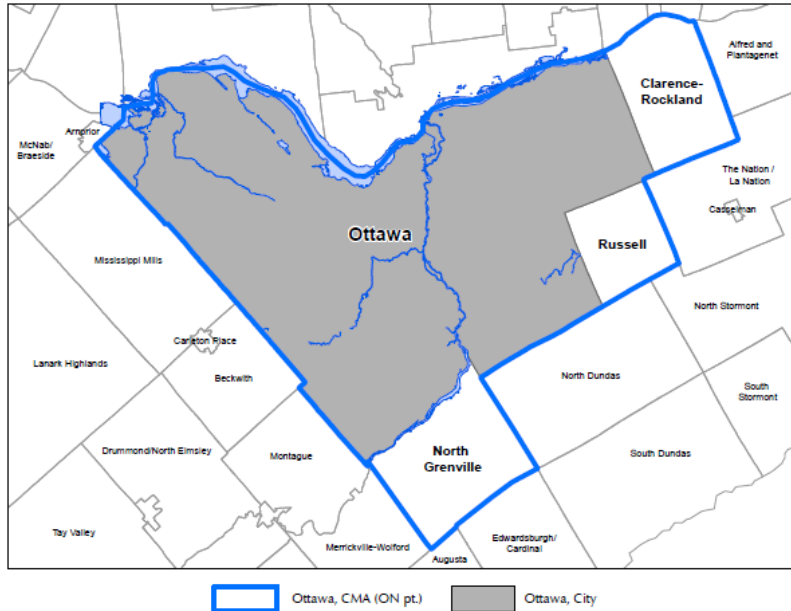
Ottawa, City	Q3-17	Q2-18	Q3-18
Regional Malls & Power Centres	0.8%	1.9%	2.1%
Community Malls	1.2%	3.8%	6.1%
ByWard Market	1.4%	1.7%	2.2%
Neighbourhood Malls	6.0%	6.0%	6.1%

All retail formats experienced an increase in vacancy from Q3 2017 to Q3 2018. Community Malls experience the largest increase in vacancy (4.9%); however, this could be attributed to a large increase in inventory over the same period. Regional Malls and Power Centres saw an increase of 1.3% year-over-year, while the ByWard Market (0.8%) and Neighbourhood Malls (0.1%) experiences smaller increases in vacancy rates from Q3 2017 to Q3 2018.



Note:

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.



“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.