



Economic Development Update Q2 2022

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators to the city's economy. The Q2 2022 update covers the months of April, May, and June 2022. This report will be available on a quarterly basis on [Ottawa.ca](https://ottawa.ca) and via an [email subscription](#).

New and Noteworthy in Q3 2022: July, August, and September 2022

- **Nationwide Rogers Outage:** On July 8th, 2022, Rogers customers lost cell service and internet access across Canada as a result of a massive network outage. The outage cost some small businesses thousands of dollars as they were unable to process Interac payments and online orders. It also raised concerns over national security and public safety as 9-1-1 calls were unable to be made and other government services, hospital emergency systems, and border crossings were impacted. Rogers explained that the outage was a result of a network system failure following an update in its core IP network and that they would explore how they could work with other Canadian carriers to avoid future widespread outages. They would also credit all customers with the equivalent of five days of service fees.
- **Bank of Canada Interest Rate Hikes:** The Bank of Canada increased its key interest rate by a full percentage point on July 13th, 2022 and another 0.75 points on September 7th, 2022 to sit at 3.25%. This was following three previous rate hikes in March, April, and June in an effort to curb rising inflation and cool a hot market by discouraging consumer spending. We've already seen housing prices and sales decrease in Q2 and Q3 as mortgage and loan rates rise. Further interest rate hikes are expected to hit 4.0% by the end of the year.
- **New fleet of trains for Stage 2 LRT and \$380 million invested on zero-emission buses:** In August 2022, the Canada Infrastructure Bank and the City of Ottawa closed on a \$380 million investment to cover the capital costs of up to 446 zero-emission OC Transpo buses. This follows the City of Ottawa unveiling seven new Stadler FLIRT trains for the Stage 2 Light Rail Transit (LRT) O-Train South extension in July 2022. Each train will be able to carry up to 420 passengers along the main O-Train South line.

What Happened in Q2 2022: April, May, June 2022

- **Powerful storm leaves many Ottawa businesses and residents without power:** A derecho with wind speeds up to 190 km/h came through south Ottawa on May 21, 2022, causing extensive damage along its path. Many trees and hydro poles were toppled over, leaving nearly 180,000 households without power for several days. Hydro and clean-up crews worked diligently to restore power and return things back to normal, while Council passed a motion to waive demolition and building permit fees for those looking to rebuild following the storm.
- **Ontario PCs win another majority government:** The Ontario Progressive Conservatives won 83 seats and a second consecutive majority government on June 2nd, 2022. The NDP formed the official opposition again with 31 seats, and both the NDP and Liberal parties will be seeking new leadership following the resignations of their party leaders.

Snapshot

	Q2-2021	Q1-2022	Q2-2022	Status Compared to Q2-2021
Employed Labour Force	597,200	585,200	609,800	Positive ✓
Unemployment Rate	7.5%	5.0%	4.7%	Positive ✓
Participation Rate	70.0%	65.7%	67.8%	Negative ✗
Housing Starts	2,516	1,521	2,144	Negative ✗
Average Resale Price	\$736,793	\$820,957	\$801,524	Negative ✗
Resale Units Sold	5,285	3,249	3,941	Negative ✗
Population	1,032,910	1,046,440	1,056,750	Positive ✓
Inflation	4.3%	6.6%	7.4%	Negative ✗
Average Weekly Earning	\$1,285	\$1,279	\$1,279	Negative ✗
Construction Permit Value (seasonally adjusted)	\$995,197	\$957,009	\$958,568	Negative ✗
Office Vacancy Rate	9.6%	9.8%	9.7%	Neutral ○
Retail Vacancy Rate	3.6%	N/A	3.7%	Neutral ○
Industrial Vacancy Rate	4.3%	2.3%	1.8%	Positive ✓

Please refer to individual tables below for more details.

Labour Force

Labour Force, Seasonally Adjusted, 3-Month Moving Average

Source: Statistics Canada, Table 14-10-0380-01

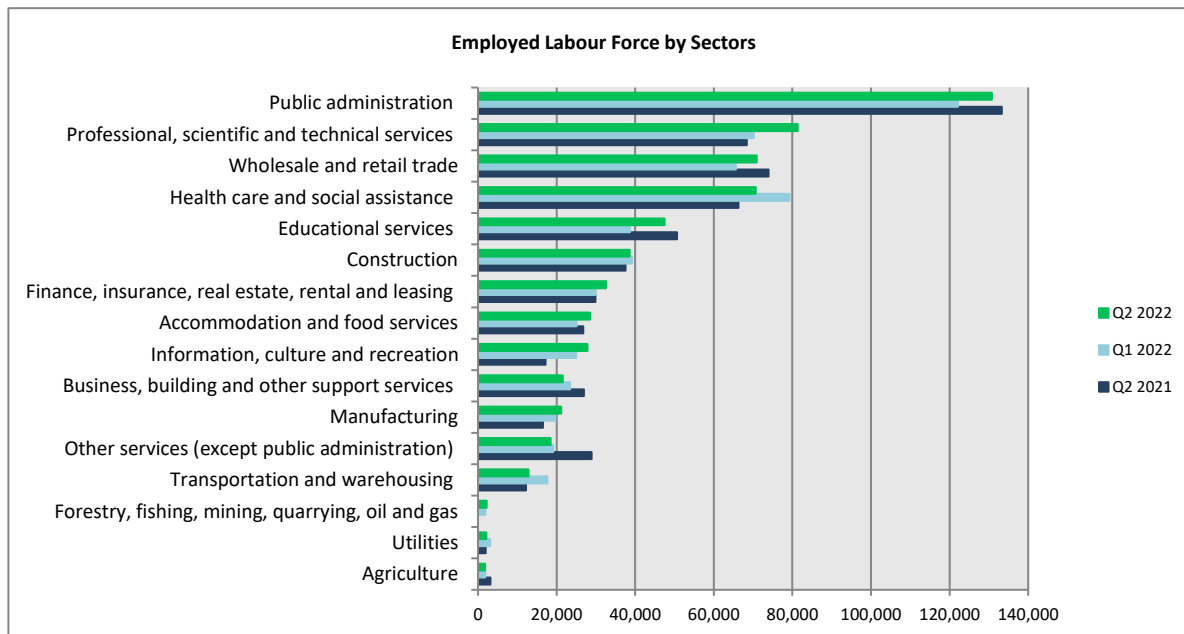
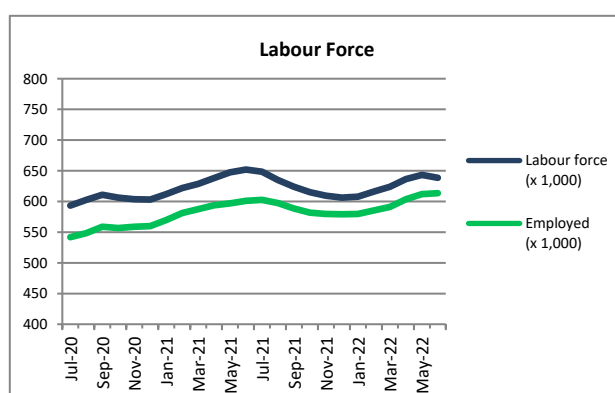
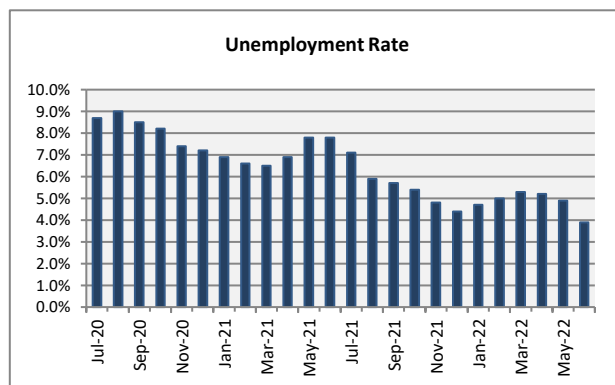
Ottawa, CMA (ON pt.)*	Q2-21	Q1-22	Q2-22
Labour Force (x 1,000)	645.7	616.0	639.4
Employed (x 1,000)	597.2	585.2	609.8
Unemployed (x 1,000)	48.5	30.8	29.7
Unemployment Rate	7.5%	5.0%	4.7%
Participation Rate	70.0%	65.7%	67.8%

*2016 boundaries

Over the past year, the labour force decreased by 1.0% while employed residents increased by 2.1%. The unemployment rate decreased by 2.8 percentage points between Q2 2021 and Q2 2022. The Information, culture and recreation; Manufacturing; and Professional, scientific and technical services, in that order, saw the most employment growth in Q2 2022 from Q2 2021. Meanwhile, Agriculture, Other services (except Public Administration); and Business, building and other support services saw the biggest decreases in employment growth over the same period.

Ottawa, CMA (ON pt.)*	YTD-21	YTD-22
Unemployment Rate	7.1%	4.8%
Participation Rate	68.9%	66.8%

*2016 boundaries



Housing

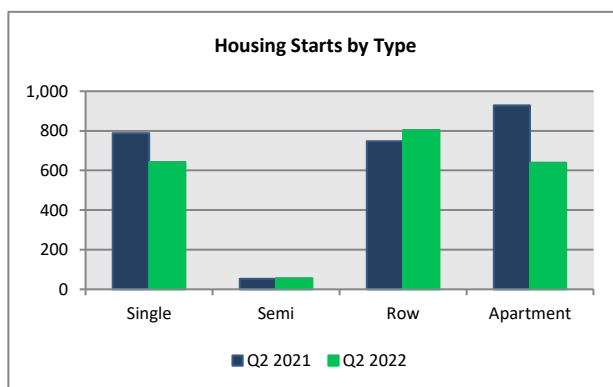
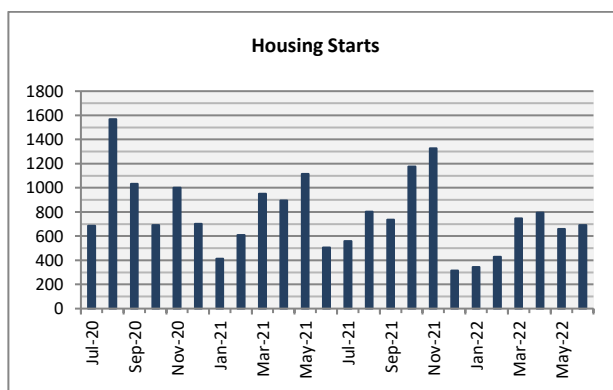
Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q2-21	Q1-22	Q2-22
Housing Starts	2,516	1,521	2,144
Single	788	304	643
Semi	53	40	56
Row	747	334	805
Apartment	928	843	640

Housing starts decreased 14.8% from Q2 2021 to Q2 2022. Apartments saw the largest decrease (31.0%), followed by single detached starts (18.4%). Meanwhile, rowhouse and semi-detached starts saw slight increases of 7.8% and 5.7%, respectively.

Ottawa, City	YTD-21	YTD-22
Housing Starts	4,490	3,665
Single	1,347	947
Semi	113	96
Row	1,068	1,139
Apartment	1,962	1,483



Housing Sales, Resale Market

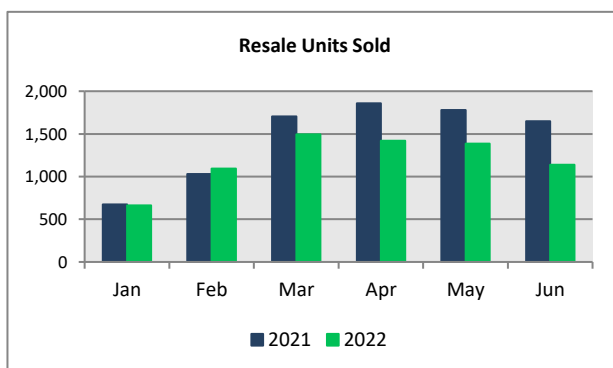
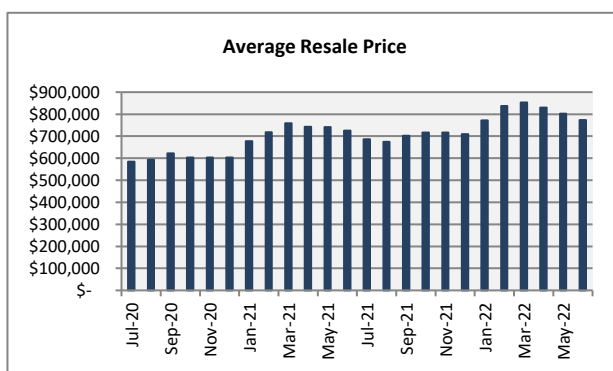
Source: Ottawa Real Estate Board

Ottawa Area*	Q2-21	Q1-22	Q2-22
Average Resale Price	\$736,793	\$820,957	\$801,524
Resale Units Sold	5,285	3,249	3,941

A total of 3,941 units were sold through the MLS system in Q2 2022, a 25.4% decrease from Q2 2021. The average resale price increased 8.8% from Q2 2021 to reach \$801,524 in Q2 2022, although it has gone down 2.4% from Q1 2022.

Ottawa Area*	YTD-21	YTD-22
Average Resale Price	\$727,382	\$811,241
Resale Units Sold	8,692	7,190

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



Living

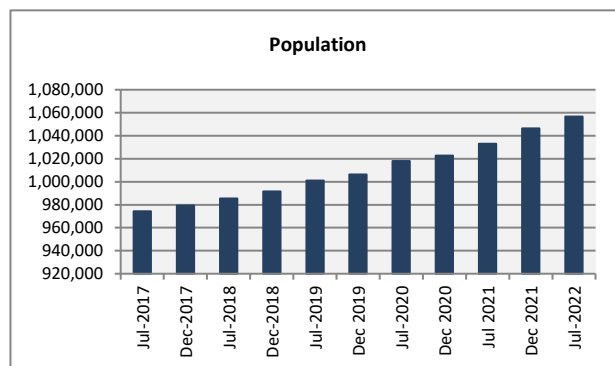
Population

Source: City of Ottawa estimate*

Ottawa, City	Q2-21	Q4-21	Q2-22
Population	1,032,910	1,046,440	1,056,750

*Population estimate reported twice a year

The City of Ottawa population increased by 2.3% from Q2-21 to reach 1,056,750 by mid-2022.



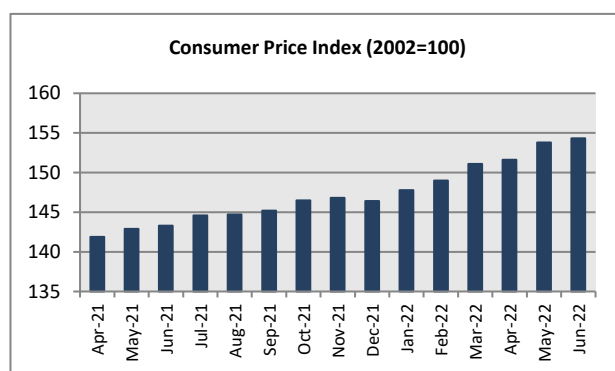
Consumer Price Index (2002=100)

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

Ottawa, CMA (ON pt.)*	Q2-21	Q1-22	Q2-22
Consumer Price Index	142.7	149.3	153.2
Inflation	4.3%	6.6%	7.4%

*2006 boundaries

The Consumer Price Index saw a year-over-year increase of 7.4% to 153.2 in Q2 2022. Inflation increased by 0.8 percentage points from the previous quarter, and by 3.1 percentage points from Q2 2021.



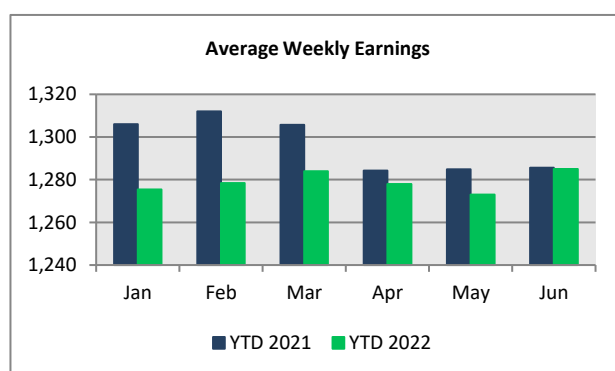
Average Weekly Earning

Source: CMHC Custom Data

Ottawa, CMA (ON pt.)*	Q2-21	Q1-22	Q2-22
Avg. Weekly Earning	\$1,285	\$1,279	\$1,279

*2016 boundaries

The average weekly earning decreased 0.5% in Q2 2022 from Q2 2021 and stayed the same as the previous quarter.



Economy

Construction Permits, Seasonally Adjusted

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

Ottawa, CMA (ON pt.)*	Q2-21	Q1-22	Q2-22
Total Permits	\$995,197	\$957,009	\$958,568
Residential	\$723,358	\$730,021	\$703,866
Non-residential	\$271,840	\$226,988	\$254,702

(x \$1,000)

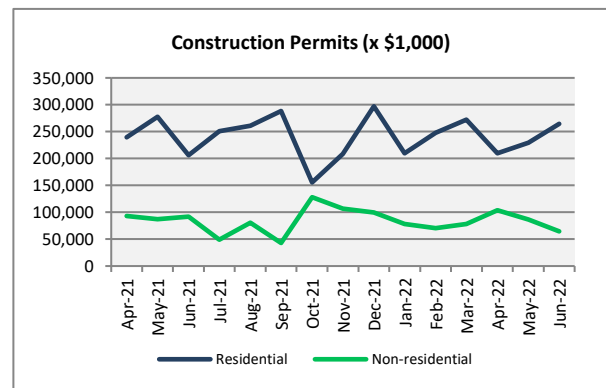
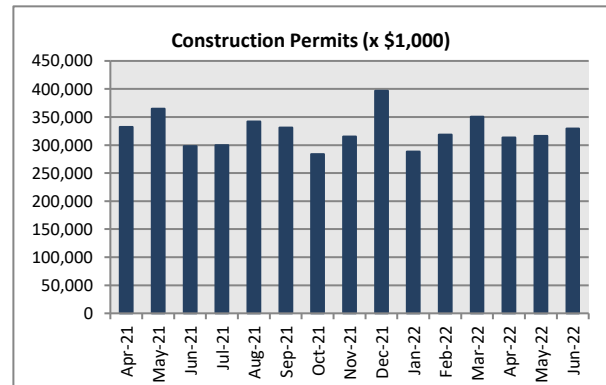
*2006 boundaries

Compared to Q2 2021, total construction permits decreased by 3.7% in Q2 2022. Residential permit value decreased 2.7% and non-residential permit value decreased 6.3%. Compared to the last quarter, construction permits in Q2 2022 increased by 0.2%, with a 12.2% increase in non-residential permit value and a 3.6% decrease in residential permit value.

Ottawa, CMA (ON pt.)*	YTD-21	YTD-22
Total Permits	\$2,092,885	\$1,915,577
Residential	\$1,620,897	\$1,433,887
Non-residential	\$471,988	\$481,690

(x \$1,000)

*2006 boundaries

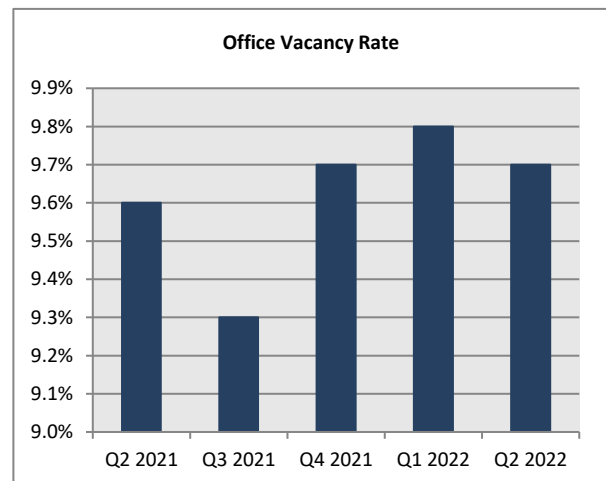


Office Vacancy Rate

Source: Colliers Canada

Ottawa, City	Q2-21	Q1-22	Q2-22
All Office	9.6%	9.8%	9.7%

The City's office vacancy rate increased 0.1 percentage point year-over-year in Q2 2022 from Q2 2021. Compared to Q1 2022, the office vacancy rate decreased 0.1 percentage points to sit at 9.7% in Q2 2022.



Economy

Industrial and Retail Vacancy Rates

Source: Cushman & Wakefield, Retail and Industrial Reports

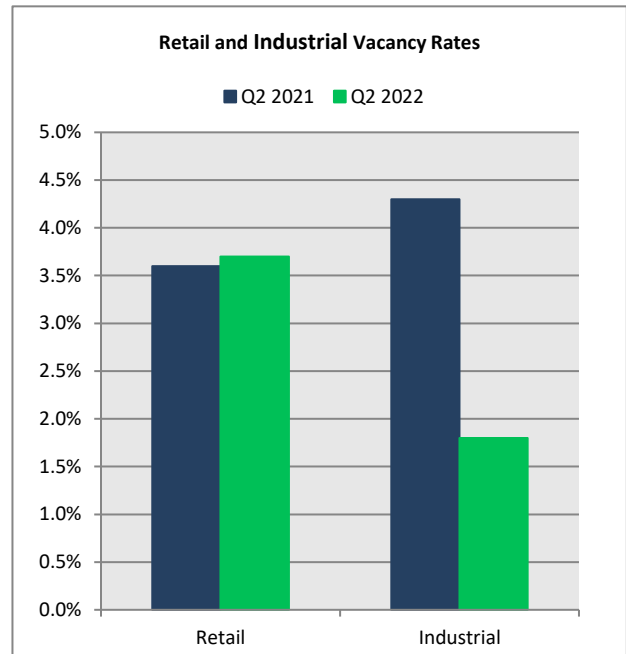
Ottawa, City	Q2-21	Q1-22	Q2-22
Ind. Vacancy Rate	4.3%	2.3%	1.8%

The industrial vacancy rate decreased 2.5 percentage points year-over-year in Q2 2022. Compared to Q1 2022, the industrial vacancy rate decreased slightly to 1.8% in Q2 2022.

Ottawa, City	Q2-21	Q4-21	Q2-22
Retail Vacancy Rate	3.6%	3.1%	3.7%

* Retail is reported twice a year.

Compared to Q4 2021, the retail vacancy rate increased 0.6 percentage points to sit at 3.7% in Q2 2022. The retail vacancy rate increased slightly year-over-year by 0.1 percentage points in Q2 2022.



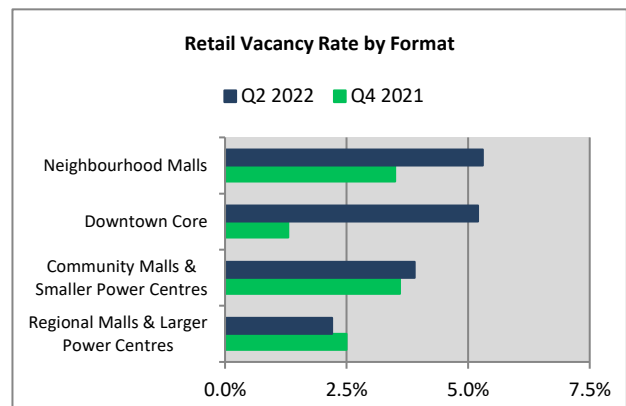
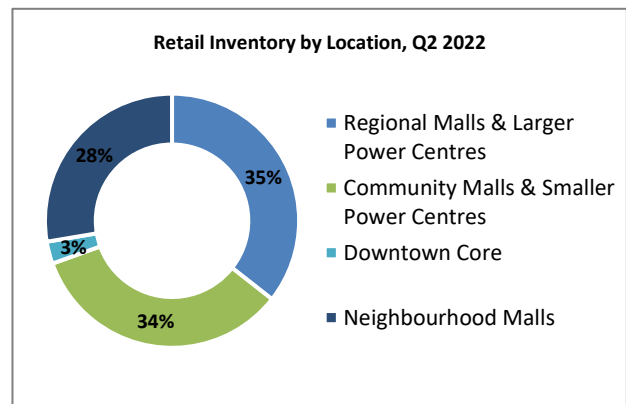
Retail Vacancy by Format

Source: Cushman & Wakefield, Retail and Industrial Reports

Ottawa, City	Q2-21	Q4-21	Q2-22
Regional Malls & Larger Power Centres	2.7%	2.5%	2.2%
Community Malls & Smaller Power Centres	3.9%	3.6%	3.9%
Downtown Core	1.0%	1.3%	5.2%
Neighbourhood Malls	4.8%	3.5%	5.3%

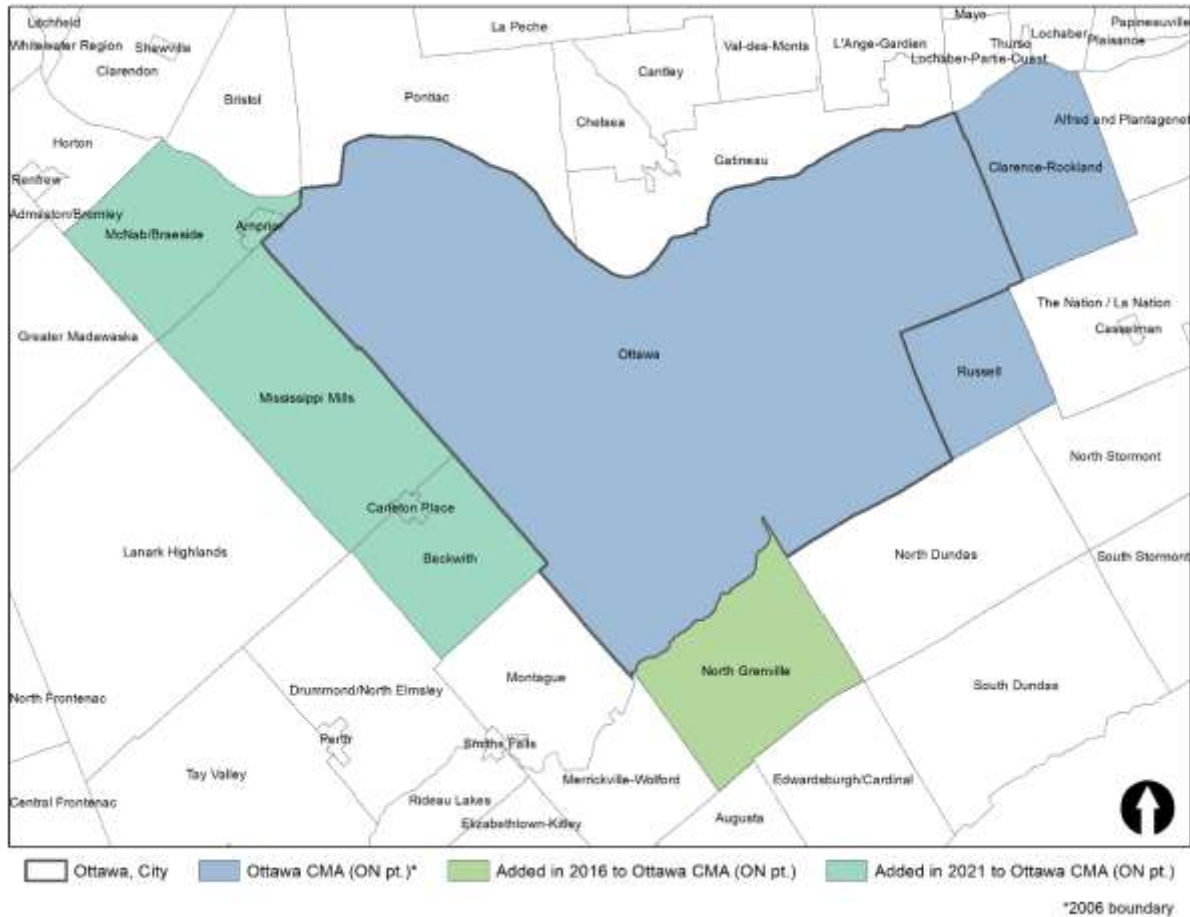
*Retail is reported twice a year.

Regional Malls & Larger Power Centres were the only retail format to experience a year-over-year decrease in vacancy of 0.5 percentage points. Community Malls & Smaller Power Centres had vacancy rates stay the same, while Downtown Core and Neighbourhood Mall formats saw increases of 4.2 and 0.5 percentage points, respectively.



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. Geographical boundaries vary depending on census year.