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

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

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FILE NUMBER: ACS2025-SI-ED-0005

SUBJECT: **Economic Development Update – Q3 2024**

OBJET : **Le point sur le développement économique – T3 de 2024**

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 Q3 2024, which covers July, August, and September is attached for information purposes.

DISCUSSION

Summary of Q3 2024 Update

The update below analyzes Ottawa economic data for Q3 2024 against Q2 2024 and year-over-year (Q3 2023). Overall, the city saw improvements when it came to inflation, the number of employed residents, average resale price, average weekly earnings, office vacancy rates, and construction permit value. Meanwhile, housing starts, labour participation rate and resale units sold have decreased, and the unemployment rate as well as industrial and retail vacancy rates have increased.

Economy

Year-over-year, the overall labour force increased 2.8 percent while employed residents increased 3.9 percent to hit 658,133 employed residents in Q3 2024. The unemployment rate increased 2.0 percentage points since Q3 2023 and increased by 0.8 percentage points since last quarter to reach 6.4 percent in Q3 2024.

Compared to Q3 2023, the Transportation and warehousing, as well as Accommodation and food services sectors saw the largest increases in employment growth year-over-year. Meanwhile, Wholesale and retail trade, and Other services (except public administration) sectors saw the largest decreases in employment growth over the same period. The inflation rate decreased 0.2 percentage points from the previous quarter (Q2 2024) and decreased 0.7 percentage points since Q3 2023. Average weekly earning increased 3.2 percent-year-over-year and decreased 0.7 percent from the previous quarter to reach \$1,455 in Q3 2024.

Residential

In Q3 2024, there was a 10.6 percent decrease in housing starts from Q3 2023 as starts dropped from 2,797 to 2,500. Single-detached, semi-detached, and apartment dwelling types experienced a decrease in starts year-over-year, with single detached starts down 17.8 percent from 366 to 301 starts, apartment starts down 16.6 percent from 1,919 to 1,601 starts, and semi-detached starts decreased by 26.3 percent from 38 to 28 starts, however, rowhouse starts increased by 20.3 percent from 474 to 570 starts.

The average resale price for housing increased year-over-year by 1.4 percent to sit at \$675,167 in Q3 2024. This figure was however, a decrease of 2.7 percent from

\$694,112 in Q2 2024. A total of 3,388 units were sold in Q3 2024, which is a decrease of 23.7 percent from the previous quarter, and a decrease of 6.9 percent year-over-year.

Permits and Vacancies

Total construction permit value increased by 16.2 percent year-over-year, largely due to a 29.9 percent increase in residential permit value and a 5.5 percent decrease in non-residential permit value. Compared to Q2 2024, construction permit value in Q3 2024 decreased by 14.9 percent, where residential permit value decreased 24.1 percent and non-residential permit values increased 15.4 percent.

The office vacancy rate decreased 1.1 percentage points from Q3 2023 to reach 11.5 percent in Q3 2024 and remain stable since Q2 2024. The industrial vacancy rate increased by 1.8 percentage points year-over-year to reach 4.4 percent in Q3 2024, and the retail vacancy rate also increased by 0.4 percentage points year-over-year to reach 2.1 percent in Q3 2024.

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

Derrick Moodie

Director, Planning, Development and Building Services Department

CC: Wendy Stephanson, City Manager

Vivi Chi, Interim General Manager, Planning, Development & Building Services Department

SUPPORTING DOCUMENTATION

Document 1 – Economic Development Update – Q3 2024