

Final

Appendix C – Economic Analysis

Ottawa Centre EcoDistrict

Ottawa, Canada

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www.ottawaecodistrict.org

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Highlights and Conclusions

Highlights

The highlights of the data collected are as follows. References can be found within the report.

- The OCED has approximately 9,000 residents in 5,500 households.
- The OCED has a ratio of 1.63 people per household which is the lowest ratio in the City. The area Outside the Greenbelt has a ratio 2.72 people per household.
- Almost 100,000 people in Ottawa are within a 20 minute walk of the OCED.
- With over 90,000 people working in the OCED from all Wards in the City of Ottawa and beyond, improvements to the OCED will benefit some people in every Ward.
- Almost 60 percent of the jobs in the OCED are in the federal government which is the largest employer in Ottawa.
- The current trend is towards fewer federal government jobs in the OCED.
- Although high technology is the second largest employer in Ottawa there are only 8,500 high tech jobs within the Central Area¹ as compared to 61,000 federal government jobs.
- Tourism is the third largest employer in Ottawa and a major player in the OCED.
- In the last three years the vacancy rate in the OCED has been on the rise, in large part due to reductions in the amount of space occupied by the federal government.
- The trend is for more B and C class space to become vacant and be positioned to be renovated, repurposed to residential, or removed from the inventory.
- Over the last three years the green buildings have had a lower vacancy rate on average than non-green buildings.
- Ottawa is Canada's most connected city and can provide top level connectivity services to new businesses and organizations.

¹ The City of Ottawa Employment study uses a sub-set called the Central Area that includes the EcoDistrict, Lebreton Flats and a portion of the Byward Market. The OCED estimates that the EcoDistrict accounts for 88 percent of identified jobs.

Conclusions

OCED staff have drawn the following conclusions from this economic analysis.

- C1. With over 100,000 people within walking distance of the OCED and 90,000 people working in the area improvements will benefit a significant number of Ottawa residents.
- C2. Given the high number of federal government employees, any changes to the number working within the OCED will have a significant impact on the EcoDistrict. Steps should be taken determine how to attract a diversity of businesses to the OCED including more residents.
- C3. B and C class space is in transition and the OCED would like to positively affect this transition. This is a chance to remake individual parts of the OCED into more sustainable and environmentally and people friendly places to live, work and play.
- C4. Greener buildings and world class connectivity should be front and centre in efforts to attract new tenants to the OCED. This can be complimented by the OCED goals to create Canada's first EcoDistrict within what will soon be one of the greenest and most sustainable downtowns in North America. All of this could be used as a strategic marketing tool to attract businesses and people to the EcoDistrict.
- C5. All transportation indicators point to a continuing trend away from single occupant vehicle commuting and towards increases public transit and cycling with car pooling and walking holding their current modal share by percentage. The OCED should work to increase all shares of sustainable transportation.

Introduction

The purpose of this analysis is to assemble a baseline of key economic indicators for the Ottawa Centre EcoDistrict (OCED) from existing sources and to draw conclusions from these indicators. The data will be reviewed on a regular basis and revised it as the sources are updated. The conclusions will be adjusted based on changes to the data and additional indicators as they are added.

This study includes data from the following areas:

- Population and city size;
- Building stock;
- Employment; and
- Transportation.

The City of Ottawa refers to the Central Area in some studies including the Employment Study and the Inner Area in others including the Transportation and Cycling Master Plans. **Exhibit 1** is a map showing the outline of the OCED within the Central Area. **Exhibit 2** is a map showing the outline of the OCED within the Inner Area.

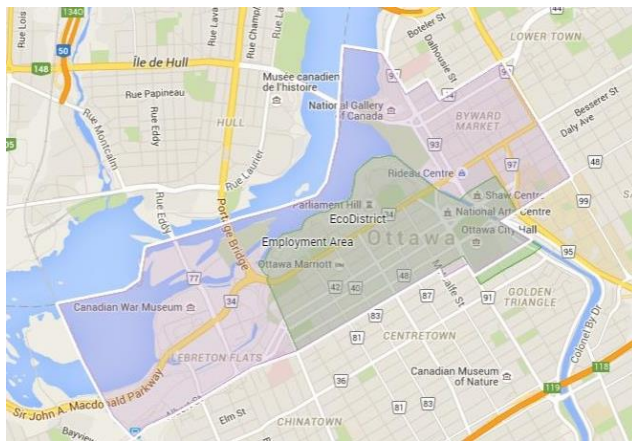


Exhibit 1: Map of OCED within Central Area

The EcoDistrict is the green area and the Central Area is marked in pink.



Exhibit 2: Map of OCED within Inner Area

The EcoDistrict is the area within the blue outline.

Population and City Size

The City of Ottawa's Planning and Growth Management Department estimates changes to population year over year by analyzing changes in building stock – new building permits issued, demolition permits issued, rental vacancies and more – and then confirms their estimates against the Statistics Canada census.

- The City of Ottawa is 2,760 km² with 10 percent urban and 90 percent rural.²
- The EcoDistrict is 1.32 km².³
- The population of Ottawa was estimated to be 943,260 at the end of 2013.⁴
- In 2013 the residential population of the Central Area was estimated at 10,637 in an estimated 6,511 households.⁵
- We estimate that the OCED accounts for 85 percent of the population or approximately 9,000 residents and 5,500 households.
- In total 97,751 lived in the Inner Area of Ottawa accounting for 10.4 percent of the population and 52,676 households or 13.4 percent overall.⁶
- The ratio of people per households is the lowest in the OCED⁷
 - 1.63 in the OCED
 - 1.85 in the Inner Area
 - 2.28 in the Other Inside Greenbelt
 - 2.72 Outside the Greenbelt
 - 2.90 in the Rural Area
- We estimate that everyone in the Inner area is within the OCED catchment area, which is to say within a 20 minute walk (or 2.5 km) of the OCED.

² City of Ottawa, [Transportation Master Plan](#) 2013, p. 18.

³ As calculated by OCED staff, July 2015.

⁴ City of Ottawa, [Planning and Growth Management Research and Forecasting Unit, 2013 Annual Development Report](#), June 2014. p. iv.

⁵ [Same as above](#), p. 35.

⁶ [Same as above](#).

⁷ [Same above](#), p. 35.

Employment

Overall Data

- There were 454,500 full-time and 111,500 part-time jobs in Ottawa in 2012. Full-time jobs accounted for 80.3 percent of all jobs.⁸
- Employment increased by 44,358 jobs between 2006 and 2012 for a total of 566,000 jobs.⁹
- The unemployment rate in 2013 was 6.3 percent.¹⁰
- Private Sector Jobs made up just over 60 percent of the total jobs in all of Ottawa.¹¹
- Ottawa had hotel occupancy rates of 68 percent in 2013, on par with Montreal and Toronto.¹²
- The Central Area accounts for 106,741 jobs of which approximately 85 percent or almost 90,000 jobs are in the Ottawa Centre EcoDistrict.¹³

Federal Government Employment

The federal government (including administration, defence, museums and Crown Corporation) is the largest employer in Ottawa. According to the Ottawa Employment Survey 2012 the federal government employment location breaks down as follows.

- 134,478 jobs or 23.8 percent of Ottawa's total employment are federal government.
- 61,413 or 46 percent of these federal government jobs are located in the Central Area. We estimate that 95 percent of the jobs and job locations allocated to the Central Area are in the OCED.
- These jobs within the Central Area accounts for about 58 percent of all employment, and likely a higher percentage within the OCED itself.
- There are 309 federal job locations within the Central Area.

⁸ [Same as above](#), pg. 9.

⁹ City of Ottawa, [Ottawa Employment Survey](#) 2012, p. 7.

¹⁰ City of Ottawa, [2013 Annual Development Report](#), June 2014, p. iv.

¹¹ [Same as above](#).

¹² [Same as above](#).

¹³ [Same as above](#), pg. 28.

The federal government has been reviewing its space requirements between 2006 and today. Given its dramatic position in terms of total office space used within the OCED, any changes to space requirements will have an impact on the EcoDistrict itself.

Non Federal Employment

- The 2006-2012 period saw a 4,492 job decrease in high technology employment to 57,300 total jobs in 2012 using the City of Ottawa definition of high technology.¹⁴
- In 2012 just over 8,500 high technology jobs were located in the Central and Inner Area, representing 15 percent of total jobs in this sector.¹⁵
- When Ottawa's key industries including Wireless, Cleantech, Life Sciences, Aerospace, Security and Defence, and Film, TV and Digital Media are clustered the total is close to 75,000 jobs for 2014 (Source: Invest Ottawa Knowledge-based Industry Survey)¹⁶
- Ranked 1st out of 61 cities globally by the Martin Prosperity Institute for the diversity and creativity of its economy, driven by its high score in talent. (Source: Martin Prosperity Institute, August 2013)¹⁷
- Ottawa-Gatineau has the second largest concentration of science and engineering employment out of 316 North American cities, surpassed only by Silicon Valley. One in nine employees is a scientist or engineer. (Source: Ottawa.ca, 2015)¹⁸
- Ottawa has Canada's most educated work force including 128,000 Masters and PhDs – over 75,000 workers in our knowledge based businesses.¹⁹
- The tourism industry is the third largest employer in the National Capital Area and visitors spent \$1.3 billion in 2010.²⁰

¹⁴ [Same as above](#), p. 25.

¹⁵ [Same as above](#), p. 26.

¹⁶ Invest Ottawa, [Why Ottawa](#).

¹⁷ [Same as above](#).

¹⁸ [Same as above](#).

¹⁹ [Same as above](#).

²⁰ City of Ottawa, [Ottawa Cycling Plan 2013](#), p. 11.

Buildings

Existing Data on OCED Buildings

Over the last year OCED staff have compiled the following data on buildings within the OCED.

Exhibit 3: Table – Buildings in the OCED – 2014²¹

Building Use	#	Area (SF)	Rooms/Units
Hotel	15	2,145,814	3,791
Office	135	23,509,028	
Other (utility, education, cultural)	12	1,514,933	
Religious	5	105,150	
Residential (large)	25	4,028,555	
Residential (small)	21	168,454	
Retail	38	1,249,786	
Grand Total	251	32,721,720	

Trends in Commercial Space

- Class ‘A’ office rents in Ottawa were:
 - fourth-highest among major Canadian cities at \$46.08/SF (\$496/m²),
 - seventh-highest among selected major cities in North America.²²
- The trend from 1983 to 2013 has been towards having a higher percentage of commercial office space outside of the downtown core.²³
- The Central Area has declined from over 60 percent to under 50 percent of total commercial space in Ottawa.²⁴
- Green building space showed higher occupancy levels on a direct basis for 2012 and 2013 and with only a few exceptions to 2015.²⁵

²¹ As compiled by OCED staff November 2014.

²² Same as above. p. 59.

²³ Same as above. p. 59.

²⁴ Same as above. p. 26.

²⁵ JJMcNeilCommercial, [Green Office Market Report](#) 2013 (3rd Quarter) and 2015 (1st Quarter).

- In 2013, Q4 there was a major increase in vacancy downtown growing to 11 percent. The downtown “has been most affected by consolidation of government and an aging inventory of buildings that don’t meet the new accommodation standards of the federal government.”²⁶
- In 2015 – Downtown Class “A” office saw a slight improvement in vacancy rates but “when we continue to see “B” and “C” vacancy rise it is clear we are witnessing a flight to quality as tenants seek to increase their competitive advantage through a defined improvement in their workplace.”²⁷
- Virtually 100 per cent of Ottawa’s schools, universities, hospitals, libraries, research institutes and municipal facilities are wired with high-speed internet access. No other city in Canada has the breadth and depth of fibre optic connectivity of Ottawa – making it Canada’s most connected city. (Source: Ottawa’s Rural Communities Network (ORCNet))²⁸

Trends in Commercial Space Used by the Federal Government

Real Estate specialist Sandy McNair of Altus is predicting that the space required by the federal government in the EcoDistrict will be less.

- 5.1 million SF (square feet) will become vacant due to new properties purchased or being built by the government outside of the EcoDistrict.
- 1 million SF will become vacant as a result in an increase in employee density by 20 per cent (i.e. fewer SF per employee) in new buildings.
- 4.7 million SF will become vacant due to employee reductions at three per cent per year from 2012 to 2016.
- 0.4 million SF will become vacant due to density increases in other buildings from relocating or restacking.²⁹

Furthermore it was suggested that this may be a good development.

- Public-sector tenancies stifle new development while making it difficult for private-sector companies to find the right kind of space they can grow in.

²⁶ JJMcNeilCommercial, [Green Office Market Report 2013](#) (4th Quarter, The Year In Review).

²⁷ JJMcNeil Commercial, [Green Office Market Report 2015](#) (1st Quarter).

²⁸ Invest Ottawa, [Why Ottawa](#).

²⁹ White, Shelly, 'Ottawa's softening downtown office market', The Globe and Mail, February 13, 2012.

- An overreliance on public sector tenancies is also a barrier to more residential development, better retail and restaurant developments.
- “Many of the “ineffective” B-class buildings that are going to be vacated should be torn down to create mixed-use residential/office developments with retail on the first floor. Creating a downtown employees want to live and work in is the way to attract the kinds of engineering companies that have set up shop in Montreal.”³⁰

Transportation

- In 2011 the City of Ottawa estimated that there were 2.26 million trips per day with 70 percent made by vehicle, 15 percent by transit, 11 percent by walking and two percent each by school bus and by bicycle.³¹

Public Transportation

- About 50 percent of all trips arriving downtown are by transit and in terms of rides per capita Ottawa is the highest of any comparably-sized city in North America.³²
- Light rail is under construction and according to City Hall, properties close to a station should see a lift in values in the 6- 14 percent range.³³
- The first phase of light rail will be through the OCED and it will accommodate future growth in ridership. Total rides will increase from 93 million to 164 million per year from 2006 to 2031.³⁴

Cycling

- The City of Ottawa had 1,403 km of cycling pathways in 2013 with plans to expand that to over 2,500 km by 2031.³⁵

³⁰ Same as above.

³¹ City of Ottawa, [Ottawa Cycling Plan 2013](#), p. 14.

³² City of Ottawa, [Transportation Master Plan 2013](#), p. 23.

³³ JJMcNeil Commercial, [Green Office Market Report 2014](#) (3rd Quarter),

³⁴ City of Ottawa, [The Benefits of Light Rail](#), 2012, p. 7.

³⁵ City of Ottawa, [Ottawa Cycling Plan 2013](#), p. 54.

- “Ottawa’s target for city-wide cycling mode share in 2031 (i.e. the proportion of all morning peak period trips made by bicycle) [is] eight percent inside the Greenbelt and five percent city-wide.”³⁶
- The mode share for cycling in the Inner Area is eight percent and it is 12 percent for 2031.³⁷
- The City of Ottawa has recognized that more tourists are looking for an active experience during their visits. This provides additional impetus for improving the cycling infrastructure and for providing bike share programs to visitors and the public.³⁸
- In 2012 the City estimated that it had 1600 Velocity commercial parking spaces. This is a commercial arrangement running from 2013 to 2018. The bike parking capacity will be increased by an additional 100 parking spaces each year so that by 2018, the total number of spaces will exceed 2,000.³⁹
- In 2014 the OCED completed a count of surface level bike parking spots (all types) within the EcoDistrict and found be 2167 spots in 626 publicly accessible locations.
- The City has also defined the concept of a “bike-shed” those areas typically located within a short 10- 15 minute bike ride from the centre of the bike shed. Areas deemed to be within the bike- shed must be close enough to allow for a short leisurely paced bicycle ride, and avoid all high-stress cycling routes. ⁴⁰
- “In places where cyclists leave their bicycles for longer periods of time, security and weather protection are important. Examples include rapid transit stations and municipal buildings. In the downtown core there may also be sufficient demand to warrant a secure, weather-protected public bicycle parking facility, and the City will investigate the need for and feasibility of such a service.” ⁴¹

³⁶ [Same as above](#), p. ESii.

³⁷ [Same as above](#), p. 26.

³⁸ [Same as above](#), p. 11.

³⁹ [Same as above](#), p. 47.

⁴⁰ [Same as above](#), p. 35.

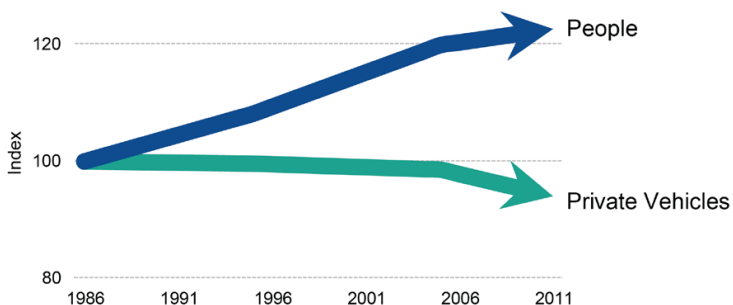
⁴¹ City of Ottawa, [Transportation Master Plan 2013](#), p. 50.

Alignment with the Transportation Master Plan (TMP)

A review of the City of Ottawa Transportation Master Plan (TMP) and other relevant documents indicates that the proposed direction of the OCED aligns with and supports the TMP.

- “In 2013, Ottawa City Council approved Downtown Moves, an urban design and transportation study of ways to support increasing demand for walking, cycling and transit in the downtown core, and to integrate future light rail stations into the streetscape”.⁴²
- “Since 1986, the number of cars arriving downtown in the morning peak period has decreased while the number of people arriving downtown has increased.”⁴³
- The City has therefore decided that “future planning of the downtown transportation system will focus on improving the capacity and quality of service for people, rather than private vehicles.”⁴⁴

Exhibit 4: Figure – Trips Entering the Downtown Core (1986-2011)⁴⁵



⁴² [Same as above](#), p. 24.

⁴³ [Same as above](#).

⁴⁴ [Same as above](#), p. 50.

⁴⁵ City of Ottawa, [Transportation Master Plan 2013](#), p. 24.

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