



Economic Development Update Q3 2020

The City of Ottawa Economic Development Update provides an overview of quarterly and annual economic indicators to the city's economy. The Q3 2020 update covers the months of July, August, and September 2020. This report will be available on a quarterly basis on Ottawa.ca and via an [email subscription](#).

New and Noteworthy in Q4 2020: October, November, and December 2020

- **City of Ottawa received Prism Award:** In October 2020, the City of Ottawa was presented with the Prism Award by the International Coaching Federation. The Prism Award recognizes and honours organizations that develop and prioritize coaching programs that align with strategic goals, shape organizational culture and create positive impacts in the workplace. For more information about the International Coaching Federation and the Prism Award, please visit coachingfederation.org.
- **First Launch of On-Road Automated Shuttle Trial in Ottawa:** In October 2020, Area X.O, operated by Invest Ottawa, Transport Canada, the City of Ottawa, and fellow partners launched the first on-road electric low-speed automated shuttle trial of its kind in Ottawa. The trial took place at Tunney's Pasture campus and performed a variety of test in real-world conditions. It is the first project of its kind to be approved in the province under the Ontario Automated Vehicle Testing Program. For more information on the launch, please visit InvestOttawa.ca
- **City of Ottawa Council approves Energy Evolution:** In October 2020, City of Ottawa Council unanimously approved Energy Evolution, the City's strategy to reduce greenhouse gas emissions in Ottawa by 100 percent by 2050. Transitioning to low carbon energy sources will help grow the local economy, improve public health, equity and inclusion, increase climate resiliency and mitigate the effects of climate change. For more information on Energy Evolution, please visit Ottawa.ca.
- **"Business Improvement Area (BIA) Day":** In November 2020, Mayor Jim Watson proclaimed November 12th "Business Improvement Area (BIA) Day". BIAs allow local businesses and

commercial property owners and tenants to come together with the overall goal of promoting economy development in their respective districts. The City of Ottawa boasts 19 BIAs across the city, and in 2019 BIA members contributed \$7.3 million to their respective districts. BIAs do great work in supporting local businesses and you can read more about BIAs at [Ottawa.ca](https://ottawa.ca).

What Happened in Q3 2020: July, August, and September 2020

- **CBRE 2020 Scoring Tech Talent Report:** In July 2020, CBRE released its 2020 Scoring Tech Talent Report, which is a comprehensive analysis of labour market, cost and quality in North America for highly skilled tech workers. The top 50 markets in the U.S. and Canada were ranked according to their competitive advantages and appeal to both employers and tech talent. Some highlight rankings for Ottawa were #1 in tech concentration, #14 for top tech talent, which is up 5 spots from the 2019 ranking, and #47 for lowest costs. The full report can be found at [CBRE.ca](https://cbre.ca).
- **Indigenous Tourism Entrepreneurship Training Launch in Ottawa:** In September 2020, Ottawa Tourism and Algonquin College announced the launch of the Indigenous Tourism Entrepreneurship Training, aimed at supporting Indigenous entrepreneurs to develop business planning skills and visitor readiness training for their tourism ideas. The Government of Canada provided Ottawa Tourism \$500,000 from the Canadian Experience Fund, through the Federal Economic Development Agency for Southern Ontario (FedDev Ontario), to develop this initiative with its partner, Algonquin College. For more information on the initiative, please visit [OttawaTourism.ca](https://ottawatourism.ca).

Snapshot

	Q3-2019	Q2-2020	Q3-2020	Status Compared to Q3-2019
Employed Labour Force	592,600	547,100	553,700	Negative ✘
Unemployment Rate	4.8%	7.7%	9.1%	Negative ✘
Participation Rate	69.8%	65.4%	67.0%	Negative ✘
Housing Starts	2,245	1,942	3,287	Positive ✔
Average Resale Price	\$486,528	\$555,833	\$600,679	Positive ✔
Resale Units Sold	3,795	3,388	4,981	Positive ✔
Population	n/a	1,018,001	n/a	Neutral ○
Inflation	1.9%	1.2%	1.2%	Neutral ○
Average Weekly Earning	\$1,221	\$1,148	\$1,150	Neutral ○
Construction Permit Value	\$1,081,749	\$839,363	\$1,308,928	Positive ✔
Office Availability Rate	8.5%	9.3%	9.9%	Negative ✘
Retail Vacancy Rate	n/a	5.1%	n/a	Neutral ○
Industrial Vacancy Rate	4.6%	4.2%	4.0%	Positive ✔

Please refer to individual tables below for more details.

Labour Force

Labour Force, Seasonally Adjusted, 3-Month Moving Average

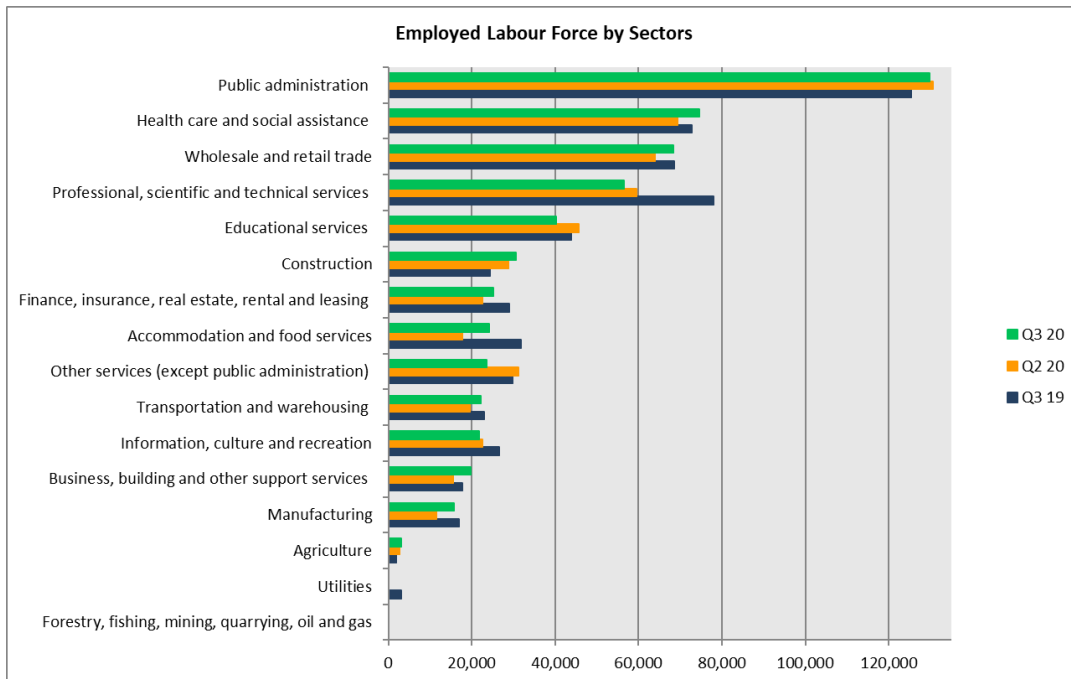
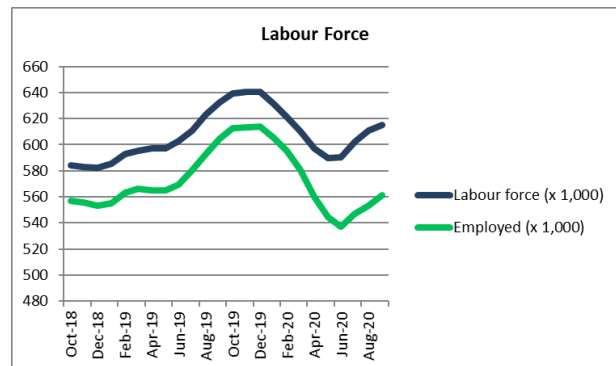
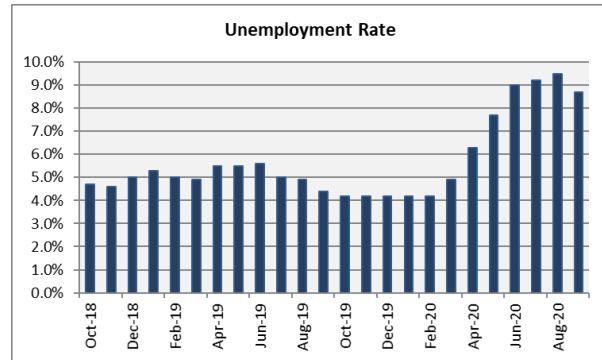
Source: Statistics Canada, Table 14-10-0294-01

Ottawa, CMA (ON pt.)	Q3-19	Q2-20	Q3-20
Labour Force*	622.2	592.4	609.4
Employed*	592.6	547.1	553.7
Unemployed*	29.7	45.3	55.7
Unemployment Rate	4.8%	7.7%	9.1%
Participation Rate	69.8%	65.4%	67.0%

*(x 1,000)

Labour force (-2.1%) and employed residents (-6.6%) both decreased over the past year. The unemployment rate increased 4.3 percentage points in Q3 2020 from Q3 2019. The Utilities, Professional, Scientific, and Technical Services, and Accommodation and Food Services, sectors saw the largest decreases in Q2 2020 from Q2 2019, with Agriculture and Construction sectors experiencing the largest increases.

Ottawa, CMA (ON pt.)	YTD-19	YTD-20
Unemployment Rate	5.1%	7.1%
Participation Rate	68.2%	67.1%



Housing

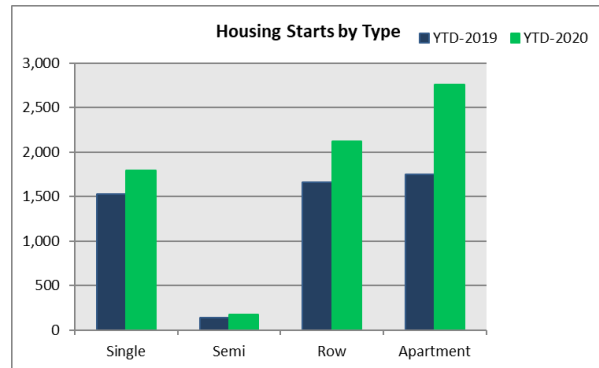
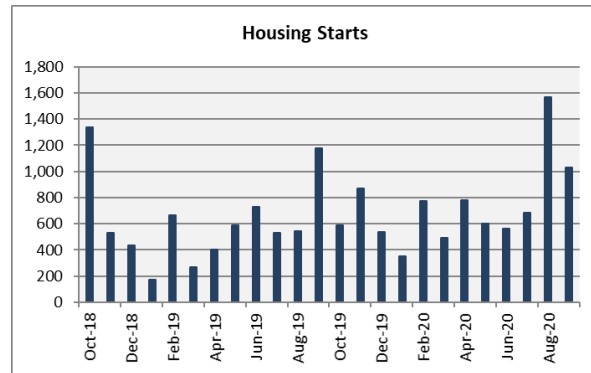
Housing Starts

Source: CMHC Housing Market Information Portal

Ottawa, City	Q3-19	Q2-20	Q3-20
Housing Starts	2,245	1,942	3,287
Single	679	639	747
Semi	54	52	82
Row	776	671	998
Apartment	736	580	1,460

Housing starts saw an increase (46.4%) in Q3 2020 from Q3 2019. Apartments had the largest increase (98.4%) in starts followed by semis (51.9%), row units (28.6%) and singles (10.1%).

Ottawa, City	YTD-19	YTD-20
Housing Starts	5,075	6,846
Single	1,530	1,792
Semi	134	174
Row	1,664	2,122
Apartment	1,746	2,758



Housing Sales

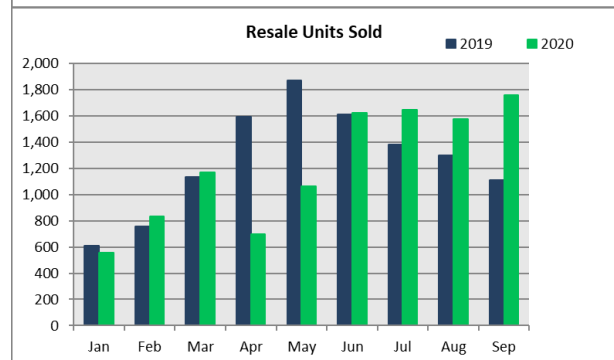
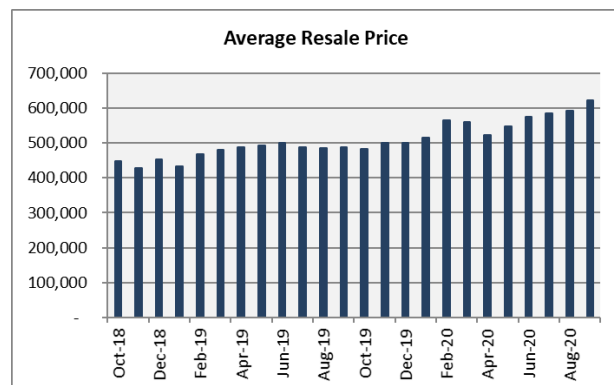
Source: Ottawa Real Estate Board

Ottawa Area*	Q3-19	Q2-20	Q3-20
Average Resale Price	\$486,528	\$555,833	\$600,679
Resale Units Sold	3,795	3,388	4,981

A total of 4,981 units were sold through the MLS system in Q3 2020, a 31.3% increase from Q3 2019. The average resale price increased 23.5% to reach \$600,679 in Q3 2020 from the previous year.

Ottawa Area*	YTD-19	YTD-20
Average Resale Price	\$485,173	\$575,263
Resale Units Sold	11,373	10,932

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



Living

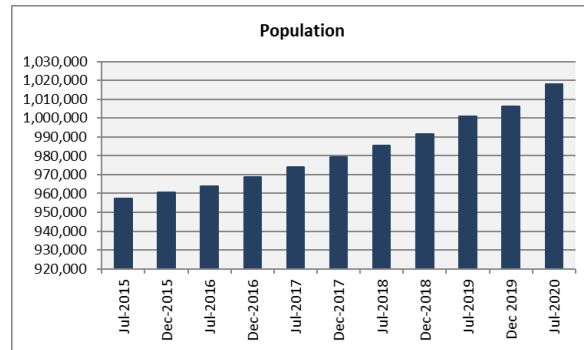
Population

Source: City of Ottawa estimate*

Ottawa, City	Q2-19	Q4-19	Q2-20
Population	1,001,077	1,006,210	1,018,001

*Population estimate reported twice a year

The City of Ottawa population increased by 1.7% over the past year to reach 1,018,001 at mid year 2020.

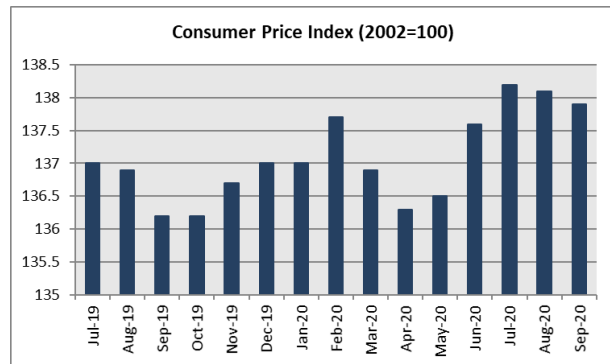


Consumer Price Index (2002=100)

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

Ottawa, CMA (ON pt.)	Q3-19	Q2-20	Q3-20
Consumer Price Index	136.7	136.8	138.1
Inflation	1.9%	1.2%	1.2%

The Consumer Price Index saw an increase at 138.1 in Q3 2020, up 1.0% from Q3 2019. Inflation was steady from the previous quarter and decreased 0.7 percentage points from Q3 2019.

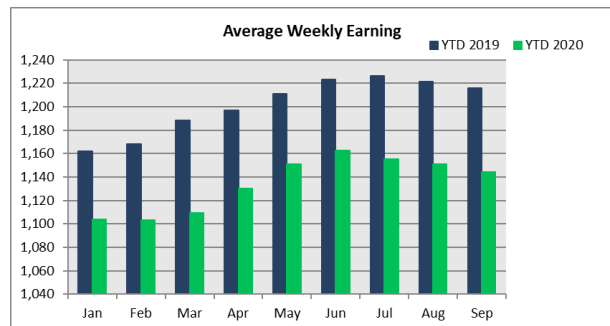


Average Weekly Earning

Source: CMHC Housing Now Report

Ottawa, CMA (ON pt.)	Q3-19	Q2-20	Q3-20
Avg. Weekly Earning	\$1,221	\$1,148	\$1,150

The average weekly earning decreased 5.8% in Q3 2020 from Q3 2019. In comparison to the previous quarter, Q3 2020 had an increase of 0.2%. Ottawa's Q3 2020 average weekly earning remains 4.1% more than Ontario's.



Economy

Construction Permits, Seasonally Adjusted

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

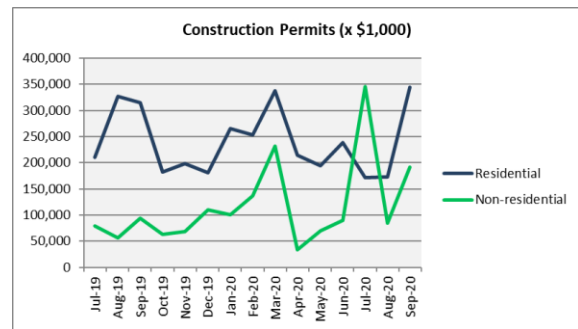
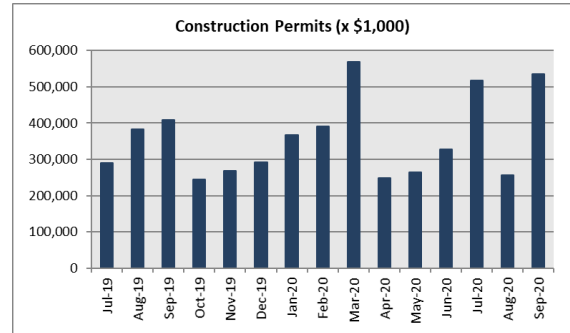
Ottawa, CMA (ON pt.)	Q3-19	Q2-20	Q3-20
Total Permits	\$1,081,749	\$839,363	\$1,308,928
Residential	\$852,096	\$646,395	\$687,648
Non-residential	\$229,652	\$192,968	\$621,280

(x \$1,000)

Compared to Q2, construction permits in Q3 increased 55.9%, led by an increase of 222.0% in non-residential permits. Compared to the same period one year ago, total construction permits increased by 21.0%. This increase was also led by non-residential permits with a 170.5% increase while residential permits decreased 19.3%. The large increase in non-residential permits in Q3 2020 is mainly associated with the Amazon building in the Citigate Business Park in Barrhaven.

Ottawa, CMA (ON pt.)	YTD-19	YTD-20
Total Permits	\$2,569,237	\$3,474,226
Residential	\$1,954,177	\$2,190,603
Non-residential	\$615,059	\$1,283,623

(x \$1,000)



Office Availability Rate

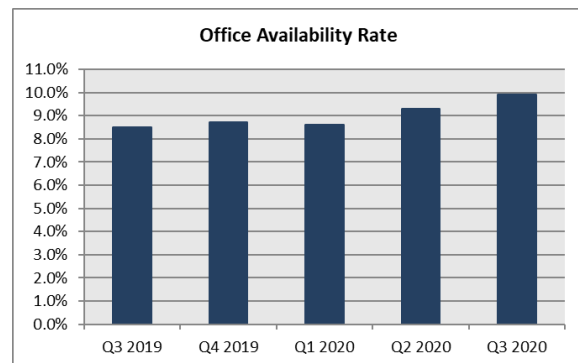
Source: Colliers Canada

Ottawa, City	Q3-19	Q2-20	Q3-20
All Office	8.5%	9.3%	9.9%

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

A new “availability rate” indicator substitutes for the “vacancy rate”, which was not available for the office market in current and past quarters. The office “availability rate” is the amount of available space that is available for lease, and may or may not be vacant.

Compared to Q2, the office availability rate increased 0.6 percentage points to sit at 9.9% in Q3 2020. The City’s office availability rate increased 1.4 percentage points in Q3 2020 from Q3 2019.



Economy

Retail and Industrial Vacancy Rates

Source: Cushman & Wakefield, Retail and Industrial Report

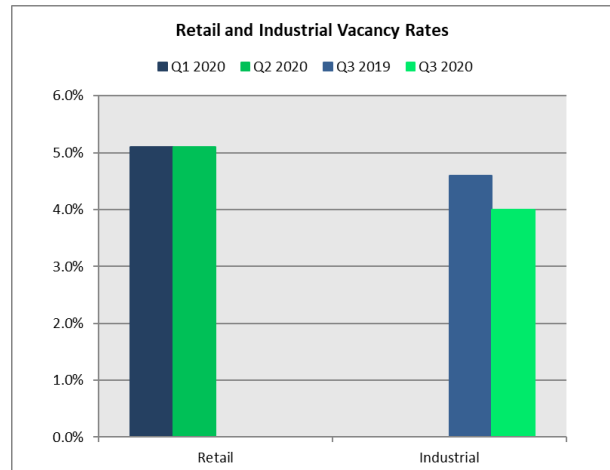
Ottawa, City	Q2-19	Q4-19	Q2-20
Retail Vacancy Rate	5.1%	4.5%	5.1%

* Retail is reported twice a year.

Compared to Q4-19, the retail vacancy rate increased 0.6 percentage points to sit at 5.1% in Q2 2020. The retail vacancy rate remained steady year-over-year in Q2 2020.

Ottawa, City	Q3-19	Q2-20	Q3-20
Ind. Vacancy Rate	4.6%	4.2%	4.0%

Compared to Q2, the industrial vacancy rate decreased 0.2 percentage points to sit at 4.0% in Q3 2020. The industrial vacancy rate decreased 0.6 percentage points year-over-year in Q3 2020.



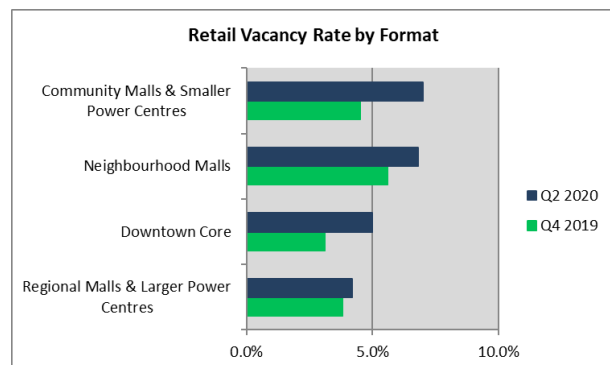
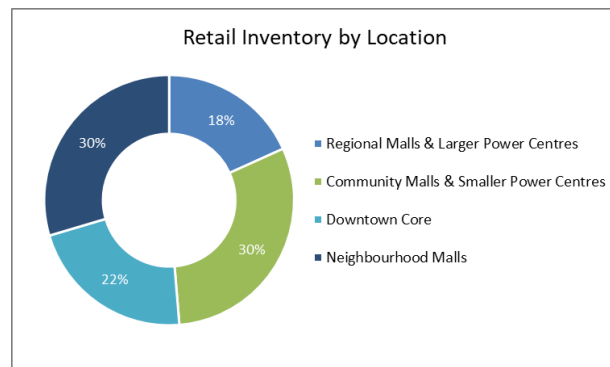
Retail Vacancy by Format

Source: Cushman & Wakefield, Retail and Industrial Report

Ottawa, City	Q2-19	Q4-19	Q2-20
Regional Malls & Larger Power Centres	4.2%	3.8%	4.2%
Community Malls & Smaller Power Centres	7.0%	4.5%	7.0%
Downtown Core	5.0%	3.1%	5.0%
Neighbourhood Malls	6.8%	5.6%	6.8%

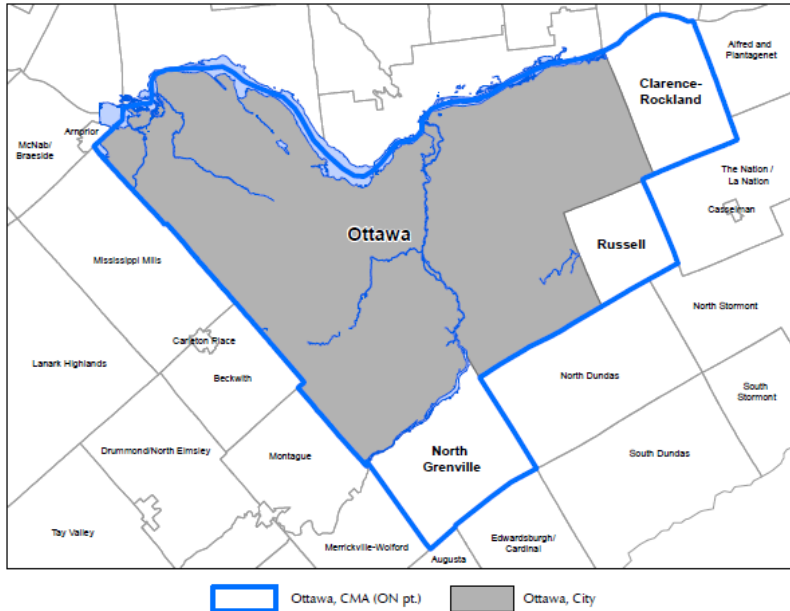
*Retail is reported twice a year.

Compared to Q4- 2019, all retail formats increased in vacancy with Community Malls & Smaller Power Centres experiencing the largest increase (2.5 percentage points), followed by Downtwon Core (1.9 percentage points), Neighbourhood Malls (1.2 percentage points) and finally, Regional Malls and Larger Power Centres (0.4 percentage points). Year-over-year, vacancy rates in all retail formats remained steady.



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, which includes City of Ottawa, Township of Russell, City of Clarence-Rockland and the Municipality of North Grenville.