



Economic Development Update Q4 2021

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators to the city's economy. The Q4 2021 update covers the months of October, November and December 2021. This report will be available on a quarterly basis on Ottawa.ca and via an email subscription.

New and Noteworthy in Q1 2022: January, February and March 2022

- **Government support for Ottawa businesses impacted by the convoy protests:** For several weeks in February an illegal blockade in Downtown Ottawa prevented many local businesses from being able to operate safely, resulting in significant financial losses. Investments of \$20 million by the federal government and \$10 million by the province will allow each small business impacted by the protests to apply for up to \$10,000 in federal funding and \$5,000 in provincial funding through Invest Ottawa. The City of Ottawa has also passed several measures to provide financial relief to affected businesses, including \$450,000 in funding to affected BIAs and a deferral of interim 2022 property taxes in the areas impacted by the occupation.
- **Ontario lifts capacity restrictions, vaccine and mask mandates:** With a plan to lift all pandemic restrictions by April 27th, 2022, capacity limits and proof of vaccination policies ended for most indoor settings as of March 1st, with mandatory vaccination policies ending in hospitals, long-term care homes, schools, and child-care settings on March 14th. However, individual organizations can choose to keep their own requirements in place. Most mask mandates were lifted as of March 21st, however, mandatory masking is still required in healthcare settings, jails, shelters, and on public transit and may need to be reinstated if a new variant emerges.
- **City of Ottawa ends 2021 with budget surplus:** Despite the pandemic, the City of Ottawa reported a \$52 million budget surplus for 2021. COVID-19 funding from the upper levels of government, cost saving initiatives, increased revenues, and reduced spending are credited for this surplus.

- **Ontario to match Small Business Property Tax Subclass:** To aid in pandemic relief for small businesses, the province confirmed in February 2022 that it will match the small business property tax subclass adopted by City Council in October 2021 which would reduce property taxes for small businesses by 15 percent over two years. Ontario is to provide a corresponding 7.5 percent reduction in the education tax portion for small business properties in 2022, with an additional 7.5 percent reduction in 2023 to reach 15 percent. Approximately 52 percent of commercial and industrial properties in Ottawa are thought to benefit from this subclass.

What Happened in Q4 2021: October, November, and December 2021

- **\$600m of Venture Capital Funding to Ottawa Tech:** In the four weeks from October 27th to November 24th, local Ottawa tech enterprises saw an unprecedented more than half a million dollars of investment from private equity firms. Approximately half of this total amount was awarded to Fullscript, the Ottawa-based online health-care platform. Other recipients of VC's include Ottawa Startups Fullscript, GaN Systems, Threekit, Knak, and Fellow Insights.
- **City of Ottawa approves New Official Plan:** On October 27, 2021, the Ottawa City Council approved a new Official Plan for Ottawa, the first time the City has adopted a new Official Plan since 2003. The new Official Plan will guide growth and redevelopment in the City for the next 25 years. The new Official Plan is centered around five big policy changes of growth, mobility, urban design, resiliency, and economy.

Snapshot

	Q4-2020	Q3-2021	Q4-2021	Status Compared to Q4-2020
Employed Labour Force	557,800	598,100	580,300	Positive ✓
Unemployment Rate	7.3%	6.7%	4.9%	Positive ✓
Participation Rate	65.9%	69.2%	65.5%	Negative ✗
Housing Starts	2,393	2,097	2,815	Positive ✓
Average Resale Price	\$603,342	\$687,343	\$714,450	Negative ✗
Resale Units Sold	3,584	4,903	3,625	Positive ✓
Population	1,022,604	1,032,910	1,046,440	Positive ✓
Inflation	1.7%	4.9%	5.5%	Negative ✗
Average Weekly Earning	\$1,116	\$1,293	\$1,289	Positive ✓
Construction Permit Value (seasonally adjusted)	\$928,518	\$972,757	\$995,573	Positive ✓
Office Availability Rate	10.4%	11.4%	12.3%	Negative ✗
Retail Vacancy Rate	5.2%	n/a	3.1%	Positive ✓
Industrial Vacancy Rate	4.0%	4.5%	2.0%	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

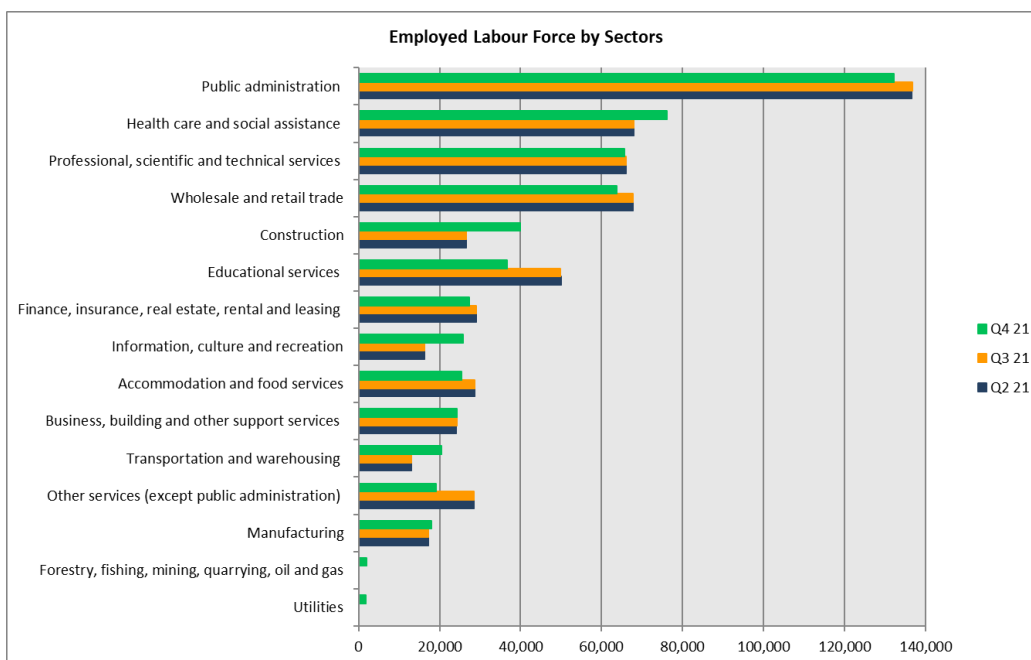
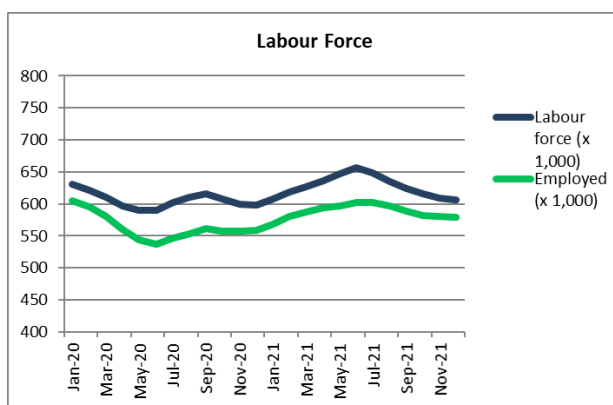
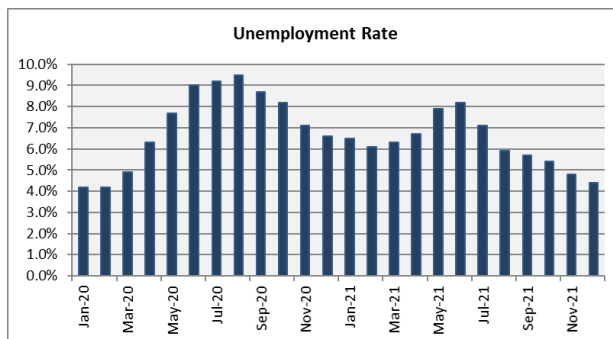
Ottawa, CMA (ON pt.)*	Q4-20	Q3-21	Q4-21
Labour Force (x 1,000)	601.8	640.9	610.2
Employed (x 1,000)	557.8	598.1	580.3
Unemployed (x 1,000)	44.0	42.8	29.8
Unemployment Rate	7.3%	6.7%	4.9%
Participation Rate	65.9%	69.2%	65.5%

*2016 boundaries

Labour force (1.4%) and employed residents (4.0%) both increased over the past year. The unemployment rate decreased by 2.4 percentage points in Q4 2021 from Q4 2020. The Construction; Business, building, and other support services; and Information, Culture and Recreation; respectively, saw the largest increases in employment in Q4 2021 from Q4 2020. Agriculture and Educational Services saw the largest decreases in employment over the same time horizon.

Ottawa, CMA (ON pt.)*	YTD-20	YTD-21
Unemployment Rate	7.1%	6.3%
Participation Rate	66.8%	68.0%

*2016 boundaries



Housing

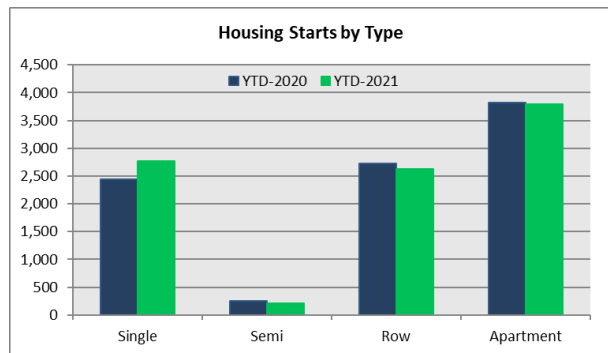
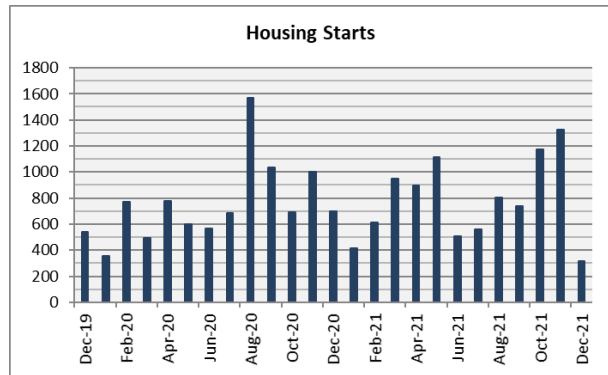
Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q4-20	Q3-21	Q4-21
Housing Starts	2,393	2,097	2,815
Single	647	732	696
Semi	77	42	60
Row	611	806	748
Apartment	1,058	517	1,311

Housing starts saw an increase (17.6%) in Q4 2021 from Q4 2020. Single-detached starts increased by 7.6%, while semi-detached starts decreased by 22.1%. Multi-unit starts saw the largest increase, with rowhouses and apartments increasing by 22.4% and 23.9%, respectively. Total housing starts for 2021 increased by 1.8% from 2020 to reach 9,402 starts.

Ottawa, City	YTD-20	YTD-21
Housing Starts	9,239	9,402
Single	2,439	2,775
Semi	251	215
Row	2,733	2,622
Apartment	3,816	3,790



Housing Sales, Resale Market

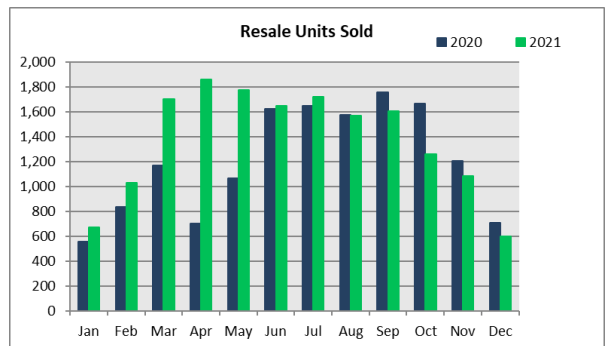
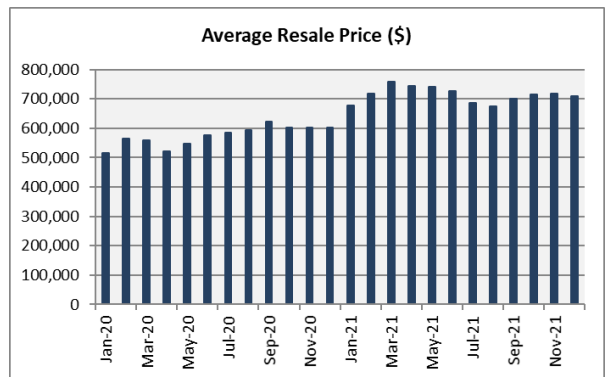
Source: Ottawa Real Estate Board

Ottawa Area*	Q4-20	Q3-21	Q4-21
Average Resale Price	\$603,342	\$687,343	\$714,450
Resale Units Sold	3,584	4,903	2,950

A total of 2,950 units were sold through the MLS system in Q4 2021, a 17.7% decrease from Q4 2020. The average resale price increased by 18.4% to \$714,450 in Q4 2021 from the previous year. Overall, the average resale in 2021 was 24.3% higher than in 2020 and 14.0% more units were sold.

Ottawa Area*	YTD-20	YTD-21
Average Resale Price	\$574,611	\$714,139
Resale Units Sold	14,516	16,545

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



Living

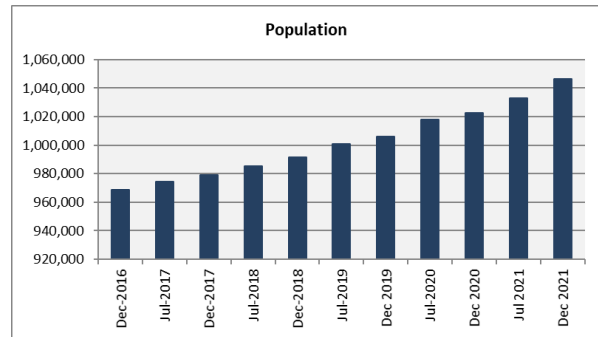
Population

Source: City of Ottawa estimate*

Ottawa, City	Q4-20	Q2-21	Q4-21
Population	1,022,604	1,032,910	1,046,440

*Population estimate reported twice a year

The City of Ottawa population increased by 2.3% over the past year from to reach 1,046,440 by the end of 2021. This increase was greater than that for 2020, during which the city grew by 1.6%.



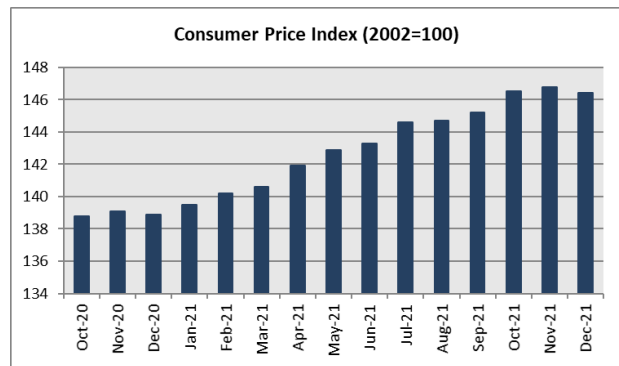
Consumer Price Index (2002=100)

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

Ottawa, CMA (ON pt.)*	Q4-20	Q3-21	Q4-21
Consumer Price Index	138.9	144.8	146.6
Inflation	1.7%	4.9%	5.5%

*2006 boundaries

The Consumer Price Index increased to 146.6 in Q4 of 2021, which was a year-over-year increase of 7.7 points from Q4 of 2020. Inflation increased 0.6 percentage points from the previous quarter, and by 3.8 percentage points from Q4 of 2020.



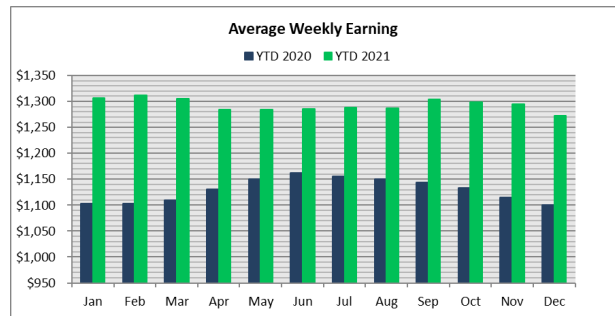
Average Weekly Earning

Source: CMHC Custom Data

Ottawa, CMA (ON pt.)*	Q4-20	Q3-21	Q4-21
Avg. Weekly Earning	\$1,116	\$1,293	1,289\$

*2016 boundaries

The average weekly earning increased 15.5% in Q4 2021 from Q4 2020. In comparison to the previous quarter, the average weekly earning in Q4 of 2021 decreased by 0.3%.



Economy

Construction Permits, Seasonally Adjusted

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

Ottawa, CMA (ON pt.)*	Q4-20	Q3-21	Q4-21
Total Permits	\$928,518	\$972,757	\$995,573
Residential	\$678,493	\$799,952	\$661,153
Non-residential	\$250,025	\$172,806	\$334,419

(x \$1,000)

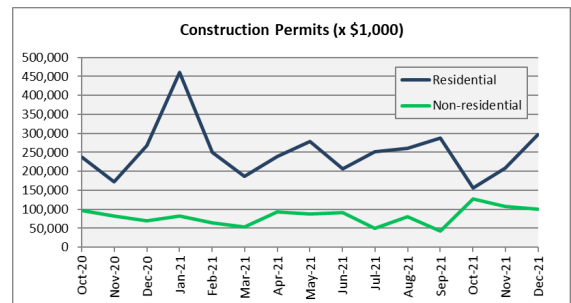
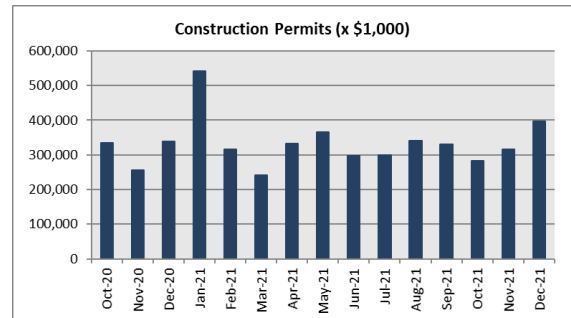
*2006 boundaries

Compared to Q4 2020, construction permit values in Q4 2021 increased overall by 7.2%, with a decrease of 2.6% in residential permit value and an increase of 33.8% in non-residential permit value. Compared to Q3 2021, total permits increased by 2.3%, due to an increase in non-residential permit value.

Ottawa, CMA (ON pt.)*	YTD-20	YTD-21
Total Permits	\$4,402,744	\$4,061,215
Residential	\$2,869,096	\$3,082,002
Non-residential	\$1,533,648	\$979,213

(x \$1,000)

*2006 boundaries



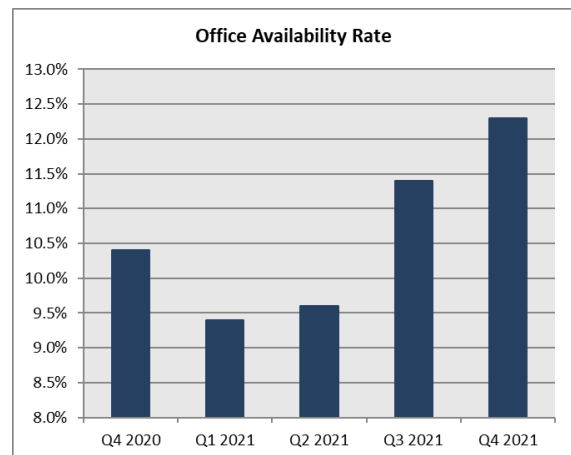
Office Availability Rate

Source: Colliers Canada

Ottawa, City	Q4-20	Q3-21	Q4-21
All Office	10.4%	11.4%	12.3%

* Availability Rate: The amount of available space that is available for lease including sublease, and which may or may not be vacant.

Compared to Q4 2020, the office availability rate increased 1.9 percentage points to sit at 12.3% in Q3 2021.



Economy

Industrial and Retail Vacancy Rates

Source: Cushman & Wakefield, Retail and Industrial Report

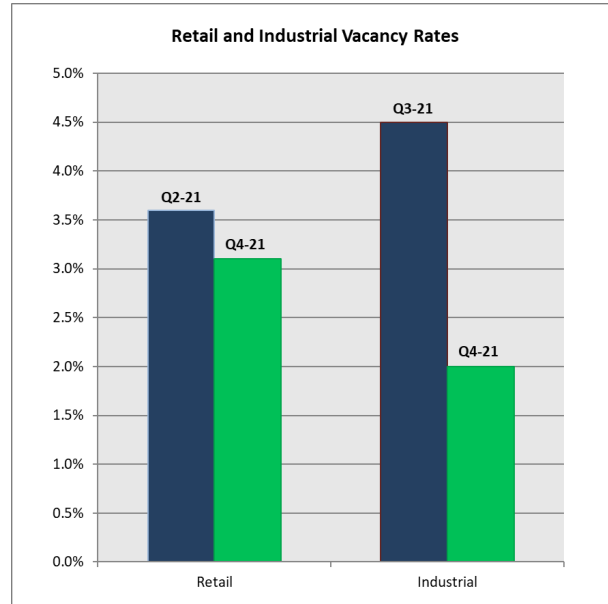
Ottawa, City	Q4-20	Q3-21	Q4-21
Ind. Vacancy Rate	4.0%	4.5%	2.0%

Compared to the previous quarter, the industrial vacancy rate decreased by 2.5 percentage points to sit at 2.0% in Q4 2021. The industrial vacancy rate decreased by 2 percentage points year-over-year in Q4 2021.

Ottawa, City	Q4-20	Q2-21	Q4-21
Retail Vacancy Rate	5.2%	3.6%	3.1%

* Retail is reported twice a year.

Compared to Q2 2021, the retail vacancy rate decreased 0.5 percentage points to sit at 3.1% in Q4 2021. The retail vacancy rate decreased year-over-year by 2.1 percentage points in Q4 2021.



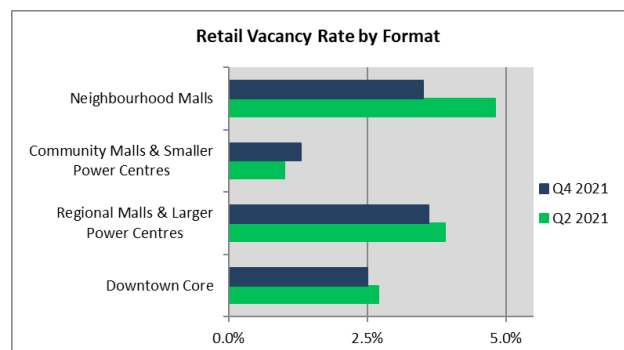
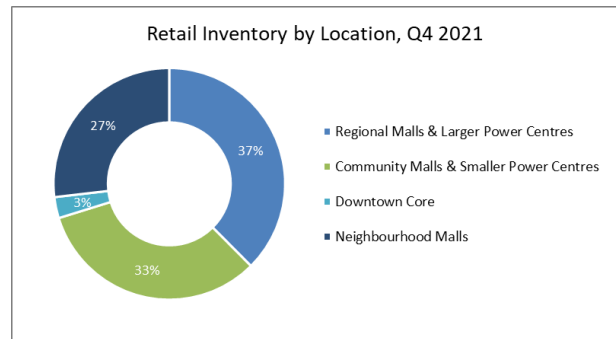
Retail Vacancy by Format

Source: Cushman & Wakefield, Retail and Industrial Report

Ottawa, City	Q4-20	Q2-21	Q4-21
Regional Malls & Larger Power Centres	4.9%	2.7%	2.5%
Community Malls & Smaller Power Centres	5.2%	3.9%	3.6%
Downtown Core	1.8%	1.0%	1.3%
Neighbourhood Malls	6.0%	4.8%	3.5%

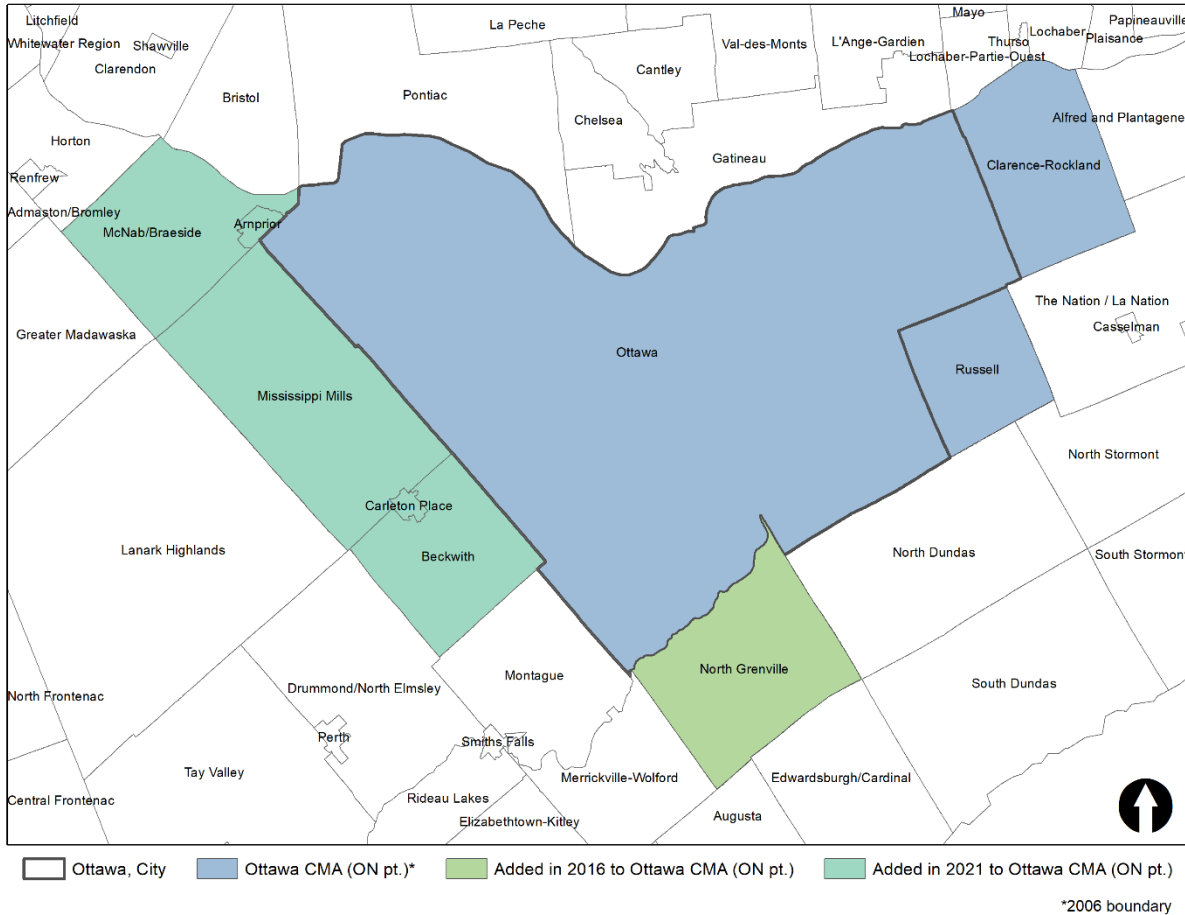
*Retail is reported twice a year.

Compared to Q4- 2020, all retail formats saw a decrease in vacancy rates. The format with the largest decrease was Neighbourhood Malls (2.5%), followed by Regional Malls & Larger Power Centres (2.4%), Community Malls & Smaller Power Centres (1.6%), and the Downtown Core (0.5%). Regional Malls & Larger power centres continue to hold the majority of retail space, while the Downtown Core has the least amount of inventory.



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.