



MEMO / NOTE DE SERVICE

Information previously distributed / Information distribué auparavant

TO: Chair and members of the Finance and Corporate Services Committee

DESTINATAIRE : Président et membres du Comité des finances et des services organisationnels

FROM: David Wise, Acting Director
Economic Development and Long
Range Planning/ Planning, Real Estate
and Economic Development Department

Contact:
Maddie Harreman-Fernandes, Planner I
Economic Development and Long
Range Planning
613-580-2424, 16936
Maddie.Harreman-
Fernandes@ottawa.ca

EXPÉDITEUR : David Wise, Directeur
intérimaire
Développement économique et
planification à long terme / Services de
la planification, de l'immobilier et du
développement économique

Personne ressource :
Maddie Harreman-Fernandes,
Urbaniste I
Développement économique et
planification à long terme
613-580-2424, 16936
Maddie.Harreman-
Fernandes@ottawa.ca

DATE: May 30, 2023

30 mai 2023

FILE NUMBER: ACS2023-PRE-EDP-0030

SUBJECT: Economic Development Update Q1 2023

OBJET : Le point sur le développement économique –T1 de 2023

PURPOSE

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators of the city's economy.

BACKGROUND

This report will be available on a quarterly basis on ottawa.ca and via an email subscription. The City of Ottawa Economic Development Update Q1 2023, which covers January, February, and March, is attached for information purposes.

DISCUSSION

Summary of Q1 2023 Update

The update below analyzes data for Q1 2023 against Q4 2022 and year-over-year. Overall, the city continued to perform well in terms of employment metrics. Housing resale prices and inflation have also decreased year-over-year. However, indicators have also showed a year-over year decrease in housing units sold and construction permit value as well as an increase in office and industrial vacancy rates.

Economy

Year-over-year, the unemployment rate decreased by 0.7 percentage points to sit at 3.9 percent in Q1 2023. Compared to Q4 2022, the unemployment rate has largely stayed the same, decreasing 0.1 percentage points from 4.0 percent. The employed labour force increased by 5.9 per cent from Q1 2022 to hit 625,867 employed residents in Q1 2023.

Year-over-year, the Agriculture; Transportation and warehousing; and Accommodation and food service sectors experienced the most growth in employed labour force, while Information, culture and recreation saw the largest decrease. The inflation rate decreased 1.1 percentage points from Q4 2022 and 1.2 percentage point year-over-year to hit 5.4 per cent in Q1 2023. Meanwhile, average weekly earnings increased 8.4 percent year-over-year to sit at \$1,387 in Q1 2023.

Residential

In Q1 2023, there was a 6.9 per cent increase in housing starts from Q1 2022 from 1,521 to 1,626 housing starts. This increase was primarily due to a significant increase in apartment starts from 843 to 1,316 starts (up 56.1 per cent). All other dwelling types saw a decrease in starts year-over-year, with semi-detached starts seeing the greatest decline from 40 to 6 starts (down 85.0 per cent) from Q1 2022. Rowhouse starts decreased from 334 to 144 starts (down 56.9 per cent) and single detached starts decreased 47.4 per cent from 304 to 160 starts.

The average resale price for a home decreased year-over-year by 14.9 per cent to sit at \$698,437 in Q1 2023, although it has increased slightly from \$671,248 the previous

quarter (up 4.1 per cent). The number of resale units sold also decreased 38.9 per cent from Q1 2022 to Q1 2023 to 1,986 units.

Permits and Vacancies

Total construction permit value decreased by 11.7 per cent year-over-year, with a 14.6 per cent decrease in residential permit value and a 2.4 per cent decrease in non-residential permit value. Compared to the Q4 2022, construction permits in Q1 2023 increased slightly by 1.0 per cent, largely due to a 47.5 per cent increase in non-residential permit value while residential permits experienced a 9.2 per cent decrease in value.

The office vacancy rate increased 2.5 percentage points to 12.3 per cent in Q1 2023 from Q1 2022. The industrial vacancy rate also increased 0.6 percentage points year-over-year to reach 2.9 per cent in Q1 2023.

CONCLUSION

Staff will continue monitoring the economic conditions of the city and report back to the Finance and Corporate Services Committee on a quarterly basis.

Original signed by

David Wise

Acting Director, Economic Development and Long Range Planning

CC: Wendy Stephanson, Interim City Manager

Don Herweyer, Interim General Manager, Planning, Real Estate and Economic Development Department

SUPPORTING DOCUMENTATION

Document 1 – Economic Development Update Q1 2023