

**Report to
Rapport au:**

**Planning Committee
Comité de l'urbanisme
24 September 2020 / 24 septembre 2020**

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**Submitted by
Soumis par:
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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2020-PIE-EDP-0030

SUBJECT: 2019 Annual Development Report

OBJET: Rapport annuel sur l'aménagement 2019

REPORT RECOMMENDATION

That Planning Committee receive this report for information.

RECOMMANDATION DU RAPPORT

Que le Comité de l'urbanisme prenne connaissance du présent rapport.

BACKGROUND

The Annual Development Report (ADR) is produced each year by the Planning, Infrastructure, and Economic Development Department to review demographic and

economic statistics and related development activity for the past year in the City of Ottawa. Where applicable, this data is measured against the City's planning policy objectives.

DISCUSSION

The ADR monitors several key objectives of the Official Plan (OP), including:

1. Population growth in comparison to OP projections
2. Housing market trends, including units created, their locations, and the percentage of single-detached, semi-detached, row, and apartment units
3. Residential intensification rates within target areas and across the urban area

The estimated population of the City of Ottawa for mid-2019 was 1,001,077 and for the end of 2019 was 1,006,211, representing a growth of 1.5 per cent from the end of 2018. The OP projection of 1,004,277 mid-2019 continues to track estimated actual growth to within 1.0 per cent. Statistics Canada placed the larger Ottawa-Gatineau metro area as the sixth largest in Canada in 2019 with a population of 1,441,118.

Households continue to grow at the same rate as the population in Ottawa. At the end of 2019, there were 429,080 households in Ottawa, 1.6 per cent more than the previous year. This growth is reflected by 7,069 new housing starts. The proportion of apartment starts decreased to 32.3 per cent in 2019 from 34.7 per cent in 2018. The proportion of single-detached starts also decreased to 31.3 per cent in 2019 from 33.4 per cent in 2018 while semi-detached starts decreased to 2.8 per cent from 4.8 per cent. Conversely, the proportion of row unit starts increased slightly to 33.6 per cent in 2019 from 27.4 per cent in 2018.

The OP has a target of 40.0 per cent intensification share of growth for the five-year period of 2017-2022. In 2019, a 51.4 per cent intensification share was achieved bringing the three-year average intensification share to 49.6 per cent; higher than the OP target of 40.0 per cent.

The recently approved Residential Growth Management Strategy for the New OP states that for growth management purposes, the intensification rate should also be calculated to align with the growth projections. This requires shifting the measurement of intensification from a calendar year to mid-year basis and to include only private dwellings in the built-up area. With this revised intensification method, a 40.0 per cent intensification rate was achieved from mid-2018 to mid-2019. For the past three years, an intensification rate of 39.1 per cent was achieved.

The OP includes a policy that restricts conversions of rental buildings with five or more units to condominium or freehold ownership unless the rental vacancy rate exceeded 3.0 per cent for two consecutive years, and rents in the building to be converted are above the zone average (by unit type). The rental vacancy rate increased slightly in 2019 to 1.8 per cent from 1.6 per cent in 2018. The low rental vacancy rate for the past two years does not permit conversions.

Other development indicators monitored and reported through the ADR are migration, employment, housing prices, office, industrial, and retail markets, as well as an index of commercial services around transit stations.

The most recent migration data for 2017-2018 shows the net number of people moving to Ottawa was 15,168, a 13.1 per cent increase from 2016-2017.

Ottawa experienced an increase of 5.8 per cent or 32,500 employed residents in 2019 according to Statistics Canada's Labour Force Survey. The Knowledge cluster was Ottawa's highest growth cluster in 2019, adding 12,200 employed residents, leading to the Knowledge cluster having the largest employment numbers with 188,300 employed residents. While all other clusters also experienced growth, the Industrial and Resource cluster experienced a decline (-2,200) in employed residents. The unemployment rate increased to 4.7 per cent in 2019 from 4.6 per cent in 2018.

Housing starts increased in 2019, except in Ontario municipalities adjacent to Ottawa. Housing start changes from 2018 are:

- 14.6 per cent increase across the Greater Ottawa-Gatineau Area
- 1.7 per cent increase in Ottawa
- 95.5 per cent increase in Gatineau
- 8.1 per cent decrease in Ontario municipalities adjacent to Ottawa

Average resale house prices in the Ottawa real estate area rose 8.4 per cent in 2019 to \$441,693. The local market was considered a seller's market in 2019.

Ottawa has a commercial office space inventory of approximately 3.8 million square metres (41.0 million square feet). The city's overall office vacancy rate decreased to 8.7 per cent in 2019 from 9.6 per cent in 2018.

Retail vacancies decreased from 5.0 per cent in 2018 to 4.5 per cent in 2019. Community Shopping Centres experienced the largest decline in vacancy rate, falling 2.5 percentage points to 4.5 per cent in 2019.

The growth management strategy of the OP is to direct new residential and commercial growth to locations that are easily accessible by transit, making Ottawa's rapid transit stations key areas to accommodate new development. Commercial service density, or the amount of commercial services in proximity to transit stations, is a measure of how many amenities are close to transit stations and how this amount might change over time.

The Index of Commercial Services around Transit Stations was included for the third time in this year's ADR. The Index of Commercial Services is calculated using Walk Score. Despite the name, Walk Score measures commercial services that are within their database, close to a given point rather than how walkable an area is in terms of infrastructure capacity and design. Points are awarded based on the distance to these amenities in each category and those within a five-minute walk are given maximum points and decline the further away they are. The higher the score, the greater the density of commercial services around transit stations. As such, the scores can be used as an index of commercial service density.

For the 2019 ADR the scores were provided directly from Walk Score, the company, while they were previously gathered from the Walk Score website. For all transit stations, the average index was 71.7, which means most errands can be accomplished within transit station areas. Line 1's Rideau and Parliament Stations both had indices in the 90s, meaning that daily errands can be accomplished within transit station areas. The lowest index of 29 was Line 1's Tremblay Station, meaning most errands are outside transit station areas.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

This report deals with research and analysis matters which do not require consultation.

COMMENTS BY THE WARD COUNCILLOR

This is a City-Wide report – not applicable.

LEGAL IMPLICATIONS

There are no legal implications associated with receiving this report for information.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

ASSET MANAGEMENT IMPLICATIONS

The information presented in this report helps to inform the City's Comprehensive Asset Management Program.

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with this information report.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report. The 2019 ADR will be available in accessible format on the City website.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priority:

- Economic Growth and Diversification

SUPPORTING DOCUMENTATION

Document 1 2019 Annual Development Report

DISPOSITION

That Planning, Infrastructure, and Economic Development Department staff continue to monitor, and report change on the city's population, housing, and economy on an annual basis.