



Economic Development Update Q1 2017

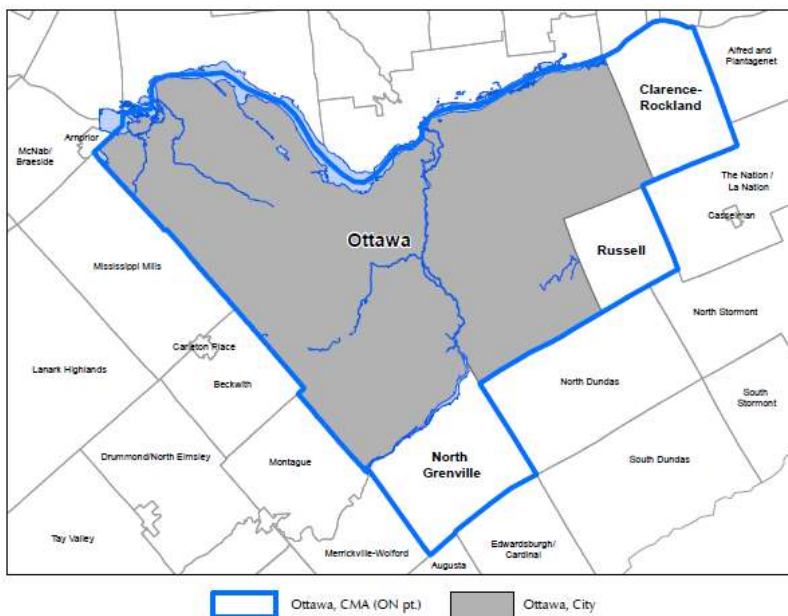
About

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 Q2 2017

- **\$63-Million Invested in Ottawa-based Advanced Networking Hub:** In April, the Ontario Province announced a \$63-million investment in a centre that facilitates the commercialization of next generation networking technologies. Headquartered in Ottawa, the Centre of Excellence in Next Generation Networks will receive this funding over the next five years.

What Happened in Q1 2017

- **\$337.9-Million Research and Engineering Centre:** In March 2017, the federal and provincial governments announced a \$1-billion partnership with Ford Canada. A total of \$337.9-million will be used to open a research and engineering centre in Ottawa that will create 295 jobs and will focus on infotainment, driver-assist features and autonomous vehicles.
- **Kanata Central Business Improvement Area:** In March 2017, the Kanata Central Business Improvement Area was formed to support businesses in the Kanata Town Centre. This new BIA will be focussed on attracting shoppers and tourists to the area, and undertaking beautification projects.

Snapshot

	Q1-2016	Q4-2016	Q1-2017	Status Compared to Q1-2016
Employed Labour Force	539,800	546,100	551,700	Positive ✓
Unemployment Rate	6.8%	6.1%	5.3%	Positive ✓
Participation Rate	69.6%	69.1%	69.1%	Negative ✗
Housing Starts	793	1,439	1,304	Positive ✓
Average Resale Price	\$389,701	\$403,689	\$411,347	Positive ✓
Resale Units Sold	2,129	2,272	2,496	Positive ✓
Population	N/A	967,580	N/A	Neutral ○
Inflation	1.0%	1.4%	1.6%	Negative ✗
Average Weekly Earning	\$1,057	\$1,094	\$1,080	Positive ✓
Construction Permit Value	\$677,123	\$554,594	\$496,562	Negative ✗
Office Vacancy Rate	12.2%	12.4%	12.0%	Positive ✓
Retail Vacancy Rate	N/A	5.3%	N/A	Neutral ○
Industrial Vacancy Rate	6.8%	7.7%	7.4%	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

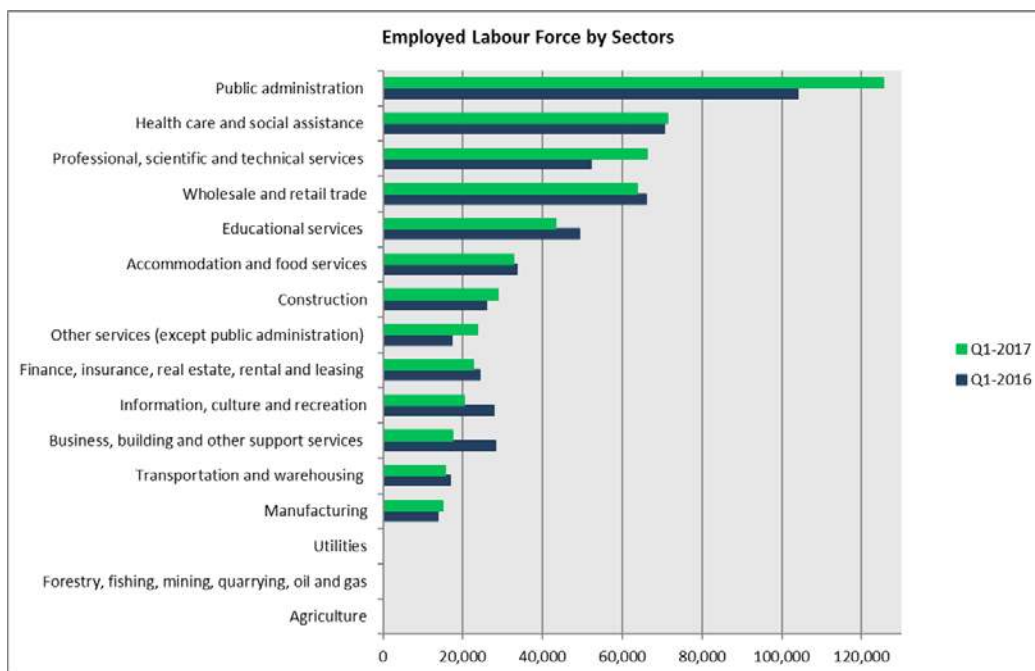
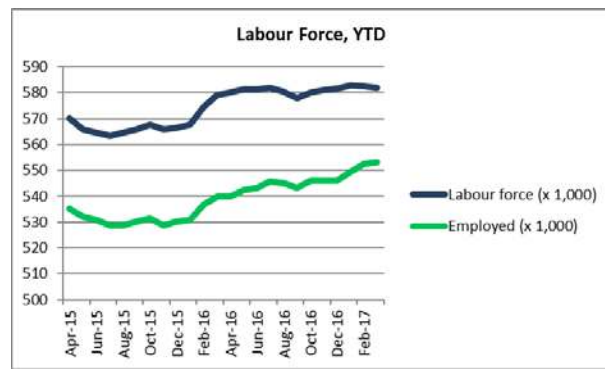
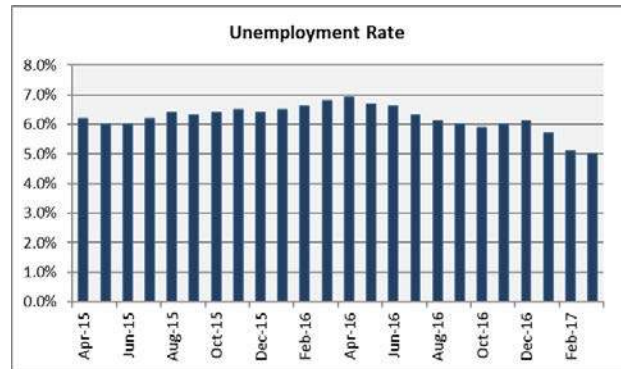
Ottawa, CMA (ON pt.)	Q1-16	Q4-16	Q1-17
Labour Force*	579.2	581.7	582.5
Employed*	539.8	546.1	551.7
Unemployed*	39.5	35.6	30.8
Unemployment Rate	6.8%	6.1%	5.3%
Participation Rate	69.6%	69.1%	69.1%

*(x 1,000)

Both the labour force (+0.6%) and employed residents (+2.2%) increased over the past year. With a -0.5% change in the participation rate, the unemployment rate fell -1.50% in Q1-2017 from Q1-2016. Public administration led the growth from Q1 2016 to Q1 2017, with the “Business, Building, and Other Support Services” sector experiencing the largest decrease.

Source: Statistics Canada, CANSIM 282-0135

Ottawa, CMA (ON pt.)	YTD-16	YTD-17
Unemployment Rate	6.8%	5.3%
Participation Rate	69.6%	69.1%



Housing

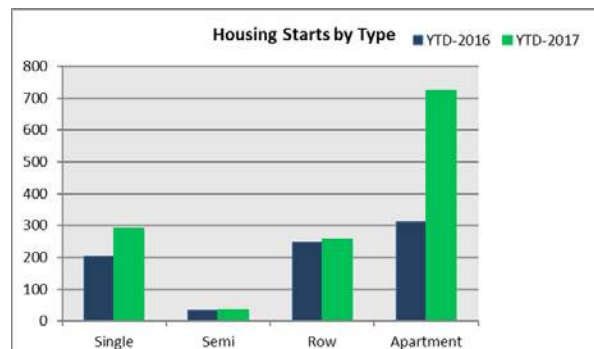
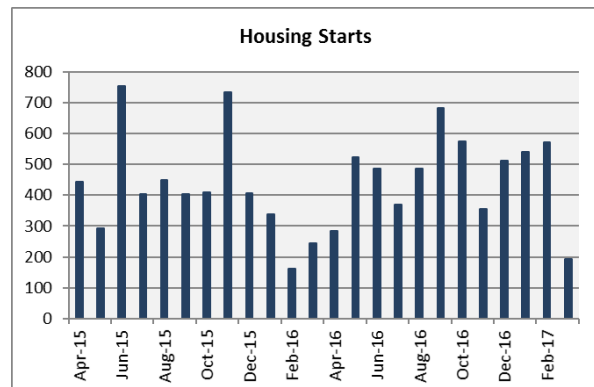
Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q1-16	Q4-16	Q1-17
Housing Starts	793	1,439	1,304
Single	203	549	290
Semi	32	58	34
Row	247	472	256
Apartment	311	360	724

Housing starts decreased 9.4% in Q1 2017 from Q4 2016. Except for apartment units, all unit types experienced a decrease from the previous quarter.

Ottawa, City	YTD-16	YTD-17
Housing Starts	793	1,304
Single	203	290
Semi	32	34
Row	247	256
Apartment	311	724



Housing Sales

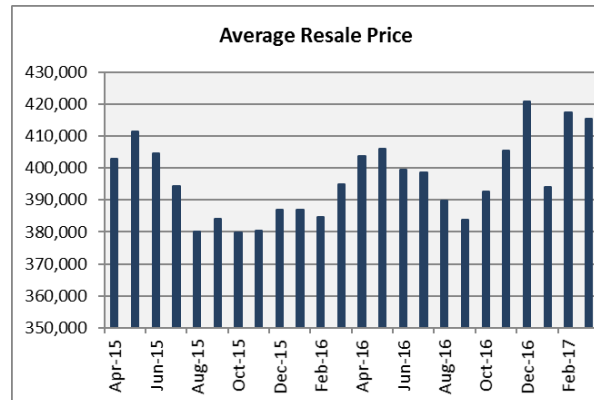
Source: Ottawa Real Estate Board

Ottawa, City*	Q1-16	Q4-16	Q1-17
Average Resale Price	\$389,701	\$403,689	\$411,347
Resale Units Sold	2,129	2,272	2,496

A total of 2,496 units were sold through the MLS system in Q1 2017, a 9.8% increase from Q4 2016. Similarly, the average resale price increased 1.9% to reach \$411,347 in Q1 2017 from the previous quarter.

Ottawa, City*	YTD-16	YTD-17
Average Resale Price	\$389,701	\$411,437
Resale Units Sold	2,129	2,496

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

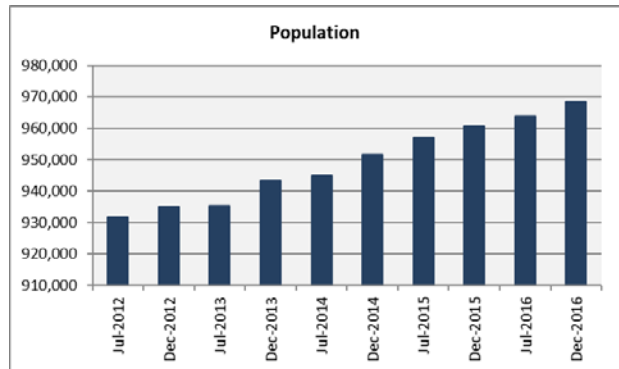


Population

Source: City of Ottawa estimate

Ottawa, City	Q4-16	Q2-16	Q4-15
Population	968,580	963,857	960,754

The City of Ottawa population increased by 0.8% over the past year to reach 968,580. 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. This differs from the 2016 Census preliminary population of 934,243 because Statistics Canada has yet to provide an estimate for those missed on Census Day (known as the undercoverage).

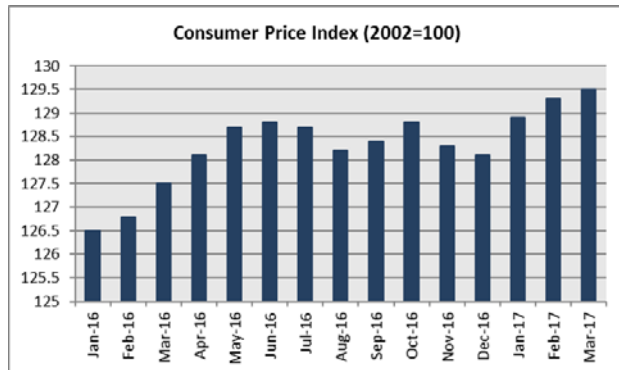


Consumer Price Index (2002=100)

Source: Statistics Canada, CANSIM 326-0020

Ottawa, CMA (ON pt.)	Q1-16	Q4-16	Q1-17
Consumer Price Index	127.5	128.1	129.5
Inflation	1.0%	1.4%	1.6%

The Consumer Price Index saw a slight increase at 129.5 in Q1 2017, up 1.1% from Q4 2016. Inflation edged up 0.2% from the previous quarter; and up 0.6% from Q1 2017.



Average Weekly Earning

Source: CMHC Housing Now Report

Ottawa, CMA (ON pt.)	Q1-16	Q4-16	Q1-17
Avg. Weekly Earning	\$1,057	\$1,094	\$1,080

The average weekly earning decreased 1.3% from the previous quarter. In comparison to Q1-2016, Q1-2017 has an increase of 2.2%.



Economy

Construction Permits, Seasonally Adjusted

Source: Statistics Canada, CANSIM 026-0006

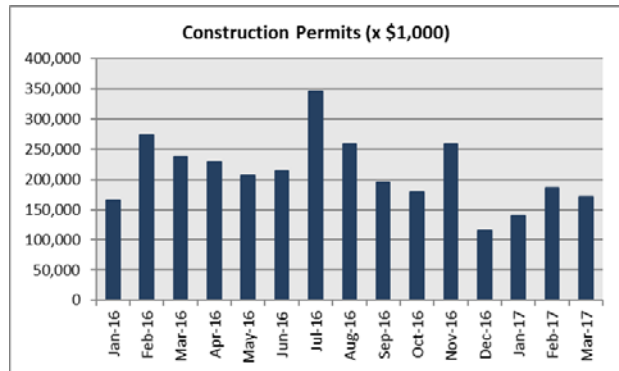
Ottawa, CMA (ON pt.)	Q1-16	Q4-16	Q1-17
Total Permits	\$677,123	\$554,594	\$496,562
Residential	\$364,460	\$439,551	\$339,584
Non-residential	\$312,663	\$115,043	\$156,978

(x \$1,000)

Total construction permits decreased by 10.5% from Q4 2017. This drop was due to residential permits (-22.7%) as non-residential permits recorded a 36.45% increase. Compared to Q1-2016, construction permits issued in Q1-2017 decreased by 26.7%, led by a decrease of 49.8% in non-residential permits.

Ottawa, CMA (ON pt.)	Q1-16	Q1-17
Total Permits	\$677,123	\$496,562
Residential	\$364,460	\$339,584
Non-residential	\$312,663	\$156,978

(x \$1,000)

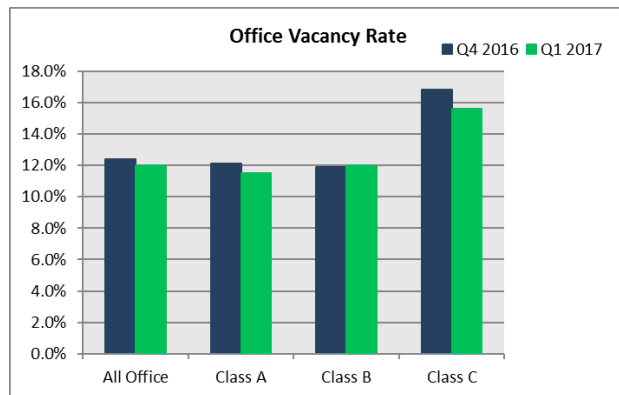


Office Vacancy Rate

Source: Colliers International, Ottawa Office Market Report

Ottawa, City	Q1-16	Q4-16	Q1-17
All Office	12.2%	12.4%	12.0%
Class A	N/A	12.1%	11.5%
Class B	N/A	11.9%	12.0%
Class C	N/A	16.8%	15.6%

The City's office vacancy rate decreased 0.4% from the previous quarter. This decrease is a result from Class A and Class C buildings, as Class B buildings saw a slight increase of 0.1% in Q1-2017.



Economy

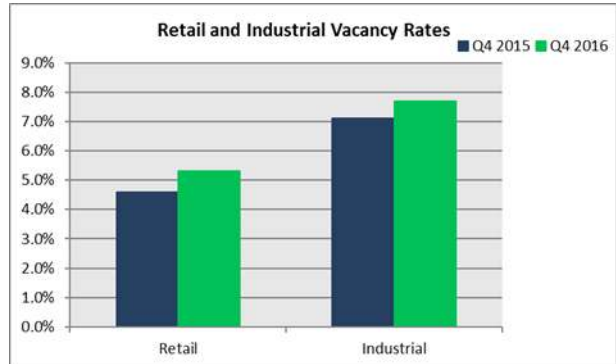
Retail and Industrial Vacancy Rates*

Source: Cushman & Wakefield, Retail and Industrial Report

Ottawa, City	Q4-16	Q2-16	Q4-15
Retail Vacancy Rate	5.3%	5.1%*	4.6%
Ind. Vacancy Rate	7.7%	7.7%	7.1%

* Retail is reported twice a year.

Overall, both retail and industrial vacancy rates remained steady from Q2 2016, but both increased compared to Q4 2015. The retail vacancy rate is currently at 5.3%, with the industrial vacancy rate sitting at 7.7%.



Retail Vacancy by Format*

Source: Cushman & Wakefield, Retail and Industrial Report

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

* 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%.

