



Economic Development Update Q1 2022

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators to the city's economy. The Q1 2022 update covers the months of January, February, March 2022. This report will be available on a quarterly basis on Ottawa.ca and via an [email subscription](#).

New and Noteworthy in Q2 2022: April, May, and 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.
- **Lansdowne revitalization gets Committee and Council go-ahead:** On May 6th, the City's Finance and Economic Development Committee voted in favour of the \$330 million plan to relocate the Civic Centre arena and replace the north-side stands with 1,200 new rental apartment and condo units, of which 120 will be affordable units. On June 8th, Council approved the business plan and funding strategy for the plan and city staff are to return with a follow-up report in the next Term of Council detailing costs, legal amendments, and public consultation feedback.
- **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.
- **Planning Committee approves affordable housing spending plan:** On June 9th, the City's Planning Committee approved a \$33.7 million dollar spending plan to create new affordable housing and stabilize projects currently underway. This will help fund approx. 300 new,

permanent affordable units to bring the total number of affordable units under development across Ottawa to 1,500.

What Happened in Q1 2022: January, February, 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.

Snapshot

	Q1-2021	Q4-2021	Q1-2022	Status Compared to Q1-2021
Employed Labour Force	579,500	580,300	585,200	Positive ✓
Unemployment Rate	6.7%	4.9%	5.0%	Positive ✓
Participation Rate	67.7%	65.5%	65.7%	Negative ✗
Housing Starts	1,974	2,815	1,521	Negative ✗
Average Resale Price	\$717,971	\$714,450	\$820,957	Negative ✗
Resale Units Sold	3,407	2,950	3,249	Negative ✗
Population	N/A	1,046,440	N/A	Neutral ○
Inflation	2.1%	5.5%	6.6%	Negative ✗
Average Weekly Earning	\$1,308	\$1,289	\$1,279	Negative ✗
Construction Permit Value (seasonally adjusted)	\$1,097,688	\$995,573	\$908,020	Negative ✗
Office Availability Rate	9.4%	12.3%	11.7%	Negative ✗
Retail Vacancy Rate	N/A	3.1%	N/A	Neutral ○
Industrial Vacancy Rate	4.4%	2.0%	2.3%	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

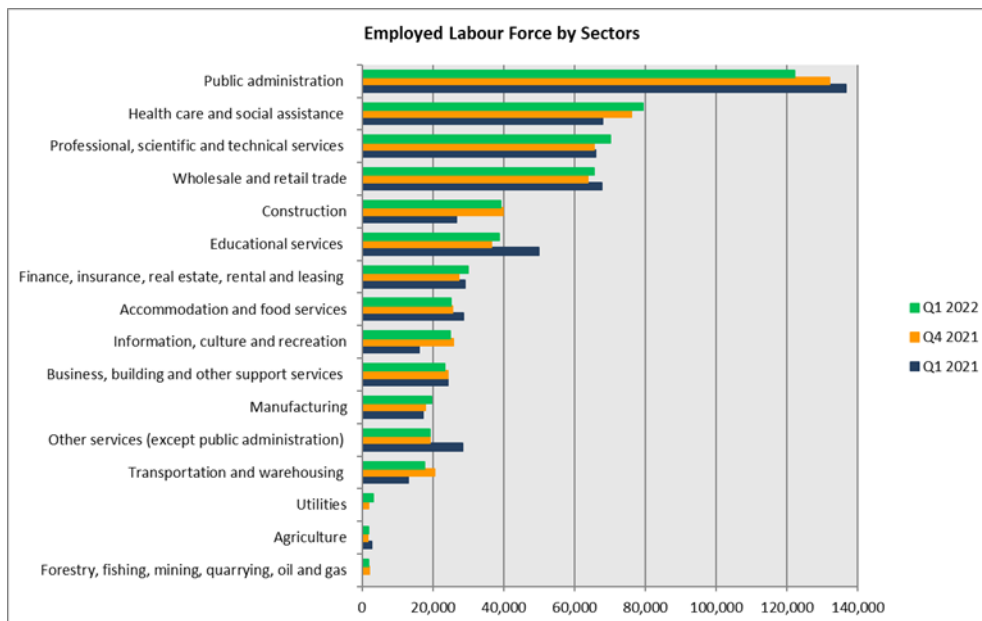
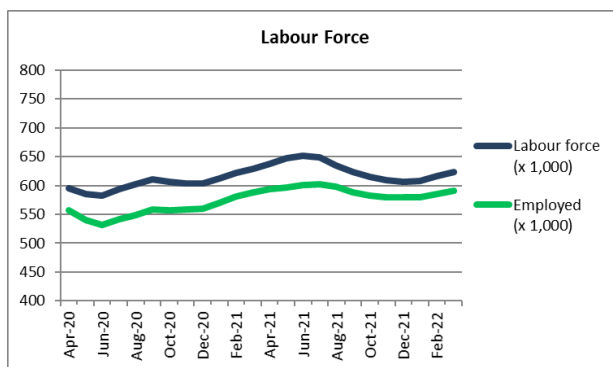
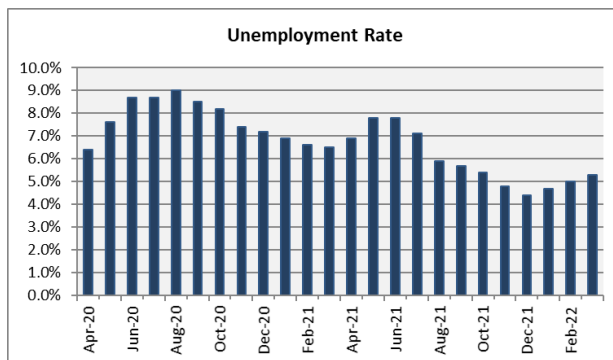
Ottawa, CMA (ON pt.)*	Q1-21	Q4-21	Q1-22
Labour Force (x 1,000)	621.0	610.2	616.0
Employed (x 1,000)	579.5	580.3	585.2
Unemployed (x 1,000)	41.4	29.8	30.8
Unemployment Rate	6.7%	4.9%	5.0%
Participation Rate	67.7%	65.5%	65.7%

*2016 boundaries

Over the past year, the labour force decreased by 0.8% while employed residents increased by 1.0%. The unemployment rate decreased by 1.7 percentage points between Q1 2022 and Q1 2021. The Information, culture and recreation; Construction; and Transportation and warehousing sectors, in that order, saw the largest increases in employment in Q1 2022 from Q1 2021. Agriculture, Educational Services, and Other Services (except Public Administration) saw the largest decreases in employment over the same time horizon.

Ottawa, CMA (ON pt.)*	YTD-21	YTD-22
Unemployment Rate	6.7%	5.0%
Participation Rate	67.7%	65.7%

*2016 boundaries



Housing

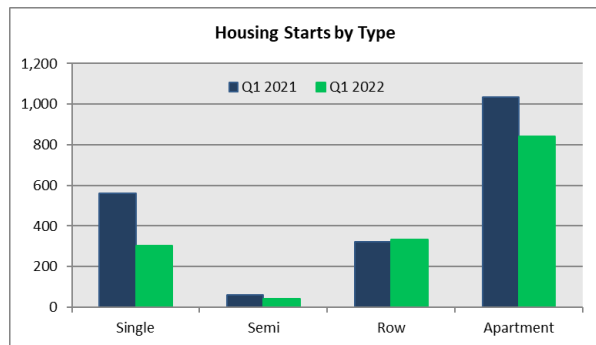
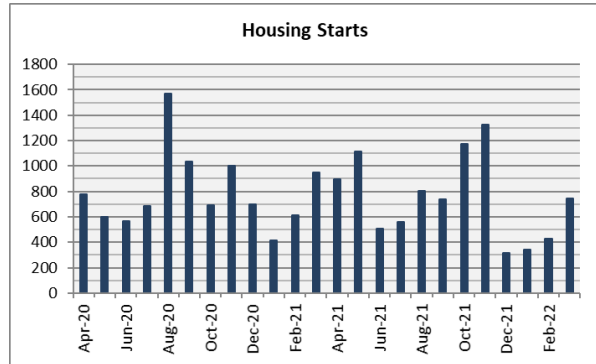
Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q1-21	Q4-21	Q1-22
Housing Starts	1,974	2,815	1,521
Single	559	696	304
Semi	60	60	40
Row	321	748	334
Apartment	1,034	1,311	843

Housing starts saw a decrease of 22.9% in Q1 2022 from Q1 2021. Single detached starts had the largest decrease (45.6%), followed by semis (33.3%), and apartments (18.5%) while row units saw a slight increase of 4.0%.

Ottawa, City	YTD-21	YTD-22
Housing Starts	1,974	1,521
Single	559	304
Semi	60	40
Row	321	334
Apartment	1,034	843



Housing Sales, Resale Market

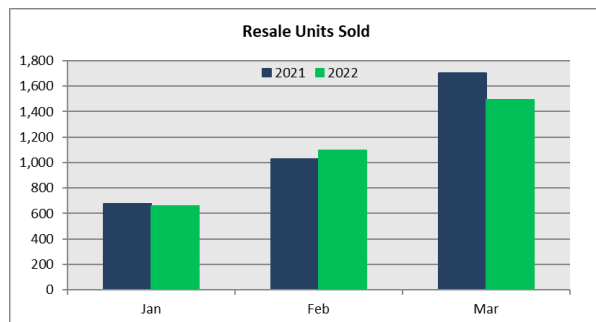
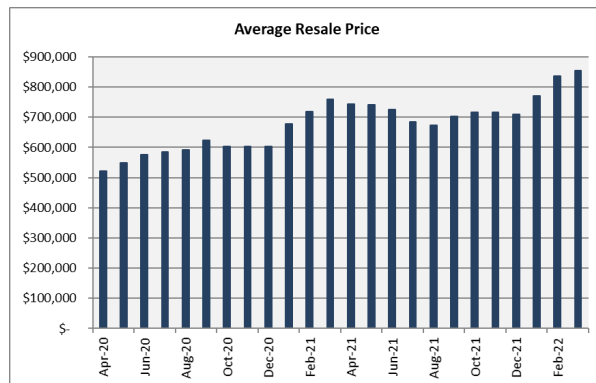
Source: Ottawa Real Estate Board

Ottawa Area*	Q1-21	Q4-21	Q1-22
Average Resale Price	\$717,971	\$714,450	\$820,957
Resale Units Sold	3,407	2,950	3,249

A total of 3,249 units were sold through the MLS system in Q1 2022, a 4.6% decrease from Q1 2020. The average resale price increased by 14.3% to reach \$820,957 in Q1 2022.

Ottawa Area*	YTD-21	YTD-22
Average Resale Price	\$717,971	\$820,957
Resale Units Sold	3,407	3,249

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



Living

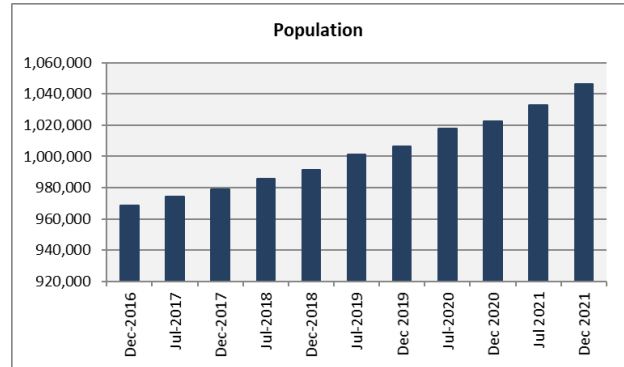
Population

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% from Q4-20 to reach 1,046,440 at year-end 2021.



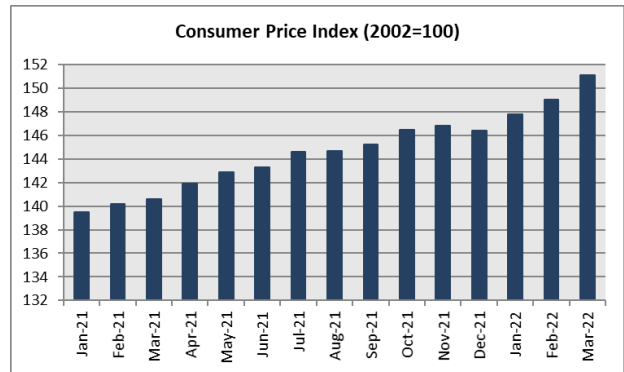
Consumer Price Index (2002=100)

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

Ottawa, CMA (ON pt.)*	Q1-21	Q4-21	Q1-22
Consumer Price Index	140.1	146.6	149.3
Inflation	2.1%	5.5%	6.6%

*2006 boundaries

The Consumer Price Index saw a year-over-year increase to 149.3 in Q1 2022, up 6.6% from Q1 2021. Inflation increased by 1.1 percentage points from the previous quarter, and by 4.5 percentage points from Q1 2021.



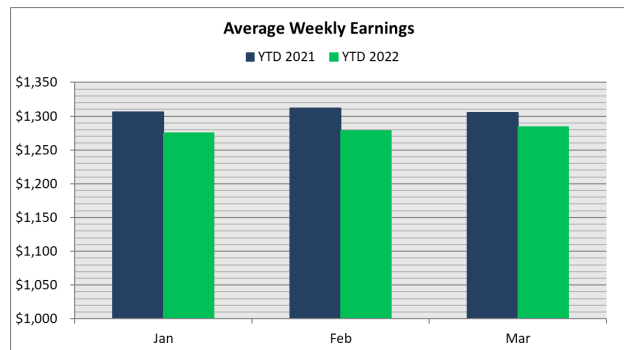
Average Weekly Earning

Source: CMHC Custom Data

Ottawa, CMA (ON pt.)*	Q1-21	Q4-21	Q1-22
Avg. Weekly Earning	\$1,308	\$1,289	\$1,279

*2016 boundaries

The average weekly earning decreased 2.2% in Q1 2022 from Q1 2021. In comparison to the previous quarter, Q1 2022 saw a slight decrease of 0.8%.



Economy

Construction Permits, Seasonally Adjusted

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

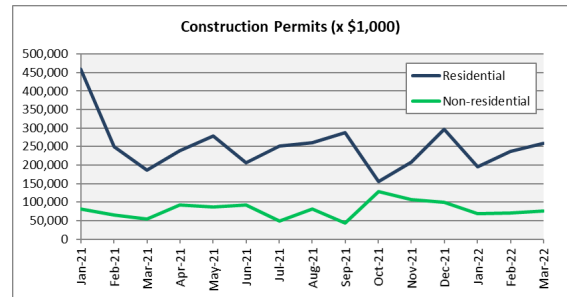
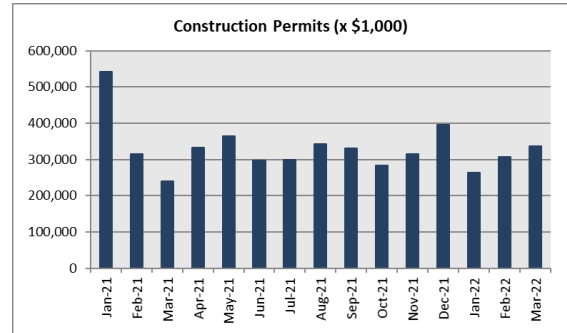
Ottawa, CMA (ON pt.)*	Q1-21	Q4-21	Q1-22
Total Permits	\$1,097,688	\$995,573	\$908,020
Residential	\$897,539	\$661,153	\$691,298
Non-residential	\$200,148	\$334,419	\$216,721

(x \$1,000) *2006 boundaries

Compared to Q1 2021, total construction permits decreased by 17.3% in Q1 2022. Residential permit value decreased 23.0%, whereas non-residential permit increased 8.3%. Compared to the last quarter, construction permits in Q1 2022 decreased by 8.8%, with an increase of 4.6% in residential permit value and a 35.2% decrease in non-residential permit value.

Ottawa, CMA (ON pt.)*	YTD-21	YTD-22
Total Permits	\$1,097,688	\$908,020
Residential	\$897,539	\$691,298
Non-residential	\$200,148	\$216,721

(x \$1,000) *2006 boundaries



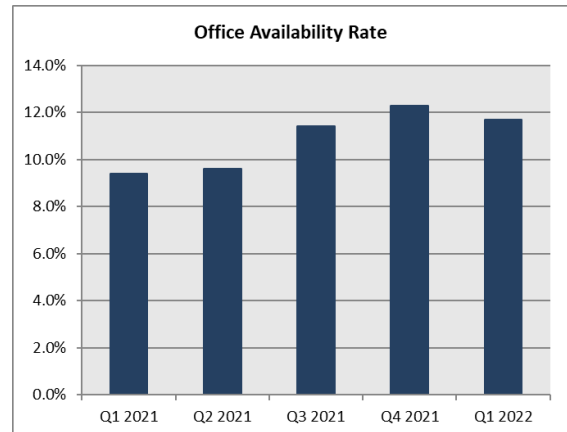
Office Availability Rate

Source: Colliers Canada

Ottawa, City	Q1-21	Q4-21	Q1-22
All Office	9.4%	12.3%	11.7%

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

The City's office availability rate increased 2.3 percentage points year-over-year in Q1 2022 from Q1 2021. Compared to Q4 2021, the office availability rate decreased 0.6 percentage points to sit at 11.7% in Q1 2022.



Economy

Industrial and Retail Vacancy Rates

Source: Cushman & Wakefield, Retail and Industrial Reports

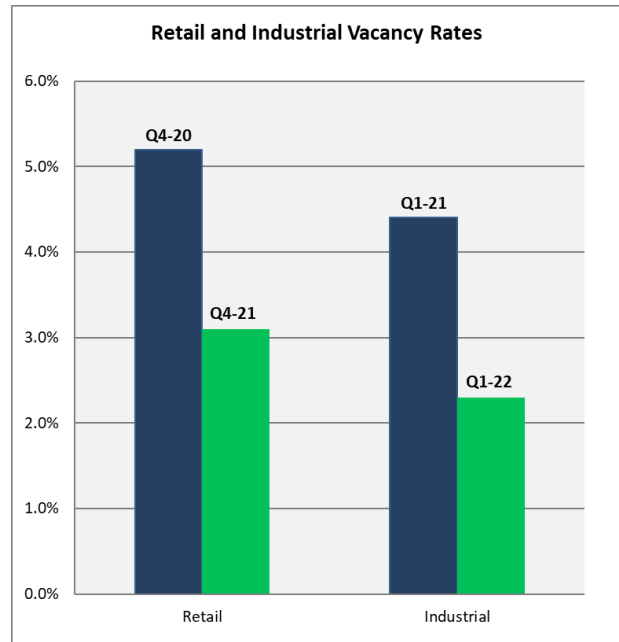
Ottawa, City	Q1-21	Q4-21	Q1-22
Ind. Vacancy Rate	4.4%	2.0%	2.3%

The industrial vacancy rate decreased by 2.1 percentage points year-over-year in Q1 2022. Compared to Q4 2021, the industrial vacancy rate increased slightly to sit at 2.3% in Q1 2022.

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

* Retail is reported twice a year.

Retail vacancy rates are not available for Q1. Compared to Q2-21, 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.



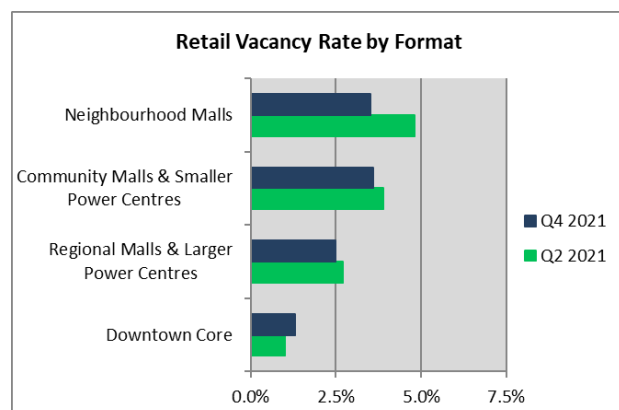
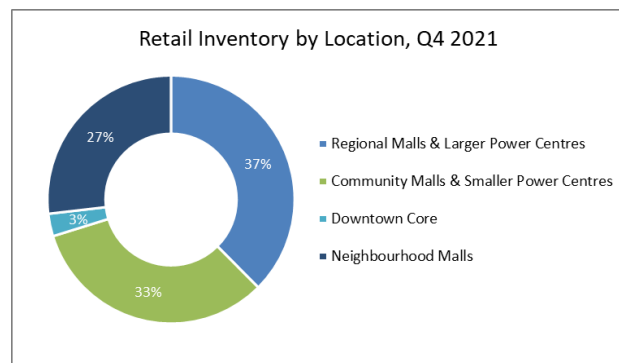
Retail Vacancy by Format

Source: Cushman & Wakefield, Retail and Industrial Reports

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%

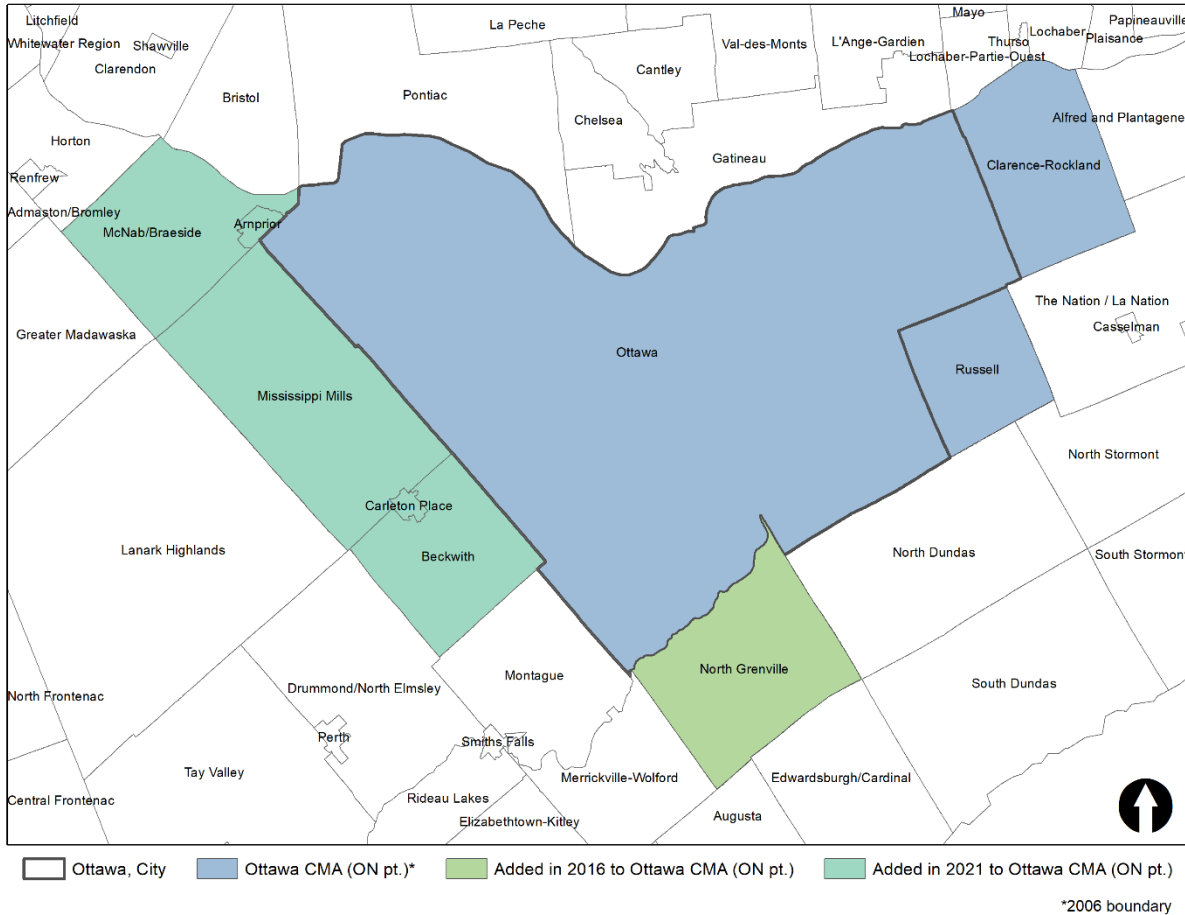
*Retail is reported twice a year.

Retail vacancy rates are not available for Q1. Compared to Q4-2020, all retail formats decreased in vacancy with Neighbourhood Malls experiencing the largest decrease (2.5 percentage points), followed by Regional Malls and Larger Power Centres (2.4 percentage points), then Community Malls & Smaller Power Centres (1.6 percentage points), and Downtown Core retail experiencing the smallest relative decrease (0.5 percentage points).



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.