



Economic Development Update Q4 2017

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators to the city's economy. The Q4 2017 update covers the months of October, November, and December 2017. This report will be available on a quarterly basis on Ottawa.ca and via an [email subscription](#).

New and Noteworthy in Q1 2018: January, February, and March 2018

- **Ottawa ranked 5th Millennial Hot Spot in 2018:** In February 2018, Point2Homes released a [report](#) that ranked 85 Canadian cities to find out where millennials were likely to live. The cities were ranked on eight criteria: housing affordability, unemployment rate, life satisfaction, low crime rate, healthcare, level of education, and the percentage of millennials of the total population. Ottawa ranked 5th after (1) Quebec City, QC, (2) Victoria, BC, (3) Guelph, ON, and (4) Halifax, NS.
- **Affordable Housing funding:** In February 2018, the City received more than \$54 million in funding to build new affordable and supportive housing. The funds, which are part of the joint federal and provincial Investment in Affordable Housing agreement, will provide an additional 675 units of affordable/supportive housing. The City of Ottawa has contributed more than \$20 million to these projects. For the list of projects that received funding, please visit [Ottawa.ca](#).
- **Invest Ottawa's Strategic Plan:** In January 2018, Invest Ottawa, lead economic development agency for the City of Ottawa, launched a new five-year Strategic Plan that aims to help equip more companies for success, create new high-value jobs, attract new investment, and drive the growth of our economy. Building on consultations with more than 1,500 stakeholders across the Capital Region, this plan defines a compelling vision and mission, and four integrated strategic thrusts with defined objectives, actions and measures. If you would like to learn more about Invest Ottawa's five-year strategic plan you can: [download the presentation](#); watch Michael Tremblay, President and CEO of Invest Ottawa and Bayview Yards [deliver the presentation](#); [hear directly from Ottawa entrepreneurs and industry leaders](#) about the plan, and the value of each

core concept; and/or, contact Sonya Sorey, Vice President, Marketing and Communications, Invest Ottawa and Bayview Yards at sshorey@investottawa.ca.

What Happened in Q4 2017: October, November, and December 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.
- **City infrastructure connects vehicles to traffic signals for a safer, smoother, greener trip:** In November 2017, the city launched the Assisted Commercial Vehicle Eco-Driving Pilot Project with its partners Transport Canada and the Ontario Ministry of Transportation. This project is a one-year initiative that is currently running along a six-kilometre stretch of Hunt Club Road, between Cleopatra Drive and Uplands Drive. The corridor has 12 connected traffic signals, supported by the City's signal and traffic control system and Traffic Technology Services' analysis system. These systems communicate with connected vehicles, providing information on when a traffic signal will change. The information helps drivers determine optimum speeds to reduce fuel consumption and emissions and avoid hard braking.
- **Ottawa Tourism:** In December 2017, Ottawa Tourism teamed up with local start-up MC2 to launch its new Tourism Assistant, a gamified, learning chatbot named Faya. Faya offers a fun, new, and interactive approach to exploring Ottawa's top sites and outdoor activities. Faya invites people to go to a site nearby and do activities upon arrival using Facebook Messenger, delivering an integrated experience. For more information on how to use Faya, visit ottawatourism.ca.

Snapshot

	Q4-2016	Q3-2017	Q4-2017	Status Compared to Q4-2016
Employed Labour Force	546,000	541,100	543,100	Negative ✘
Unemployment Rate	6.0%	6.1%	5.8%	Positive ✔
Participation Rate	69.1%	67.7%	67.4%	Negative ✘
Housing Starts	1,439	2,098	2,288	Positive ✔
Average Resale Price	\$403,689	\$419,045	\$424,647	Positive ✔
Resale Units Sold	2,272	3,453	2,493	Positive ✔
Population	968,580	N/A	979,173	Positive ✔
Inflation	1.4%	1.3%	1.5%	Neutral ○
Average Weekly Earning	\$1,089	\$1,129	\$1,136	Positive ✔
Construction Permit Value	\$554,594	\$746,540	\$672,395	Positive ✔
Office Vacancy Rate	12.4%	11.5%	11.4%	Positive ✔
Retail Vacancy Rate	5.3%	N//A	5.5%	Neutral ○
Industrial Vacancy Rate	7.7%	7.3%	6.3%	Positive ✔

Please refer to individual tables below for more details.

Labour Force

Labour Force, Seasonally Adjusted, 3-Month Moving Average

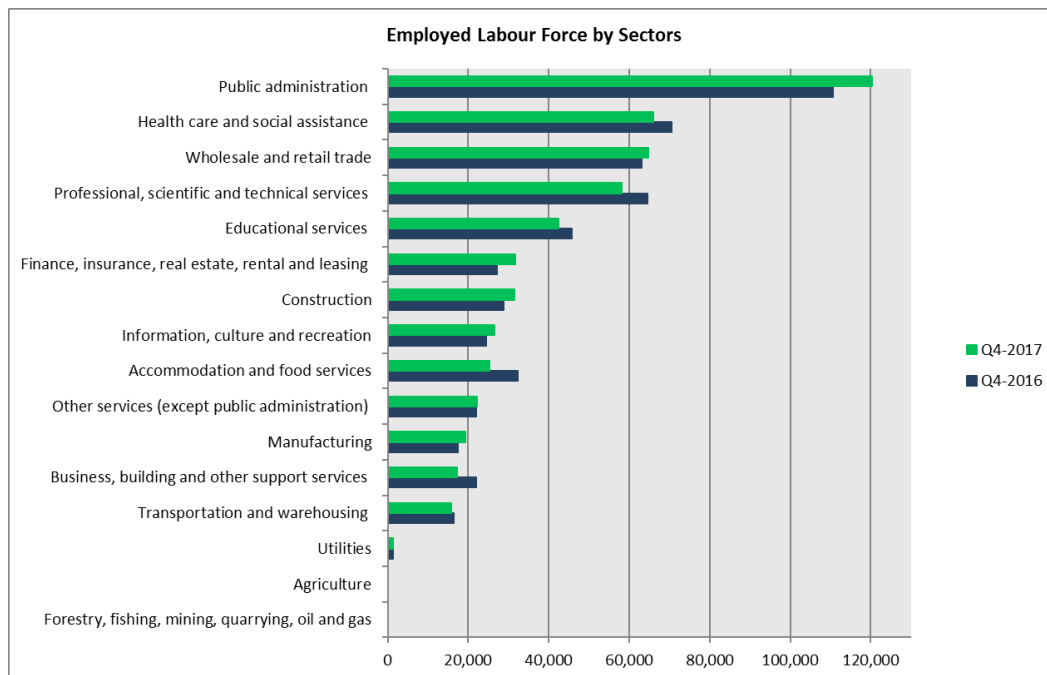
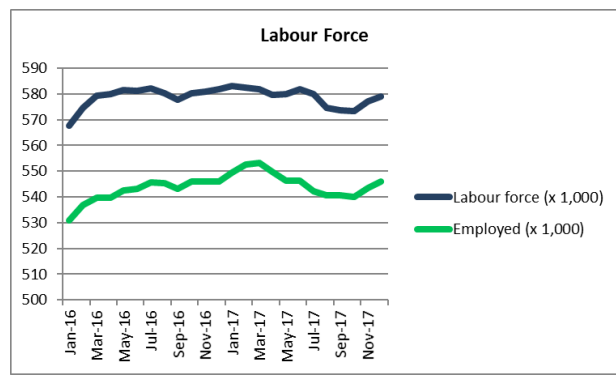
Source: Statistics Canada, CANSIM 282-0135

Ottawa, CMA (ON pt.)	Q4-16	Q3-17	Q4-17
Labour Force*	580.9	576.0	576.5
Employed*	546.0	541.1	543.1
Unemployed*	35.0	34.9	33.3
Unemployment Rate	6.0%	6.1%	5.8%
Participation Rate	69.1%	67.7%	67.4%

*(x 1,000)

Employed residents (-0.5%) and labour force (-0.8%) both decreased slightly over the past year. The unemployment rate decreased at 0.2% in Q4 2017 from Q4 2016. The Finance, Insurance, Real Estate, Rental and Leasing and Manufacturing sectors both saw the largest increase in Q4 2017 from Q4 2016 with Accommodation and Food Services and the Business, Building, and Other Support Services sectors experiencing the largest decreases.

Ottawa, CMA (ON pt.)	YE-16	YE-17
Unemployment Rate	6.4%	5.7%
Participation Rate	69.3%	68.2%



Housing

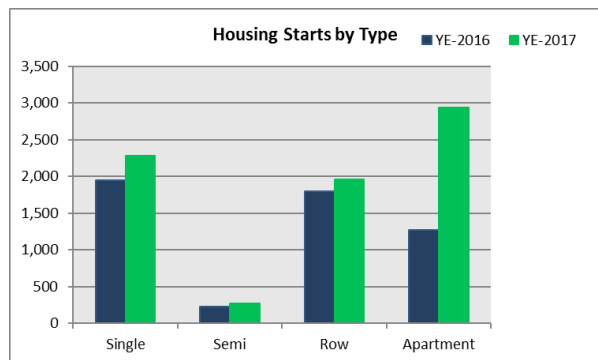
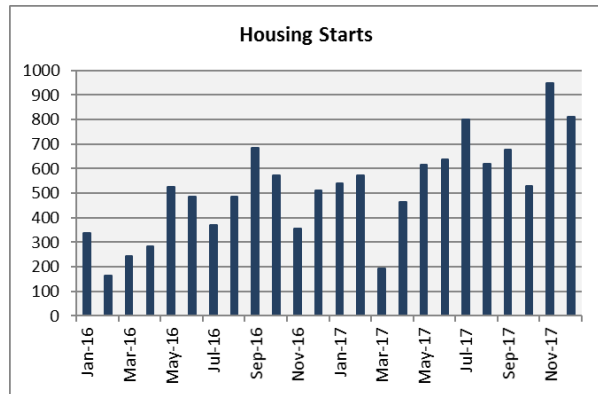
Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q4-16	Q3-17	Q4-17
Housing Starts	1,439	2,098	2,288
Single	549	636	707
Semi	58	54	114
Row	472	599	651
Apartment	360	809	816

Housing starts increased 59.0% in Q4 2017 from Q4 2016. All housing types increased in Q4 2017 from Q4 2016. Apartments saw the largest increase followed by semi units, row units, and then singles.

Ottawa, City	YE-16	YE-17
Housing Starts	5,243	7,457
Single	1,944	2,283
Semi	226	271
Row	1,795	1,961
Apartment	1,275	2,942



Housing Sales

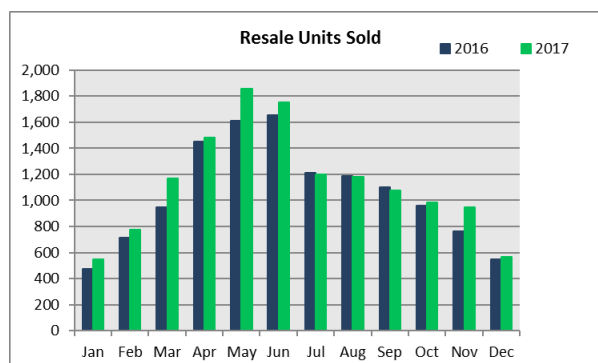
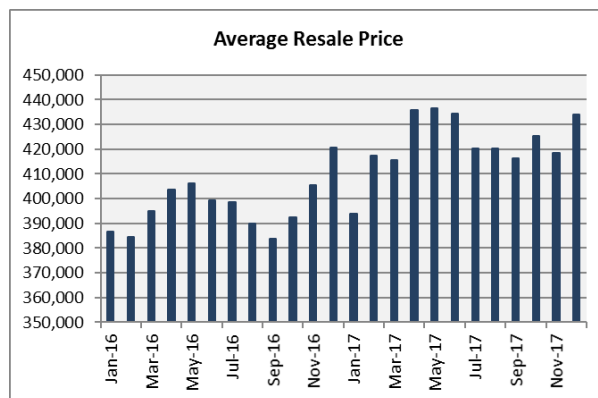
Source: Ottawa Real Estate Board

Ottawa, City*	Q4-16	Q3-17	Q4-17
Average Resale Price	\$403,689	\$419,129	\$424,647
Resale Units Sold	2,272	3,453	2,493

A total of 2,493 units were sold through the MLS system in Q4 2017, a 9.7% increase from Q4 2016. The average resale price increased 5.2% to reach \$424,647 in Q4 2017 from the previous year.

Ottawa, City*	YE-16	YE-17
Average Resale Price	\$397,524	\$424,937
Resale Units Sold	12,624	13,535

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



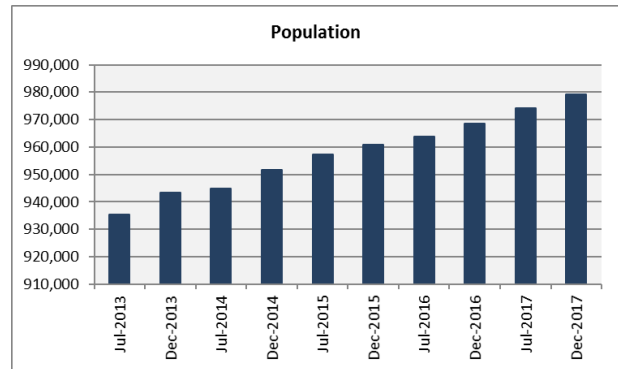
Population

Source: City of Ottawa estimate*

Ottawa, City	Q4-16	Q2-17	Q4-17
Population	968,580	974,191	979,173

*Population estimate reported twice a year

The City of Ottawa population increased by 1.1% over the past year to reach 979,173. Over the long term, the City's population is projected to reach the one million mark in 2019-2020.

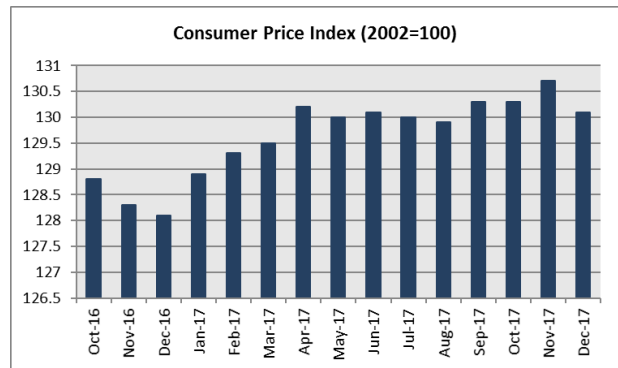


Consumer Price Index (2002=100)

Source: Statistics Canada, CANSIM 326-0020

Ottawa, CMA (ON pt.)	Q4-16	Q3-17	Q4-17
Consumer Price Index	128.4	130.0	130.4
Inflation	1.4%	1.3%	1.5%

The Consumer Price Index saw a slight increase at 130.4 in Q4 2017, up 1.56% from Q4 2016. Inflation increased 0.2% from the previous quarter, and 0.1% from Q4 2016.

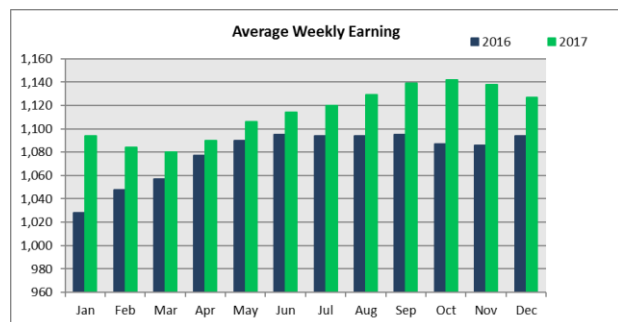


Average Weekly Earning

Source: CMHC Housing Now Report

Ottawa, CMA (ON pt.)	Q4-16	Q3-17	Q4-17
Avg. Weekly Earning	\$1,089	\$1,129	\$1,136

The average weekly earning increased 4.3% in Q4 2017 from Q4 2016. In comparison to the previous quarter, Q4 2017 had an increase of 0.6%.



Economy

Construction Permits, Seasonally Adjusted

Source: Statistics Canada, CANSIM 026-0006

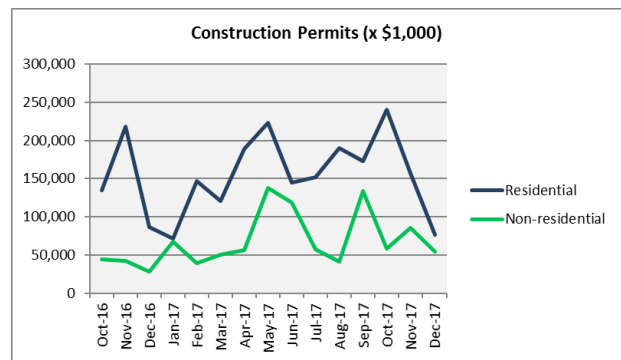
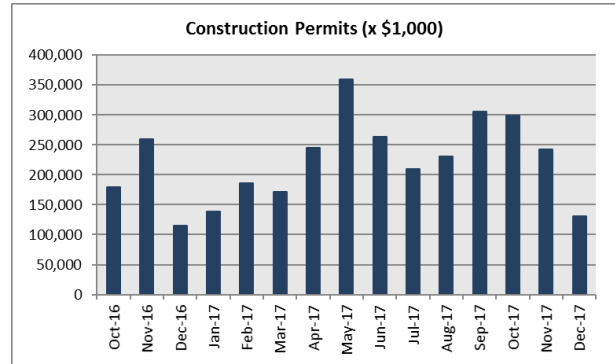
Ottawa, CMA (ON pt.)	Q4-16	Q3-17	Q4-17
Total Permits	\$554,594	\$746,540	\$672,395
Residential	\$439,551	\$514,151	\$472,878
Non-residential	\$115,043	\$232,389	\$199,517

(x \$1,000)

Total construction permits increased by 21.2% in Q4 2017 from Q4 2016. Residential permits increased 7.6% and non-residential permits recorded a 73.4% increase. Compared to the previous quarter, construction permits decreased 9.9%, led by a decrease of 14.2% in non-residential permits and an 8.0% decrease in residential permits.

Ottawa, CMA (ON pt.)	YE-16	YE-17
Total Permits	\$2,681,785	\$2,785,308
Residential	\$1,701,477	\$1,883,937
Non-residential	\$980,308	\$901,371

(x \$1,000)

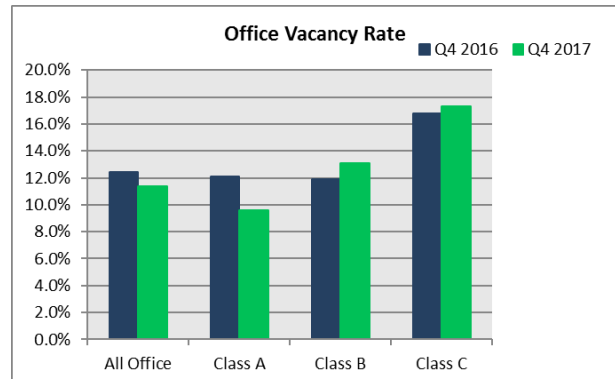


Office Vacancy Rate

Source: Colliers International, Ottawa Office Market Report

Ottawa, City	Q4-16	Q3-17	Q4-17
All Office	12.4%	11.5%	11.4%
Class A	12.1%	9.8%	9.6%
Class B	11.9%	13.1%	13.1%
Class C	16.8%	17.4%	17.3%

The City's office vacancy rate decreased -1.0% in Q4 2017 from Q4 2016. This decrease is a result from Class A buildings which saw a decrease of -2.5%. Class C (0.5%) and Class B (1.2%) buildings both saw an increase in vacancy in Q4 2017 from Q4 2016.



Economy

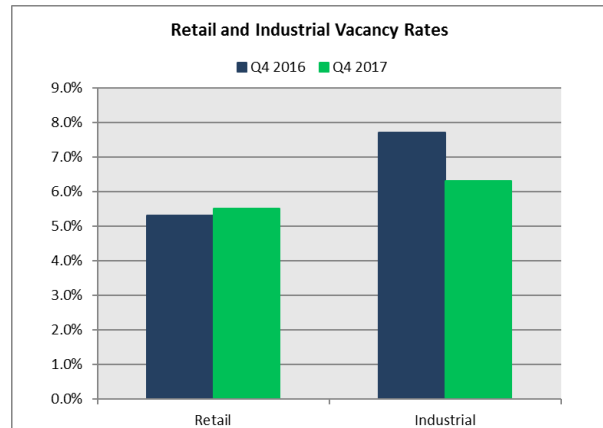
Retail and Industrial Vacancy Rates*

Source: Cushman & Wakefield, Retail and Industrial Report

Ottawa, City	Q4-16	Q3-17	Q4-17
Retail Vacancy Rate	5.3%	N/A	5.5%
Ind. Vacancy Rate	7.7%	7.3%	6.3%

* Retail is reported twice a year.

Retail vacancy rate increased 0.2% in Q4 2017 from Q4 2016. Conversely, the industrial vacancy decreased -1.4% year-over-year, to sit at 6.3% in Q4 2017.



Retail Vacancy by Format*

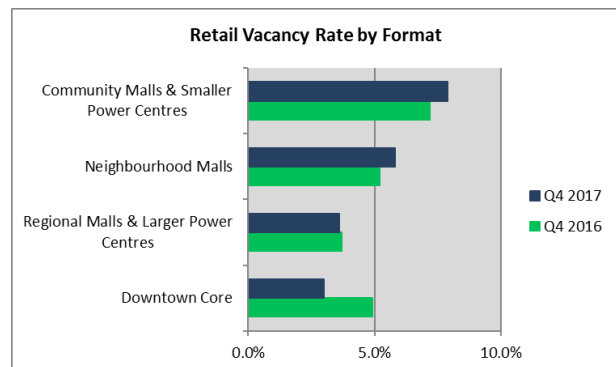
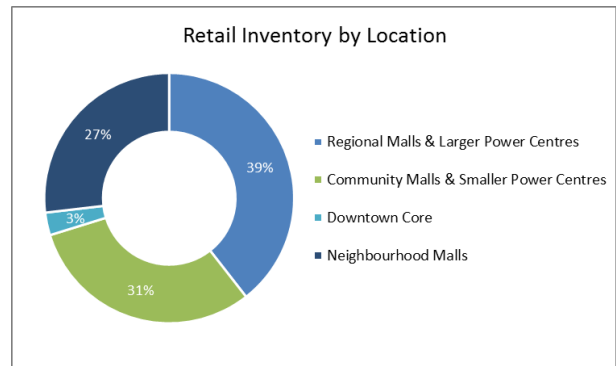
Source: Cushman & Wakefield, Retail and Industrial Report

Ottawa, City	Q4-16	Q2-17	Q4-17
Regional Malls & Larger Power Centres	3.7%	N/A	3.6%
Community Malls & Smaller Power Centres	7.2%	N/A	7.9%
Downtown Core	4.9%	N/A	3.0%
Neighbourhood Malls	5.2%	N/A	5.8%

* Retail is reported twice a year.

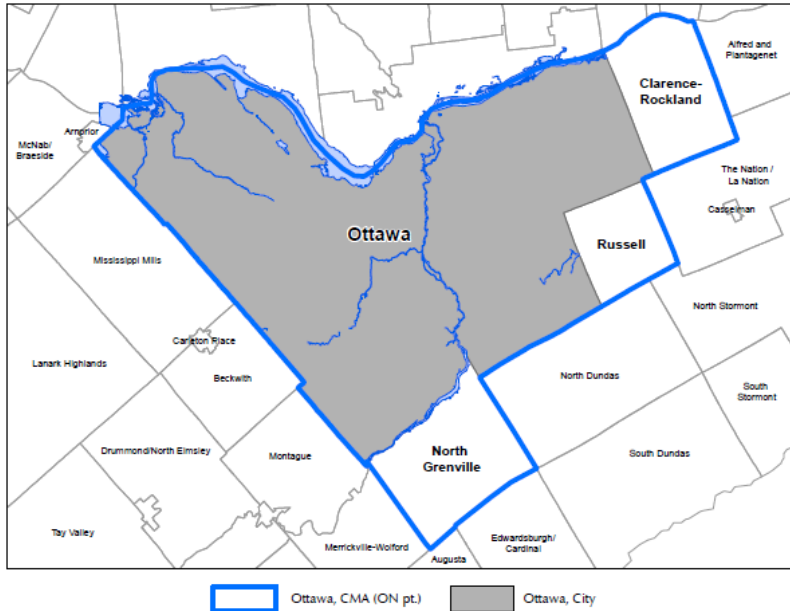
Unfortunately, retail vacancy information was not released for Q2 2017 as scheduled.

Regional Malls and Larger Power Centres (-0.1%) and the Downtown Core (-1.9%) experienced decreases in the vacancy rate in Q4 2017 from Q4 2016, while Community Malls and Smaler Power Centres (0.7%) and Neighbourhood Malls (0.6%) experienced increases in the vacancy rate. Out of the four different retail formats, the Downtown Core had the lowest vacancy with 3.0%.



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.