



## Economic Development Update – Q4 2024

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators to the city's economy. The Q4 2024 update covers the months of October, November and December 2024. This report will be available on [Ottawa.ca](https://ottawa.ca) and via an [email subscription](#).

### New and Noteworthy in Q1 2025: January, February and March 2025

- **Bank of Canada Warns of Economic Impact from Prolonged U.S. Trade Conflict:** The Bank of Canada has expressed concerns that a prolonged trade conflict with the United States could permanently reduce Canada's GDP. In response to potential U.S. tariffs, the Bank has reduced its key policy rate to 3%, marking the sixth consecutive reduction. The governing council noted that ongoing trade tensions may lead to decreased economic activity, higher inflation, and a weakened Canadian dollar. Some Canadian businesses are considering relocating to the U.S., which could exacerbate capital flight and harm competitiveness. The Bank will continue to monitor the situation closely, especially regarding supply chains and sectoral impacts. *Source: Reuters*
- **Ottawa's Economy Shows Resilience Amidst U.S. Tariffs:** Despite the imposition of a 25% tariff on all Canadian imports by the U.S. on February 1, 2025, Ottawa's economy is expected to remain resilient. Factors contributing to this outlook include declining interest rates and ongoing infrastructure projects, such as the Light Rail Transit (LRT) expansion. These elements are anticipated to mitigate potential negative impacts, supporting continued economic growth in the region. *Source: Ottawa Business Journal*
- **Launch of Downtown Vibrancy Office to Revitalize Ottawa's Core:** At the start of 2025, Ottawa introduced a new "downtown vibrancy office" aimed at rejuvenating the city's core. Supported by a \$450,000 grant from the provincial government's \$20-million "New Deal" for Ottawa, the office focuses on initiatives to attract businesses, residents, and visitors to the downtown area. Efforts include enhancing public spaces, supporting local events, and collaborating with stakeholders to address challenges such as commercial vacancies. This initiative seeks to stimulate economic activity, foster a vibrant urban environment, and reinforce Ottawa's position as a dynamic capital city. *Source: Ottawa Business Journal*
- **Ottawa's Trillium Line Expansion Enhances Transit Connectivity:** The Trillium Line, part of Ottawa's O-Train light rail system, has undergone a significant expansion as part of the Stage 2 Light Rail Transit (LRT) project. The extension adds 11 kilometers of new track, extending the line south from Greenboro to Limebank, with new stations at South Keys, Leitrim, Bowesville, and Limebank. Additionally, a 4-kilometer branch line now connects South Keys station to Macdonald-Cartier International Airport, enhancing transit accessibility for travelers. This expansion, which

began operations on January 6, 2025, is expected to improve public transportation options, reduce traffic congestion, and support economic growth in the region by facilitating easier movement for residents and visitors alike. *Source: OC-Transpo*

## What Happened in Q4 2024: October, November and December 2024

- **Ontario-Ottawa Agreement Secures \$48 Million for Public Safety Initiatives:** The Ontario Solicitor General and Treasury Board have endorsed seven public safety initiatives under the Ontario-Ottawa Agreement, allocating \$48 million over three years to enhance community safety. This funding supports evidence-based approaches and contemporary best practices, focusing on community engagement and partnerships to address safety issues holistically. The initiatives aim to strengthen Ottawa's resilience and ensure a secure environment for all residents, contributing positively to the city's economic stability and attractiveness for investment. *Source: City of Ottawa*
- **Rural Summit 2024 Addresses Service Improvements for Ottawa's Rural Communities:** The Rural Summit 2024, held in October, focused on recommending improvements to city services for Ottawa's rural residents and communities. A Resident Working Group, formed in January 2024 with representatives from each rural ward, organized the summit to address issues specific to rural areas, including service delivery, future planning, and community development. The summit aimed to foster better communication between rural stakeholders and city officials, ensuring that the unique needs of these communities are met. Enhancing services in rural Ottawa is expected to support local economies, particularly in agriculture and small businesses, contributing to the overall economic health of the region. *Source: City of Ottawa*
- **Ottawa Senators Secure Agreement for New Arena at LeBreton Flats:** The Ottawa Senators, in partnership with the National Capital Commission (NCC), have reached an agreement to construct a new arena in the LeBreton Flats district. This development is part of a broader mixed-use project aimed at revitalizing the area. The new arena is expected to boost local employment during and after construction, stimulate investment, and enhance Ottawa's appeal as a destination for major events and entertainment. The project underscores the city's commitment to urban renewal and economic diversification. *Source: CTV News*
- **Ottawa's Real Estate Market Sees Increase in Listings and Sales in 2024:** The Ottawa Real Estate Board (OREB) reported a notable rise in active residential listings and home sales throughout 2024. As of November 30, there were 4,036 active residential listings, marking a 38.2% increase compared to the same period in 2023. Home sales in November 2024 totaled 1,059 units, reflecting an 11.8% increase from November 2023. The benchmark price for single-family homes reached \$722,400, a 2.1% year-over-year rise, while townhouses saw a modest 0.3% increase to \$491,500. Conversely, apartment prices experienced a 3.7% decline, with the benchmark price at \$406,200. OREB attributes the market's recovery to buyers gradually returning, influenced by stabilizing interest rates and upcoming changes in mortgage regulations. This trend suggests a strengthening housing market in Ottawa, potentially boosting economic activity and consumer confidence in the region. *Source: Ottawa CityNews*

## Snapshot

	<u>Q4-2023</u>	Q3-2024	<u>Q4-2024</u>	Year-over-year Status: <u>Q4 2024</u> Compared to <u>Q4-2023</u>
Employed Labour Force	658,067	658,133	670,900	Positive ✓
Unemployment Rate	4.8%	6.4%	6.1%	Negative ✗
Participation Rate	70.1%	69.1%	69.5%	Negative ✗
Housing Starts	2,521	2,500	1,770	Negative ✗
Average Resale Price	\$642,154	\$675,167	\$666,523	Negative ✗
Resale Units Sold	2,105	3,388	2,851	Positive ✓
Population	1,083,550	1,094,340	1,097,760	Positive ✓
Inflation	2.7%	2.4%	2.0%	Positive ✓
Average Weekly Earning	\$1,405	\$1,445	\$1,475	Positive ✓
Construction Permit Value (seasonally adjusted)	\$961,460	\$843,000	\$1,055,632	Positive ✓
Office Vacancy Rate	12.2%	11.5%	11.6%	Positive ✓
Retail Vacancy Rate	2.0%	2.1%	2.2%	Negative ✗
Industrial Vacancy Rate	2.8%	4.4%	5.4%	Negative ✗

Please refer to individual tables below for more details.

\*Population data is available bi-annually for quarters Q2 and Q4.

# Labour Force

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

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

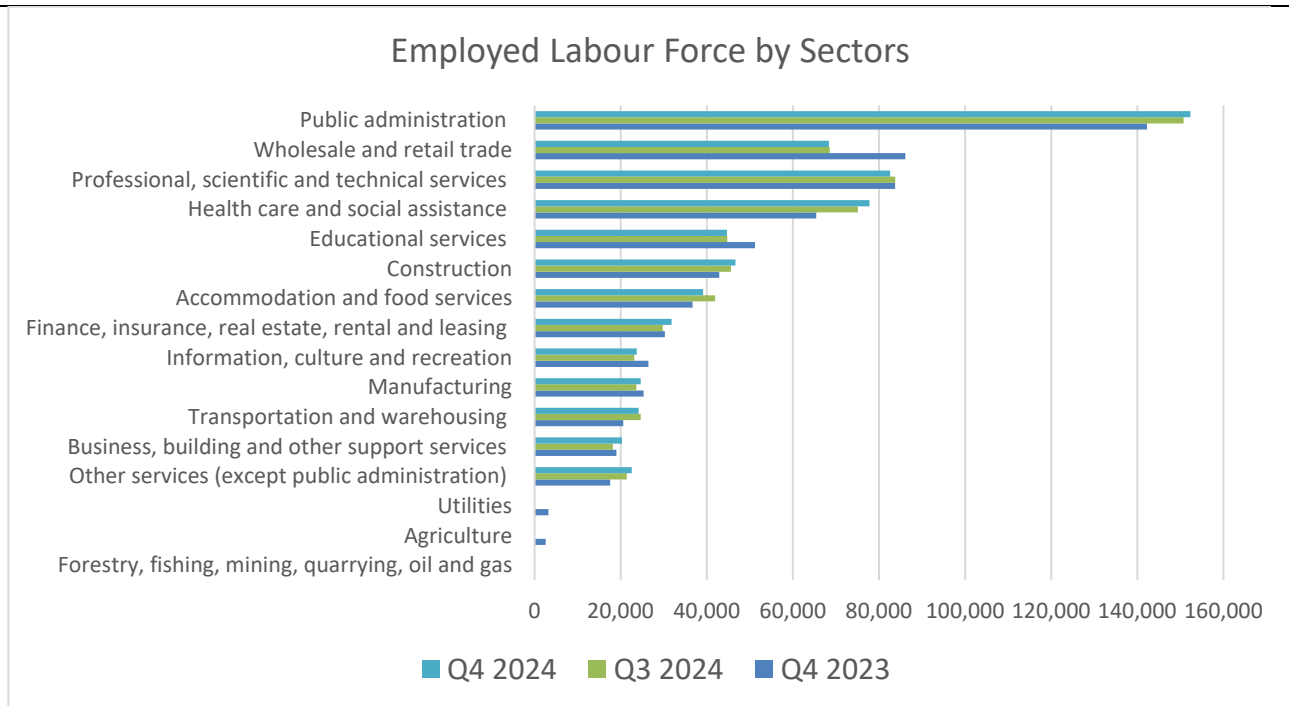
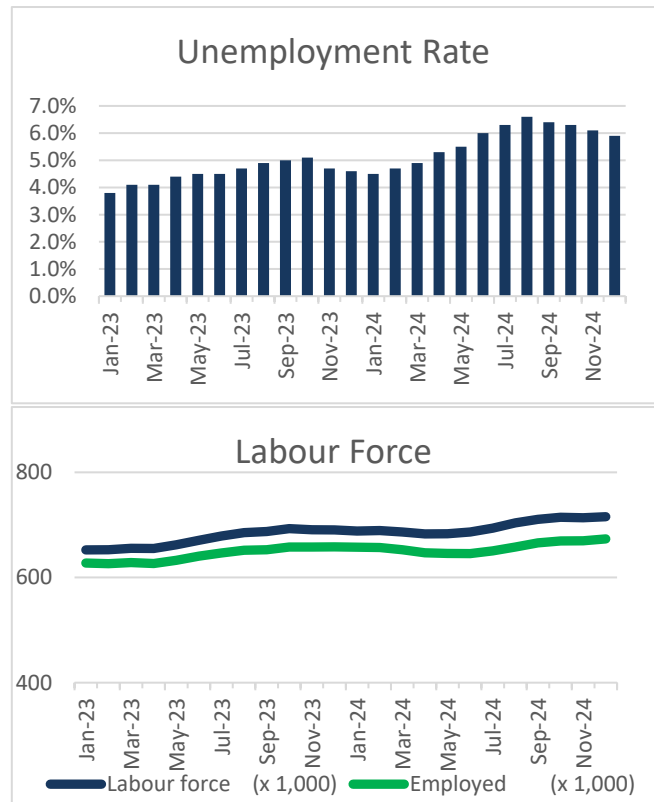
Ottawa, CMA (ON pt.)*	Q4-23	Q3-24	Q4-24
Labour Force (x 1,000)	691.4	702.8	714.5
Employed (x 1,000)	658.1	658.1	670.9
Unemployed (x 1,000)	33.3	44.7	43.6
Unemployment Rate	4.8%	6.4%	6.1%
Participation Rate	70.1%	69.1%	69.5%

\*2021 boundaries

Year-over-year, the overall labour force increased 3.3% while employed residents increased by 2.0%. Meanwhile, the unemployment rate also increased 1.3 percentage points from Q4 2023. Other Services (except Public Administration), Health Care and Social Assistance, and Transportation and Warehousing saw the largest increases in employment growth year-over-year. Meanwhile, Wholesale and Retail Trade; Education Services and Information, Culture and Recreation sectors saw the largest decreases in employment growth over the same period.

Ottawa, CMA (ON pt.)*	YTD-23	YTD-24
Unemployment Rate	4.5%	5.7%
Participation Rate	69.2%	68.9%

\*2021 boundaries



# Housing

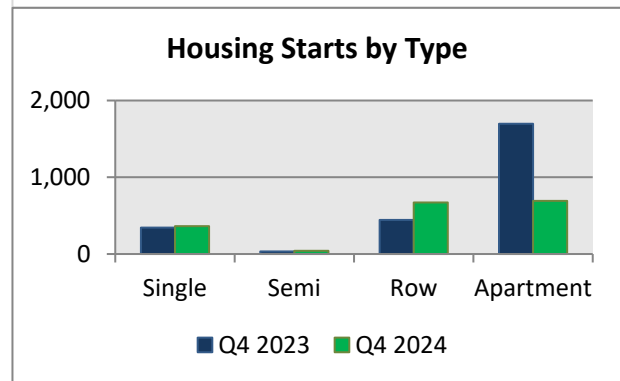
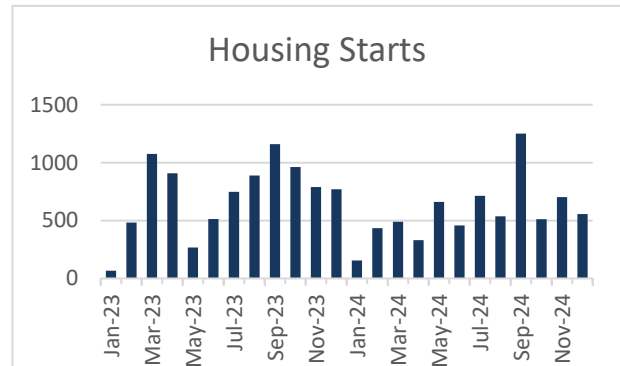
## Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q4-23	Q3-24	Q4-24
Housing Starts	<b>2,521</b>	2,500	<b>1,770</b>
Single	<b>345</b>	301	<b>364</b>
Semi	<b>34</b>	28	<b>42</b>
Row	<b>445</b>	570	<b>671</b>
Apartment	<b>1,697</b>	1,601	<b>693</b>

Overall, housing starts declined by 29.8% from Q4 2023 to Q4 2024. While all ground-oriented dwelling types saw year-over-year increases in starts, apartment starts dropped by 59.2%, whereas single-detached homes increased by 5.5%, semi-attached homes rose by 23.5%, and row-house starts surged by 50.8%.

Ottawa, City	YTD-23	YTD-24
Housing Starts	<b>8,632</b>	<b>6,800</b>
Single	<b>1,211</b>	<b>1,104</b>
Semi	<b>114</b>	<b>108</b>
Row	<b>1,574</b>	<b>1,911</b>
Apartment	<b>5,733</b>	<b>3,677</b>



## Housing Sales, Resale Market

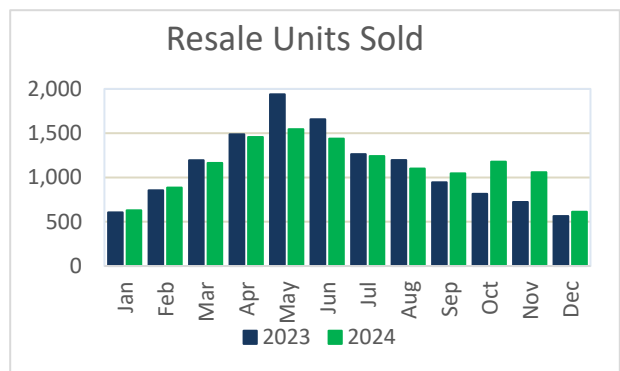
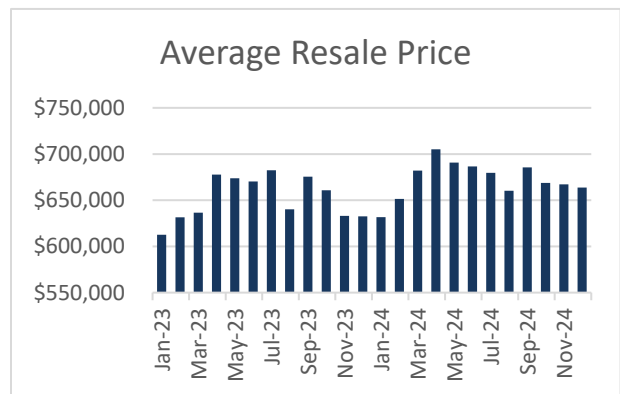
Source: Ottawa Real Estate Board

Ottawa Area*	Q4-23	Q3-24	Q4-24
Average Resale Price	<b>\$ 642,154</b>	\$ 675,167	<b>\$ 666,523</b>
Resale Units Sold	<b>2,105</b>	3,388	<b>2,851</b>

A total of 2,851 units were sold through the MLS system in Q4 2024, a decrease of 15.9% from the previous quarter, however, it increased by 35.4% year-over-year. The average resale price decreased by 1.3% from the previous quarter and increased by 3.8% year-over-year.

Ottawa Area*	YTD-23	YTD-24
Average Resale Price**	<b>\$652,248</b>	<b>\$672,712</b>
Resale Units Sold	<b>13,250</b>	<b>13,359</b>

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



# Living

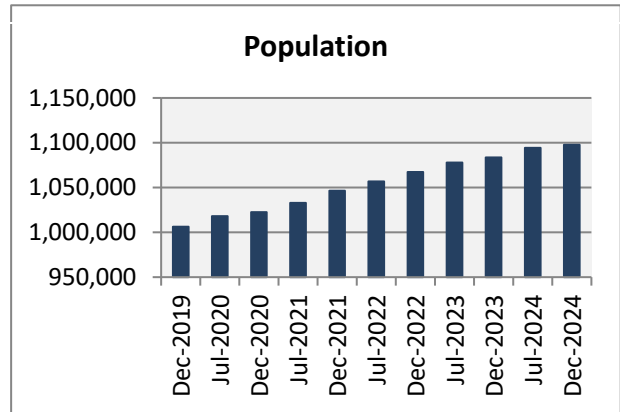
## Population

Source: City of Ottawa estimate\*

Ottawa, City	Q4-23	Q2-24	Q4-24
Population	<b>1,083,550</b>	1,094,340	<b>1,097,760</b>

\*Population estimate reported twice per year

The population estimate for the city of Ottawa increased 1.3% year-over-year to reach 1,097,760 at end of year 2024.



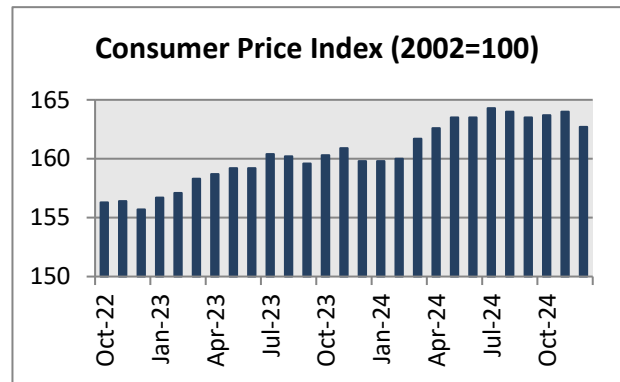
## Consumer Price Index (2002=100)

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

Ottawa, CMA (ON pt.)*	Q4-23	Q3-24	Q4-24
Consumer Price Index	<b>160.3</b>	163.9	<b>163.5</b>
Inflation	<b>2.7%</b>	2.4%	<b>2.0%</b>

\*2006 boundaries

The Consumer Price Index saw a year-over-year increase of 2.0% to 163.5 in Q4 2024. The inflation rate decreased 0.4 percentage points from the previous quarter and decreased 0.7 percentage points since Q4 of last year.



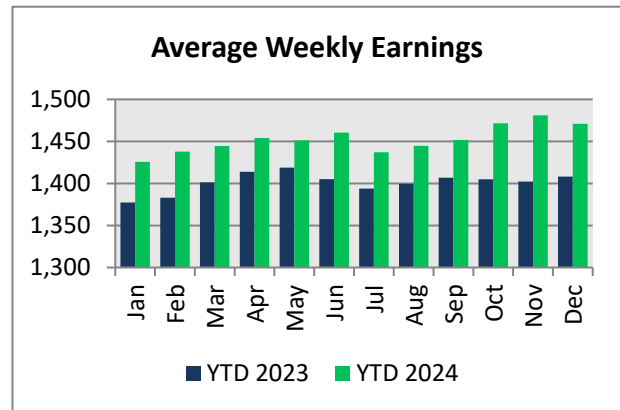
## Average Weekly Earning

Source: CMHC Custom Data

Ottawa, CMA (ON pt.)*	Q4-23	Q3-24	Q4-24
Avg. Weekly Earning	<b>\$1,405</b>	\$1,445	<b>\$1,475</b>

\*2021 boundaries

The average weekly earning increased 4.9 % year-over-year and decreased 2.1% from the previous quarter to reach \$1,475 in Q4 2024.



# Economy

## Construction Permits, Seasonally Adjusted

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

Ottawa, CMA (ON pt.)*	Q4-23	Q3-24	Q4-24
Total Permits	\$961,460	\$843,679	\$1,055,632
Residential	\$693,766	\$578,239	\$782,233
Non-residential	\$267,693	\$265,440	\$273,399

(x \$1,000)

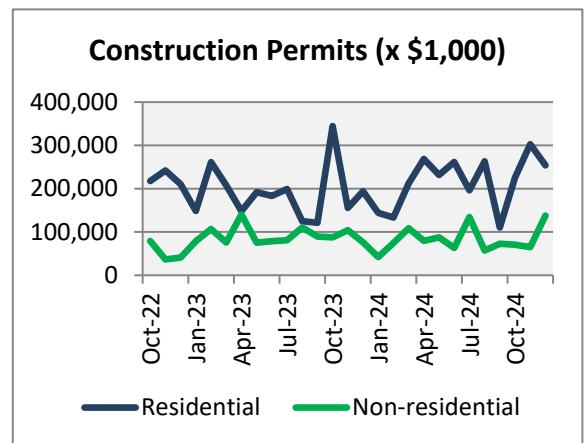
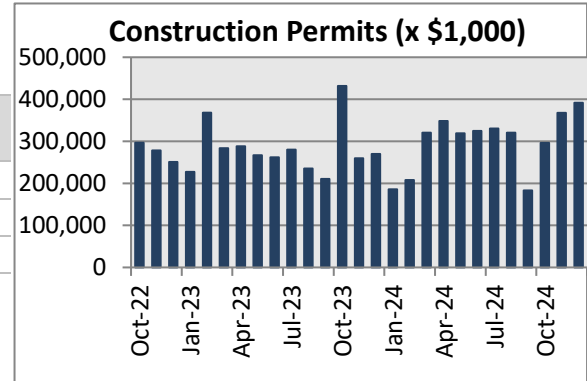
\*2006 boundaries

Compared to Q4 of last year, total construction permit value increased by 9.8% in Q4 2024, largely due to a 12.8% increase in residential permit value and a 2.1% increase in non-residential permit. Since last quarter, total construction permit value increased by 26.6%, where residential permit value increased by 37.3% and non-residential permit values increased 3.5%.

Ottawa, CMA (ON pt.)*	YTD-23	YTD-24
Total Permits	3,383,222	3,595,969
Residential	2,279,361	2,602,989
Non-residential	1,103,862	992,980

(x \$1,000)

\*2006 boundaries

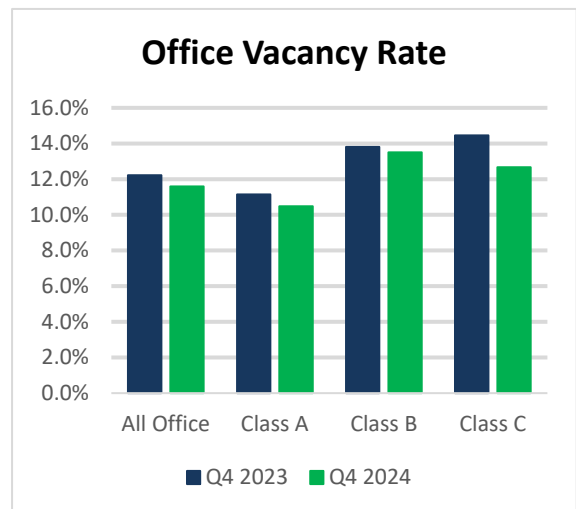


## Office Vacancy Rate

Source: Colliers Canada

Ottawa, City	Q4-23	Q3-24	Q4-24
All Office	12.2%	11.5%	11.6%
Class A	11.1%	9.9%	10.5%
Class B	13.8%	14.2%	13.5%
Class C	14.5%	13.1%	12.7%

Year-over-year, Ottawa's office vacancy rate decreased 0.6 percentage points. Office class A experienced a decrease of 0.7 percentage points in vacancy rates year-over-year, while office class B experienced a decrease of 0.3 percentage points and office class C experienced a decrease of 1.8 percentage points.



# Economy

## Industrial and Retail Vacancy Rates

Source: Cushman & Wakefield for Industrial Reports, and Marcus & Millichap for Retail Market Reports

Ottawa, City	Q4-23	Q3-24	Q4-24
Ind. Vacancy Rate	<b>2.8%</b>	4.4%	<b>5.4%</b>

The industrial vacancy rate increased 2.6 percentage points year-over-year and increased 1.0 percentage points from the last quarter to reach 5.4% in Q4 2024.

Ottawa, City	Q4-23	Q3-24	Q4-24
Retail Vacancy Rate	<b>2.0%</b>	2.1%	<b>2.2%</b>

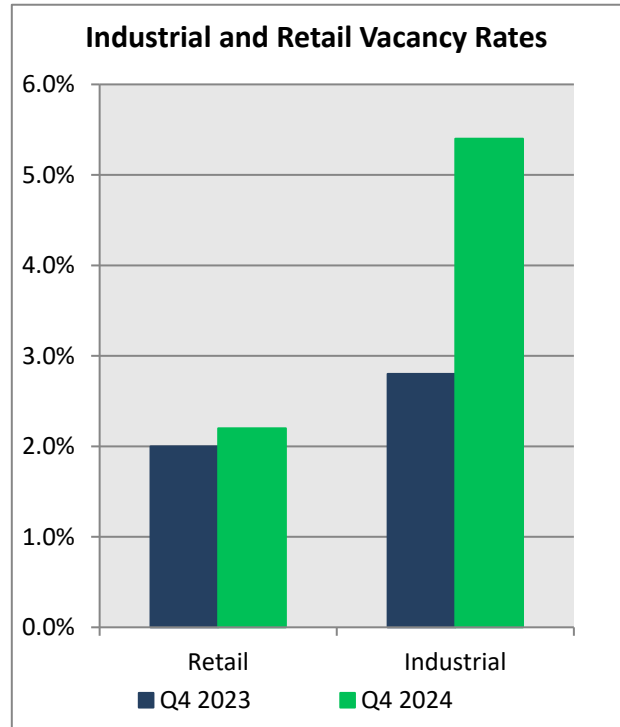
In Q4, 2024, the retail vacancy rate has increased in 0.1 percentage points to 2.2% from the previous quarter (Q3 2024) at 2.1%, as well 0.2 percentage points from Q4 of last year.

## Retail Vacancy by Square Footage

Source: Marcus & Millichap for Retail Market Reports

Ottawa, City	Q4-23	Q3-24	Q4-24
Rentable Building Area	<b>49,301,741</b>	49,347,169	<b>49,357,703</b>
Vacant (sq ft)	<b>999,857</b>	1,050,169	<b>1,089,848</b>

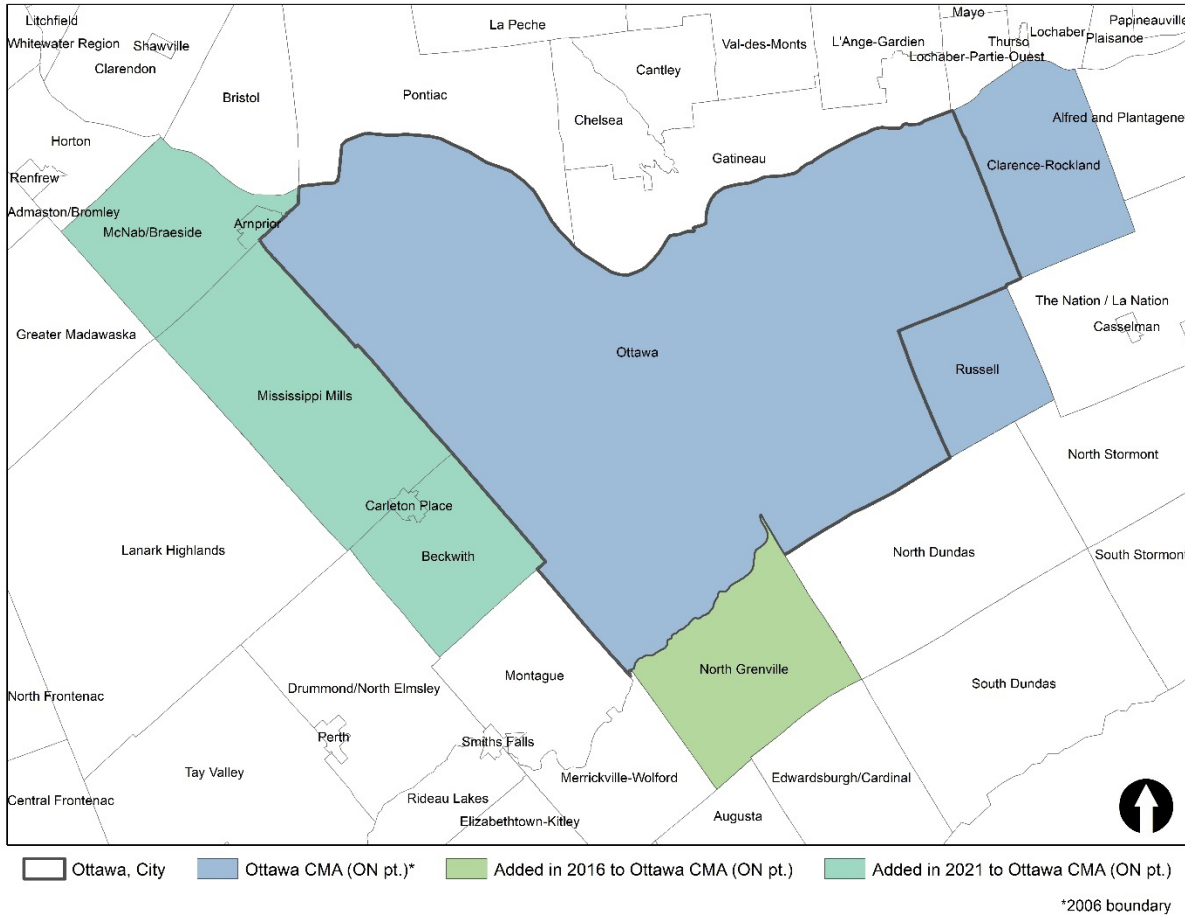
Rentable Building Area (RBA), for retail uses increased by 55,962 sq. ft year-over-year and 10,534 sq. ft when compared to the previous quarter. The retail vacancy area increased 9.0% year-over-year and increased by 3.8% from the previous quarter to reach 1,089,848 sq.ft in Q4 2024.





**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.