



## Economic Development Update Q4 2018

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators to the city's economy. The Q4 2018 update covers the months of October, November, and December 2018. This report will be available on a quarterly basis on Ottawa.ca and via an [email subscription](#).

### New and Noteworthy in Q1 2019: January, February, and March 2019

- **City of Ottawa named one of the top and best employers:** In January 2019, the City of Ottawa was named one of the [National Capital Region's Top Employers](#) by Canada's Top 100 Employers and [Forbes](#) identified the City of Ottawa as one of the best employers in Canada. The National Capital Region's Top Employers uses criteria such as performance management, training and skills development, and community development while Forbes identifies top employers as those doing the most for its employees.
- **Nokia Canada adding jobs to Ottawa:** In January 2019, the federal government pledged up to \$40 million in funding for Nokia Canada alongside \$12.4 million from the Ontario government. Portion of funding will go to creating 237 new jobs at the company's Canadian operations, the vast majority of which will be in Kanata.
- **Shopify named Canada's most valuable tech firm:** In February 2019, Shopify was named Canada's most valuable tech firm as its shares on the Toronto Stock Exchange officially took the top spot. Shopify's shares have risen more than 500 per cent since the firm debuted in 2015. The company now employs more than 3,000 people globally and has branched out from its Elgin Street headquarters to a building nearby on Laurier Avenue to make room for its Ottawa expansion.
- **Blackberry QNX adding jobs to Ottawa:** In February 2019, the federal government announced it is adding \$40 million to a \$310.5 million pledge from Blackberry aimed at supporting the development of self-driving car technologies in Kanata. The spending will come over the next 10 years and is expected to create a total of 800 new jobs and nearly 1,000 co-op placements.

## What Happened 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 has 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 do not yet warrant concerns of overvaluation in Ottawa. Nationally, Canada's housing market remains 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>.
- **Ford to add 300 jobs to Kanata-South:** In December 2018, it was confirmed that Ford Motor Co. is taking 40,000 square feet at 800 Palladium Drive, which is slated for completion in 2020. Ford already leases space nearby. This new and additional space will see the auto company add more than 300 engineering jobs to Kanata-South.
- **Ottawa to welcome travel journalist from around the world:** In October 2018, Ottawa Tourism announced it will host 330 Canadian travel industry professionals and international travel media in August 2019 as part of GoMedia Canada 2019. Ottawa Tourism will host, in partnership with Destination Canada. The event will see national and international travel writers from Canada, United States, Australia, China, France, Germany, India, Japan, Mexico, South Korea, and the United Kingdom. For more information on the event, please visit [Ottawa Tourism](#).

## Snapshot

	Q4-2017	Q3-2018	Q4-2018	Status Compared to Q4-2017
Employed Labour Force	576,500	586,000	583,000	Positive ✓
Unemployment Rate	5.8%	4.5%	4.8%	Positive ✓
Participation Rate	67.4%	67.3%	66.6%	Neutral ○
Housing Starts	2,136	1,920	2,302	Positive ✓
Average Resale Price	\$424,647	\$441,165	\$442,554	Positive ✓
Resale Units Sold	2,493	3,472	2,400	Neutral ○
Population	979,173	N/A	991,429	Neutral ○
Inflation	1.5%	3.1%	2.4%	Negative ✗
Average Weekly Earning	\$1,136	\$1,134	\$1,146	Positive ✓
Construction Permit Value	\$672,395	\$861,812	\$728,004	Positive ✓
Office Vacancy Rate	6.3%	6.1%	5.6%	Positive ✓
Retail Vacancy Rate	3.0%	4.2%	3.9%	Negative ✗
Industrial Vacancy Rate	3.2%	2.1%	2.6%	Positive ✓

Please refer to individual tables below for more details.

# Labour Force

## Labour Force, Seasonally Adjusted, 3-Month Moving Average

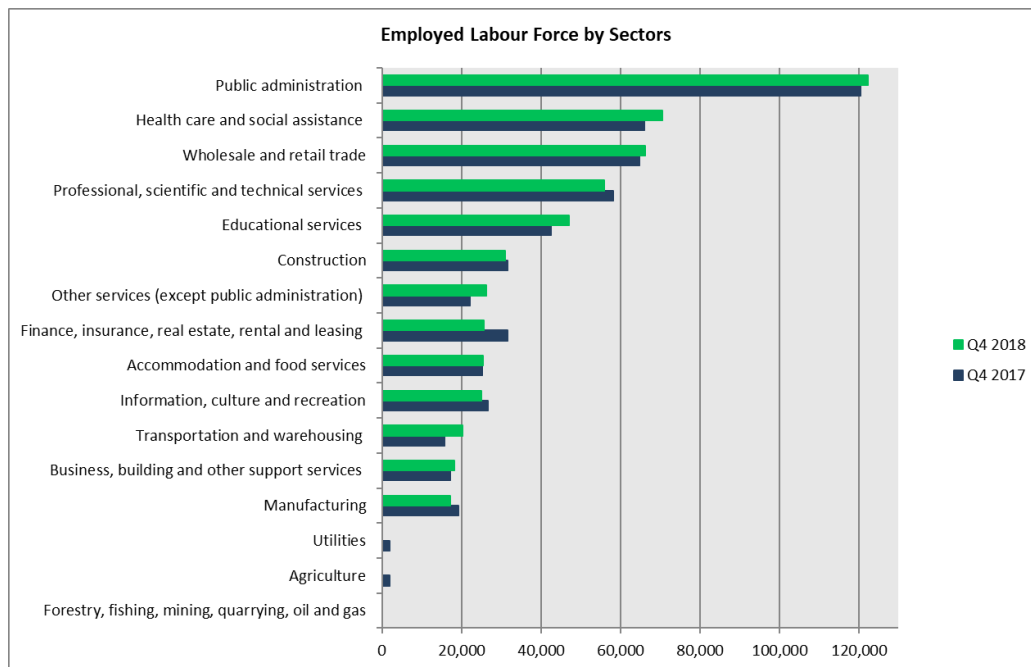
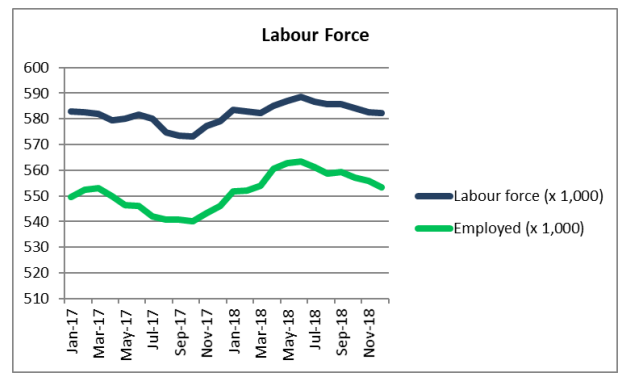
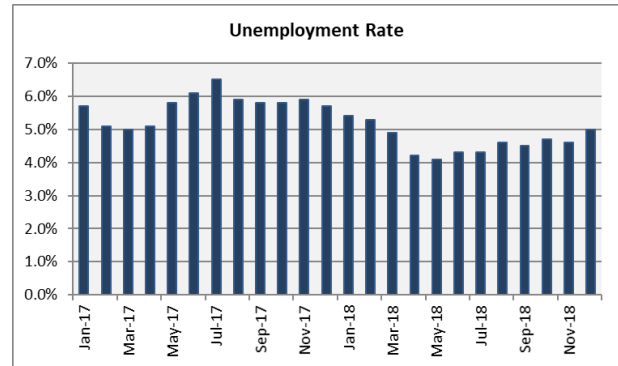
Source: Statistics Canada, Table 14-10-0294-01

Ottawa, CMA (ON pt.)	Q4-17	Q3-18	Q4-18
Labour Force*	<b>576.5</b>	<b>586.0</b>	<b>583.0</b>
Employed*	<b>543.1</b>	<b>559.7</b>	<b>555.4</b>
Unemployed*	<b>33.3</b>	<b>26.3</b>	<b>27.6</b>
Unemployment Rate	<b>5.8%</b>	<b>4.5%</b>	<b>4.8%</b>
Participation Rate	<b>67.4%</b>	<b>67.3%</b>	<b>66.6%</b>

\*(x 1,000)

Employed residents (2.3%) and labour force (1.1%) both increased over the past year. The unemployment rate decreased 1.0 percentage point in Q4 2018 from Q4 2017. The Transportation and Warehousing, Other Services (except Public Administration) and the Education Services sectors all saw the largest increase in Q4 2018 from Q4 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	<b>5.7%</b>	<b>4.7%</b>
Participation Rate	<b>68.2%</b>	<b>67.4%</b>



# Housing

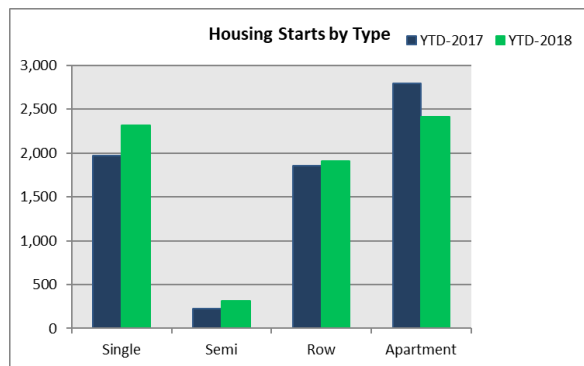
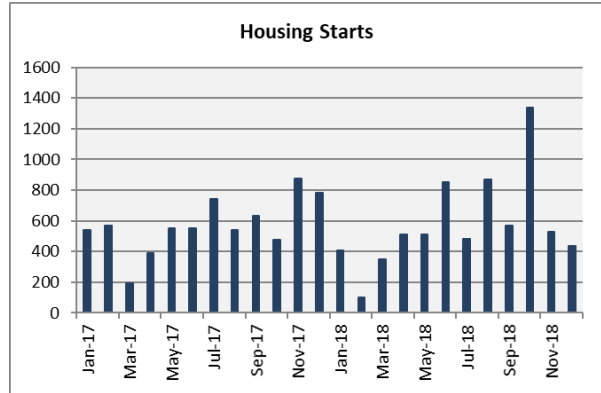
## Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q4-17	Q3-18	Q4-18
Housing Starts	2,136	1,920	2,302
Single	621	764	608
Semi	100	116	66
Row	599	571	394
Apartment	816	469	1,234

Housing starts saw an increase (7.8%) in Q4 2018 from Q4 2017. Apartments (51.2%) increased year-over-year, while all other unit types saw a decrease.

Ottawa, City	YTD-17	YTD-18
Housing Starts	6,849	6,950
Single	1,970	2,320
Semi	225	310
Row	1,859	1,906
Apartment	2,795	2,414



## Housing Sales

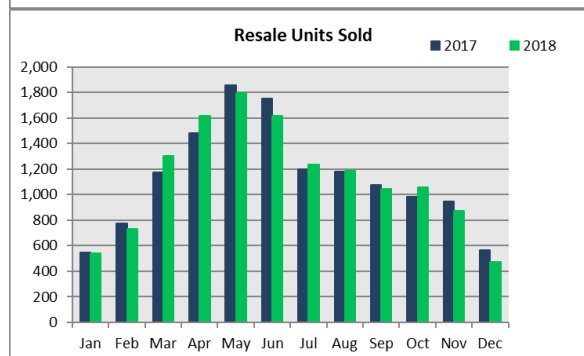
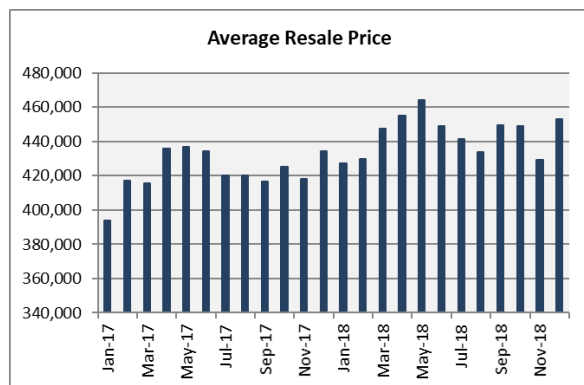
Source: Ottawa Real Estate Board

Ottawa, City*	Q3-17	Q3-18	Q4-18
Average Resale Price	\$424,647	\$441,165	\$442,554
Resale Units Sold	2,493	3,472	2,400

A total of 2,400 units were sold through the MLS system in Q4 2018, a 3.7% decrease from Q4 2017. The average resale price increased 0.3% to reach \$442,554 in Q4 2018 from the previous year.

Ottawa, City*	YTD-17	YTD-18
Average Resale Price	\$424,937	\$446,602
Resale Units Sold	13,535	13,467

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



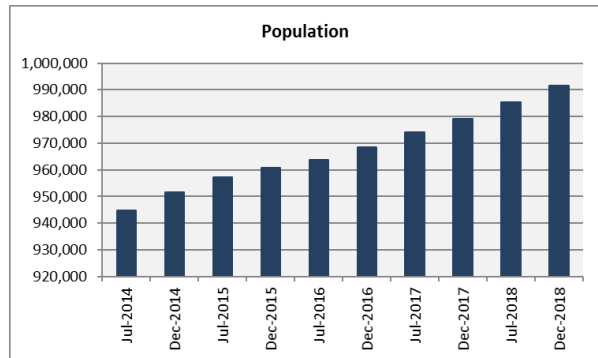
## Population

Source: City of Ottawa estimate\*

Ottawa, City	Q4-17	Q2-18	Q4-18
Population	<b>979,173</b>	<b>985,469</b>	<b>991,429</b>

\*Population estimate reported twice a year

The City of Ottawa population increased by 1.3% over the past year to reach 991,429. Over the long term, the City's population is projected to reach the one million mark in 2019.

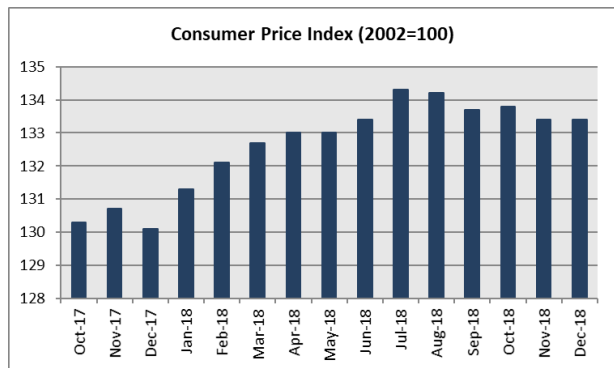


## Consumer Price Index (2002=100)

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

Ottawa, CMA (ON pt.)	Q3-17	Q3-18	Q4-18
Consumer Price Index	<b>130.4</b>	<b>134.1</b>	<b>133.5</b>
Inflation	<b>1.5%</b>	<b>3.1%</b>	<b>2.4%</b>

The Consumer Price Index saw a slight increase at 133.5 in Q4 2018, up 2.4% from Q4 2017. Inflation decreased 0.7 percentage points from the previous quarter and increased 0.9 percentage points from Q4 2017.

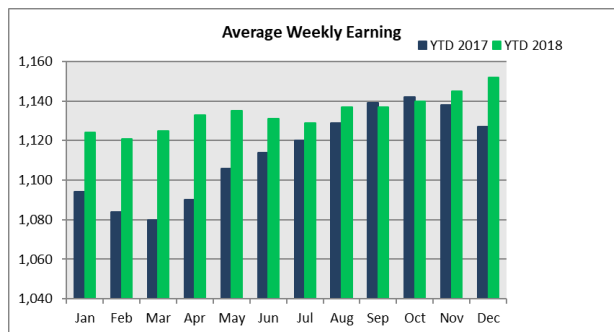


## Average Weekly Earning

Source: CMHC Housing Now Report

Ottawa, CMA (ON pt.)	Q4-17	Q3-18	Q4-18
Avg. Weekly Earning	<b>\$1,136</b>	<b>\$1,134</b>	<b>\$1,146</b>

The average weekly earning increased 0.9% in Q4 2018 from Q4 2017. In comparison to the previous quarter, Q4 2018 had an increase of 1.1%.



# Economy

## Construction Permits, Seasonally Adjusted

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

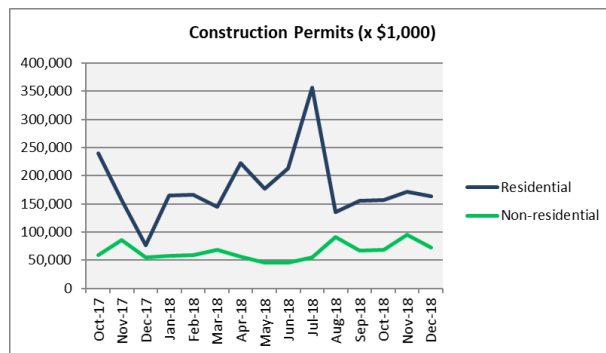
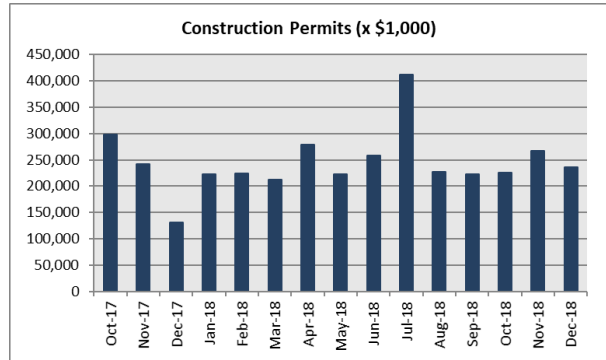
Ottawa, CMA (ON pt.)	Q4-17	Q3-18	Q4-18
Total Permits	\$672,395	\$861,812	\$728,004
Residential	\$472,878	\$648,037	\$491,059
Non-residential	\$199,517	\$213,775	\$236,946

(x \$1,000)

Total construction permits increased by 8.3% in Q4 2018 from Q4 2017. Residential permits increased 3.8% and non-residential permits increased 18.9%. Compared to the previous quarter, construction permits decreased 15.5%, led by a decrease of 24.2% in residential permits while non-residential permits increased 10.8%.

Ottawa, CMA (ON pt.)	YTD-17	YTD-18
Total Permits	\$2,785,308	\$3,010,221
Residential	\$1,883,937	\$2,226,096
Non-residential	\$901,371	\$784,126

(x \$1,000)

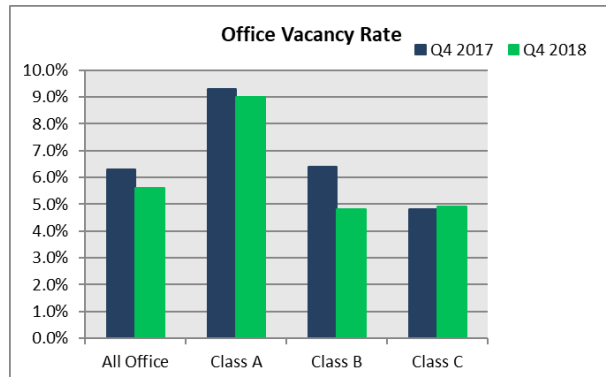


## Office Vacancy Rate

Source: CoStar Realty Information Inc.

Ottawa, City	Q4-17	Q3-18	Q4-18
All Office	6.3%	6.1%	5.6%
Class A	9.3%	9.5%	9.0%
Class B	6.4%	5.8%	4.8%
Class C	4.8%	4.9%	4.9%

The City's office vacancy rate decreased 0.7 percentage points in Q4 2018 from Q4 2017. Building classes A and B experienced a decrease in vacancy, while Class C experience a slight increase in Q4 2018 from Q4 2017.



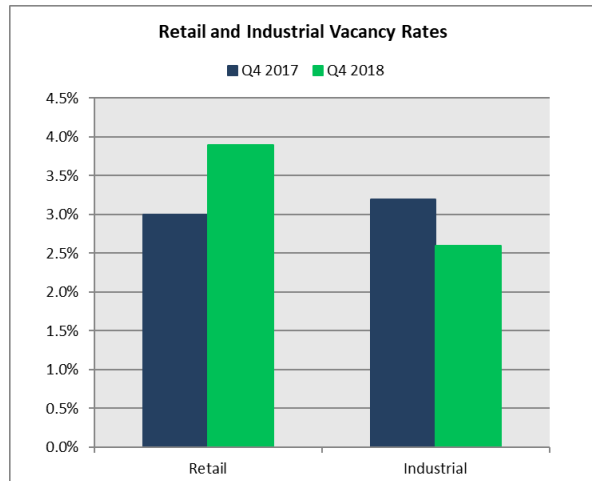
# Economy

## Retail and Industrial Vacancy Rates

Source: CoStar Realty Information Inc.

Ottawa, City	Q4-17	Q3-18	Q4-18
Retail Vacancy Rate	3.0%	4.2%	3.9%
Ind. Vacancy Rate	3.2%	2.1%	2.6%

Retail vacancy rate increased 0.9 percentage points year-over-year, to sit at 3.9% in Q4 2018. From the previous quarter, the vacancy rate decreased 0.3 percentage points. The industrial vacancy rate decreased 0.6 percentage points year-over-year, to sit at 2.6% in Q4 2018, which is a 0.5 percentage point increase from the previous quarter.

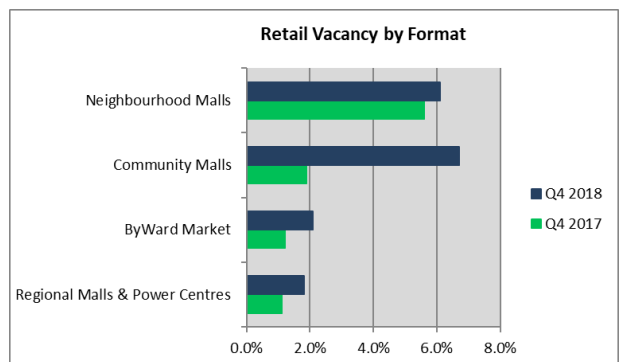
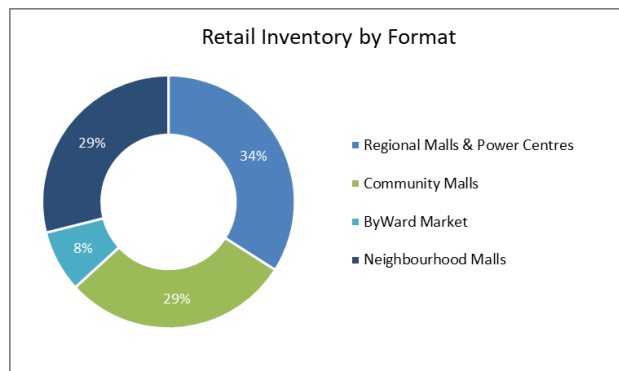


## Retail Vacancy by Format

Source: CoStar Realty Information Inc.

Ottawa, City	Q4-17	Q3-18	Q4-18
Regional Malls & Power Centres	1.1%	2.1%	1.8%
Community Malls	1.9%	6.1%	6.7%
ByWard Market	1.2%	2.2%	2.1%
Neighbourhood Malls	5.6%	6.1%	6.1%

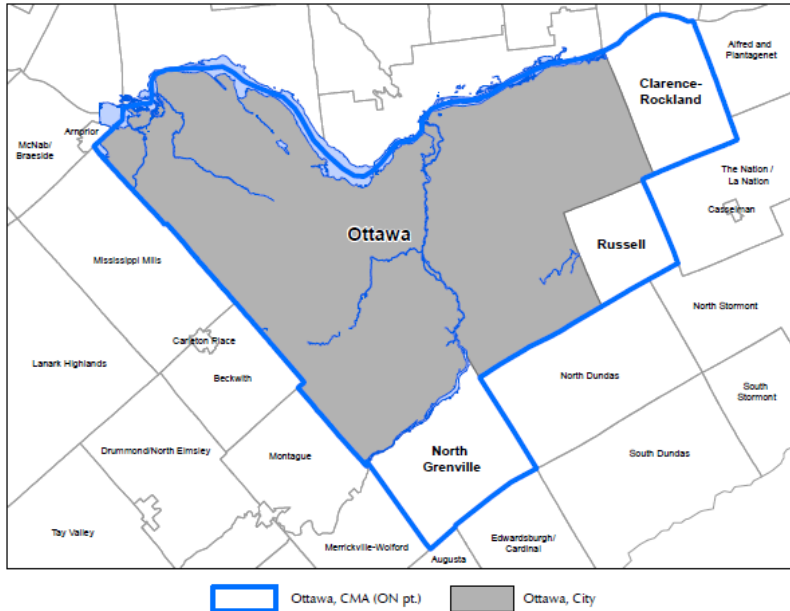
All retail formats experienced an increase in vacancy from Q4 2018 to Q4 2017. Community Malls experienced an increase of 4.8 percentage points year-over-year; the largest increase in vacancy. All other formats saw slight increases in vacancy rates from Q4 2018 to Q4 2017.





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.