



## Economic Development Update Q2 2017

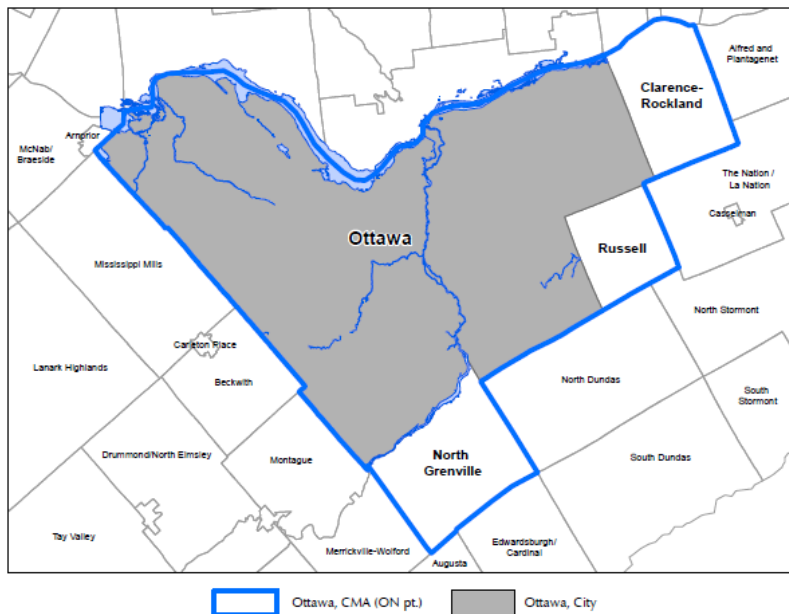
### About

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>

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

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 Q3 2017

- **Ottawa ranked best place to live in 2017:** In July 2017, [Money Sense Magazine](#) ranked Ottawa the best place to live in Canada for the second straight year. Ottawa's economic diversity, being a safe and affordable city, and its great access to health care and a thriving cultural scene all played a role in its rankings.



- **O-Train Confederation Line, Get Ready for Rail**  
On opening day in 2018, the 12.5-km O-Train Confederation Line will feature 17 electrified two-car trains and carrying a maximum capacity of 10,700 passengers per hour, per direction. The Confederation Line will generate significant economic and environmental benefits for the City of Ottawa and its residents. It will encourage transit-oriented development, and with the downtown tunnel, will reduce congestion, increase transit reliability, increase capacity for the growth of the city, and create additional surface opportunities for improved streetscapes. The construction and operation of Confederation Line will also lead to new employment opportunities in Ottawa. For more information on getting *Ready for Rail*, please visit [www.octranspo.com/ready4rail](http://www.octranspo.com/ready4rail).
- **Ottawa's bid to host Amazon HQ2:** The City of Ottawa, with its partner, Invest Ottawa will be placing a bid to host the next headquarters of Amazon, Amazon HQ2, in Ottawa. A task force has been formed by Mayor Watson to demonstrate that as an innovation and research-intensive city, Ottawa is well-positioned to host the next Amazon headquarters. The bidding deadline is October 19, 2017.

## What Happened in Q2 2017

- **Sponsorship boost budgets of Innovation Centre by \$1.3M:** In June 2017, the Innovation Centre at Bayview Yards received a 1.3-million boost to help fund services. The funding, which will be spread over the next three years, comes from eight public and private-sector sponsors.
- **Federal funding for LRT Stage 2:** In June 2017, the Federal Government committed funding for the second stage of Ottawa's LRT system, making up to \$1.09 billion available to complete the project. This is in addition to the over \$67 million the federal government committed to Stage 2 through the first phase of the Public Transit Infrastructure Fund last year.
- **The launch of Amplify in Ottawa:** In June 2017, Sir Richard Branson of Virgin Group joined a panel of entrepreneurs in Shopify's Ottawa office to launch Amplify, a new initiative aimed at promoting female entrepreneurship in Canada. Those on board with this initiative are Virgin Group, Shopify, and investment firm Clearbanc.

## Snapshot

	Q2-2016	Q1-2017	Q2-2017	Status Compared to Q2-2016
Employed Labour Force	541,700	551,700	547,500	Positive ✓
Unemployment Rate	6.7%	5.3%	5.7%	Positive ✓
Participation Rate	69.6%	69.1%	68.5%	Negative ✗
Housing Starts	1,376	1,304	1,717	Positive ✓
Average Resale Price	\$403,016	\$411,347	\$435,670	Positive ✓
Resale Units Sold	4,718	2,496	5,093	Positive ✓
Population	963,857	N/A	974,191	Positive ✓
Inflation	1.4%	1.8%	1.2%	Positive ✓
Average Weekly Earning	\$1,087	\$1,086	\$1,103	Positive ✓
Construction Permit Value	\$650,903	\$496,562	\$869,811	Positive ✓
Office Vacancy Rate	12.4%	12.0%	11.7%	Positive ✓
Retail Vacancy Rate	5.1%	N/A	N/A	Neutral ○
Industrial Vacancy Rate	6.8%	7.4%	7.0%	Negative ✗

Please refer to individual tables below for more details.

# Labour Force

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

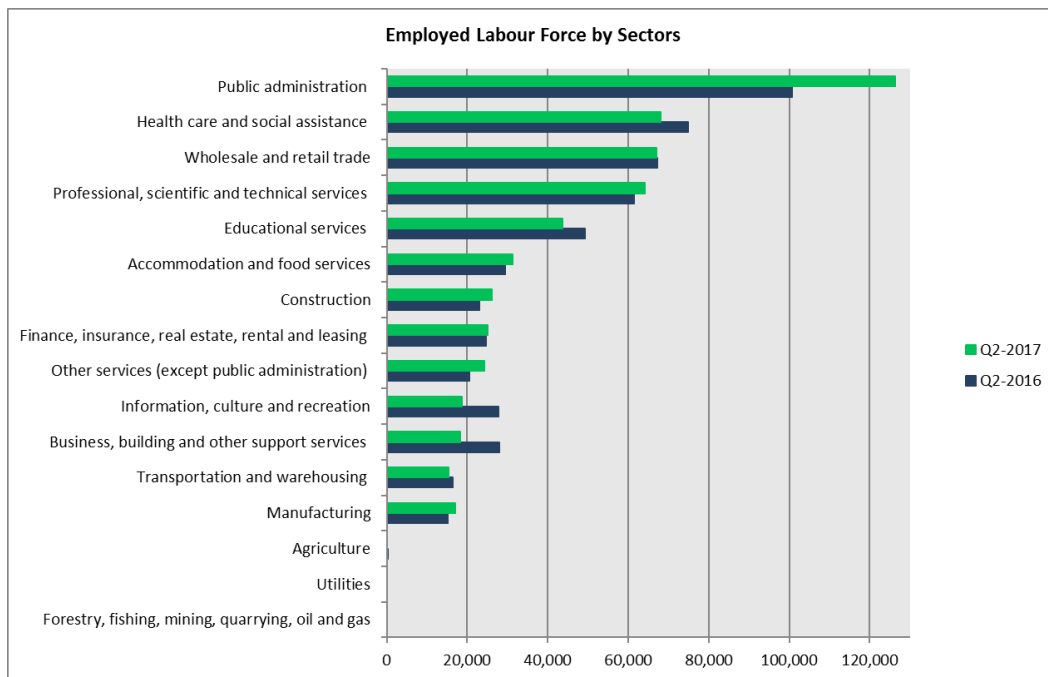
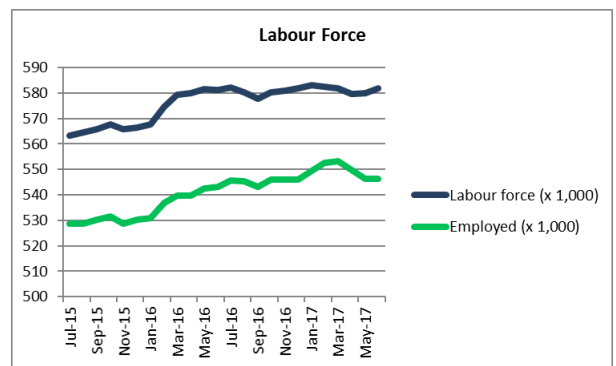
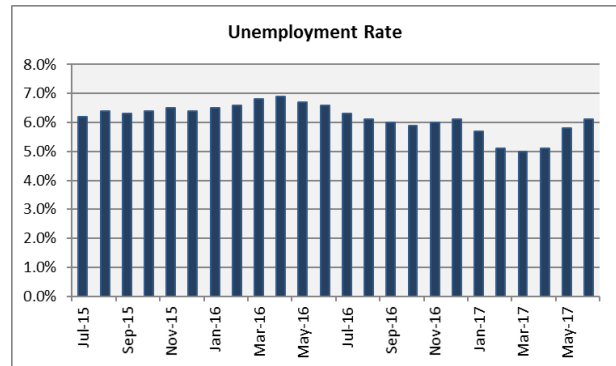
Source: Statistics Canada, CANSIM 282-0135

Ottawa, CMA (ON pt.)	Q2-16	Q1-17	Q2-17
Labour Force*	580.9	582.5	580.4
Employed*	541.7	551.7	547.5
Unemployed*	39.2	30.8	32.9
Unemployment Rate	6.7%	5.3%	5.7%
Participation Rate	69.6%	69.1%	68.5%

\*(x 1,000)

While the labour force decreased, (-0.1%) employed residents (+1.1%) increased over the past year. With a -1.1% change in the participation rate, the unemployment rate fell -1.0% in Q2 2017 from Q2 2016. Public Administration led the growth from Q2 2016 to Q2 2017, with Agricultural and the Business, Building, and Other Support Services sectors experiencing the largest decreases.

Ottawa, CMA (ON pt.)	YTD-16	YTD-17
Unemployment Rate	6.7%	5.5%
Participation Rate	69.3%	68.8%



# Housing

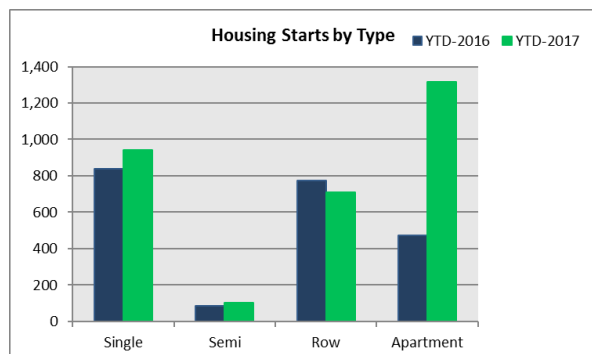
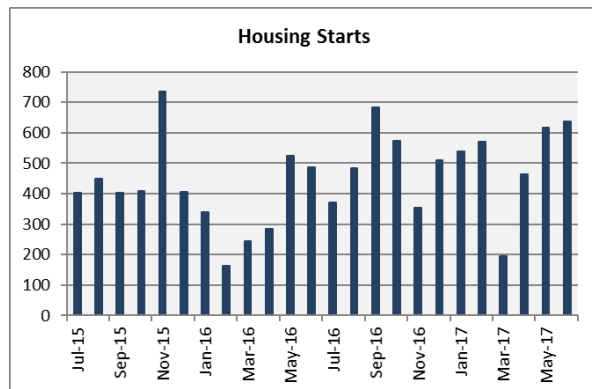
## Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q2-16	Q1-17	Q2-17
Housing Starts	1,376	1,304	1,717
Single	636	290	615
Semi	52	34	63
Row	526	256	452
Apartment	162	724	587

Housing starts increased 24.8% in Q2 2017 from Q2 2016. Apartments saw a large increase, while single and row units decreased from the previous year.

Ottawa, City	YTD-16	YTD-17
Housing Starts	2,169	3,071
Single	839	940
Semi	84	103
Row	773	711
Apartment	473	1,317



## Housing Sales

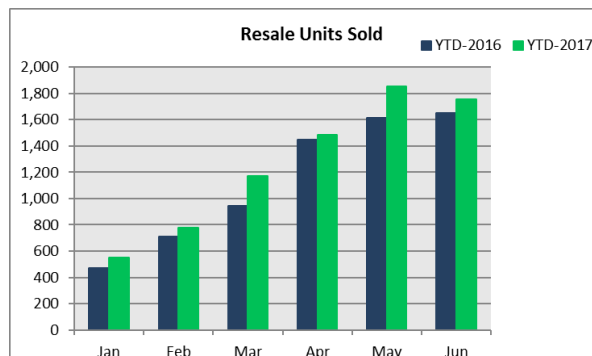
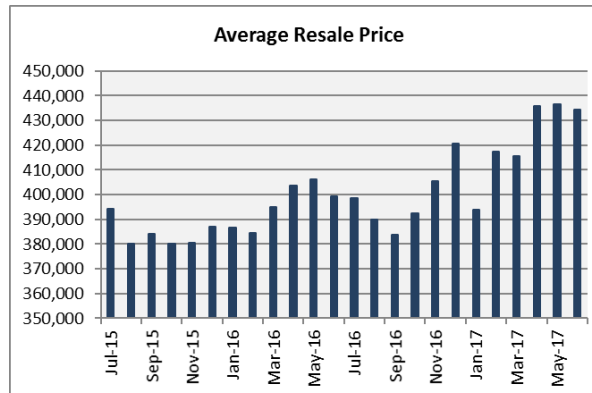
Source: Ottawa Real Estate Board

Ottawa, City*	Q2-16	Q1-17	Q2-17
Average Resale Price	\$403,016	\$408,947	\$435,670
Resale Units Sold	4,718	2,496	5,093

A total of 5,093 units were sold through the MLS system in Q2 2017, a 7.9% increase from Q2 2016. Similarly, the average resale price increased 8.1% to reach \$435,670 in Q2 2017 from the previous year.

Ottawa, City*	YTD-16	YTD-17
Average Resale Price	\$395,912	\$422,309
Resale Units Sold	6,847	7,589

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

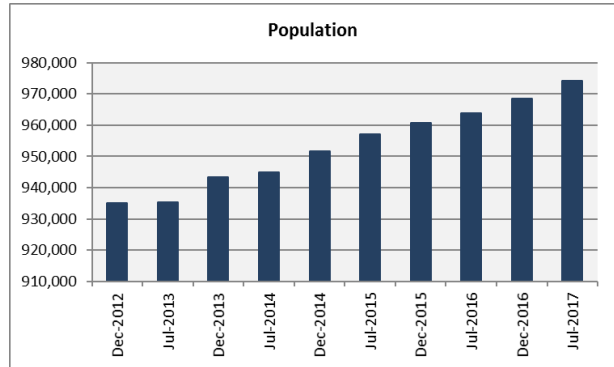


## Population

Source: City of Ottawa estimate

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

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.

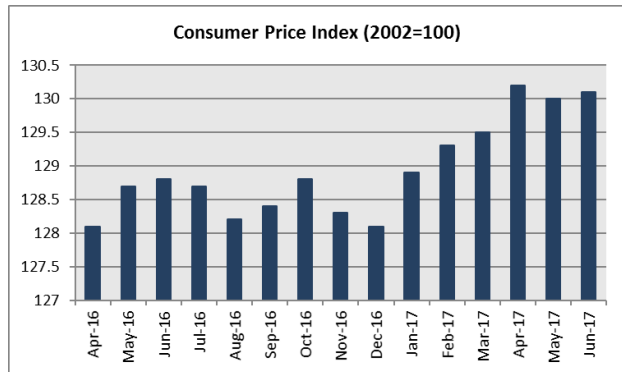


## Consumer Price Index (2002=100)

Source: Statistics Canada, CANSIM 326-0020

Ottawa, CMA (ON pt.)	Q2-16	Q1-17	Q2-17
Consumer Price Index	128.5	129.2	130.1
Inflation	1.4%	1.8%	1.2%

The Consumer Price Index saw a slight increase at 130.1 in Q2 2017, up 0.7% from Q2 2016. Inflation decreased -0.6% from the previous quarter; and -0.2% from Q2 2016.

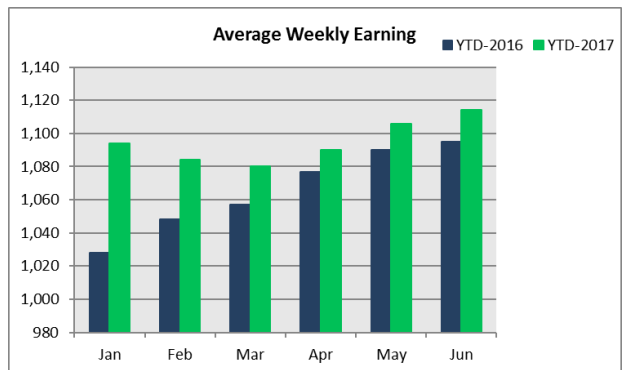


## Average Weekly Earning

Source: CMHC Housing Now Report

Ottawa, CMA (ON pt.)	Q2-16	Q1-17	Q2-17
Avg. Weekly Earning	\$1,087	\$1,086	\$1,103

The average weekly earning increased 1.6% from the previous quarter. In comparison to Q2 2016, Q2 2017 had an increase of 1.5%.



# Economy

## Construction Permits, Seasonally Adjusted

Source: Statistics Canada, CANSIM 026-0006

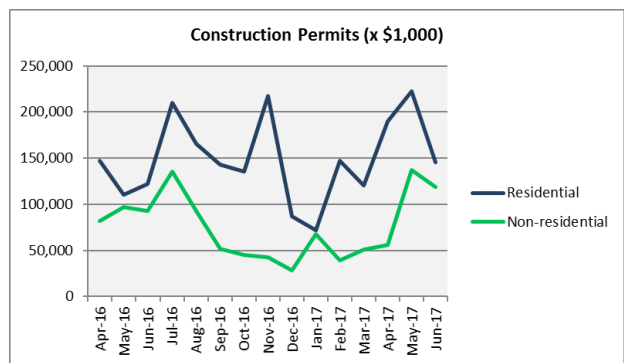
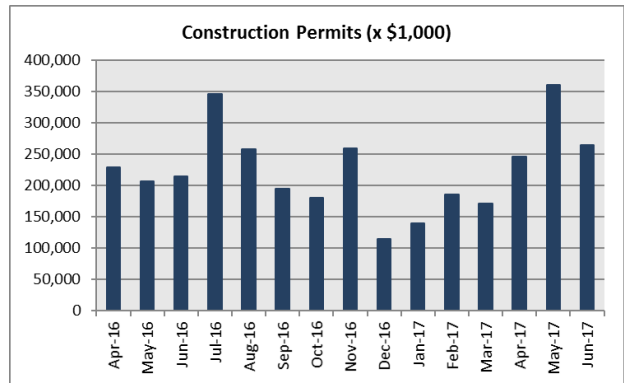
Ottawa, CMA (ON pt.)	Q2-16	Q1-17	Q2-17
Total Permits	\$650,903	\$496,562	\$869,811
Residential	\$378,881	\$339,584	\$557,324
Non-residential	\$272,022	\$156,978	\$312,487

(x \$1,000)

Total construction permits increased by 75.2% from the previous quarter. Residential permits increased 64.1% and non-residential permits recorded a 99.1% increase. Compared to Q2 2016, construction permits issued in Q2 2017 increased by 33.6%, led by an increase of 47.1% in residential permits and a 14.9% increase in non-residential permits.

Ottawa, CMA (ON pt.)	YTD-16	YTD-17
Total Permits	\$1,328,026	\$1,366,373
Residential	\$743,341	\$896,908
Non-residential	\$584,685	\$469,465

(x \$1,000)

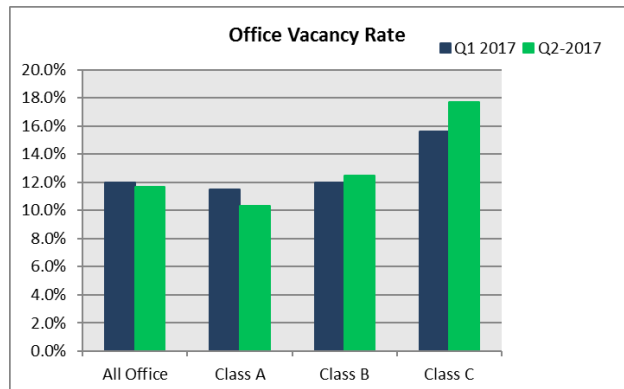


## Office Vacancy Rate

Source: Colliers International, Ottawa Office Market Report

Ottawa, City	Q2-16	Q1-17	Q2-17
All Office	12.4%	12.0%	11.7%
Class A	11.2%	11.5%	10.3%
Class B	13.0%	12.0%	12.5%
Class C	18.5%	15.6%	17.7%

The City's office vacancy rate decreased -0.3% from the previous quarter. This decrease is a result from Class A buildings which saw a decrease of -1.2%. Class B (+0.5%) and Class C (+2.1%) buildings both saw an increase in Q2 2017 from the previous quarter.



# Economy

## Retail and Industrial Vacancy Rates\*

Source: Cushman & Wakefield, Retail and Industrial Report

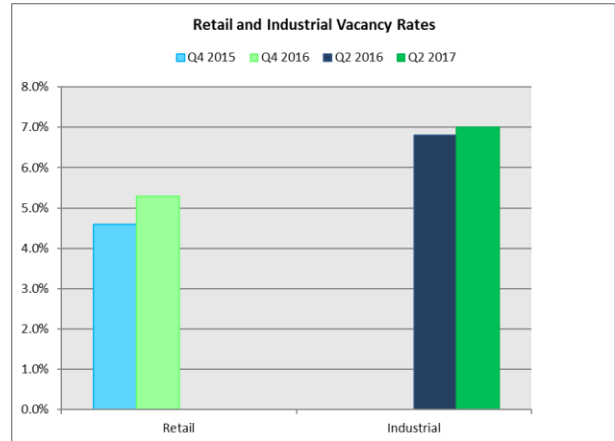
Ottawa, City	Q4-15	Q2-16	Q4-16
Retail Vacancy Rate	4.6%	N/A	5.3%

\* 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	Q2-16	Q1-17	Q2-17
Ind. Vacancy Rate	6.8%	7.4%	7.0%

Industrial vacancy rates increased 0.2% year-over-year, to sit at 7.0% in Q2 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.

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%.

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

