

Annual Development Report 2008



2008021017G.qxd

May 2009
Publication #12-35

2008 ANNUAL DEVELOPMENT REPORT



City of Ottawa
Infrastructure Services and Community Sustainability Dept.
Planning and Growth Management Branch
Research and Forecasting Section
May 2009
12-35

ANNUAL DEVELOPMENT REPORT 2008

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Purpose	1
1. Growth Framework	1
2. Population	2
2.1 Population growth	2
2.2 Migration	5
2.3 Distribution of population growth.....	7
2.4 Population growth in the Greater Ottawa-Gatineau Area..	8
3. Employment and Economy	11
3.1 Employment	11
3.2 Gross Domestic Product	13
3.3 Personal Income	14
3.4 Consumer Price Index	14
3.5 Mortgage rates	15
3.6 Construction	16
4. Housing	17
4.1 Rental housing.....	17
i. Vacancy rates	17
ii. Private rental prices	19
iii. Rental stock and rental completions	20
iv. Conversions	20
v. Non-market housing	21
vi. Demand for social housing	22
vii. Transitional housing	22
4.2 Resale housing.....	23
i. Resale house prices.....	23
ii. Sales activity and trends	24
iii. Supply and demand.....	25
4.3 New construction	27
i. Housing starts and completions	27
ii. Starts by location	28
iii. New housing by Official Plan designation.....	29
iv. Residential intensification since 2006.....	29
iv. Starts by type	30
v. Starts in Gatineau	31
vi. Starts in OMATO	31
vii. Starts in OMAG.....	32
viii. New house prices	32

4.4	Housing affordability	33
	i. Definition	33
	ii. Affordable target for new ownership housing	34
	iii. Affordable target for new rental housing	34
	iv. Resale market	35
	v. Major cities	35
5.	Non-residential development.....	37
5.1	Investment	38
5.2	Office Market	40
	i. Overview	40
	ii. Rental Rates	40
	iii. Vacancy Rates	41
5.3	Industrial Market	45
5.4	Retail Market	47
	i. Overview	47
	ii. Retail Space and Vacancy Rates	47
	iii. 2008 Trends and Developments	48
	<i>Trends</i>	48
	<i>Big Box</i>	50
	<i>Streets</i>	51
	<i>Stores in New Mainstreet Condo Buildings</i>	52
	<i>Malls</i>	53
5.5	Tourism and Hotel Market	55

TABLES

<i>Table</i>	<i>Title</i>	<i>Page</i>
1.	Census Population of Canada's six largest metropolitan areas, 1996-2006	60
2.	Net migration to the City of Ottawa, 2002-2007	61
3.	Net migration in-flows and out-flows, City of Ottawa.....	62
4.	Migration between Ottawa and Adjacent Municipalities	63
5.	Total net migration, six largest Census Metropolitan Areas, 2002-2007	63
6.	Population and households: Ottawa estimates by sub-area, 2005-2008	64
7.	Population and households, Gatineau CMA, 1991-2006	65
8.	Greater Ottawa-Gatineau Population and Dwellings	66
<i>Map 1</i>	Area municipalities with a high percentage of the working-aged population	
	Working in Ottawa-Gatineau.....	67
9.	Greater Ottawa-Gatineau Area Population and Labour Force, 1996-2006	68
10.	Labour force indicators, Ottawa CMA, 1999-2008 (Annual averages)	69
11.	Labour force indicators, Gatineau CMA, 1999-2008 (Annual averages).....	69
12.	Employment by major sector, Ottawa, 2003-2008	70
13.	Employment by major sector, Ottawa-Gatineau, 2003-2008	71
14.	Labour force indicators for Canada's largest CMA's, 2003-2008	72
15.	Consumer Price Indices, Ottawa CMA, 2003-2008	72
16.	Interest rates, Ottawa (1992=100), 2005-2008	72
17.	Building permits, major Canadian cities (CMAs).....	73
18.	Gross domestic product, major Canadian cities (CMAs)	74
19.	Personal income per capita, major Canadian cities (CMAs)	74
20.	Rental vacancy rates and rents, Ottawa-Gatineau CMA, October 2008	75
21.	Rents by zone and unit type, Ottawa, 2003-2008	76
22.	Rental vacancy rates and rents, largest CMA's	77
23.	Rental stock and completions, Ottawa, 1998-2008	78
<i>Map 2</i>	CMHC Rental Market Survey Zones	78
24.	Distribution of non-market housing units by Ward	79
25.	Multiple Listing Service sales, 2003-2008	79
26.	MLS sales and prices by sub-market, Ottawa and OMATO, 2003-2008.....	80
27.	Resale market - Annual sales and average price in Canada's six largest CMA's, 2003-2008.....	81
28.	Resale market - Supply and demand, Ottawa, 2003-2008	81
29.	Housing starts, Greater Ottawa Area, 2003-2008	82
30.	New residential units by Official Plan intensification target area, 2004-2008	83
31.	Housing starts in Canada's six largest CMA's, 2003-2008	84
32.	Housing completions, Ottawa CMA, 2003-2008 by type and intended market.....	85
33.	Housing starts by type, City of Ottawa, 1994-2008	85
34.	Housing starts by type, Gatineau CMA, 1994-2008	85
35.	Absorbed new single-detached home prices, Ottawa, 2003-2008	86
36.	Average new home prices, Ottawa, 2004-2008	86
37.	Ownership housing completions by dwelling type, Ottawa, 2007-2008, based on income percentiles	87
38.	Ownership housing completions by income percentile, City of Ottawa, 2006-2008	88

<i>Table</i>	<i>Title</i>	<i>Page</i>
39.	Residential MLS sales by income percentile, City of Ottawa, 2006-2008.....	88
40.	Affordability of new and resale housing	89
41.	Royal Bank's Housing Affordability Index.....	90
42.	Value of non-residential building permits, Six largest CMA's, 2003-2008	91
43.	Ottawa office market by sub-market, 2008	91
44.	Commercial office market overview, Ottawa, 2003-2008	92
45.	Total office inventory, Ottawa-Gatineau, 2008	92
46.	Ottawa real estate investment market, 2004-2008	92
47.	Office market overview, Six largest CMA's, 2008	93
48.	Office rents, Six largest CMA's, 2007-08.....	93
49.	Office vacancy rates and occupancy costs, Major North American downtowns, 2007-08.....	93
50.	Industrial market overview, Six largest CMA's, 2008	94
51.	Industrial average lease rates, Six largest CMA's, 2008	94
52.	Industrial market overview, Ottawa, 1998-2008	94
53.	Ottawa industrial market by sub-area, 2008	95
54.	Industrial triple-net rent, 2008, selected North American metro areas	95
55.	Retail sales, Six largest CMA's, 2003-2008	96
56.	Ottawa retail space summary	96
57.	Retail space, outlets and vacancy rates on Mainstreets, 2008	97
58.	Retail space, outlets and vacancy rates at power centres and major malls, 2008	97
59.	Household expenditures, Six largest CMA's, 2007.....	98
60.	Hotel market indicators	98

HIGHLIGHTS

Population

- The population of the city of Ottawa is estimated at **894,654** as of mid-2008, up 1.5% from 2007.
- There is a difference of 26,720 inhabitants between Statistics Canada's 2008 preliminary post-censal estimate of Ottawa's population and those of City staff.
- The population of the Ottawa Area (Ottawa-Gatineau and adjacent municipalities) is estimated at **1,353,747** at year-end 2008.
- Net migration to the Ottawa-Gatineau Census Metropolitan Area (CMA) rose to **8,579** in 2006-2007, up 4% from a year earlier.

Employment and Economy

- Ottawa-Gatineau's Gross Domestic Product (GDP) grew by 1.2% in 2008 and is forecast by the Conference Board of Canada to grow by 0.2%, the only major city with a positive GDP growth rate in 2009.
- Average personal income per capita in Ottawa-Gatineau rose by 4.1% to **\$42,236** in 2008 and, according to the Conference Board, is the third highest among Canada's major cities.
- The employed labour force residing in Ottawa edged up by 2.4% in 2008, to **500,000**, the third strongest growth rate among Canada's major cities.
- Ottawa's unemployment rate fell to at **4.9%** in 2008, from 5.1% in 2007.
- Ottawa-Gatineau gained 20,200 jobs in 2009, mostly in public administration and in health & education.
- Private-sector employment accounted for **63.4%** of total jobs in Ottawa, down from 65.2% in 2007.

Housing

- There were **6,679 housing starts** in the city of Ottawa in 2008, and **11,131** starts in the Greater Ottawa-Gatineau Area, increases of 7.4% and 10.5% respectively from 2007.
- **13.6%** of the city's new housing units for which building permits were issued in 2008 were in areas specifically targeted for residential intensification by the 2003 Official Plan.
- Ottawa's rental vacancy rate fell to 4.1% in October 2008, from 2.3% the previous year. Rents increased by 3.4% in 2008.
- In 2008, **42%** of applicants for social housing were housed.
- Ottawa now has the second most affordable resale housing market of Canada's six largest urban areas; Vancouver, Calgary, Toronto and Edmonton are more expensive relative to incomes.
- The average resale house price rose by 6.4% to **\$290,483** in 2008, the sharpest rise of all major cities.
- Over the past 25 years, the percentage of **single detached houses** built annually in Ottawa averaged 48%. In 2008, 41% of new dwellings were single homes.
- In 2008, **6.5%** of newly built ownership housing in Ottawa was **affordable** to households in the 40th income percentile, down from 8.2% in 2007.

Non-residential development

- Non-residential building permits in Ottawa totalled **\$684 million** in 2008, down 21% from the second best year on record in 2007. The total for the Ottawa-Gatineau metro area was **\$906 million**.
- Ottawa-Gatineau accounted for **6%** of all non-residential construction out of the six largest metro areas in Canada in 2008.
- Ottawa's commercial office market posted a vacancy rate of **6.3%** in 2008, up slightly from 5.6% in 2007.
- The **downtown office** vacancy rate tightened to 2.3% in 2008, and federal requirements for more office space are expected to keep activity brisk through the current downturn.
- Ottawa's lease rates for downtown Class A office space rose to **\$544/m²** (\$50.50/sq.ft.)
- Ottawa's **industrial space** vacancy rate went up to 5.1% in 2008 but remains the lowest among the largest Eastern Canadian cities.
- Ottawa's High-Tech R&D industrial space is the **second priciest** in Canada, but remains cheaper than most competing U.S. high-tech centres.
- **Retail sales** grew by 5.0% in Ottawa-Gatineau in 2008, to \$15.0bn.
- **Retail vacancies** in Ottawa's malls and power centres were low at 2.9% in 2008, a nudge above the 2.4% recorded in 2007.
- Ottawa had Ontario's highest **hotel occupancy rate** in 2008, **71%**, rivalling Western cities.

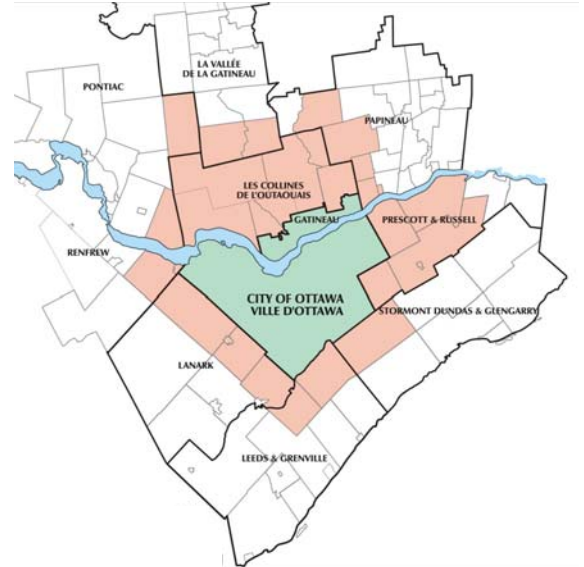
2008 ANNUAL DEVELOPMENT REPORT

Purpose

The Annual Development Report (ADR) provides yearly updates and analysis of economic indicators and demographic statistics, summarizes development activity in the City of Ottawa, and measures these, where applicable, against the City's planning policy objectives.

The ADR monitors population and employment change and housing, commercial, industrial and retail development. In addition, the ADR tracks and compares key indicators for five other large Canadian cities to assess Ottawa's competitive position. It also provides information on the Gatineau Census Metropolitan Area (CMA) and on the Greater Ottawa Area, where possible.

For each section, the body of the report contains a brief analysis and the appendix contains supporting tables. All references to tables within the text refer to data tables in the Appendix.



The Greater Ottawa Area (shaded)

1. Growth Framework

In November 2007, Council adopted new growth projections to be used as the basis for the current review of the City's Official Plan (OP). At the culmination of the review process these will be incorporated into Section 2.1 of the OP. The new projections proposed in the draft OP amendment (March 2009) of population, households and jobs (by place of work) are summarized in the table at right.

Under these projections, by 2021 the city will grow to 1,031,000 residents, 436,000 households and 648,000 jobs. By 2031, 1,136,000 residents, 489,000 households and 703,000 jobs are projected for Ottawa. Details of the revised growth management strategy are contained in the proposed Official Plan amendment.

Year	Population	Households	Jobs
2006	871,000	346,000	530,000
2011	923,000	376,000	580,000
2021	1,031,000	436,000	648,000
2031	1,136,000	489,000	703,000

2. Population

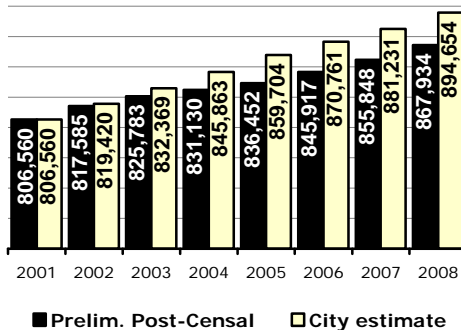
HIGHLIGHTS

- City of Ottawa population, year-end 2008 (City estimate): **898,150**, 1% growth from 2007
 - Ottawa-Gatineau CMA population, mid-2008 post-censal estimate: **1,198,668**
 - Greater Ottawa-Gatineau Area population, year-end 2008: **1,353,747**
-

City of Ottawa Population - Post-Censal and City Estimates, 2001-2008

(all data are mid-year)

Source: City of Ottawa and StatCan



2.1 Population growth

2006 Census

The most recent Census, undertaken by Statistics Canada in May 2006, states that the population of the City of Ottawa on that date was 812,129.

While Statistics Canada strives to be as accurate as possible in its counts, the Census population is typically lower than the city's actual population at the time of each Census. For a variety of reasons, some people are not counted, and a small number of people may also be counted twice. For the 2006 Census, an additional difference compared with previous editions is that non-permanent residents were not included in stated population figures.

To correct for this, Statistics Canada conducts *post-censal coverage studies* of a representative sample of individuals. The results of these studies provide more accurate information, which is used to adjust the Census counts. Post-censal results are generally published a year after the initial Census results are released, and again a year after that, refining the numbers each time. Final post-censal estimates are scheduled for release in Fall 2008.

The results of the 2006 Census revealed a number of statistical anomalies aside from the usual undercount and the absence of non-permanent residents. Notably, the number of occupied dwellings compared with the total number of dwellings showed a very large gap, which upon detailed analysis appears focused on older, central parts of the city and in apartment buildings and rental communities.

City and Statistics Canada staff have reviewed the gaps identified by the City. This work has confirmed, in City staff's opinion, the validity of our observations but will not result in a restatement of Census data by Statistics Canada.

There are two primary methods for estimating population growth between Census years, the Components method and the Dwelling Occupancy method.

Components method

Statistics Canada uses the “Components” method, which takes as a base the latest Census population corrected for undercounting, and calculates the estimated components of population change (births, deaths, net migration) on an annual basis.

Statistics Canada’s preliminary post-censal estimate¹ for July 1, 2008, based on the 2006 Census, shows Ottawa’s population at **867,934**. Slight upward revisions were made to post-censal estimates going back to 2006.

Due to the volatility of the data² used in the Components method, post-censal undercounts are commonplace.³ It is also difficult to reconcile the construction of a known number of dwelling units with the low population estimates provided by the post-censal estimates. This would lead one to believe that a high number of dwellings are constructed and unoccupied, or that the average number of persons per dwelling has sharply declined. Either proposition appears to be economically or statistically unrealistic.

For these reasons, City staff have reason to believe that the StatCan post-censal estimates and Census count for Ottawa continue to be significantly too low. Staff will continue to monitor the divergence between Statistics Canada’s Census and post-censal estimates and City estimates based on building permits.

Dwelling occupancy method

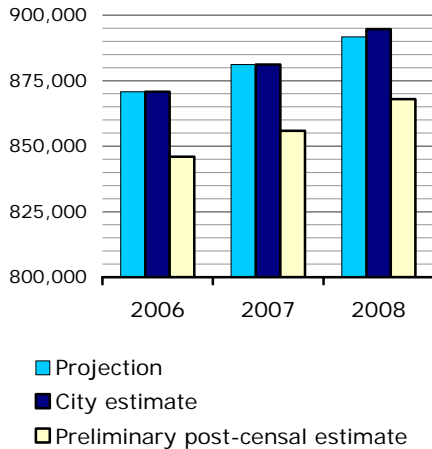
The City of Ottawa’s Department of Planning, Transit and the Environment (PTE) tracks population change by counting the number of building permits for new dwellings, subtracting the number of residential demolitions and providing an allowance for rental vacancies, adjusted every year following the release of the CMHC Rental Market Survey. The resulting number of dwellings is then multiplied by the average number of persons per dwelling by house type (taken from the latest Census). This is combined with

¹ Post-censal estimates are undertaken by Statistics Canada after each census to correct undercounting. The initial estimate is labelled “preliminary”, and is subject to revisions the following year. Hence, 2008 is preliminary, the revised 2007 estimate is labelled “updated”, and 2006 is labelled “final post-censal”.

² For further background and discussion on population estimate methodologies, please refer to the 2007 Annual Development Report.

³ According to the Statistics Canada website: “Births, deaths, immigration and non-permanent residents are produced using administrative files where the universe is complete and controlled by law. However, total emigration and interprovincial and intraprovincial migration may be a more substantial source of error since administrative files do not entirely cover the targeted universe.”

Projections Tracking (mid-year population)



the population in existing housing, adjusted for declines in average households size, to arrive at an estimate based on occupied dwellings.

According to this method, the city of Ottawa had a 2008 mid-year population of **894,654** and a year-end population of **898,150**. The difference between the City estimate and the preliminary 2008 StatCan post-censal estimate is 26,720 people as of mid-year 2008.

Projections tracking

The new population projections, which will form the basis of the 2008 Official Plan (OP) update, anticipate that the city will have a population of 1,136,000 in mid-2031. The projection for mid-year 2008 is **891,687**. The difference between the projection and the City's population estimate of 894,654 for mid-2008 is 2,967 persons. The difference between the projection and StatCan's post-censal estimate is 23,753.

Major cities

Post-censal estimates were restated by Statistics Canada for the last two years for each of the six largest Census Metropolitan Areas (CMA's) based on the 2006 Census CMA boundaries. The Ottawa-Gatineau CMA is the fourth largest in Canada, and in 2007-08 had the second weakest growth rate among major cities, ahead of Montreal. Both Alberta cities continue to post greater growth rates than the other major centres: Calgary leads with a 2.3% year-on-year rise in population, followed by Edmonton with 2.1%. Vancouver and Toronto are tied in the mid-range (1.8%), Ottawa-Gatineau is fifth with 1.3% (a slight improvement over the 1.2% recorded the previous year), and Montreal rounds out the Big Six with a 0.8% rate of growth.

POST-CENSAL ESTIMATES, JULY 2008

CMA	Population	2007-08 % growth
Toronto	5,531,263	1.8
Montréal	3,750,540	0.8
Vancouver	2,271,224	1.8
Ottawa-Gat.	1,198,668	1.3
Calgary	1,182,446	2.3
Edmonton	1,124,163	2.1

Source: Statistics Canada

2.2 Migration

HIGHLIGHTS

- Net migration to Ottawa increased to **6,226** in 2006-07, the third consecutive increase in a row
- Net migration to Ottawa-Gatineau rose to **8,579**
- Ottawa-Gatineau welcomed **3%** of international immigrants to Canada in 2006-07

Migration data for 2006-2007 (the most recent available) shows that the numbers of people moving to the city is on the rise, but the rate at which migration is increasing has slowed. Net migration to the city of Ottawa climbed for the third year in a row to **6,226** in 2006-2007 (*Table 2*). Net migration to Ottawa-Gatineau followed the same trend, rising to **8,579**. Although the migration trend is up, the rate of increase in net migration has been very slight in 2006-07.

Ottawa's job market grew by almost 12,000 jobs in 2008. Since 2005, the number of employed residents in the city grew by 28,600, according to StatCan's Labour Force Survey. For the greater Ottawa-Gatineau area, employment growth was 52,600 for the same period. This largely explains the turnaround in migration observed for the last two years.

This leaves Ottawa-Gatineau ranked sixth of the six largest cities in terms of attracting newcomers in 2006-2007 (*Table 5*). The two Alberta cities ranked fourth and fifth, dropping back behind Montreal as their economic boom begins to wind down. Canada welcomed 238,125 immigrants in 2006-2007 and 7,180 (3.0%) settled in Ottawa-Gatineau.

Interprovincial net migration rebounded significantly in 2006-2007, crossing into positive territory after five years of losses to other provinces. The return to positive interprovincial net migration is due to reduced out-flows of Ottawans to Gatineau and its periphery, and increased in-flows from Montreal and the rest of Quebec, and from the Atlantic provinces.

Ottawa also gained residents from within Ontario, although slightly fewer than in the previous year. In 2006-2007 there were fewer Ottawans moving to OMATO, but fewer other Ontarians moving to Ottawa (with the exception of Northern Ontario) (*Table 2*).

International net migration was at its lowest since 1988-1989. The net international tally of 3,756 recorded in 2006-2007 is about one-quarter below the average of the last

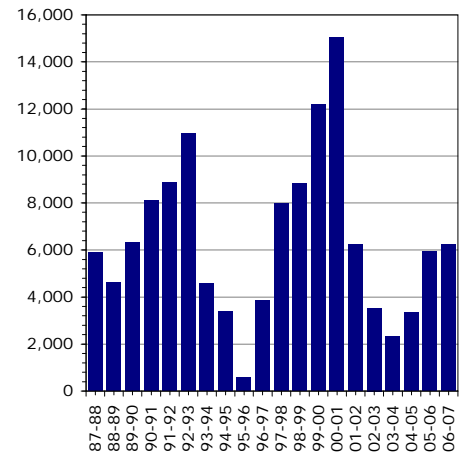
NET MIGRATION 2006-2007 (preliminary)

<i>CMA</i>	
Toronto	74,195
Vancouver	30,102
Montréal	21,690
Calgary	17,905
Edmonton	17,493
Ottawa-Gatineau	8,579

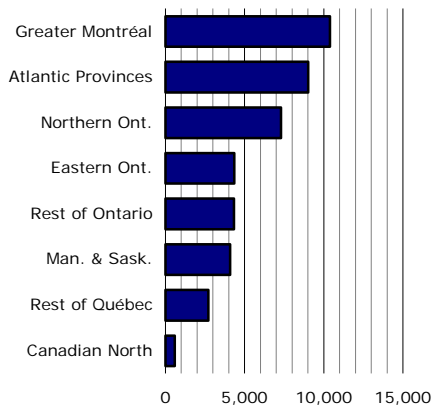
Source: Statistics Canada

Net Migration, Ottawa, 1987-2007

Source: Statistics Canada



Origins of Canadian migration into Ottawa, 1997-2007 Source: Statistics Canada



decade. In fact, this constitutes the fourth consecutive annual decline for international net migration, suggesting there may be a need to better promote the city at a global level.

On the other hand, people continued moving to Ottawa from other parts of Canada. The top five sources of Canadian migration into Ottawa were Greater Montréal, the Atlantic Provinces, Northern Ontario, Eastern Ontario, and the rest of Ontario outside OMATO, the GTA and Eastern and Northern Ontario. (Table 3)

On balance, in 2006-2007 Ottawa gained 4,399 new residents from the rest of Canada and lost 2,092 residents to other parts of Canada, especially to Alberta (39%), followed by 36% who resettled in Gatineau and Ontario and Quebec municipalities around Ottawa.

The out-flow of population from Ottawa to Gatineau and surrounding municipalities has slowed considerably. Out-migration to OMATO and QMAG has subsided from 2,409 people in 2001-2002 to 605 in 2006-2007. Out-migration to Gatineau has moderated from 1,189 people in 2003-2004 to 141 people in 2006-2007.

Since 1997 most of our Canadian in-migration has come from the Montréal area (10,388 people), followed by the Atlantic Provinces (9,009), Northern Ontario (7,301) and Eastern Ontario (outside OMATO) (4,352). Our most significant population deficit is with OMATO⁴ and QMAG⁵ (11,949 people), followed by Alberta (2,779), the Greater Toronto Area (2,334), and British Columbia (2,266).

NET MIGRATION PER 1,000 INHABITANTS, 2006-2007 (preliminary)

<i>CMA</i>	
Edmonton	16.5
Calgary	16.2
Toronto	13.7
Vancouver	13.3
Ottawa-Gatineau	7.3
Montréal	5.9

Source: Statistics Canada

Major cities

Nationally, immigration fell by 6.4% in 2006-2007 but bounced back by 4.8% in 2007-2008. Annual migration estimates for metropolitan areas lag the national data by a year.

Net migration among the million-plus cities increased only in Montreal (7.7%) and Ottawa-Gatineau (4.4%). All other major centres had double-digit drops in net migration, starting with Calgary (-22%), followed by Toronto (-19.3%), Edmonton (-18.8%) and Vancouver (-17.1%). (Table 5)

⁴ OMATO = Ontario Municipalities Adjacent to Ottawa.

⁵ QMAG (Québec Municipalities Adjacent to Gatineau) comprises the MRC Les-Collines-de-l'Outaouais, MRC Pontiac, MRC Papineau and MRC La-Vallée-de-la-Gatineau

2.3 Distribution of population growth

Within Ottawa, the strongest population growth in 2008 took place in the urban centres outside the Greenbelt and in the rural area, following the pattern of past years.

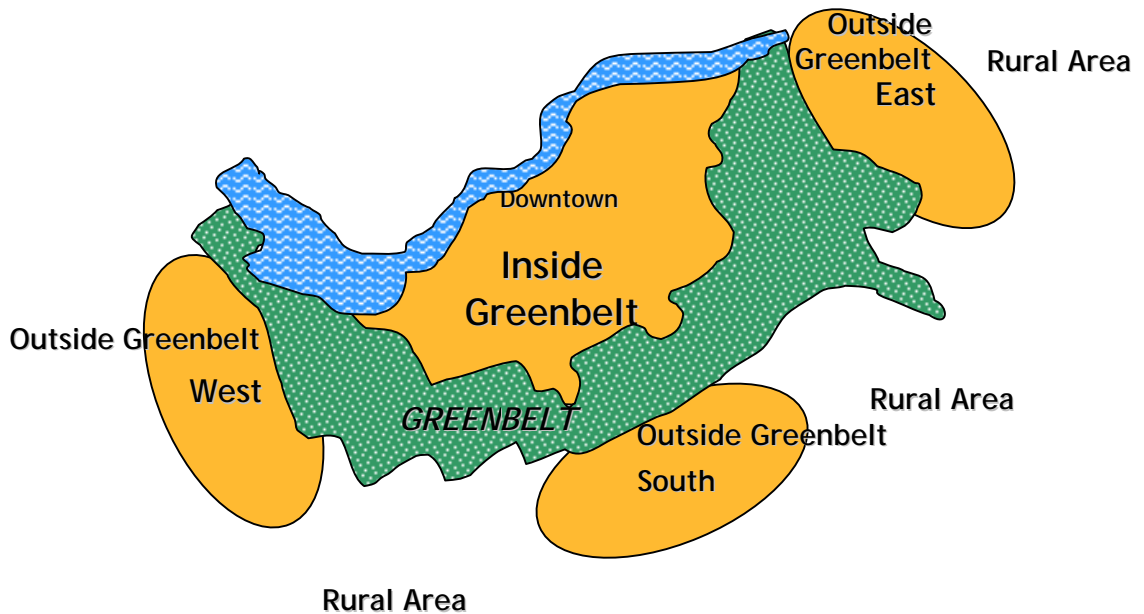
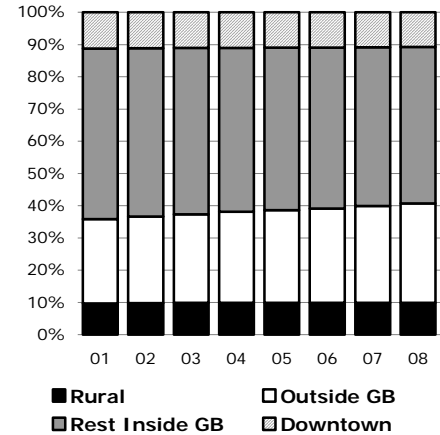
The share of Ottawa’s population living inside the Greenbelt has dipped below the psychological threshold of 60% for the first time, and is estimated at 59.3% as of year-end 2008. Downtown’s⁶ share is being kept stable by condominium developments; it remained at 10.8%, unchanged from the previous year. The urban centres outside the Greenbelt have a 30.9% share of the population, while the rural area was home to 9.9% of Ottawans. (Table 6)

In the urban centres outside the Greenbelt, the population grew by almost 10,000 people to an estimated 277,145. The population of Downtown was estimated at 96,697, a 0.5% increase over 2007. The urban area inside the Greenbelt outside Downtown had a population estimated at 435,708, 0.5% lower than the previous year, reflecting ongoing declines in average household size despite continued housing intensification. In the rural area the population reached 88,600, up 1.1% from 2007.

The highest population gains in 2008 took place in Kanata, South Nepean, Stittsville and Orléans. In terms of growth rate, Leitrim and Riverside South posted the highest annual growth among Ottawa’s sub-areas.

Distribution of population (%) , 2001-2008

Source: City of Ottawa



⁶ "Downtown" refers to the Central and Inner Areas.

2.4 Population growth in the Greater Ottawa-Gatineau Area

OTTAWA REGION ESTIMATED POPULATION, 2008 YEAR-END

City of Ottawa	898,150
Ville de Gatineau	256,108
OMATO	147,472
QMAG	52,017
TOTAL	1,353,747

Sources: City of Ottawa estimates for Ottawa and OMATO; MAMRO estimates for Ville de Gatineau; Statistics Canada estimates for QMAG

HIGHLIGHTS

- Ottawa Region population: **1,353,747**
- Gatineau population: **256,108**
- OMATO population: **147,472**

Gatineau

The 2006 Census counts for Gatineau reveal a smaller margin of undercount than the one observed in Ottawa. The 2006 data reported there were about 10,500 more dwellings in Gatineau than five years prior, about 17% fewer than actual housing starts recorded by CMHC (Ottawa had about 38% fewer). Gatineau's 2006 population according to the Census was 242,124. (*Table 7*)

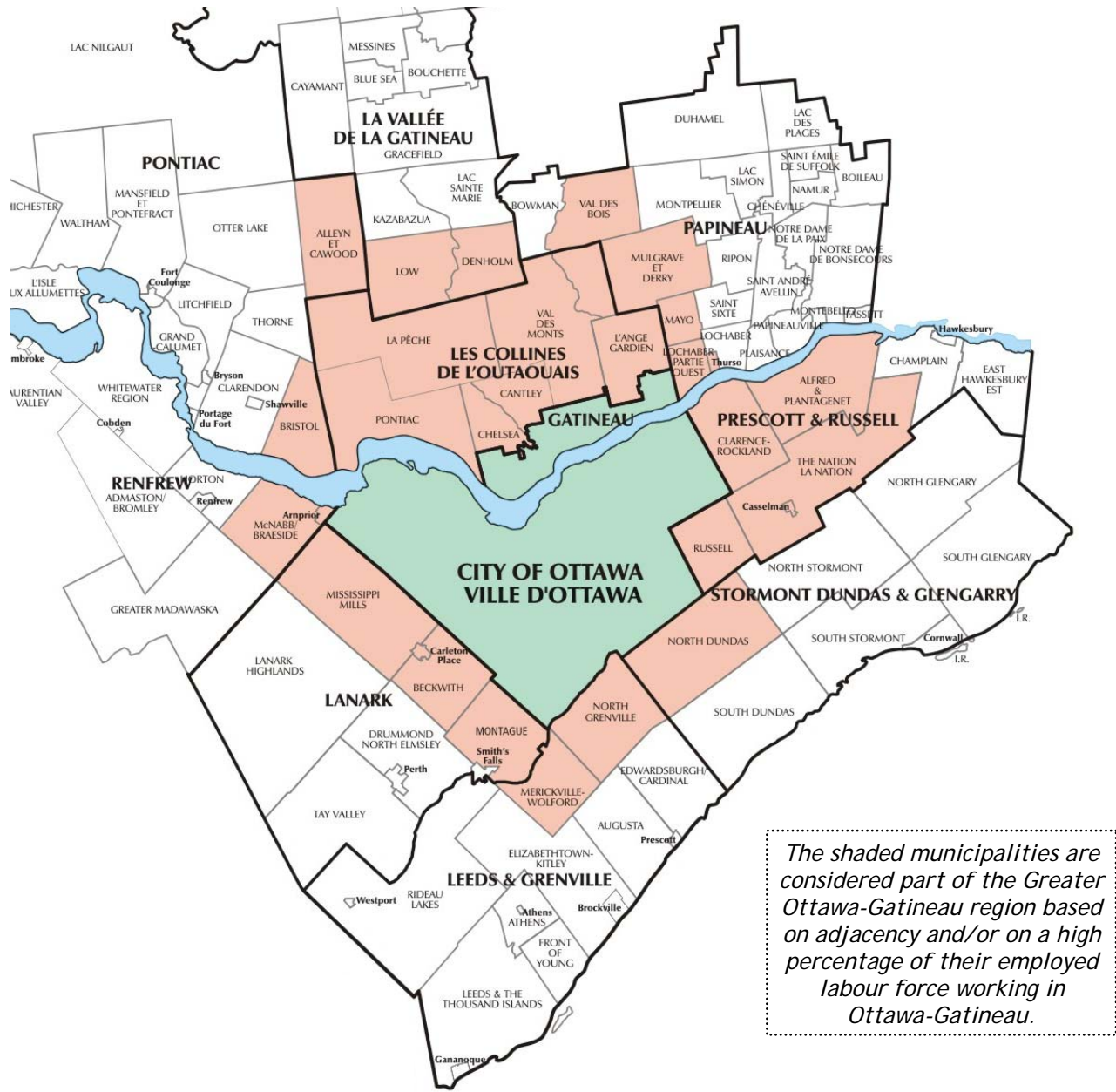
Based on the dwelling occupancy method, City of Ottawa staff estimate that the City of Gatineau has a population of **256,108** as of the end of 2008.

Gatineau has traditionally been the recipient of positive net in-migration from Ottawa. The trend was reversed in 1996 and for the following five years when, coinciding with the high-tech boom, Ottawa gained population from Gatineau. In 2001-2002, historic migration patterns reappeared, as Gatineau became again the beneficiary of population from Ottawa. However, the trend has been slowing since 2004-2005. In 2006-2007, Gatineau received only 141 residents from Ottawa. In the five-year period 2000-2005, Gatineau gained 3,493 new residents from Ottawa. (*Table 4*)

The most recent estimates from the *Ministère des Affaires municipales et des Régions du Québec (MAMRO)*, which issues updates every year for all municipalities in Québec, puts the city of Gatineau's population at **247,139** as of January 2009, a lower estimate than the 251,274 stated for January 2007. Statistics Canada post-censal estimates for July 2008 peg the population of the City of Gatineau at **249,973** and the Québec portion of the Ottawa-Gatineau CMA at **294,310**.

OMATO (Ontario Municipalities Adjacent to Ottawa)

The City of Ottawa estimates OMATO's 2008 year-end population at **147,472**, a 2% increase over 2007, based on housing construction activity. (*Table 8*) The five most populous OMATO municipalities are Clarence-Rockland (22,919), North Grenville (15,875), Russell (15,444), Mississippi Mills (13,268) and North Dundas (12,187).



The 2006 Census undercount appears to be greater in OMATO than anywhere else in the Greater Ottawa Area outside of the city of Ottawa. The population counted by the Census is 130,973, an increase of 4,958 residents (or 3.9%) over 2001. But, there were more housing starts in OMATO (5,737) during those five years than new residents counted by the Census. (Table 8)

Census information on place of work reveals that several OMATO municipalities that are technically outside the Census



Metropolitan Area of Ottawa⁷ have a large percentage of their employed labour force working in Ottawa. (Table 9) As with the overall population counts, however, City staff have reservations about data quality due to the significant undercounts we estimate have occurred in OMATO, and because labour force data by place of work is based on a statistically small sample of 20%.

In Prescott-Russell and Lanark particularly, there were brisk levels of housing construction recorded by municipalities between 2001 and 2006 but under-reported in the Census, and Census labour force data shows a lower percentage of the employed labour force working in Ottawa-Gatineau in 2006 than in 2001.

From 2006 Census data, the OMATO municipalities showing the highest interrelationship with Ottawa-Gatineau's job market are Prescott-Russell's (49% of the employed labour force), Lanark's (40%), Leeds & Grenville's (39%), Stormont, Dundas and Glengarry's (36%), and Renfrew's (25%).

QMAG (Québec Municipalities Adjacent to Gatineau)

The City of Ottawa estimates that QMAG has a population of 52,017 as of year-end 2008. Eighty-five percent of QMAG's population lives in one regional municipality, les-Collines-de-l'Outaouais, whose population is estimated at 44,171 by City of Ottawa staff as of year-end 2008. The most populous municipality is Val-des-Monts, with 10,041 inhabitants.

Between 2007 and 2008, the fastest growing QMAG municipalities were Cantley (4.2%), just north-east of the urban core; and four others who are reaping the benefits of highway extensions: L'Ange-Gardien (3.9%), Lochaber-Ouest and Mayo (3.8%) are benefiting from the new segment of Autoroute 50 to Thurso, which is now open; Low (3.6%) appears to be growing faster since work began on the northward extension of Autoroute 5, part of which will open in 2009.

⁷ Statistics Canada defines a Census Metropolitan Area (CMA) as being formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core must be at least 100,000 to form a Census Metropolitan Area. To be included in the CMA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data.

3. Employment and Economy

HIGHLIGHTS

- The number of employed residents in Ottawa grew by 2.4% in 2008
 - Employment in Ottawa-Gatineau increased by 3.1%, the third-highest growth rate among big cities
 - The public administration sector accounted for much of the increase, adding 16,700 jobs in Ottawa-Gatineau in 2008
-

3.1 Employment

Based on the City's most recent Employment Survey, there were 522,000 jobs located in Ottawa in 2006. The city's economy created a net 40,000 new jobs between 2001 and 2006. This five-year period featured a slowdown in the high-tech sector and a surge in federal employment. Although new government jobs partly offset high-tech losses, job growth for the period was slightly lower than the average five-year growth since 1976.

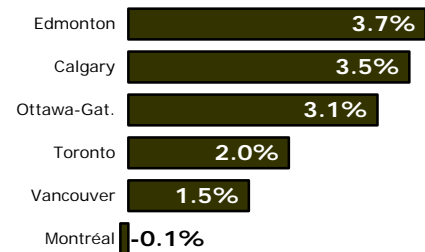
Statistics Canada undertakes the sample-based Labour Force Survey (LFS) on a monthly basis. According to the LFS, the number of employed Ottawa residents stood at 500,000 (annual average) in 2008, up 2.4% from 2007⁸. Employment grew at a much higher rate than the 1.1% posted in 2007, but was still slower than the decade's strongest years of 2003 (5.1%) and 2006 (4.0%). (Table 10)

The Ottawa-Gatineau CMA as a whole gained 20,200 jobs in 2008, ranking fourth in new jobs and third in growth rate (3.1%) among the nation's six big cities. For the period of 2003-2008, Ottawa-Gatineau ranks fourth out of the six large cities in job growth rate. (Table 17) Ottawa-Gatineau's unemployment rate (4.8%) was below the national average (6.1%) and lower than Toronto's and Montreal's in 2008.

Ottawa-Gatineau had 671,700 employed residents in 2008. The employment gains at the CMA level were heavily concentrated in two sectors: public administration (16,700) and health and education (10,100). There also were appreciable gains in retail trade (5,000) and in the professional, scientific and technology services sector (4,900). There were minor employment gains in wholesale

Employment growth (%), 2007-08

Source: Statistics Canada



NEW JOBS, 2008

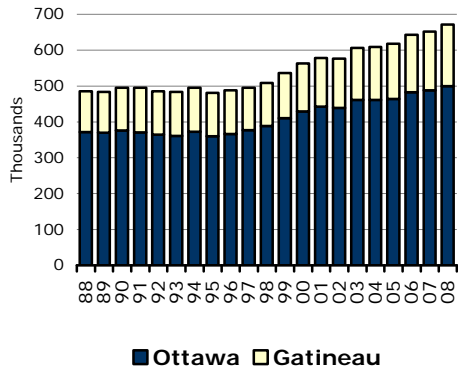
CMA	New jobs
Toronto	57,300
Calgary	23,500
Edmonton	22,000
Ottawa-Gatineau	20,200
Vancouver	18,900
Montréal	- 2,500

Source: Statistics Canada

⁸ The City's Employment Survey shows a higher number of jobs because it counts jobs located in Ottawa (i.e. place of work) and therefore captures Ottawa jobs held by residents of neighbouring jurisdictions, while the LFS reports people's employment status by their place of residence.

Total Employment, Ottawa and Gatineau, 1988-2008

Source: Statistics Canada LFS



trade (800 jobs), arts, entertainment and recreation (700), administrative and support services (400) and the primary sector (200).

All other sectors of the job market lost positions in 2008. Manufacturing (which contracted by 4,200 jobs), information and cultural industries (-4,000), and construction (-3,400) led the way. These sectors were followed by transportation and warehousing (-2,800), other services (-1,700), accommodation & food services (-1,100), finance, insurance and real estate (FIRE) (-700) and utilities (-500).

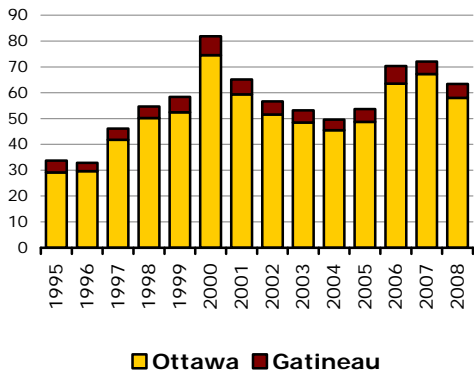
Ottawa accounted for the CMA's job losses in five sectors: wholesale trade, manufacturing, FIRE, arts and entertainment, and accommodation & food. In Gatineau there were job gains in those four sectors.

Public administration was at the core of the Ottawa's job market performance. The federal government alone added 9,000 jobs in Ottawa and 4,200 jobs in Gatineau. Provincial and municipal administrations added 2,600 jobs in Ottawa and 300 in Gatineau.

Private-sector employment represented 61.6% of all jobs in Ottawa-Gatineau, down from 63.4% in 2007. In Ottawa, 2008 private-sector employment was also down to 63.4%, from 65.2% in 2007. (Tables 12, 13)

High-tech employment, Ottawa-Gatineau

Source: Statistics Canada LFS



High Tech

After three consecutive years of job creation in the high-tech sector, employment dipped in 2008 to 63,400 workers across the CMA, from 72,100 in 2007. High-tech job losses were in fact confined to Ottawa, where there were 9,300 fewer positions in 2008 than the previous year. In Gatineau, high-tech employment actually grew by 600 jobs.

The hardest-hit clusters in Ottawa's high-tech sector were software and communications (-4,800 jobs) and micro-electronics (-4,200). The telecommunications cluster lost 1,500 jobs. On the other hand, the health sciences cluster expanded by 1,500 employees.

The Ottawa centre for Research and Innovation (OCRI) also tracks high-tech employment but uses a broader definition. OCRI reports a loss of about 2,800 high-tech jobs in 2008, to 79,100 from 81,900 in 2007.

3.2 Gross Domestic Product

HIGHLIGHTS

- National GDP growth was **0.6%** in 2008, forecast to decline (-0.5%) in 2009
 - Ottawa's 2009 GDP growth forecast, **0.2%**, ranks 1st among big cities, the only one to show positive growth
-
-

The Conference Board of Canada provides estimates of annual Gross Domestic Product (GDP) for Canada's metropolitan areas.

In its Spring 2009 *Metropolitan Outlook*, the Conference Board estimates Ottawa-Gatineau's 2008 Real GDP at basic prices (in 2002 dollars) at **\$45.4 billion**. This pegs the local economy's growth at 1.2% for 2008, less than half the 2.6% growth rate recorded in 2007 but double the national average of 0.6%.

Ottawa-Gatineau's GDP growth rate was fourth among the million-plus cities in 2008. The strongest growth belonged to Edmonton (1.8%) and Calgary (1.7%), both cities showing a considerable slowdown from their torrid pace of just three years ago. Ottawa-Gatineau's GDP growth rate was the highest among eastern cities.

The Big Six urban areas represent 44.6% of Canada's GDP and their economic growth (0.9%) was stronger than the national average, largely due to strong growth in the three western cities and in Ottawa-Gatineau. (*Table 18*)

The Conference Board predicts a difficult year in 2009 for Ottawa-Gatineau, as for the rest of Canada, with net job losses and an increase in the unemployment rate. The high-tech sector is forecast to experience further pain due to worldwide economic conditions; the construction sector is said to be weakening due to a slowing housing market; and employment in public administration could stabilize or even contract if federal budget deficits run for an extended period of time.

Ottawa-Gatineau's GDP is forecast to grow by **0.2%** in 2009, above the national average which is forecast to decline by half a percent. In fact, Ottawa's GDP forecast is the only one of Canada's major cities showing positive growth, albeit of very modest proportion.

GROSS DOMESTIC PRODUCT (GDP) GROWTH, 2008-09 (f)

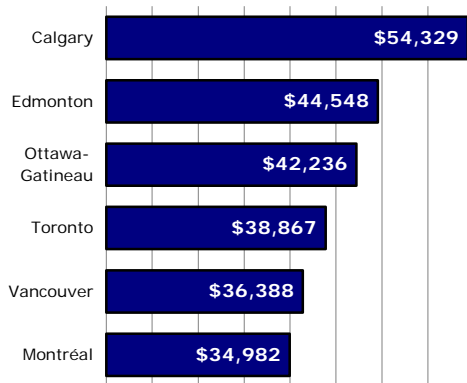
	2008	2009f
Ottawa-Gat.	1.2%	0.2%
Calgary	1.3%	-0.1%
Edmonton	1.5%	-0.2%
Montréal	1.0%	-0.5%
Canada	0.6%	-0.5%
Vancouver	1.1%	-0.9%
Toronto	0.3%	-1.6%

Source: Conference Board of Canada, Metro Outlook Winter 2009

3.3 Personal Income

Personal Income per Capita,

2008 Source: Conference Board of Canada,
Metropolitan Outlook Spring 2009



HIGHLIGHTS

- Ottawa-Gatineau has the **third highest average personal income among major cities**

Average personal income⁹ per capita in Ottawa-Gatineau was \$42,236 in 2008, the third highest among the Big Six cities behind Calgary and Edmonton and almost 14% above the national average of \$36,941.

Ottawa had the strongest rate of increase, 4.1%, in personal income per capita among major cities in 2008. The Conference Board forecasts a much slower annual increase of 1.3% in 2009, and even slower rates for all other cities except Vancouver, which is projected to post a 1.5% rise.

For 2010 the Conference Board sees a rebound in the growth of personal income: 3.2% nation-wide, and 3% for Ottawa, the highest among large centres. (Table 19)

3.4 Consumer price index

The All-Items Consumer Price Index (CPI) for Ottawa, the general inflation benchmark, was 113.1 for 2008 (from a base of 2002=100). The annual inflation rate, as measured by the CPI, was 2.2%.

Between 2003 and 2008, the All-Items CPI went up by 10.3%. During those five years, the Shelter CPI went up by 16.3%, the Rented Accommodation CPI by 3.5%, and the Owned Accommodation CPI by 18.7%.¹⁰ (Table 18)

The Shelter and Owned Accommodation CPIs have risen faster than the general rate of inflation. The Rented Accommodation CPI increased by 1.2% in 2008, the steepest increase since the start of this decade. The slow rise of the Rented Accommodation index reflects lower rent increases due to higher vacancy rates through the first part of the decade. The increase in the owned accommodation index is a reflection of the large increases in house prices over the last few years.

**2008 rate of inflation for
Ottawa (CPI):
2.2%**

⁹ Income data is in nominal dollars, not adjusted for inflation.

¹⁰ The Shelter CPI includes heat and utilities, but the Rented and Owned Accommodation Indices do not.

3.5 Mortgage rates

HIGHLIGHTS

- Despite aggressive cuts to central bank lending rates, mortgage rates have remained stable
- The steady rise in house prices has continued to erode housing affordability, though Ottawa remains the most affordable big city in Canada for housing

The worldwide recession has led central banks, including Canada's, to cut lending rates quickly and deeply. As of year-end 2008, the U.S. policy rate was between 0 and 0.25% and the Bank of Canada's overnight rate was 1.5%. The Canadian rate has since dropped to 0.5%, from 4% in January 2008, a 350-basis-points cut in just over a year.

However, since one of the origins of the current economic situation is the American sub-prime mortgage crisis, U.S. banks have become extremely cautious in their lending. The resulting worldwide credit crunch means that U.S. banks faced with liquidity shortages have not passed on the Fed's rate reductions to the consumer, so the U.S. housing market is continuing to struggle without any mortgage rate stimulus or relief.

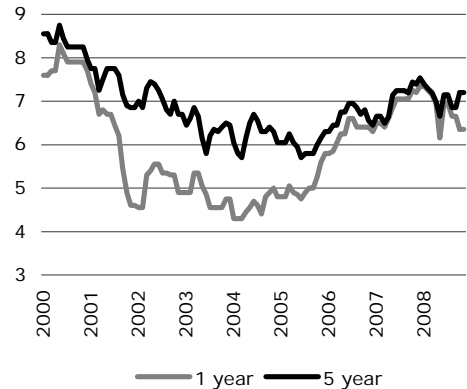
In 2008, especially until the bankruptcy of Lehman Brothers and the bank rescue package put forward in the U.S., liquidity shortages quickly spread worldwide, with credit seized from retail mortgages all the way up to corporate debt markets. The fear of lending reached such heights that, at the end of December 2008, private banks were raising the interest rates they charged each other for loans while governments worldwide were cutting their central bank rates.

This has produced a situation in which mortgage rates have not fallen with prime rates. Indeed, retail mortgage rates will probably not change much until credit markets stabilize. While this may compound the recession by failing to stimulate the housing market, it will at the same time allow for some air to be let out of house prices that have been inflated by twelve years of uninterrupted growth.

Most financial institutions acknowledge the risk of a deep and prolonged recession. If that is the case, then it is likely that mortgage rates will ease in order to entice homebuyers to return to the market. Such a scenario, however, would likely not play out until late 2009 or early 2010, if and when credit markets return to some semblance of health.

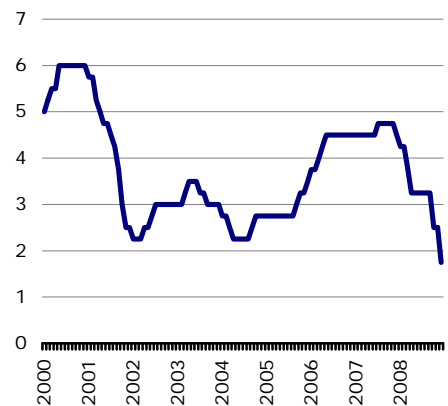
Mortgage Rates, 2000-2008

Source: Bank of Canada



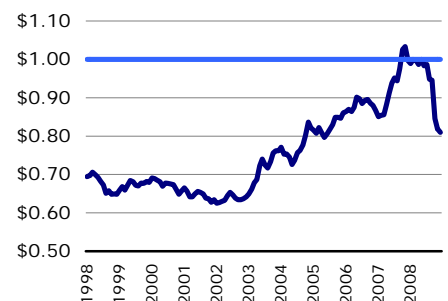
Bank rate, 2000-2008

Source: Bank of Canada



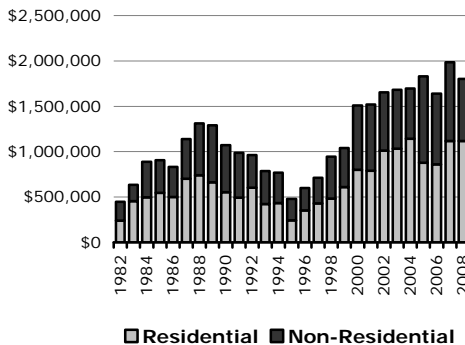
Canadian dollar exchange rate vs. U.S. dollar, 1998-2008

Source: Bank of Canada



Building permits, Ottawa-Gatineau CMA (Ontario part), 1982-2008

Source: Statistics Canada



BUILDING PERMITS, MAJOR METRO AREAS, 2008

CMA	Bldg. Permits (\$bn)	% chg. 2007-08
Montreal	\$6.41	-1.5%
Ottawa-Gatineau	\$2.43	-6.3%
Edmonton	\$3.66	-6.7%
Toronto	\$12.24	-7.4%
Vancouver	\$5.58	-20.5%
Calgary	\$4.72	-27.1%

3.6 Construction

HIGHLIGHTS

- Total 2008 building permits in Ottawa-Gatineau: **\$2.4 billion**, 6% lower than the record reached in 2007
- Construction decreased in all major cities; by least in Montréal and Ottawa-Gatineau
- 2008 residential activity on the Ottawa side of the CMA was on par with 2007, the only sector that did not decline.

Building permits for the Ontario part of the Ottawa-Gatineau CMA retreated to **\$1.8 billion** in 2008, a 9.3% drop from the all-time record \$1.99 billion recorded in 2007. The tally for 2008 is the third highest on record. (Table 14)

It was mostly non-residential construction that accounted for the slowing of activity. Industrial construction was almost halved from its 2007 level; institutional construction was 31% lower. The value of commercial buildings was 12% below the previous year's.

There was only one new office tower started downtown (Minto Place Phase III). Much of the non-residential activity was in tenant fit-ups and renovations in both office and institutional buildings. On the other hand, condominiums and retirement homes figured prominently among the high-value building permits issued in 2008.

The total for the Ottawa-Gatineau CMA was **\$2.43 billion**, a 6.3% decrease from 2007. Residential construction slid by 2.8% in the CMA, while non-residential permits were off by 11.6%.

Major cities

At the national level, Ottawa-Gatineau ranks sixth of the major cities in terms of dollar value of building permits, but has the second smallest rate of decrease (-6.3%) after Montreal (-1.5%). Calgary (-27.1%) and Vancouver (-20.5%) were the two CMA's where the value of building fell most compared to 2007. Edmonton (-6.7%) and Toronto (-7.4%) were in a similar range as Ottawa-Gatineau.



Hudson Park, Phase II: one of several condominium apartment buildings that broke ground in 2008, helping residential building permits post a similar result as in 2007.

4. Housing

4.1 Rental housing

HIGHLIGHTS

- Rental vacancy rate tumbles to 1.4%
 - Average rent for a 2-br apt. up 3.4% to \$995 in 2008
 - Ottawa's average 2-br rent has risen by 6.8% since 2003
 - Ottawa-Gatineau rent gap now 47%, up from 45%
-

i. Vacancy rates

Ottawa's rental vacancy rate tumbled to 1.4% in 2008, the lowest since 2001, from 2.3% in 2007. (Table 20)

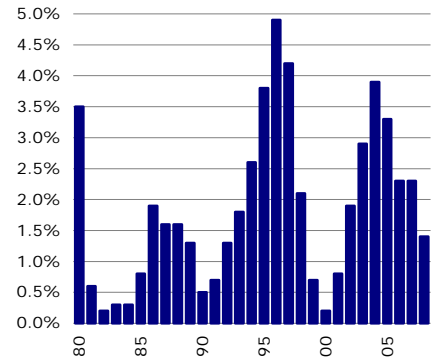
Three major forces are pushing rental vacancies down: rising homeownership costs, a stable and growing job market, and increasing in-migration. Added to these three factors is the very small amount of new rental construction and, according to CMHC, the contraction of the secondary rental market, specifically private homes rented out by their owners. It would appear that more of these single-detached or townhomes that were rented have been sold and occupied by their new owners, thereby removing them from the rental market. This may explain the steep rise in rents for apartments with three and more bedrooms.

The vacancy rate decreased in all survey zones across the city. The sharpest decreases were in Vanier (down 1.5% to a still-high 3.3%) and in the outer suburban zones: Gloucester-Cumberland (down by almost half to 1.4%) and Nepean-Kanata-Goulbourn (down by about a third to 2.1%). The lowest vacancy rates, as in 2007, were in Westboro South-Hampton Park-Britannia (0.7%) and Sandy Hill-Lowertown (0.8%), along with New Edinburgh-Manor Park-Overbrook, which recorded a strong drop in vacancies to 0.9%.

There is little gap in vacancy rates between apartment types. One-bedroom units have the lowest vacancy rate (1.3%), followed by bachelors (1.4%) and two-bedroom units (1.5%). Apartments with three and more bedrooms had the biggest vacancy rate drop, from 2.8% in 2007 to 1.8% in 2008. There are zones with above-average vacancy rates in some unit types: for example, bachelor units in Chinatown-Hintonburg-Westboro North have a higher vacancy rate (2.5%) than the zone's overall rental stock (1.6%). The same is seen with two-bedroom units in Vanier (4.0%) and three-plus bedroom units in Carlington-Iris (3.6%).

**Rental Vacancy Rate,
Ottawa, 1980-2008**

Source: CMHC



RENTAL VACANCY RATES BY ZONE, 2008

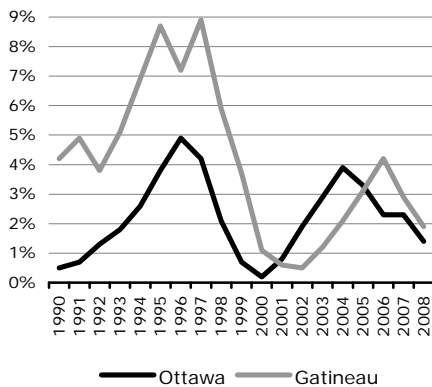
(See zones map, page 78)

Westboro South-	
Hampton Park-Britannia	0.7%
Sandy Hill-Lowertown.....	0.8%
New Edinburgh-Manor Park-	
Overbrook	0.9%
Glebe-Old Ottawa South	1.1%
Downtown	1.3%
Alta Vista-Hunt Club.....	1.4%
Gloucester-Cumberland-	
Osgoode	1.4%
City Average	1.4%
Chinatown-Hintonburg-	
Westboro North	1.6%
Carlington-Iris	1.9%
Nepean-Kanata-Goulbourn.....	2.1%
Vanier	3.3%

Source: CMHC

Rental Vacancy Rates, Ottawa and Gatineau, 1990-2008

Source: CMHC



Canada Mortgage and Housing Corporation (CMHC) also provides availability rates for rental units. This measure tracks the number of vacant units and the number of units for which an existing tenant has given or has received notice to move and a new tenant has not signed a lease. The rental availability rate in 2008 was 2.9%, down for the fourth consecutive year. This downward trend reflects the fact that the rental market is becoming tighter and suggests it may tighten further.

Larger buildings continue to have lower vacancy rates. The lowest rates were in buildings with 200+ units and with 100-199 units (1.0%), followed by buildings with 50-99 units (1.3%) and buildings with 20-49 units (1.7%). The highest vacancy rates were found in buildings with 6-19 units (2.2%), and 3-5 units (3.1%).

Vacancy rates are highest in buildings built between 1940-1959 (2.4%), which incidentally make up a great share of Vanier’s rental stock. This may be due to age-related maintenance issues in buildings of that vintage, compared with older buildings that may receive restoration or newer buildings that are in better condition. The lowest vacancy rates are in buildings built 1975-1989 (1.0%). In those built since 1990, the rate is slightly higher (1.2%) probably because they tend to have higher rents. The same vacancy rate is found in buildings dating from 1960-1974 (1.2%). Pre-1940 buildings, usually sought after for their character and location, had the second highest vacancy rate (2.3%) in 2008.

Gatineau

The rental vacancy rate in Gatineau fell to 1.9% in 2008, from 2.9% in 2007. According to the CMHC report, the removal of retirement home units from the rental universe¹¹ accounted for 30 basis points in the year-over-year difference. The downward trend in the vacancy rate in Gatineau is explained by positive net migration and continued job growth.

Tellingly, the lowest vacancy rate in the city of Gatineau is found in the Hull sector (1.6%), the area closest to the bridges to Ottawa.

After falling from 60% in 2001 to 39% in 2005, the rent gap¹² between the two sides of the river has climbed back to 47% in 2008.

¹¹ This was done to standardize the rental survey’s methodology across Canada. Retirement homes are now measured separately across Canada; they were previously included in the rental universe only in Quebec.

¹² The proportion by which Ottawa rents exceed Gatineau rents

Major cities

Ottawa's vacancy rate in 2008 (1.4%) is the second lowest of Canada's other million-plus cities. (Table 22) Vancouver (0.5%) has the lowest. The other four large cities are in a higher range of just over 2% (Toronto 2%, Calgary 2.1%, Montreal and Edmonton 2.4%).

ii. Private rental prices

The average rent of a two-bedroom apartment rose by 3.3% in 2008 to **\$994**, from \$962 in 2007. The increase was above the Provincial Rent Increase Guideline for 2008, which was 1.4%.

Bachelor apartments had the steepest rate of rent increase, 4.4%. Those in Carlington-Iris (8.0%) and Chinatown-Hintonburg-Westboro North (6.3%) had even higher average rent increases. Average rents for one-bedroom apartments rose by 3.6%, with above-average increases in Chinatown-Hintonburg-Westboro North (7.0%) and Carlington-Iris (5.1%).

Average rents for two-bedroom apartments rose by 3.3% (the city average). Above-average increases were recorded in Sandy Hill-Lowertown (6.1%), Downtown, Chinatown-Hintonburg-Westboro North, and New Edinburgh-Manor Park-Overbrook (4.9%), and Glebe-Old Ottawa South (4.2%).

Average rents for apartments with three or more bedrooms increased by 3.4%. Three zones had increases significantly above this average: Glebe-Old Ottawa South (14.9%), Downtown (7.5%) and Sandy Hill-Lowertown (7.3%).

Overall, the strongest rent increases were observed in Sandy Hill-Lowertown (6.4%), Chinatown-Hintonburg-Westboro North (5.7%), Carlington-Iris (4.7%) and Downtown (4.3%). (Table 20)

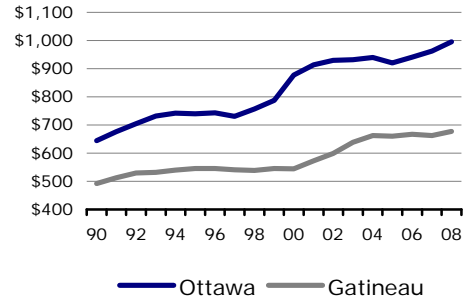
Between 2003 and 2008, the average rent of a one-bedroom unit rose by 7.7%; for a bachelor unit, 7.0%, for a two-bedroom unit, 6.8%; and for a three-plus bedroom unit, 5.1%. (Table 21)

Between 2003 and 2008, overall rent increases were strongest in Downtown (11.5%), Sandy Hill-Lowertown (10.0%), and Chinatown-Hintonburg-Westboro North (9.2%). During that period, the rate of inflation in Ottawa was 12.4%.

In the five years between 2003 and 2008, average rents in Ottawa have increased by 6.9%. The Provincial Rent Guideline for that period allowed increases of up to 13.4%.

Average Rent, 2-bedroom Apartment, Ottawa and Gatineau, 1990-2008

Source: CMHC



2009 Ontario Rent Increase Guideline:

1.8%

2008 AVERAGE RENTS 2-BEDROOM APARTMENT

Calgary	\$1,148
Vancouver	\$1,124
Toronto	\$1,095
Edmonton	\$1,034
Ottawa	\$995
Gatineau	\$677
Montréal	\$659

Source: CMHC

AVERAGE RENT CHANGE FOR A 2-BEDROOM APARTMENT, 2003-2008

Edmonton	43.2%
Calgary	42.8%
Vancouver	16.5%
Montréal	14.6%
Ottawa	6.8%
Gatineau	5.9%
Toronto	5.3%

Source: CMHC

Overall, since 1988, provincial guidelines have allowed for increases of up to 70.7%, while actual average rents have gone up by 57.3%.

Major cities

Average 2-bedroom rents in Ottawa were ranked fifth among major Canadian cities in 2008. Calgary ranks first, followed by Vancouver and Toronto. (Table 22) Edmonton has passed Ottawa for the first time and now ranks fourth. Between 2003 and 2008, average 2-bedroom rents have increased most in Edmonton (43.2%) and Calgary (42.8%). Vancouver (16.5%) and Montréal (14.6%) were next, while Ottawa (6.8%) and Toronto (5.3%) had the lowest average rent increases among major cities.

iii. Rental stock and rental completions

Ottawa's stock of private buildings with three or more rental units shrank modestly in 2008: it now has 68,069 rental units, down from 68,228 in 2007. (Table 23) The private rental stock has stabilized over the past five years, after steady declines from its peak of 73,443 units in 1989.

This erosion of the rental stock is due to a significant amount of ownership conversion approvals during the 1995-1997 period, when vacancy rates were above 3%. For one year (2005-2006), the conversion window was again opened when the rental vacancy rate stayed above 3% for two consecutive years. As the next section indicates, approvals were granted for the conversion of 2,576 rental units that year. The slight contraction of the rental stock observed in 2008 may reflect the offering of some of these converted units for sale to owners. Another possible factor is the sale of units in condo buildings that were heretofore operated as rentals.

iv. Conversions

Official Plan (OP) policy restricts conversions when the rental vacancy rate is below 3% and permits the conversion of rental buildings with five or more units to condominium or freehold ownership only when the vacancy rate is at or above 3% for two consecutive annual reporting periods, and rents in the building to be converted are above the zone's average (by unit type).

With the vacancy rate at 3.9% in 2004 and 3.3% in 2005, one of the conditions set out in the OP for conversions to be permitted was in place for one year, until the 2006 vacancy rate (2.3%) ended the opportunity for further conversions.

During that one-year window, the City received applications for the conversion of 2,576 rental units. Of this total, 219 units (8.5% of the total) were townhouses and 2,357 units (91.5%) were apartments. Conversions were granted for all 2,576 units for which applications were filed.

Of the units for which there is a known sales program in place, in many cases unit sales are planned to be incremental, as they become vacant. The building would therefore transition from rental to full condominium over time.

v. *Non-market housing*

There are 22,478 units of social housing managed by public and non-profit housing providers in the city of Ottawa. A further 653 non-market housing units are provided through investment programs established since 1999, including the City of Ottawa's *Action Ottawa* program.

There are, in addition, approximately 1,600 rental units owned by private landlords that are made available to households on a rent-geared-to-income basis through the Rent Supplement program.

The Ottawa Community Housing Corporation (OCHC) has the largest portfolio of social housing units in the city, with 14,617 dwellings (65% of the total). Private non-profit, provincial co-op and federal co-op housing units account for the balance of social housing units.

Of the 22,478 social housing units in Ottawa, 55.2% (12,399 units) are in the central wards of Somerset, Rideau-Vanier, Rideau-Rockcliffe, Kitchissippi and Capital. Another 6,641 units (29.5%) are located in the mature inner urban wards of Bay, Baseline, Knoxdale-Merivale, Beacon Hill-Cyrville, River and Alta Vista. In the suburban wards of Orléans, Innes, Barrhaven, Kanata North, Kanata South, Stittsville-Kanata West, Gloucester-Southgate and Gloucester-South Nepean there are 3,205 social housing units (14.3% of the city total). In the rural wards of West Carleton-March, Cumberland, Osgoode and Rideau-Goulbourn, there are 233 units, about 1% of the city total. (*Table 24*)

vi. Demand for social housing

SOCIAL HOUSING REGISTRY STATISTICS			
YR.	APPL. REC'D	APPL. HOUSED	% HOUSED
2004	5,221	2,005	38.4%
2005	4,720	2,112	44.7%
2006	5,160	2,165	42.0%
2007	4,738	2,116	44.3%
2008	4,514	1,895	42.0%

Source: City of Ottawa

The Social Housing Registry takes applications and maintains the waiting list for 47 social housing providers including OCHC, private non-profits and provincially funded co-ops.

As of December 2008, there were 9,692 applicant households on the waiting list, up by 3.4% since December 2007. Almost half of applicants on the waiting list are families (39% households with children and 6% households with two or more adults), 39% are single persons under the age of 60 and 16% are seniors aged 60 and over.

Applications still exceed the number of households housed. The number of households housed declined slightly in 2008: 1,895 applicants were housed in 2008, 10.4% fewer than the year before. About 78% of all applicant households had an annual income below \$20,000.

vii. Supportive/Transitional housing

Since 1999, a total of 375 units have been or will be completed in Ottawa through a number of investment programs including the National Homelessness Initiative. This is housing with supports as appropriate to help people develop skills to sustain successful tenancies, either long-term (supportive) or time-limited (transitional).

4.2 Resale housing

HIGHLIGHTS

- The Ottawa region had the strongest resale house price increase of all major cities in 2008, **6.4%**
- The average MLS price was **\$290,483**, one of the lowest among big cities
- Ottawa and Gatineau are close to being classified balanced markets, no longer seller's markets
- MLS sales fell in all six large cities, by least in Ottawa
- Prices in OMATO grew more than in Ottawa in 2008

AVERAGE MLS® RESALE PRICE, 2008

Vancouver	\$593,767
Calgary	\$405,267
Toronto	\$379,943
Edmonton	\$332,852
Ottawa	\$290,483
Montréal	\$224,592
Gatineau	\$182,440

Source: Canadian Real Estate Association

i. Resale house prices

The average MLS¹³ residential resale price across the area covered by the Ottawa Real Estate Board (OREB) was **\$290,483**, an increase of 6.4% from \$273,058 the previous year. The rate of increase in resale prices was the same as in 2007.

Condo apartments had the strongest resale price gain in 2008, and semi-detached homes the lowest, although there were no major gaps between housing types in terms of appreciation. The price of an average condo apartment rose by 8%. Bungalows ranked second, appreciating by 6.4%. Townhouses and two-storey singles posted a price gain of 6.1%. Since 2002, the price gap between a resale condo apartment and a resale single-detached home has narrowed from 56% to 38%.

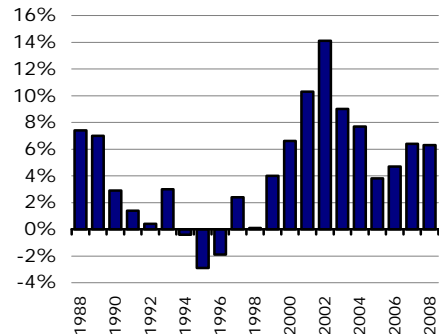
Within the city of Ottawa proper the average MLS price was **\$308,192** in 2008, 6.6% higher than the 2007 average of \$289,167. The most expensive sub-markets were Rockcliffe, Manotick-Greely, Downtown and Hintonburg-Westboro.

West Carleton-Goulbourn recorded the strongest resale price increase in 2008, 12.7% to \$330,379. Manotick-Greely was in second place, with an 11.3% price gain. Other areas showing above-average appreciation in 2008 include the East Rural area (10.6%), the South East (8.5%), the West End (7.9%) and the East End (7.8%). (Table 26)

Between 2003 and 2008, four out of the top five areas in terms of average price gains have been in the rural area. The only urban neighbourhood is also the first ranked: Hintonburg-Westboro (52.5% price gain in five years). The other four are: West Carleton-Goulbourn (43.4%), Manotick-Greely (42.3%), the South Rural area (36.8%) and the East

Average MLS price change (%), Ottawa

Source: OREB



AVERAGE MLS® PRICE AND ANNUAL CHANGE, 5 PRICIEST AREAS, 2008

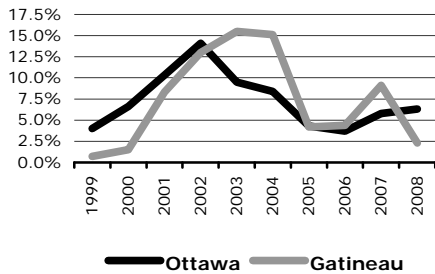
Area	Average Price	% chg. 2007-08
Rockcliffe	\$1,154,222	-7.5%
Manotick-Greely	\$485,109	11.3%
Downtown	\$408,769	7.0%
Hintonburg-Westboro	\$379,953	6.9%
West Carleton-Goulbourn	\$330,379	12.7%

Source: OREB and City of Ottawa

¹³ MLS: Multiple Listing Service, a registered trademark of the Canadian Real Estate Association.

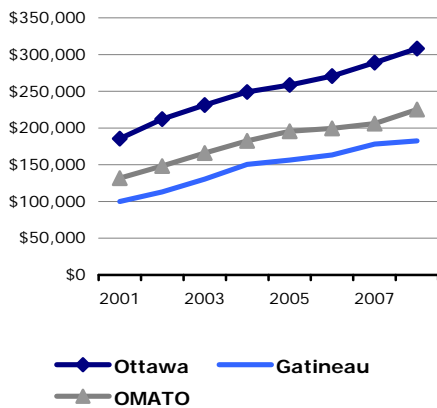
Annual % change in average MLS Price, Ottawa and Gatineau

Source: CREA



Average MLS Price

Source: OREB



AVERAGE MLS® PRICE CHANGE, 2007-2008

Ottawa	6.4%
Montréal	4.6%
Vancouver	4.0%
Toronto	0.8%
Edmonton	-1.7%
Calgary	-2.1%

Source: CREA

Rural Area (36.7%). During that five-year period the average MLS price in the city of Ottawa overall rose by 33.2%.

In Gatineau the 2008 average MLS resale price edged up by 2.3% (\$182,440) from the 2007 average of \$178,372. The price gap between Ottawa and Gatineau is now 55.4%. After reaching a cyclical low of 54.7% in 2006, the price gap has slowly started growing again. It is still far from its peak of 78% in 2002. Gatineau MLS prices had been rising at a higher rate than Ottawa's since 2001. With Ottawa's market showing a slowdown in sales and more moderate price growth, prices in Gatineau are adjusting to maintain a competitive advantage.

In OMATO the 2008 average resale price grew by 9.3% (to \$225,011), more than in Ottawa (6.3%). The MLS price gap between OMATO and Ottawa is now 37%, from 40% in 2007.

The strongest resale price growth observed in 2008 was in Lanark County municipalities (10.8%). In the largest area, Prescott-Russell, the average MLS price was up by the OMATO average of 9.3%. Price increases in Leeds & Grenville (8.6%) and Renfrew (6.7%) municipalities of OMATO were below the OMATO average but above Ottawa's.¹⁴ (Table 26)

Major cities

Ottawa had the strongest rate of resale price growth among Canada's largest cities (6.4%). Average MLS prices also increased at a healthy rate in Montreal (4.6%) and Vancouver (4.0%), and at a much smaller rate in Toronto (0.8%). In Edmonton (-1.7%) and Calgary (-2.1%), average MLS prices were down from the previous year. (Table 27)

ii. Sales activity and trends

Residential MLS sales in the Ottawa region retreated from their all-time record of 14,565 sales in 2007, to 13,733 in 2008. This is a 5.7% decrease, the first dip to be recorded across the OREB territory (Ottawa, OMATO and beyond) since 2005. Combined Ottawa-Gatineau MLS sales added to 18,298 in 2008, making this the fifth most active resale housing market in Canada.

In the city of Ottawa proper, MLS sales fell by 6.8% to 10,906, with a further 1,959 sales taking place in adjacent municipalities.

Within Ottawa, only one area (the East Rural area) had an increase in sales. The number of transactions was lower in

¹⁴ All MLS data for OMATO are only for the municipalities that are within the area described as OMATO.

all other parts of the city, with the biggest drops recorded in Rockcliffe Park (-20.6%), Inner Nepean (-12.6%), Downtown (-12.5%), the East End (-11.2%) and Hintonburg-Westboro (-11%). (Table 26)

Over the five-year period 2003-2008, the five areas with the highest sales increases were the East Rural area (138%), Riverside South-Leitrim (43%), Barrhaven (13%), Manotick-Greely (12%), and the West End (10%). (Table 26)

Sales in Gatineau are still largely driven by the price gap discussed in the previous section, in addition to strong employment growth on the Quebec side of the metro area. However, in 2008 the slowing of the real estate market became generalized. The 8.6% decrease in sales recorded by the Chambre Immobilière de l'Outaouais¹⁵ was the steepest since 1995. Still, with 4,390 MLS sales, Gatineau's 2008 tally is still well above its 25-year average of 2,688 annual sales.

In OMATO, MLS activity decelerated by 6.1% in 2008 to 1,959 sales. At a local level, sales managed to post an increase in only one region, Prescott-Russell (up 5%). All other OMATO regions had lower sales, with the mildest drop in Leeds & Grenville (-4%), followed by Renfrew (-12%), Lanark (-14%) and North Dundas (-30%).

Major cities

MLS sales fell across the country and in all of the Big Six cities in 2008. Vancouver (-36%) and Calgary (-28%) had the biggest drop, followed by Toronto (-20%) and by Edmonton (-15%). The slowdown was more moderate in Montreal (-7%) and slightest in Ottawa (-6%). Combined sales in Ottawa-Gatineau were down by 8%. (Table 27)

iii. Supply and demand

The resale market is usually considered "balanced" when the sales-to-new-listings ratio is between 0.35 and 0.50. A ratio below 0.35 represents a buyers' market while a ratio above 0.50 is considered a sellers' market.

In 2008, the ratio of sales to new listings was 0.58, meaning that on average, every month, 58 per cent of all newly listed houses were sold. Aside from a brief spike in 2007, the sales to new listings ratio has been slowly trending down toward balanced market territory since the beginning of this decade. Even though, by technical measures Ottawa is still a sellers' market for resale housing, the ratio has

2008 MLS® SALES*

Toronto	76,387
Montréal	40,916
Vancouver	25,149
Calgary	23,136
Ottawa-Gatineau	18,298
Edmonton	17,369
Ottawa	13,908

* Corresponds to Real Estate Board territories
Source: Canadian Real Estate Association

MLS® SALES, % CHANGE 2007-2008

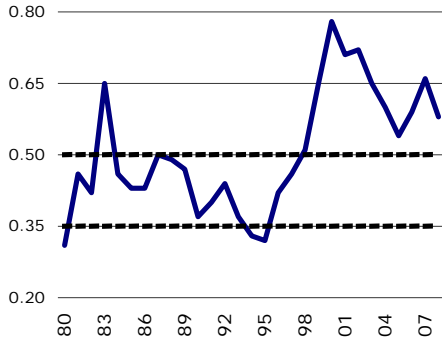
Ottawa	-5.6%
Montréal	-7.4%
Ottawa-Gatineau	-8.3%
Edmonton	-15.0%
Toronto	-19.7%
Calgary	-28.1%
Vancouver	-35.5%

Source: CREA

¹⁵ Outaouais Real Estate Board

**Ottawa Resale Market
Supply and Demand - Sales
to New Listings Ratio, 1980-
2008**

Source: OREB



been trending down on a monthly basis since the mid-point of 2008 and as of year-end it was closer to 45%.

New listings rose by 7.5% in 2008 and practically matched the totals observed in 2006.

The sales to listings ratio remained higher for condominiums (69.5%) than for freehold residential properties (55%) in 2008, although in both cases there was a drop from the previous year (72% for condos, 64.2% for freehold).

The performance of the resale market usually foretells new housing construction with about a one-year lag. Based on the 2008 readings of resale activity, housing starts can be expected to dip in 2009.

New listings in Gatineau increased by 1% in 2008, and in combination with slower sales, the sales-to-new-listings ratio dipped to 0.52, barely above the balanced-market threshold. Quarterly data shows that the ratio is trending down, as in Ottawa.

4.3 New construction

HIGHLIGHTS

- Housing starts up 10.5% in the Greater Ottawa Area
- Housing starts up 7.4% in the city of Ottawa
- Housing starts up 22.5% in the city of Gatineau
- 25.5% of Ottawa starts were inside the Greenbelt
- 41% of starts were single-detached homes
- 24% of starts were apartments, mostly condos
- New house prices continue to increase

i. Housing starts and completions

Across the Greater Ottawa Area there were 11,131 housing starts in 2008. (Table 29)

Construction was started on 6,679 dwelling units in the city of Ottawa in 2008, 7.4% more than the 6,218 recorded in 2007. The Ottawa CMA¹⁶ had 6,998 housing starts and the Gatineau CMA 3,304. The Ottawa-Gatineau CMA combined for 10,302 starts in 2008, an 11% increase from the 9,294 units started in 2007.

Housing completions in the city of Ottawa rose to 6,432 in 2008, an increase of 13%. Completions of freehold townhouses went up by 30%; of single-detached homes by 17%. Semi-detached completions decreased by 23% and condominium completions by 10%. Rental completions surged by 61% to 226 units, from a low total of 140 units in 2007. (Table 32)

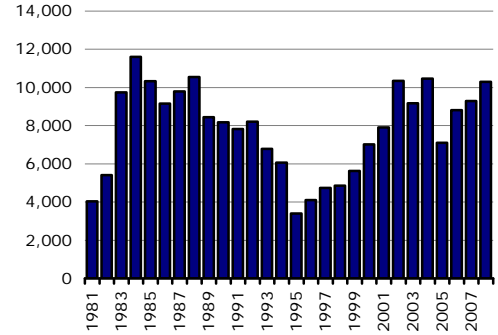
Major cities

Ottawa-Gatineau ranked fifth out of the six big cities in terms of total housing starts in 2008. Housing construction increased only in Toronto and Ottawa, and fell in the other four of the Big Six cities.

Ottawa-Gatineau had the second-highest increase in starts (11%) after Toronto. The steepest decreases belonged to Edmonton (-56%) and Calgary (-15%), with Vancouver (-6%) and Montreal (-6%) also posting a modest retrenchment. (Table 31)

Ottawa-Gatineau CMA Housing Starts

Source: CMHC



HOUSING STARTS, GREATER OTTAWA AREA, 2008

	Starts, 2008	% chg. 2007-08
Ottawa	6,679	+7.4%
Gatineau	2,889	+22.5%
OMATO	1,083	+9.7%
QMAG	480	-5.5%
TOTAL	11,131	+10.5%

Sources: CMHC, City of Ottawa and Municipal Records

The Greater Ottawa Area is larger than the Statistics Canada-defined CMA.

HOUSING STARTS BY CMA, 2008

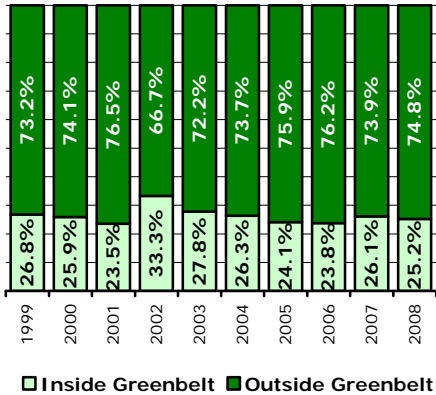
Toronto	42,212
Montréal	21,927
Vancouver	19,591
Calgary	11,438
Ottawa-Gatineau	10,302
Ottawa (city)	6,679
Edmonton	6,615

Source: CMHC

¹⁶ Includes the City of Ottawa, the City of Clarence-Rockland and the Township of Russell.

Housing Starts Inside and Outside the Greenbelt, 1999-2008

Source: CMHC



Downtown continues to see its population rise, thanks to condominium projects like Claridge Plaza (pictured above).

ii. Starts by location¹⁷

There were 1,682 housing starts in the urban area inside the Greenbelt in 2008, 59 more than in 2007. Two-thirds of that activity was in the form of apartment condominium construction. Outside the Greenbelt, there were 4,997 housing starts, 402 more than the year before, of which 503 were in the former rural municipalities of West Carleton, Rideau and Osgoode. (Table 29)

Old Nepean had the highest amount of new residential construction for the fifth year in a row: 1,615 housing starts, most of which were in South Nepean, where work has begun on the Half Moon Bay community and build-out continues at Chapman Mills and Stonebridge.

Former Ottawa ranked second with 1,100 housing starts, of which 798 were apartment units that include four large condominium projects. Starts in Old Ottawa rose by 8% from the year before.

The highest rate of growth in housing starts was in former West Carleton, where activity more than tripled to 312 units, from 102 in 2007. This was the highest total on record for West Carleton.

The only other increase was in former Kanata, which experienced a 57% surge in starts in 2008. With its 1,073 housing starts, Kanata crossed the one thousand mark for the first time since 2002.

All other former municipalities within the city of Ottawa experienced a decrease in housing starts in 2008, led by former Goulbourn and former Gloucester (-24% each), and followed by former Rideau (-19%), former Osgoode (-15%) and former Cumberland (-4%).

CMHC also keeps track of housing starts¹⁸ inside and outside the Greenbelt. In 2008, the share of starts outside the Greenbelt, including rural areas, accounted for 74.8%, up slightly from 73.9% the previous year.

Figure 2.2 of the Official Plan (Strategic Directions) projects that 36% of new households added between 2001 and 2011 would be inside the Greenbelt. At 25.2%, 2008 starts were over 10% short of the projection. For the period 2001-2008,

¹⁷ Canada Mortgage and Housing Corporation (CMHC)'s Starts and Completions Survey still reports housing starts based on the pre-amalgamation municipal geography.

¹⁸ "Housing Starts" do not include all forms of new dwelling units. Apartments in houses, conversions and new units added to existing multi-residential buildings are not captured by the CMHC data. Housing starts therefore understate the number of units created through intensification.

the average share of housing starts inside the Greenbelt was 26.5%. Including all new units that were issued building permits, a more accurate indicator of total housing activity (see footnote 18 on previous page), 30.7% of net new units¹⁹ were located inside the Greenbelt during the last eight years, about five per cent below the projection.

iii. New housing by Official Plan designation

The 2003 Official Plan directs residential intensification to areas with high levels of transit service or where dwellings may be located in close proximity to places of work. Those areas are designated in the Plan as the Central Area, Mainstreets, Mixed-Use Centres, suburban Town Centres, the Vicinity (600m) of Rapid Transit Stations, and Enterprise Areas.

In 2008, 886 residential units for which building permits were issued were for lands in the six designated areas targeted for intensification. This amounts to 13.6% of net new units permitted in Ottawa.¹⁹ The top two designated areas were the Vicinity of Rapid Transit Stations (452 units) and Enterprise Areas (296).

The six designated areas targeted for intensification received 35% of all apartments, 8% of all townhouses and 4.3% of all single and semi-detached homes built in the city in 2008. (Table 30) It should be noted that these areas account for only a part of all the intensification activity that actually occurs each year.

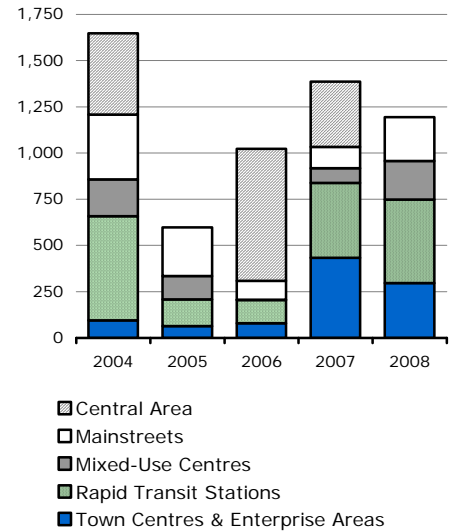
Over the 10-year period 1999-2008, the six designated areas accounted for an average 15.5% of the city's new residential construction. During that period, the six areas received 56% of all apartment units, 11% of all townhouses and 1.5% of all single and semi-detached units built in the city.

iv. Residential Intensification since 2006

Over the two years 2007-08, residential intensification activity has averaged 35% of new housing units built in the urban area. (Table 30a) This is a slight decline from the average of 36% observed between mid-2001 and mid-2006. Proposed changes to the Official Plan call for a 36% intensification target for 2006 to 2011. From mid-2006 to the end of 2008, which defines the first half of the 2006-11 period, intensification activity averaged 34% of new units, due to weakness in the market during the latter part of 2008. An average of 2,130 units annually have been built

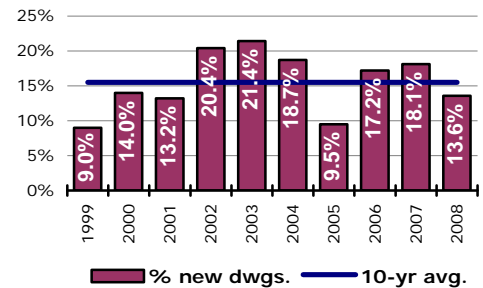
New residential units by selected Official Plan designation, 2004-2008

Source: City of Ottawa, Building Permits



Percentage of net new dwellings built in the 6 target OP designations, 1999-2008

Source: City of Ottawa, Building Permits



¹⁹ Net new units refers to new dwellings net of demolitions.

CONDO MARKET AS OF DECEMBER 2008 ⁽¹⁾

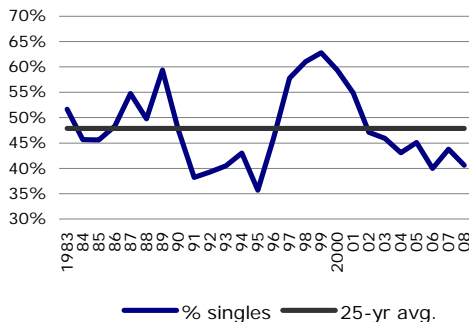
Area	# of projects	# of units
Downtown West	7	1,059
Downtown East	4	533
Inner West	5	397
Outer East	4	360
Vanier-New Edinburgh	3	275
Inner East	5	260
West Wellington-Westboro	4	239
Inner South	1	144
Glebe-Old Ottawa South	2	46
TOTAL	36	3,326

Source: City of Ottawa; CRG

⁽¹⁾ Includes all active projects for sale, under construction or completed.

% of housing starts that are single-detached homes, City of Ottawa, 1983-2008

Source: CMHC and City of Ottawa



25-YEAR AVERAGE HOUSING START SHARES (1984-2008)

	Ottawa	Gatineau
Single	47.9%	46.1%
Semi	3.4%	18.7%
Row	28.5%	5.3%
Apt.	20.3%	29.8%

Source: CMHC; City of Ottawa

through intensification since mid-2006, virtually identical to the targeted number to 2031.

v. Starts by type

Multiple dwellings surpassed single detached homes in 2008 for the seventh year in a row. There were 2,715 single home starts, seven fewer units than in 2007. Singles accounted for 40.6% of all new dwellings, well below the 25-year average of 47.9%. The share of single detached has been below 50% since an exceptional five-year streak (1997-2001) that coincided with the high-tech boom. (Table 33)

The second most popular form of housing was the townhouse, of which 2,136 units were built in 2008 (9.3% more than the previous year). The share of townhouses was 32% of all starts in 2008. Townhouses have seen their share drop from about 37% in 2003 with the increasing share of apartments. There were also 203 semi-detached homes built, representing a share of 3%, their lowest since 1995.

Apartment construction soared by 30% to 1,625 units from 1,250 in 2007. In 2008, apartments accounted for 24% of total housing starts. Of this total, 1,501 (92%) were condominiums. Apartments have had a share of 15% of housing starts or better for five years in a row, and have averaged 20% over the last five years. There have been 5,966 apartment units started in Ottawa between 2004 and 2008.

As of December 2008, there were 36 condominium apartment projects on the market, representing 3,300 dwelling units. Of this total, 556 units in 6 buildings were completed, 1,542 units in 18 buildings were under construction, and 1,232 units in 12 projects were still pre-selling. Known sales account for about 63% of the total inventory as of year-end 2008.

A further 35 apartment condominium projects totalling about 4,800 units were known to be in the pipeline for release in 2009 and beyond. Of these, about 1,650 units in 14 buildings are in the greater downtown core, and another 450 units in seven buildings are along the West Wellington-Westboro corridor.

vi. Starts in Gatineau

Gatineau's housing market continues to be fuelled by lower house prices and stable employment. In 2008, employment in Gatineau grew by 5.1%, more than double Ottawa's 2.4%.

The unemployment rate in Gatineau (4.8%) is slightly lower than Ottawa's (4.9%) but much lower than Quebec's (7.2%). The 3,304 units started in the Gatineau side of the CMA in 2008 represent an increase of 18.5% from 2007's total of 2,788. (Table 34)

In the city of Gatineau proper there were 2,889 starts, 22.5% more than in 2007.

Gatineau's 2008 activity continued the trend toward more multi-residential housing, which has been going on since 2001. Apartment construction, in particular, surged by 25% to 1,250 in 2008, the highest starts total in the last 15 years. Apartments thus accounted for 38% of housing starts in the CMA, followed by single-detached homes, with a share of 34%. Semi-detached dwellings had a 21% share of starts, up from 16% the year before. Townhouses, which are a much less common housing type on the Quebec side, captured a 7% share of total construction, off their high water mark of about 11% in 2007 but above their long-term average of about 5%.

Most of the apartment construction in Gatineau is aimed at the rental market: 57% were intended for tenants. Most new rental construction over the past three years has been retirement residences. However, the number of condominium apartments started in 2008 (487) was 54% higher than in 2007 (316).

The former city of Aylmer led in starts again in 2008, with 1,686 new units representing 58% of Gatineau's total. This is a surge of 53% over 2007. The former city of Gatineau's share fell to 31%, and former Hull's share tumbled to 5% from 21% two years before. Masson-Angers and Buckingham accounted for 6% of Gatineau's housing starts in 2008.

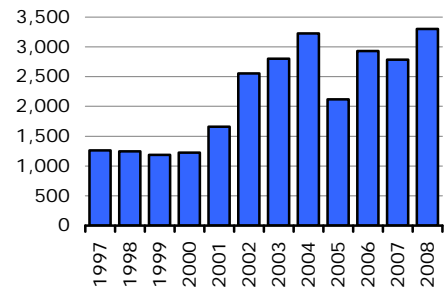
vii. Starts in OMATO

In OMATO there were 1,083 housing starts in 2008, 9.7% more than the 987 in 2007 and the third annual increase in a row. Starts rose most in Lanark County municipalities, notably in and around Carleton Place. The Town recorded 142 starts, 163% more than the year before, and adjacent Beckwith Township had 38 starts, 12% more than 2007. Renfrew County municipalities also posted strong growth. Starts in Arnprior surged by 28% in 2008, to 78 units. And in Prescott-Russell municipalities, starts were up by 15%.

Most of the residential construction continues to take place in the OMATO municipalities of Prescott-Russell (568 starts in 2008) and Lanark (259).

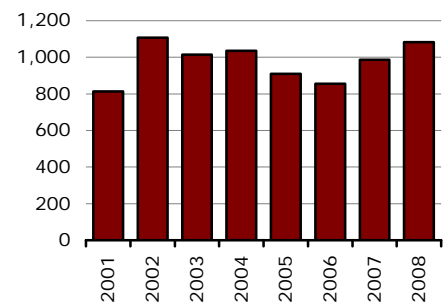
Housing Starts, Gatineau CMA

Source: CMHC



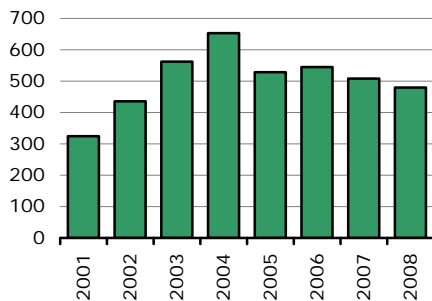
Housing Starts in OMATO

Source: City of Ottawa & CMHC



Housing Starts in QMAG

Source: City of Ottawa & CMHC



The OMATO municipalities with the most new housing activity in 2008 were Clarence-Rockland (204 starts), Carleton Place (142), Russell (133), The Nation (112), and North Grenville (97). Alfred and Plantagenet, with 80 starts, ranked sixth despite being considerably farther away along Highway 17. A condominium project in that municipality helped boost activity.

viii. Starts in QMAG

Gatineau's periphery, for the second year in a row, experienced a slowdown in residential construction in 2008. Starts in QMAG were down by 5.5% to 480 units, led by a slowdown in the large suburban municipality of Val-des-Monts (Les-Collines-de-l'Outaouais). Within Les-Collines, however, other municipalities recorded an increase in housing construction: La Pêche 73%, L'Ange-Gardien 32%, Pontiac 24%, Chelsea 17%. In the Papineau MRC, the second-largest in QMAG, there was a 32% drop in activity due to a sharp decrease in housing starts in Thurso. The townships of Lochaber-Ouest and Mayo, now well-positioned on the Autoroute 50's new segment, each had more starts than Thurso. (Table 29)

ix. New house prices

The Corporate Research Group conducts monthly surveys for the Greater Ottawa Home Builders' Association (GOHBA) to track sales and prices of new homes. Average prices also include homes that are on the market but not yet sold. (Table 36)

The average new single detached home on the market in 2008 was priced 4.3% higher than in 2007, at \$407,100. The Western and Eastern suburbs had similar average prices just above \$383,000, while the Southern suburbs had the priciest singles, with an average tag of \$420,340.

Average townhouse prices were up by 5.8% to \$275,800. The gap between the average price of a new single detached and that of a new townhouse has widened from about \$95,000 in 2003 to about \$131,000 in 2008. This shows the importance of affordable dwelling types as part of the new home market. Clearly, townhouses have been refocused toward a first-time buyer market. The Southern suburbs had the most affordable townhouses, Central Ottawa (inside the Greenbelt) the priciest, with a gap of \$80,000 between the two. Townhouses in the eastern suburbs jumped in price by 11% in 2008, the steepest increase of all areas and types of dwellings.

4.4 Housing Affordability

HIGHLIGHTS

- 6.5% of new ownership homes built in 2008 were affordable to the 40th income percentile, from 8.2% in 2007
- Condos made up the bulk of affordable units in new construction
- Resale affordability in 2008 was down to 18.8% of MLS sales, from 23.1% the year before
- RBC's Housing Affordability Index ranks Ottawa as having the best affordability among Canada's big cities

HOUSING AFFORDABILITY INDICATORS, 2008

Income Percentile	Annual Income	Affordable Rent	Affordable House
30 th	\$47,122	\$1,178	\$158,242
40 th	\$60,697	\$1,517	\$203,827
50 th	\$75,122	\$1,878	\$252,268
60 th	\$90,334	\$2,258	\$303,349

Source: Statistics Canada and City of Ottawa

i. Definition

In the City's Official Plan, affordable housing is defined as:

"Housing, either ownership or rental, for which a low- or moderate-income household pays no more than 30 per cent of its gross annual income."

The OP sets out targets for affordable housing in section 2.5.2 as follows:

"The City will encourage the production of affordable housing in new residential development and redevelopment to meet an annual target of:

- a) *25% of all new rental housing is to be affordable to households up to the 30th income percentile, and*
- b) *25% of all new ownership housing is to be affordable to households up to the 40th income percentile."*

In 2008, households at the 30th income percentile could afford a rent of \$1,178 a month and households at the 40th income percentile could afford a house price up to \$203,827.²⁰

The affordable house price at the 40th percentile is only slightly higher in 2008 than it was the previous year because of a late-year drop in mortgage rates.

²⁰ INCOME PERCENTILE defines the amount of gross annual income below which a specified percentage of households lie. For example, the 40th income percentile refers to the point which is equal to the bottom 40 per cent of all households in order of income.

ii. Affordable target for new ownership housing

The City of Ottawa's housing policy targets 25% of housing production to meet certain criteria of affordability. For ownership housing, 25% of all new units have to be affordable to households up to the 40th income percentile.

In 2008, there were 6,206 ownership units completed in the city. Of this, 6.5% were affordable to households up to the 40th income percentile, and none to households up to the 30th percentile. At the 30th percentile, 0.1% of single-detached homes, and no townhouses, semis or condominium apartments, met the target, whereas at the 40th percentile, 29% of condo apartments, 3.9% of townhouses and 0.4% of singles and semis met the target. (*Table 37*)

Affordability deteriorated in 2008 because of rising housing prices and higher mortgage rates than two years ago. Apartment condos are presently the only form of new residential construction that fulfills the need for affordable housing. Even then, the proportion of condos affordable to the 40th percentile went from 55% in 2006 to 29% in 2008.

The City is committed to assisting developers in meeting and exceeding the OP target for ownership housing. The City has entered into agreements with developers to build units selling below the target price, including units affordable to the 25th income percentile.

iii. Affordable target for new rental housing

The City's housing policy targets 25% of housing production to meet certain affordability criteria. For rental housing, 25% of all new units have to be affordable to households up to the 30th income percentile. The affordable monthly rent for households up to the 30th percentile in 2008 was \$1,178.

In 2008, 226 rental units were completed. The number of private market rental completions that met the City's affordability target, however, cannot be monitored. The CMHC Rental Market Survey only includes rental buildings that have been on the market for at least six months, so rent levels at the time of completion are not available. Rent levels for individual buildings are not made available by CMHC in any event.

The City of Ottawa approved the following affordable housing projects in 2008, with construction or acquisition scheduled for 2009:



Beaver Barracks, Phase II was approved in 2008. It will comprise a 6-storey apartment building on Catherine Street with retail space, and townhouses in the interior courtyard.

- 260 Tompkins: 16 townhouses
- Beaver Barracks, Phase II: 87 apartments
- LiveWorkPlay Condominium Conversions: 7 units
- Dovercourt Cooperative (infill): 10 units
- Safe Housing Ottawa, 2475 Regina Street: 24 units.

iv. Resale market

The resale market provides a significant source of affordable housing. Resale homes accounted for 64% of total ownership housing sales in 2008.

The 2008 average resale price (\$290,483) is 42.5% higher than the affordable house price for households up to the 40th percentile. (*Table 40*) In 2007, there were 10,906 residential MLS sales in the city. This represented 79% of all resales covered by the Ottawa Real Estate Board (OREB) and 60% of all resales in the metropolitan area.

Data from OREB shows that in 2008, 18.8% of all residential resales in Ottawa were affordable to households up to the 40th income percentile, down from 23.1% the previous year. This includes all housing types (singles, semis, townhouses and condo apartments) up to \$203,827, the price threshold of affordability for the 40th income percentile. (*Table 39*)

In 2008, between the new and resale markets, there were 2,440 ownership dwelling units affordable to households up to the 40th income percentile, which represents 14.3% of the overall supply of housing for the year. This is a drop of almost half from the 27.5% recorded in 2005. (*Table 40*)

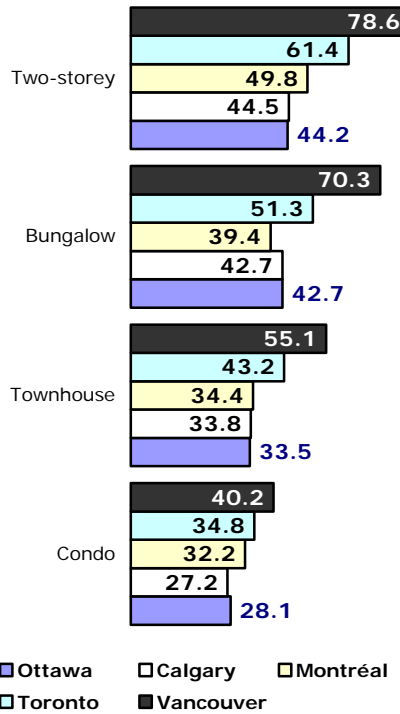
v. Major cities

The Royal Bank of Canada produces a quarterly Housing Affordability Index for Canada's major metropolitan areas. The index measures the proportion of pre-tax average household income required to service the cost of a mortgage, including principal and interest, property taxes and utilities, based on a 25% down payment and a 25-year mortgage loan at a fixed five-year rate, for typical house types on the resale market.

As of the fourth quarter of 2008, Ottawa was the most affordable of the five largest cities for most types of ownership housing. A standard two-storey single detached house required 44.2% of household income to afford in Ottawa, compared with 44.5% in Calgary, 49.8% in Montreal, 61.4% in Toronto, and 78.6% in Vancouver. A townhouse in Ottawa took 33.5% of the average income, compared with

Housing Affordability Index, 2008 Q4

Source: Royal Bank of Canada



The Royal Bank's Housing Affordability Index measures the proportion of pre-tax average household income required to service the cost of a mortgage, including principal and interest, property taxes and utilities, based on a 25% down payment and a 25-year mortgage loan at a fixed five-year rate, for these typical house types on the resale market.

33.8% in Calgary, 34.4% in Montreal, 43.2% in Toronto and 55.1% in Vancouver. (Table 41)

According to the Royal Bank's time series, housing affordability has improved slightly in Ottawa since the third quarter of 2008, while in other cities where price escalation was much greater, affordability has improved more noticeably.

The affordability index shows Ottawa as the most affordable city despite the city's relatively high real estate prices (on average, the fourth highest in Canada), thanks to average household incomes that are the highest of the five cities.

5. Non-Residential Development

HIGHLIGHTS

- Ottawa-Gatineau had its third best year on record for non-residential construction, with **\$906m** in permits
- Five out of the Big Six cities had a slowdown in commercial construction
- Investment activity in Ottawa retrenched to **\$867m**

The total value of 2008 non-residential building permits in Ottawa-Gatineau was the third highest on record at **\$906 million**. Activity was down 11.6% from 2007.²¹

In the city of Ottawa itself, non-residential building permits issued in 2008 were 21% below the value issued the previous year, at **\$684 million**. (Table 42)

Industrial construction, the smallest component in terms of dollar value, had the sharpest decrease in activity: 49.5% (Ottawa only). The value of institutional construction declined by 31.2% and commercial construction by 11.7%.

Major cities

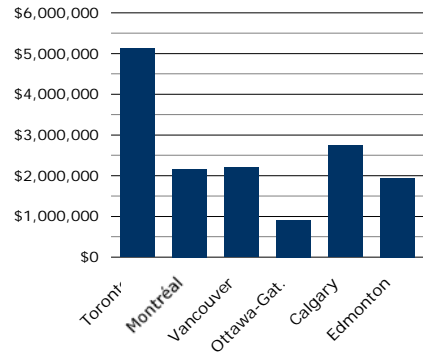
In Edmonton, non-residential construction soared by 65%, led by robust institutional activity and strong office construction. In all other cities, non-residential activity decreased. Toronto (-0.2%) and Vancouver (-2.6%) had the softest slowdowns. In Toronto, the deceleration was due to a steep fall in industrial activity, but office and institutional construction were actually higher than the previous year. In Vancouver there was a slowdown across the board.

Non-residential construction in Ottawa-Gatineau (-11.6%), Montréal (-12.2%) and Calgary (-17.6%) had more noticeable slowdowns. In Montréal, the industrial and institutional sectors were responsible for the lower volume, while commercial construction increased. In Calgary, commercial construction (especially office buildings) was solely responsible for the slowdown, while industrial and institutional construction soared. (Table 17)

Ottawa-Gatineau's share of non-residential construction was 6% of the total for the Big Six cities, from 6.7% in 2007.

Value of non-residential building permits, 2008 (\$000's)

Source: Statistics Canada



NON-RESIDENTIAL BUILDING PERMIT VALUES – YR/YR CHANGE, 2007-2008

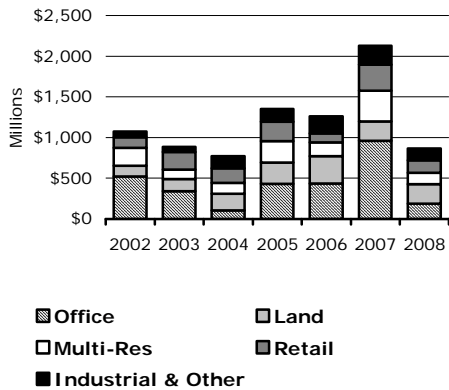
Edmonton	65.0%
Toronto	-0.2%
Vancouver	-2.6%
Ottawa-Gatineau	-11.6%
Montréal	-12.2%
Calgary	-17.6%
Ottawa (city)	-21.2%

Source: StatCan

²¹ Building permits values over time are not adjusted for the effects of inflation.

Real Estate Investment, Ottawa

Source: CB Richard Ellis and Juteau
Johnson Comba



5.1 Investment

After the rush of 2007 came the correction of 2008. Investment in Ottawa reached an all-time record of \$2.13 billion in 2007. In 2008, the total dropped back to **\$866.7 million**, the second lowest in five years. (Table 46)

As much as 2007 and previous years were characterized by a race to purchase, fuelled by cheap debt and the possibility of highly leveraged acquisitions, 2008 has given way to a more curtailed investment climate.

Worldwide financial and credit conditions have limited the investment field to cash purchasers and to debt purchasers with much lower leverage. This contraction of the pool of buyers has taken some pressure off prices.

Still, as was reported at the 2008 Real Estate Forum, many cash buyers are sitting on the sidelines, waiting for price bottoms to be found. Deal closings are being pushed out and renegotiated. Tenants are requesting greater concessions from landlords. And vendor expectations remain greater than what the market will entertain, accustomed as they have been to years of uninterrupted price growth.

Analysts are predicting that many offshore investors will be distracted away from Canada by extraordinary opportunities in the U.S., but that there will remain enough buyers to sustain investment activity, especially for top assets. Notably, institutional investors, who have patient capital, will probably pause in 2009 and wait for better price and credit terms.

Against this general backdrop, Ottawa is very much on the investment radar given the healthy state of its office market. In addition, Ottawa does not face the impending supply bubble found in markets like Calgary and Toronto. In Calgary there is over 740,000 m² of office space under construction (just as the oil and gas industry is being hit by a sharp drop in commodities prices); in Toronto there are almost 300,000 m² scheduled for completion in 2009 (just as the financial services sector is undergoing its most severe crisis in a generation). By contrast, in Ottawa there are 34,000 m² of office space under construction and the federal government has issued a tender call for another 360,000 m².

Transactions in 2008 focused on land, which accounted for 27% of all purchases. Land investment was worth \$235.9m in 2008, just 1.7% less than in 2007. About 16% of the total invested in land purchases were for urban intensification sites. Lands euphemistically referred to as “future growth” (speculation on properties outside the urban boundary)

were purchased by Walton, Claridge, Brigil, Tartan, Richcraft and Phoenix. According to one expert opinion presented at the 2006 Ottawa Real Estate Forum, land investment is in part a consequence of the unavailability of other real estate investment vehicles, and is unrelated to urban growth pressures.

The volume of office building transactions fell by 80% to \$189.4m. No major portfolios or new buildings changed hands. Deals focused on Class-B and smaller properties (akin to a final pass-through before economic conditions changed). The heftiest purchases were by GE Canada Real Estate Equity Holding Co., who paid \$35.4m for 171 Slater Street, a 13,400-m² building built in 1969, and by Blackwood who paid \$34.8m for 270 Albert Street, a 12,300-m² building constructed in 1975.

The third-ranking type of investment property in 2008 was retail, for which transactions were worth \$151.5m, 53% less than in 2007. The largest purchase was by RioCan Holdings, who picked up the new urban-format Canadian Tire store on Carling Avenue for \$40m. Interestingly, TransGlobe, known in Ottawa as a multi-residential holding firm, acquired Heron Gate Mall for \$5.6m, mentioning redevelopment options.

TransGlobe was also the biggest player in the multi-residential category, with a \$49.1m purchase for apartment buildings at 1300-1310 Pinecrest Ave. and 2920 Fairlea Cres. That deal accounted for over one-third of all multi-residential investment, which totalled \$143.9m, 62% less than the year before.

In terms of investment dollar volume, Ottawa ranked sixth out of the six major cities in 2008. Toronto, Calgary and Montreal were again the top three investment destinations.



The new urban-format Canadian Tire store on Carling Avenue was also the largest retail investment purchase of 2008. RioCan paid \$40m for the building.

REAL ESTATE INVESTMENT, 2008

CMA	\$ millions
Toronto	7,153
Calgary	3,757
Montréal	3,062
Vancouver	2,729
Edmonton	2,125
Ottawa	867

Source: Juteau Johnson Comba



OFFICE MARKET, 2008

CMA	TOTAL SUPPLY (million m ²)	VACANCY RATE (%)
Toronto	17.0	4.6
Montréal	7.0	6.4
Ottawa-Gatineau	6.2	5.6
Ottawa	5.4	6.3
Calgary	5.2	4.7
Vancouver	5.0	4.6
Edmonton	1.7	3.9

Source: City of Ottawa & Colliers International

5.2 Office Market

HIGHLIGHTS

- Ottawa has the **third largest** amount of office space in Canada, after Toronto and Montreal
- In 2008 Ottawa's office vacancy rate was **6.3%**
- Ottawa's average office lease rate is one of the most affordable among large Canadian cities

i. Overview

The Ottawa-Gatineau metropolitan area has a combined inventory of 6.2 million m² (66.6 million square feet, msf) of total office space, the third-largest concentration of office space in Canada. Ottawa alone (excluding Gatineau), with 5.4 million m² (58.4 msf), has the third-largest inventory in Canada.²²

In terms of commercial office inventory (space that is leased on the market), Ottawa ranks fifth among Canada's major cities with about 3.2 million m² (34.4 msf) of space. (Table 45)

About 41% of Ottawa-Gatineau's overall office space (about 2.51 million m², 2.2 million of which is on the Ontario side) is owner-occupied, primarily by the federal government, but also by private companies, which gives the market considerable stability.

In addition, the federal government leases 1.6 million m² of office space in the commercial market. It is estimated the federal presence accounts for over half of all office space in Ottawa. (Table 45)

ii. Rental Rates

Ottawa's downtown office rental rates rose by 12.5% in 2008, spurred on by federal leasing activity driven by relocations. At an average of \$544/m² (\$50.50/sq.ft.), class 'A' office rents in Ottawa were third highest among major cities. Toronto has recaptured first place, with a 13.1% increase in lease rates. At \$622/m², downtown Toronto class 'A' office space is 14% pricier than Ottawa's. Calgary is in second place, at \$597/m², but this is a 7.5% decrease

²² **TOTAL OFFICE SPACE** includes commercial, medical and government-owned office space, but still excludes owner-occupied private office space. In Royal LePage's National Office Survey, government-owned office buildings are not tallied, and neither are medical buildings in the Ottawa market. Federal office space information is sourced from Treasury Board of Canada's Directory of Federal Real Property.

from 2007, the year in which it was Canada's priciest office market. Edmonton had the steepest rent increase (26.4%) while Vancouver (-4.3%) and Montréal (-7.1%) saw lower office rents in 2008. (Table 48)

Overall, office space across the city posted a net lease rate of \$181/m² (\$16.80/sq.ft.), 7.7% lower than the \$196/m² recorded in 2007. Rising vacancy rates in Kanata were behind the overall decrease in city-wide lease rates. (Table 48)

In terms of occupancy costs, Ottawa (\$474/m²) is the second most affordable office market in Canada, just ahead of Montreal. Calgary, Toronto, Vancouver and Edmonton are all pricier cities than Ottawa to operate an office. Calgary (\$762/m²) is second to Manhattan (\$1,286/m²) in terms of occupancy costs, and Toronto is just behind in third place. Many major U.S. cities (including Chicago, Miami, Los Angeles, Houston, and Dallas) have double-digit office vacancy rates and therefore office occupancy costs are well below those seen in Canada's large centres due to lower rents. (Table 49)

iii. Vacancy Rates

Ottawa's commercial office vacancy rate rose to 6.3% in 2008, polarized between a tightening downtown market and rising vacancies in Kanata. While Ottawa traditionally has one of Canada's lowest vacancy rates for office space, this year it has the second highest after Montréal, although the gap between the Big Six cities is considerably smaller than in previous years. Vacancy rates in western cities have climbed, and in Montreal they have markedly decreased, so there is barely a 250 basis point difference between the lowest and highest office vacancy rate.

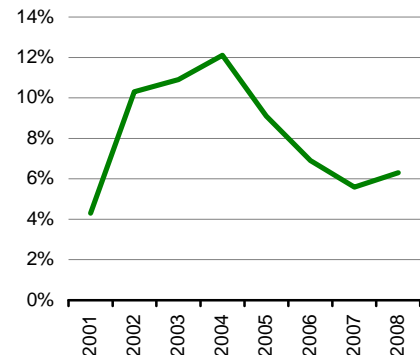
Canada's office markets, by international standards, are still faring well. Most major US cities now have double-digit vacancy rates, as do several financial hubs around the world. In Canada, the highest office vacancy rate is Montreal's (6.4%).

Downtown

Ottawa's downtown office market tightened in 2008. The two new buildings added in 2007 in the Central Business District (CBD) were immediately leased up, causing the CBD's vacancy rate to fall to 2.3%, from 4.2% the year before. The overall office vacancy rate in the greater downtown core fell to 2.9% in 2008, from 4.5% in 2007. (Table 43)

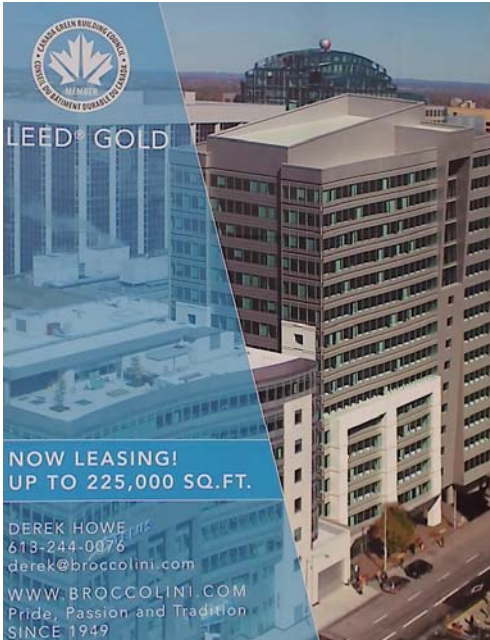
Commercial office vacancy rate, Ottawa

Source: Colliers International





EDC's proposed new headquarters in downtown Ottawa, by Broccolini Construction, may be linked to a future underground LRT station.



Broccolini's proposed 15-storey tower at 199 Slater Street, next to the recently-opened Telus Building, could well proceed if it is picked by the federal government as part of its office space tender call.

At the end of December, the federal government issued a Request for Information (RFI) to lease up to 360,000 m² (3.875 msf) of office space in the national capital region by 2011. This is the largest such tender by the government of Canada in recent history.

One new tower is under construction and scheduled for occupancy in 2009: Minto's 180 Kent Street, a 19-storey, 34,500 m² building.

The Department of National Defence has leased one-third of the 17,650 m² made available at 110 O'Connor Street by Bell Canada, who is consolidating its downtown workforce at the Place Bell tower on Elgin Street.

Broccolini Construction also announced in 2008 that they have secured a deal with Export Development Canada (EDC) for a 19-storey, 37,450-m² building at the corner of Slater and O'Connor Streets. Occupancy is scheduled for 2011, although construction has yet to start. Broccolini said it is interested in establishing a connection to a future underground LRT station that may be built in the vicinity.

However, at the current vacancy rate of 5.6%, the amount of vacant office space in Ottawa-Gatineau (about 206,000 m²) is well short of the scope of the federal space requirement. Even adding the space that will be left vacant by EDC at their former tower, there likely will be a need for new office space to be constructed.

And aside from the federal government, there remains a steady (albeit smaller) demand for downtown office space from the private sector. In 2008, graphite mining company Industrial Minerals relocated its head office from Toronto to downtown Ottawa.

There are plans for five downtown towers on the drawing boards. These include Brookfield's Place de Ville Phases III and IV, with a combined 47,000 m² of office space; a proposed office tower by Morguard at 142 Bank Street with 26,500 m² of space; Great-West Life's Tower II of BMO Place, which would add 33,900 m² at 265 Laurier Avenue West; and Broccolini's 199 Slater, a 20,900-m² sister tower to the recently-completed Telus building.

The federal government is also seeking to rebalance the public sector along a 75%-25% distribution between the Ontario and Quebec sides of the National Capital Region. In 2008, Public Works issued tenders for two build-to-lease buildings: one 35,000-m² tower at 455 de la Carrière blvd., off Autoroute 5, for which proposals are being evaluated; the second is for a 40,000-m² tower in downtown Hull, for which the procurement process was restarted in December

2008. The federal government will also seek proposals for the refurbishment of two other buildings by 2011. The four buildings will accommodate 6,200 civil servants. Of those, the government estimates that about 1,300 will be new hires, and expects to move about 5,000 employees who currently work in Ottawa.

Suburbs

Ottawa's suburban office market is Canada's third largest in floor space, with 1.5 million m², after Toronto and Montreal. Proportionally, it occupies a significant position in the overall market. No other city has a higher percentage of commercial office space in its suburbs than Ottawa.

In 2008, 61% of the newly leased office space in the Big Six cities was in suburban locations. There was positive absorption of downtown space in the Big Four, while in Calgary and Edmonton there was negative absorption of downtown space. In Ottawa, however, there was negative absorption of suburban office space.

After laboriously working through the effects of the high-tech crash of 2001, the suburban office vacancy rate had decreased to 6.8% at the end of 2007. One year later, it was back up to 10.2%. (Table 43)

The brunt of the current downturn is again being borne by the Kanata office market, where the vacancy rate is estimated at 19.9% as of the end of 2008 (from 7.4% a year earlier), and the West End of the city, where the year-end vacancy rate reached 14.9% (from 9.5% at the end of 2007).

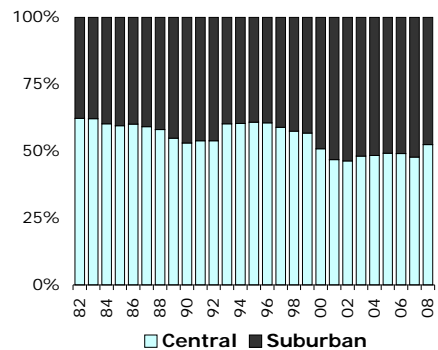
The year started off with bad news, with Dell Computers closing its entire Kanata call centre operation, leaving 1,100 employees without jobs and mothballing a new 13,900-m² building which was about to open to house Dell's formerly expanding Ottawa workforce. Twelve months later, high-tech giant and Ottawa anchor Nortel Networks placed itself under bankruptcy protection. Over the course of those twelve months, several other high-tech companies shed employees in Ottawa, including Sitel, Flextronics, Bookham and Volex.

By the end of 2008, some industry insiders estimated that the real vacancy rate (including space that has not been retrofitted and is therefore not actively marketed for lease) is closer to 25%, or about 108,000 m² of space.

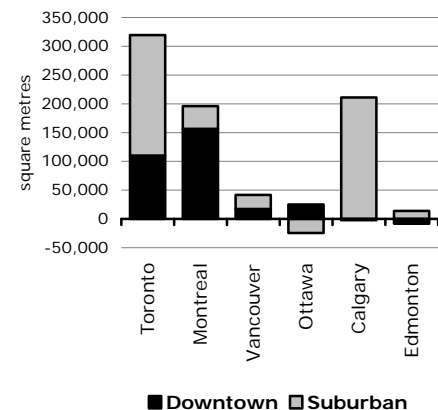
As a result, there was considerable market enthusiasm that the federal government was considering leasing 5,600 m² of Kanata office space for Health Canada employees. And, since Nortel's bankruptcy protection announcement, the

Share of commercial office space

Source: Cushman Wakefield LePage



Office space absorption, 2008 (Source: Colliers)





Bentall LP's proposed new office building at 2000 City Park Drive, near the Blair transit station.

Nortel campus itself is touted as a possible federal office site. Such speculation, however, would have to be tempered against the City's goals of intensifying employment around future LRT stations at major existing hubs of employment, several of which are on federally-owned lands with much capacity for new construction.

In the inner West End, NUVO Network Management vacated 1,900 m² of offices on Queensview Drive after being acquired by Versata Enterprises of Austin, Texas.

The eastern office market, in contrast, continues to exhibit very low vacancy rates. Bentall LP is marketing the construction of a five-storey, 10,775-m² office building on City Park Drive, at the Blair-174 Mixed-Use Centre. Further east, site plan applications have been filed for three small office buildings in the Taylor Creek Business Park.

At the end of 2008, the East End (1.1%) had the tightest office vacancy rate in the city. In the South End/Airport district, vacancies matched the overall city-wide rate of 6.4%. (Table 43)

5.3 Industrial Market

HIGHLIGHTS

- Ottawa's industrial vacancy rate (5.1%) is up, but is the lowest among large centres in Central Canada
- Five new buildings added in 2008
- Average lease rates up 13% to \$85/m² (\$7.92/sq.ft.)

Canada's industrial sector had started slowing in 2007 due to a high Canadian dollar and high energy costs. In 2008 it was hit again by the worldwide recession, defined among other things by a marked slowing of consumer spending which reduced the need for manufacturing, warehousing and distribution space.

Since Ottawa is not a significant manufacturing centre, the industrial market here has not been affected as much as those of Montreal and Toronto. None of our distribution and warehousing activities have so far been hit by current economic conditions. No major closures or layoffs were announced in Ottawa's warehousing or distribution sector.

Industrial space was vacated in the west end of the city, mostly in Kanata but also in the East Merivale, Colonnade and Woodward-Carling Business Parks. (Table 53)

Five new industrial buildings totalling 25,400 m² were either completed or under construction in 2008, four of which were pre-leased. Between the space vacated in the west end and the new space added to the inventory, Ottawa's industrial vacancy rate rose to 5.1%, from 4.4% in 2007. Vacancy rates remain higher in Toronto (5.5%), where 195,000 m² of industrial space was vacated in the fourth quarter of 2008, and Montreal (although its vacancy rate is down considerably, to 6.9%). (Table 50)

In Western Canada, the building boom of recent years (which encompassed the industrial sector) left a legacy of high rents, high land and construction costs, and scarce availability. As oil prices tumbled and the recession reached Western Canadian cities, industrial vacancy rates have soared. Calgary and Edmonton, who in 2007 posted vacancy rates of 1.6% and 1.7% respectively, are much closer to the national average in 2008, at 4% and 3.7% respectively. Vancouver has the healthiest industrial market among large Canadian cities, thanks to ongoing import-export activity with Asian markets. Even with the slowdown in world trade, only 2.5% of Vancouver's industrial space is vacant.



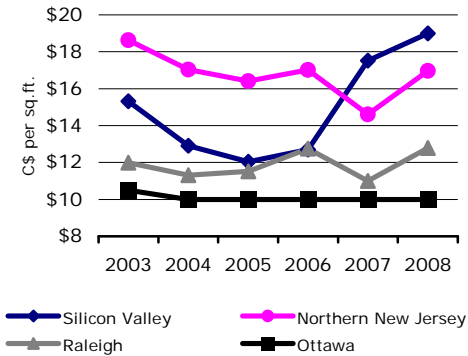
INDUSTRIAL MARKET OVERVIEW, 2008

CMA	TOTAL SUPPLY (million m ²)	VACANCY RATE (%)
Toronto	65.6	5.5
Montréal	31.4	6.9
Vancouver	15.9	2.5
Calgary	10.8	4.0
Edmonton	7.0	3.7
Ottawa	2.6	5.1

Source: Colliers International

Triple-Net Rent, Tech R&D Space, Ottawa and Selected U.S. Cities

Source: Colliers



The highlight of the year in Ottawa was City Council's endorsement of locally headquartered Plasco Energy's waste-to-energy gasification system, subject to environmental approvals. Plasco will process non-recyclable residential garbage, saving the City the cost of opening a new landfill site. The City will also receive royalties if Plasco sells and operates similar plants in other cities or countries.

There were 7,900 m² of net industrial space absorptions in Ottawa in 2008. East-end industrial parks accounted for the bulk of the city's leasing activity, with about 23,000 m² absorbed. Kanata and the west end had an equivalent amount of negative absorption, 23,000 m². The net gain for the year came through leasing in the downtown core (2,500 m²) and minor amounts at other industrial parks inside the Greenbelt (*Table 53*)

Major cities

Given the relative health of Ottawa's industrial market compared with Montreal and Toronto, lease rates went up by an average of 13% in 2008. At \$85/m² (\$7.92/sq.ft.), Ottawa's rates were about 50% higher than those of its two larger neighbours. (*Table 51*)

Rates decreased by 4.4% in Toronto (to \$56/m²) and nudged up by 0.8% in Montreal (to \$57/m²). The three big western cities now have the most expensive industrial space in Canada, starting with Calgary where rates have soared to \$102/m² in 2008 (a 6.4% jump), followed by Edmonton (\$101/m²) and Vancouver (\$90/m²). (*Table 51*)

North America

Colliers tracks "Industrial Triple-Net Rents"²³ in major metro areas in North America for industrial space between 50,000 and 100,000 sq.ft. (4,650-9,300m²). Of the six million-plus Canadian cities, Ottawa is the second-priciest for Tech R&D space at \$10/sq.ft., after Calgary (\$11). Next are Vancouver (\$9.50) and Toronto (\$9.34).

Most competing high-tech hubs in the United States show higher rental rates for R&D space. The priciest is San Francisco (\$23.97/sq.ft.), followed by San José-Silicon Valley (\$19), Northern New Jersey (\$16.93), Philadelphia (\$14.62), Portland (\$14.23), and Raleigh (\$12.79) (all figures in Canadian dollars). In most cases, lease rates in US cities have been climbing steadily as part of the bubble in commercial real estate that is now unwinding. Those rates will likely drop in 2009 and beyond. (*Table 54*)

²³ "Triple Net Rent" includes rent payable to the landlord and does not include additional expenses such as taxes, insurance, maintenance, janitorial and utilities.

5.4 Retail Market

HIGHLIGHTS

- Retail sales in Ottawa grew by 5% in 2008 to **\$15 billion**, the highest growth rate among big cities
- Ottawa had the third highest average retail sales per capita among major centres
- Mall and power centre vacancy rates are low at **2.9%**
- Power centres now make up **23%** of Ottawa's total retail space; Mainstreets are third at **15%**

RETAIL SALES PER CAPITA, 2008

Calgary	\$18,668
Edmonton	\$17,105
Ottawa-Gatineau	\$12,538
Montréal	\$11,258
Vancouver	\$11,065
Toronto	\$10,910

Source: Conference Board of Canada, Metropolitan Outlook, Spring 2009

i. Overview

Retail sales grew by 5.0% in Ottawa in 2008 to an estimated **\$15.0 billion**. This was the highest rate of increase of the six big cities. Ranked next were Toronto (4.1%) and Montreal (3.3%). Retail sales growth was anaemic in Calgary (0.7%), nil in Edmonton (0%) and slightly negative in Vancouver (-0.8%).

Retail sales are driven by the job market, which was robust in Ottawa in 2008, and by the still-healthy housing market, which fuelled purchases of big-ticket home furnishings. Ottawa retains its position as having the third highest retail sales per capita among the country's major cities. (Table 55)

Statistics Canada data on household expenditures was not published for Ottawa in the latest survey. In previous years, Ottawa households regularly rank among the top spenders on recreational activities, reading material, education, insurance and pension contributions, and household furnishings and equipment. Ottawa's household incomes tend to rank in the top three among major cities. (Table 57)

ii. Retail Space and Vacancy Rates

In late 2007 the City of Ottawa commissioned its third Retail Survey, which was conducted by the Corporate Research Group (CRG). It found an overall vacancy rate of **4.9%** out of an inventory of 2.89 million m² (31.1 msf) of retail space across the city. (Table 56)

Power centres and standalone big-box outlets have taken a dominant share of the city's total retail space. The most significant increase in share of total space was in the power centre format, which rose from 18% in 2004 to 23% in 2007. The effect of power centres on suburban retail seems to be a flight-to-size, whereby retailers leave community shopping centres and relocate within power centres.

RETAIL SPACE AND VACANCY RATES BY FORMAT, 2007

Format	Vacancy Rate (%)	Total space (m ²)
Power Centre	2.4	662,634
Other (standalone)	2.7	447,122
Mainstreets	8.3	440,679
Neighbourhood SC	6.5	387,755
Regional SC	2.6	349,733
Community SC	4.9	337,757
Mini-plazas	7.9	216,596
Shopping concourses	7.4	42,953
Total		2,885,229

Source: The Corporate Research Group

Community shopping centres have seen their share of space decline and the net amount of leasable space has also dropped. Some community centres are being de-malled and others are showing high vacancy rates.

Mainstreets are the third largest category in terms of total retail space, but their share has shrunk from 16% in 2004 to 15% in 2007.

Cushman and Wakefield LePage report a 2008 year-end vacancy rate of 2.9% on an inventory of 1.73 million m² (18.6 msf) that does not include Mainstreets or small retail buildings like strip malls. This is slightly higher than the 2.4% reading as of year-end 2007. The change comes from slightly higher vacancies in community shopping centres and a spike in vacancies in Bells Corners.



Up to 14,000 retail outlets in the U.S. could close in 2009. Circuit City has closed almost 600 stores when it went out of business, eliminating 34,000 jobs.

iii. 2008 Trends and Developments

Trends

The state of the economy became the prevailing concern for retailers in 2008. In the United States, consumer spending has dropped to such a degree that there are malls under foreclosure, and several shopping centres in some of the areas hardest-hit by residential foreclosures have shortened their opening hours. Notable retail chains have declared bankruptcy (Circuit City, Linens'n'Things). Some industry analysts are predicting between 10,000 and 14,000 store closures in the United States in 2009.²⁴

The slowing of retail sales in Canada lagged the one in the United States, starting with a 0.4% year-over-year decline in November 2008. In combination with the credit crunch, some retail developments in Canada have been delayed or cancelled. The most prominent victim so far is a mammoth 111,500-m² lifestyle centre dubbed Lac-Mirabel, north of Montreal.

Across Canada there is 1.135 million m² of retail space in projects scheduled for completion in 2009, and a further 1 million m² in the pipeline for 2010 completion.²⁵ Fully 69% of that retail space is in Toronto, Calgary and Edmonton. Ottawa, Montreal and Vancouver have the smallest amount of potential retail space oversupply. Ottawa has about 100,000 m² under construction for 2009 delivery; Vancouver has about 62,000 m² and Montreal 30,000 m².

An interesting suggestion emerging from retail analysts in the wake of current economic conditions is that big-box

ANTICIPATED RETAIL SPACE CONSTRUCTION ('000 m ²)			
City	2009	2010	Total
Toronto	522	148	697
Calgary	152	341	493
Edmonton	192	107	299
Vancouver	62	116	178
Montreal	30	118	148
Ottawa	100	33	133
CANADA	1,135	1,014	2,148

Source: CBRE

²⁴ Retail Traffic Magazine, Store Closings Could Double in 2009, Nov. 5, 2008

²⁵ CBRE, Canadian Retail MarketView, year-end 2008

retail could turn out to be the most vulnerable format. This stems from the overexpansion of big-box floor space over the last decade, on one hand, and on the other hand, the rapid advance of online shopping, which competes for consumer dollars on an increasing number of merchandise categories.²⁶ The sales performance of large-format retail outlets, in dollars per square foot, can drop sharply through shifts in consumer habits. In Ottawa, big-box space has more than doubled since 2002.

One typical tactic adopted by large-format retailers was to expand their merchandise offerings. Wal-Mart started opening Superstores in Canada in 2008. Those offer a full range of groceries in addition to their typical department-store offerings. In anticipated response, Canadian grocer Loblaws began opening superstores with a large variety of non-grocery merchandise. The resulting saturation of the market has pushed Loblaws to backtrack, and refocus its business on grocery, pharmacy, baby items and some home décor products.

Competing on price is another approach taken by the largest chains. Here again, only the very largest can truly offer suppliers the purchasing power to pass on discernible savings to their clientele. Even then, retailers that have branched out into other types of merchandise (including Canadian Tire, which is also dabbling in groceries) usually feature “loss-leader” items that draw people in to shop, and recoup their margins on other items, likely to be those in their non-core area of business. Sooner or later, penny-wise shoppers realize the difference and resume purchasing each item where they get the best deal, resulting in merchandise saturation. Stores can then quickly see their sales per square foot performance change.

Getting the best revenue performance out of a very large floor space is therefore increasingly problematic in a climate where space inventories have grown incessantly and where various combinations of merchandise offerings (wide variety versus “category-killing”) have been exhausted. Even cinema companies are now attempting to generate more revenue for their large complexes: the 8-screen Barrhaven Cineplex Theatre, citing higher film costs and reduced margins, now offers rentals of its cinemas to groups of people wishing to play X-Box video games on the big screen.

Some U.S. retailers still see Canada as fertile ground for expansion despite the contraction of the American retail market. Lowe’s, a big-box hardware and home décor chain, still has plans for three Ottawa stores. In the U.S., Lowe’s



One of the new urban outlets proposed by Shoppers Drug Mart, this one at Bank and Sunnyside Streets.



A smaller big box is part of Lowe’s strategy to operate more efficiently in the present economic climate. The chain has plans for three stores in Ottawa.

²⁶ “The next bubble to burst?” in *The San Francisco Chronicle*, January 4, 2009

10 LARGEST RETAIL CENTRES IN OTTAWA, BY SPACE (2007)

Retail Centre	m ²
Innes Power Node	133,417
Kanata Power Centre	94,594
Merivale/Hunt Club Power Node	94,109
Rideau Centre SC	90,192
Greenbank-Strandherd Power Node	89,875
St. Laurent SC	80,038
417-Innes Power Node	73,776
Place d'Orléans SC	68,634
Bayshore SC	66,608
South Keys Power Centre	48,442

Source: City of Ottawa Retail Survey 2007,
The Corporate Research Group Ltd.



SmartCentres' proposal for the Laurentian High School site is a more urban style of development, with streetfront stores along wider sidewalks on Baseline and Clyde, and a big-box store in the interior of the site.



Ikea's new Pinecrest store, with 37,000 m², will be Canada's largest.

has told investors that it is scaling down the size of its new stores to operate more efficiently. By chopping 1,750 m² (19,000 sq.ft.) from the average size of each outlet, Lowe's hopes to cut capital outlay costs by almost \$2 million per store.

On the other hand, Montreal-based Rona Hardware announced plans to scale back its expansion plans. It opened a 4,850-m² store in Carleton Place in 2008.

With suburban saturation, retail chains are increasingly eying major downtowns or urban neighbourhoods, whose populations have been rising with the condo boom of recent years. Ikea, the Swedish furniture chain, experimented with a "temporary store" at a streetfront location on King Street in Toronto in 2008. Shoppers Drug Mart, whose pharmacy sizes have been increasing, announced three new urban locations in Ottawa, all on Bank Street.

One notable incursion into a mature Ottawa urban location was announced in 2008 by big-box developer SmartCentres. They have purchased the former Laurentian High School, at Baseline Road and Clyde Avenue. On the site, they are proposing a development that would include, in addition to a large-format retailer, a series of two- and three-storey streetfront buildings along widened sidewalks on Clyde Avenue and Baseline Road, with offices above the retail space.

Big Box

Power centres now account for four of Ottawa's five largest retail nodes in terms of space.

Construction activity in 2008 was largely rounding out large projects started in previous years. The Innes Road power node in Orléans received a 9,300-m² "Smart" Canadian Tire store, one of the first of this concept in Canada. It has a small food section, a boutique type of setup even for tools and automotive products, and a one-stop location for do-it-yourself customers.

There were a series of announcements, the most visible of which was Ikea's plan for a new store at Pinecrest shopping centre, to be the chain's largest in Canada at 37,000 m².

Kanata and Stittsville are poised for a large wave of new retail projects totalling about 210,000 m² (2.2 msf). The proposals are focused on four areas: both sides of Highway 417 around Scotiabank Place; north March Road near Morgan's Grant; Eagleson Road south; and Hazeldean Road west of the Carp River.

In Stittsville, there are proposals for a 10,600-m² Sobeys and a 5,800-m² plaza that will include Giant Tiger, the LCBO and Royal Bank.

Between Stittsville and Kanata, on Hazeldean Road, three power centres are proposed by Bryton Capital/CMHC, North American and Trinity, totalling 73,000 m².

There are almost 100,000 m² of new space proposed for the area around the 417-Terry Fox interchange, including an 11,700-m² Rona and a 16,500-m² Loblaws. The latter will replace the grocer's outlet at Kanata Centrum. For its part, Kanata Centrum has plans for a further 5,000 m² of new space.

At the intersection of March and Klondike Roads, Minto has proposed a 6,500-m² plaza that would be anchored by a grocery store. South of this intersection, DIR Investments is proposing a third plaza with a Good Life gym and other outlets and further north, Trinity proposes a 10,000-m² plaza with another grocery store.

Riverside South has two strip mall proposals that account for 11,150 m² of new space along Limebank Road (one at the corner of Spratt Road, another at the corner of Earl Armstrong Road). The "Hunt Club Plaza" strip mall, with 13,000 m², is proposed for the southeast corner of Hunt Club and Riverside on land leased from the Airport Authority.

In Orléans, Loblaws is proposing a 14,850-m² store at the corner of St. Joseph Blvd. and Trim Road. Empire Theatres announced plans for a 10-screen cinema complex at Innes Road and Belcourt Boulevard, on lands owned by Trinity Development Group, to replace the 6-screen complex at the Orléans Town Centre.

Inside the Greenbelt, there is a proposal for redevelopment at Fairlawn Plaza, which would add about 14,850 m² of new space. Loblaws is proposing a 14,850-m² store at the corner of Walkley Road and Conroy Road. Trinity Developments is proposing a 30,600-m² retail development southeast of the corner of Merivale and Hunt Club Roads, on the site of a former petroleum distribution facility.

Streets

According to preliminary results from the City's 2007 Retail Survey, the retail vacancy rate on the most important mainstreets has surged to 8.3%, from 4.1% in 2005. At the same time, there have been additions to the space inventories of several of these mainstreets, in many cases as part of mixed-use buildings with condo apartments in the upper floors.



The Mayfair Cinema, operational since 1932, was taken over by a new group and will continue showing movies on Bank Street. It was scheduled to close in November 2008.

OTTAWA'S RETAIL MAINSTREETS, RANKED BY SPACE (2007)

Mainstreet	Retail space (m ²)
Bank	89,700
ByWard Market	53,500
Westboro	43,900
Rideau	39,800
W. Wellington	30,800
McArthur	27,700
Sparks	26,900
Somerset W.	26,000
Montreal W.	25,800
Preston	21,100
Elgin	17,100
Stittsville Main	15,000
Beechwood	12,500
Gladstone	11,000
TOTAL	440,700

Source: City of Ottawa Retail Survey 2007,
The Corporate Research Group Ltd.

The year 2008 featured significant road reconstruction projects that have beautified three important mainstreets: Bank Street (from Wellington to Somerset Streets), Preston Street (from Spruce to Poplar Streets and from the Queensway to Beech Street), and Wellington Street West (from Western Avenue to Parkdale Avenue).

Work on Wellington Street West, from Parkdale Avenue to Bayswater Avenue, and on Preston Street at the remaining locations, starts in April 2009.

Business Improvement Areas (BIA's) were active in 2008. The Westboro Village BIA expanded its boundaries east to Island Park Drive and presented its fifth annual Westfest street festival to an estimated crowd of 50,000 people. Nearby, the new Wellington West BIA is pursuing the expansion of the Parkdale Market.

The Preston Street BIA also expanded its boundaries, and is actively seeking a major grocery store. In 2008, a new stage theatre opened at the corner of Gladstone Avenue and Preston Street, taking over the space vacated by the Great Canadian Theatre Company.

On Bank Street South, the historic Mayfair Cinema was spared closure and leased by a group of young entrepreneurs who have given it a repertory and art-film programming format, including midnight showings.

A new BIA was formed for the Glebe. There are also plans for a Bells Corners BIA.

For many pedestrian mainstreets, and downtown retail in general including the Rideau Centre, the 53-day transit strike that started in December was extremely difficult, cutting into sales at the onset of the crucial Christmas season.

Stores in New Mainstreet Condo Buildings

Ottawa's Traditional Mainstreets are the focus of a large portion of the condominium apartment boom. As of January 2009, fifteen projects totalling 1,609 units (48% of the total condo units on the market) were on or within one block of a Traditional Mainstreet. A further 23 buildings with about 2,050 units at locations on or within a block of a Traditional Mainstreet are in preliminary planning stages.

The largest concentrations of active projects are on or around Bank Street (5 projects, 747 units), Rideau Street and the Byward Market (3 projects, 525 units), and Wellington Street West and Westboro (4 projects, 239 units).



A new theatre near Preston Street, the Gladstone, opened in the fall of 2008.

In terms of known future developments, Rideau Street has three mixed-use retail-apartment projects in the pipeline with about 300 combined units. These projects all have retail at ground level.

On Bank Street, there are plans for a 50-unit mixed-use building at the corner of James Street, and near Bank, Claridge has plans for an 18-storey, 121-unit building on Lisgar Street.

Along the West Wellington-Richmond corridor there are plans for seven condo projects with about 450 dwellings in total, and each of those would also add retail space at street level.

Old Ottawa East seems to be emerging as a potential condominium area. Two proposals have come forward for mixed-use projects, one on the site of a former gasoline station on Main Street, the other on a site two blocks east of Main Street along Greenfield Avenue. A Community Design Plan is underway for Main Street.

And on Sparks Street, Ashcroft Homes was selected to develop a prime site just west of Metcalfe Street with residential units above new retail space. The project, to be known as Hillside, will feature 135 apartments. No date has been given for the launch.

Malls

According to a Cushman and Wakefield LePage survey, the vacancy rate at regional malls was 0.6% at the end of 2008, down from 1.1% at the end of 2007.

Regional enclosed malls in the U.S. are reported to be faring much better under current economic times than power centres. In Ottawa, three of the five regionals announced expansion plans in 2008: Bayshore has filed an application to add about 23,200 m². The Rideau Centre has confirmed that their expansion will proceed once construction winds up on the new Ottawa Convention Centre. And St. Laurent seems poised to reactivate its own expansion plans, first announced in 2006 but left dormant since.

Minor additions of new stores took place throughout the year but none of the regional shopping centres undertook any major renovation or expansion in 2008.

Interestingly, regional malls remain the format of choice for new retailers entering the Ottawa market. In 2008 the Rideau Centre welcomed new stores by Nike, Sephora, Coach, Lucky Brand, and Boathouse. It has also signed Zara, Apple and Michael Coors for 2009 openings. These chains



Hillside Queen & Sparks, a new retail-condominium project by Ashcroft Homes, will inject 135 new dwellings into the Sparks Street area.

were previously absent from Ottawa. Place d'Orléans welcomed Canada's first Murale outlet, a cosmetics store operated by Shoppers Drug Mart, and Ottawa's first Aéropostale outlet. Bayshore hopes to open outlets by Harnn & Thann, Hollister, and Abercrombie & Fitch in 2009.

Carlingwood, the smallest of the five regional malls, is undergoing subtle changes in its tenant mix in response to changing demographics in the Westboro area. Long known as a mall that catered primarily to older shoppers, the recent influx of younger families is causing the mall to reposition its offerings.

5.5 Tourism and Hotel Market

HIGHLIGHTS

- Hotel occupancy rate in Ottawa rose to **71%** in 2008, from 70% in 2007
- Ottawa was the only major city with an increased hotel occupancy rate in 2008
- A sharp and diverse package of major sporting and cultural events boosted hotel occupancies in 2008

Tourism is one of Ottawa's main industries. In the last year for which data was reported, 2007, there were 7.8 million visits and visitor spending totalled \$2.22 billion.²⁷

The downturn in the U.S. economy, soaring fuel costs in early 2008 and a high exchange rate combined for another challenging year for Canada's tourism sector. In the third quarter of 2008, Statistics Canada recorded the first decline in five years in tourism spending in Canada. Since then, the recession has amplified, translating into reduced spending on leisure travel, fewer conventions and loss of sponsorship for festivals and major events.

Through these trying times, Ottawa's tourism industry has been helped by a few key factors. The Destination Marketing Fund, fed by a 3% levy on hotel rooms across Ottawa-Gatineau, provides between \$7m and \$8m annually to market Ottawa as a travel destination. Since it was introduced in 2004, the surcharge has raised close to \$30m. Ottawa has been appearing more and more in travel magazines, films, television shows and tourism features internationally.

The national hotel sector underwent an expansionary phase in 2005-2007, coinciding with very relaxed pre-recession debt availability and despite a series of unforeseen events (SARS, tighter border controls) that challenged the tourism industry. Almost 200 hotels opened in Canada in those three years, roughly a 6% increase in the supply of total rooms.

In Ottawa, the hotel boom was of more modest proportions. While many existing hotels undertook major renovations, only three new hotels were added between 2005 and 2007, and one of them (Indigo) was in fact the re-branding of a previously existing hotel. The only new construction was around the airport, with the Days Inn and Hilton Garden Inn breaking ground during those boom years, which otherwise were characterized by investment transactions and the entry into Ottawa of new chains (Extended Stay).

²⁷ Ottawa Tourism, 2007 Annual Report

HOTEL OCCUPANCY RATES, 2008

City	Occupancy Rate
Vancouver	74%
Edmonton	73%
Calgary	72%
Ottawa	71%
Toronto	66%
Montréal	64%
CANADA Average	63%

Source: PKF Consulting



The Holiday Inn Express, opened in 2008, is one of three new hotels serving the Ottawa Macdonald-Cartier International Airport.

As a result of the limited number of new hotel rooms, in 2008 Ottawa had the fourth highest hotel occupancy rate (71%), behind the Western big three, ahead of Montreal and Toronto, and above the national average of 63%. Ottawa's hotel rooms had the third-highest average revenue per available room (*RevPAR*) when stacked up against the country's other large cities. And the value of Ottawa's hotels, as tracked by the Colliers Hotel Value Index, showed a year-on-year increase in 2008, a performance also seen in the three big western cities, but not at the national level nor in Montreal and Toronto. (*Table 60*)

In fact, Ottawa is now seen as the major city with highest opportunity for the hotel sector, with five proposed new hotels: Marriott proposes a 191-room Residence Inn at the corner of Bank Street and Walkley Road; Holiday Inn plans a 115-room Express Inn at Robertson Road and Moodie Drive; Days Inn plans a 70-room hotel at St. Joseph Blvd. and Tenth Line Road; a 3-storey, 74-room hotel is proposed by Arnon Corp. at 160 Hearst Way in Kanata; and an 80-100 room hotel is planned by Forum Equity Partners Inc. in Orléans.

The fact that Ottawa is between Canada's two largest cities and close to several U.S. population hubs also helps in the current context of curtailed travel spending. With a slightly lower Canadian dollar and gasoline prices back to their pre-peak levels, the number of U.S. visitors should stabilize and perhaps rebound modestly. Canadians might opt for a trip to Ottawa instead of a costlier overseas trip.

The types of travellers to the city are also changing. In 2008 the Ottawa Congress Centre closed for demolition and replacement with a new Convention Centre that will be triple the size. Until that new facility opens in 2011, Ottawa will not be hosting as many major conventions. Tourism Ottawa is therefore putting more emphasis on domestic leisure travel in its marketing efforts. Ottawa was ranked first among travel destinations in top-of-mind awareness in the Greater Toronto Area, and third in Montreal. And while business travel will itself be challenged by the recession, one possible outcome of the federal government's financial stimulus package may be increased business trips to the nation's capital from all across Canada.

In addition, there has been a steady and diverse stream of major and high-calibre events with broad appeal to keep bringing people to the city. Highlight events of 2008 included: the 2008 National Hockey League (NHL) Draft; the World Junior Hockey Championship; the Men's University Basketball Championship; the 2008 Ontario Summer Games; the Canadian Canoe-Kayak Championships; Cross Country Canada's Eastern Canadian Championship.



The NHL Draft, Hockey World Junior Championship and Canadian University Basketball Championship were among the major sporting events hosted by Ottawa in 2008.

Major cultural events included: exhibits on Renoir, Ron Mueck, and The 1930's at the National Gallery; The Incas and Glenn Gould at the Canadian Museum of Civilization; Trench Life (on World War I) and "Deadly Medicine" (an exhibit on Nazi eugenics experiments) at the Canadian War Museum. The Canadian Tulip Festival has enjoyed high attendance with its new *Célébridée* international lecture series, which in 2008 featured Sir Salman Rushdie. The Ottawa Chamber Music Festival celebrated its 15th edition firmly entrenched as one of the world's top classical music events. Ottawa also has a new circus troupe, *Carnivale Lune Bleue*, based on 1930's "carny" culture, which debuted in 2008 and is now touring.

Ottawa also hosted several major rock concerts including The Police, Neil Young, Foo Fighters, Airbourne, Def Leppard, Styx, REO Speedwagon, Oasis, Coldplay, Alice Cooper, Neil Diamond and Billy Idol.

Air and rail transportation received mostly good news, and some bad, in 2008. The second phase of expansion at the Ottawa Macdonald-Cartier International Airport (OMCIA), a \$95-million, 12-gate addition that replaced the old Terminal II, opened in March 2008. Traffic was up about 8% at the airport in 2007, surpassing forecasts. In light of rising fuel costs, a slowing economy and competition from other airports, OMCIA cut its terminal landing fees by 5% in June. In December, a new pact was signed between transport authorities in Canada and the European Union lifting previous price and route barriers on direct flights. With Lufthansa's new direct daily flight between Ottawa and Frankfurt proving to be well travelled, more direct flights to Europe could soon be scheduled at OMCIA. A new non-stop flight to Denver was also announced. It will start in June 2009 and provide faster connections to Los Angeles, San Francisco, Phoenix and Las Vegas. The bad news was the sudden bankruptcy of Ottawa-based Zoom Airlines in August. The carrier ran non-stop flights from Ottawa to London and Glasgow.

Via Rail announced that it will spend \$25m to improve rail infrastructure between Ottawa and Montreal, including construction of a 760-metre passing track just east of Ottawa and the installation of continuously-welded rail over 60 track-kilometres west of Montreal, to speed up service between the two cities. Upgrades to Ottawa's main Via station are also planned for 2009.

Looking ahead, the tourism sector will face recessionary challenges in Ottawa as across Canada, but several key projects and events will buttress the industry.



Lune Bleue, a re-creation of a 1930's carnival, complete with vintage rides and a big-top circus, debuted in Ottawa in 2008. The city's first homegrown circus troupe is now on the road.



The new Ottawa Convention Centre (above) will replace the 1983 Congress Centre (below), whose demolition started in 2008. The new facility will be triple the size.



The most significant news for the convention and hotel sectors in Ottawa is the start of construction on a \$159-million new Convention Centre, for which the demolition of the existing Congress Centre got underway in 2008. The new Ottawa Convention Centre will open in April 2011. It will be a three-storey building with 18,500 m² of convention space with a large glass-enclosed atrium overlooking the Rideau Canal. The new centre, with 8,000 hotel rooms within a 15-minute walk, will be able to host conventions of up to 6,000 delegates.

Construction is also underway on another major facility, the Shenkman Arts Centre in Orléans. This is Ottawa's first private-public partnership for a cultural venue, worth \$35 million. The 7,800-m² arts centre will feature a 500-seat auditorium, a 100-seat studio theatre, a municipal art gallery, main foyers designed to serve as art exhibition and reception space, visual arts and pottery studios, music and dance rehearsal studios, and studios for visual artists and new media studios. The Shenkman Arts Centre is scheduled to open in 2009.

Construction started on two water parks. One of them is within the City of Ottawa, *Alottawata*. Located off the 416 interchange at Bankfield Road, the \$30-million amusement park, developed by Ottawa's ProSlides Technologies, is scheduled to open its first 10 slides in June 2010 (the park was originally scheduled to open in 2009, but was delayed one year).

A second water park, to be known as *Calypso Park*, also targets June 2010 as its opening date (also with a one-year delay), and has broken ground in Limoges (The Nation Municipality), just east of Ottawa. This park will represent



a \$50-million investment and will be Canada's largest. It will feature 35 slides, a 3,750-m² wave pool, over one hundred water games, and several restaurants, cafés and picnic areas.

Two pro sports proposals were presented to City Council in 2008: one for a CFL team at Lansdowne (left), the other for a MLS team in Kanata (right). A decision is expected in 2009.

Two major proposals for major-league sports teams were presented in 2008. "Lansdowne Live", a plan to refurbish Frank Clair Stadium and infill on some of the lands at Lansdowne Park, would see the return of a Canadian Football League (CFL) team to Ottawa. "Bring the World to Ottawa", which involves a new soccer-specific stadium and adjacent retail, restaurant, office and residential development near Scotiabank Place in Kanata, would see Ottawa join the ranks of Major League Soccer (MLS). Since both plans involved public funds, only one was going to be supported. City Council decided in April 2009 to support "Lansdowne Live".

Also in 2009, Ottawa will host the 29th Genie Awards, Canada's film and television award ceremony. A week-long schedule of festivities surrounding the Genies include free screenings at a variety of locations and a red-carpet welcome for actors at the main Via station. The ceremony will take place at the Canadian Aviation Museum.



TABLE 1
CENSUS POPULATION OF CANADA'S SIX LARGEST
METROPOLITAN AREAS, 1996-2006

CMA (1)	CENSUS DATA					
	(2) 1996	(3) 2001	(4) 2006	01-06 % chg.	Growth 96-06	96-06 % chg.
Toronto	4,263,759	4,682,897	5,113,149	9.2	849,390	19.9
Montréal	3,326,510	3,426,350	3,635,571	6.1	309,061	9.3
Vancouver	1,831,665	1,986,965	2,116,581	6.5	284,916	15.6
Ottawa-Gatineau	998,718	1,063,664	1,130,761	6.3	132,043	13.2
Calgary	821,628	951,395	1,079,310	13.4	257,682	31.4
Edmonton	862,597	937,845	1,034,945	10.4	172,348	20.0

Source: Statistics Canada, Census of Canada

(1) CMA = Census Metropolitan Area, as defined by Statistics Canada. CMA boundaries vary slightly from Census to Census. Population figures are given for each CMA with boundaries in effect at each census year.

(2) Based on 1996 CMA boundaries

(3) Based on 2001 CMA boundaries

(4) Based on 2006 CMA boundaries

CMA (1)	POST-CENSAL ESTIMATES					2007-2008 % chg.
	2004	2005	2006	2007	2008	
Toronto	5,217,370	5,314,061	5,336,680	5,431,754	5,531,263	1.8
Montréal	3,609,762	3,636,661	3,685,045	3,720,628	3,750,540	0.8
Vancouver	2,175,232	2,215,159	2,190,085	2,232,033	2,271,224	1.8
Ottawa-Gatineau	1,142,376	1,150,936	1,168,955	1,182,946	1,198,668	1.3
Calgary	1,039,697	1,069,232	1,123,913	1,155,724	1,182,446	2.3
Edmonton	1,003,486	1,023,706	1,073,795	1,100,943	1,124,163	2.1

Source: Statistics Canada, Table 051-0034; estimates are for July 1 each year

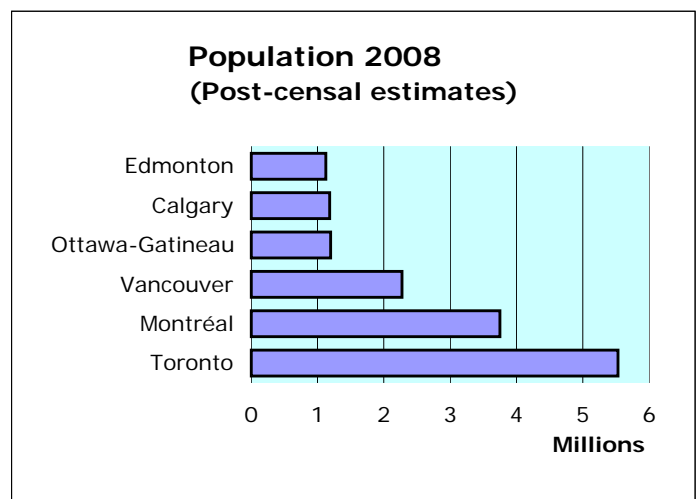
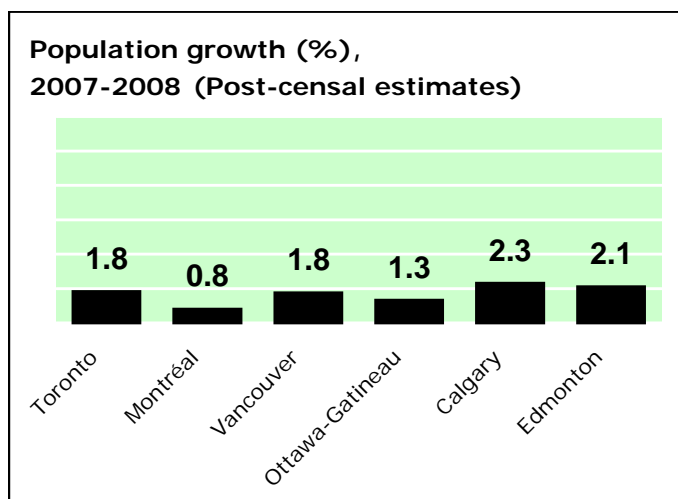


TABLE 2
NET MIGRATION TO THE CITY OF OTTAWA, 2002-2007

BY AGE GROUP

YEAR	AGE GROUP					TOTAL
	0 - 17	18 - 24	25 - 44	45 - 64	65+	
2002-03	816	2,051	954	-402	113	3,532
2003-04 (R)	793	1,629	441	-836	311	2,338
2004-05 (R)	841	1,800	1,358	-854	197	3,342
2005-06 (R)	1,227	2,302	2,360	-181	239	5,947
2006-07 (P)	1,145	2,141	3,307	-478	111	6,226
5-year total	4,822	9,923	8,420	-2,751	971	21,385
5 year %	22.5%	46.4%	39.4%	-12.9%	4.5%	100.0%

Source: Statistics Canada, Migration Estimates for Census Division 3506

(R) = revised

*Time periods represent approximately May to May

(P) = preliminary

BY PLACE OF ORIGIN

	INTRAPROVINCIAL	INTERPROVINCIAL	INTERNATIONAL	TOTAL
In-Migrants				
2002-03	14,730	10,848	7,735	33,313
2003-04 (R)	13,568	9,941	7,296	30,805
2004-05 (R)	14,636	10,372	6,827	31,835
2005-06 (R)	14,841	10,477	6,848	32,166
2006-07 (P)	15,244	11,587	5,949	32,780
Out-Migrants				
2002-03	16,142	11,298	2,341	29,781
2003-04 (R)	15,094	11,246	2,127	28,467
2004-05 (R)	14,988	11,522	1,983	28,493
2005-06 (R)	13,451	10,688	2,080	26,219
2006-07 (P)	14,032	10,329	2,193	26,554
Net Migration				
2002-03	-1,412	-450	5,394	3,532
2003-04 (R)	-1,526	-1,305	5,169	2,338
2004-05 (R)	-352	-1,150	4,844	3,342
2005-06 (R)	1,390	-211	4,768	5,947
2006-07 (P)	1,212	1,258	3,756	6,226

Source: Statistics Canada, Migration Estimates for Census Division 3506

(R) = revised

(P) = preliminary

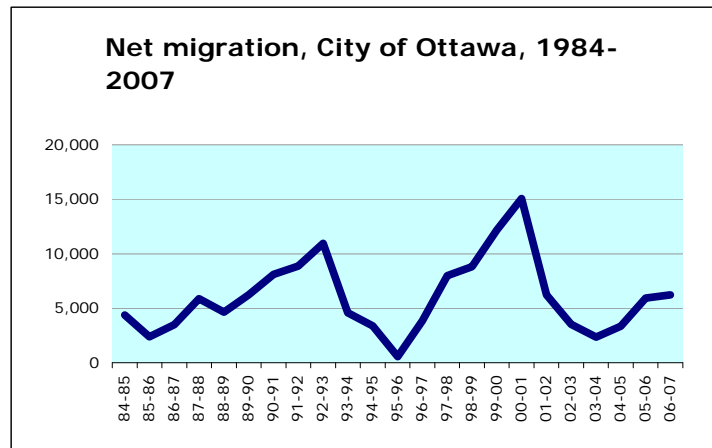
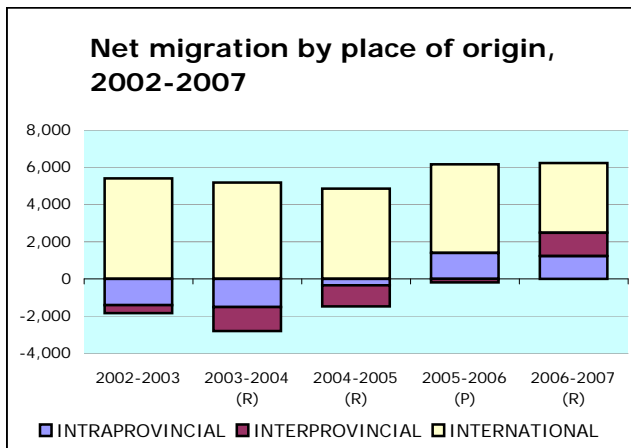


TABLE 3
NET MIGRATION IN-FLOWS AND OUT-FLOWS, CITY OF OTTAWA

1997-2007			
IN-FLOWS*		OUT-FLOWS*	
Greater Montréal	10,388	Gatineau	-1,622
Atlantic provinces	9,009	British Columbia	-2,266
Northern Ontario	7,301	Greater Toronto Area	-2,334
Eastern Ontario	4,352	Alberta	-2,779
Rest of Ontario***	4,324	OMATO and QMAG	-11,949
Manitoba & Saskatchewan	4,074		
Rest of Québec**	2,719		
Canadian North	588		
TOTAL IN-FLOWS	42,755	TOTAL OUT-FLOWS	-20,950
		Net Canadian Migration 1997-2007	22,024
		Net International Migration	49,655
		Net Migration 1997-2007	71,679

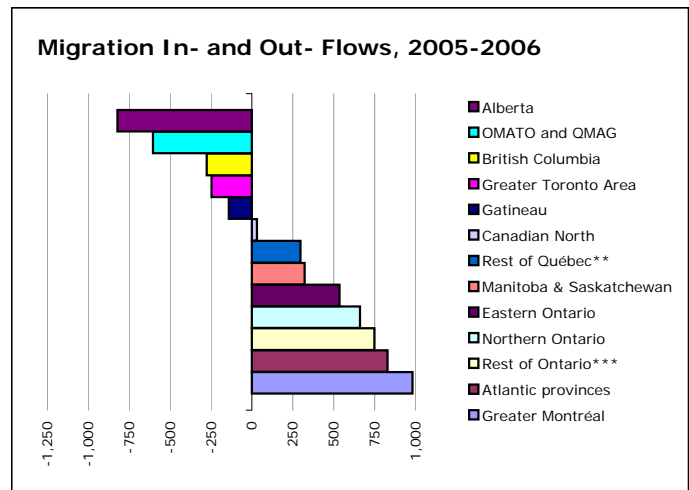
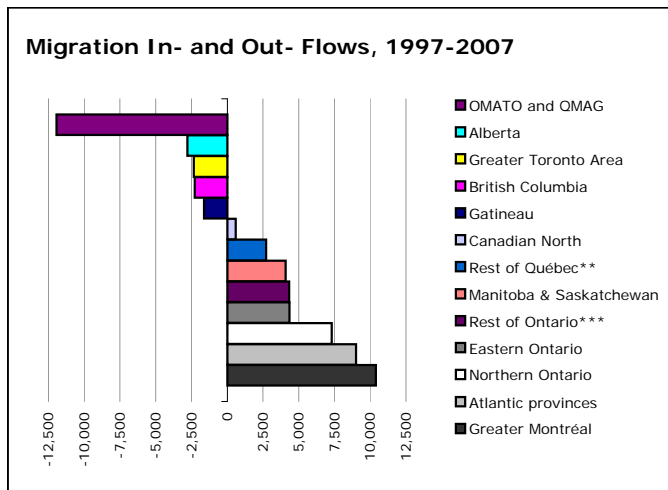
2006-2007			
IN-FLOWS*		OUT-FLOWS*	
Greater Montréal	981	Gatineau	-141
Atlantic provinces	827	Greater Toronto Area	-248
Rest of Ontario***	747	British Columbia	-277
Northern Ontario	659	OMATO and QMAG	-605
Eastern Ontario	535	Alberta	-821
Manitoba & Saskatchewan	322		
Rest of Québec**	297		
Canadian North	31		
TOTAL IN-FLOWS	4,399	TOTAL OUT-FLOWS	-2,092
		Net Canadian Migration 2006-2007	2,470
		Net International Migration (Table 2)	3,756
		Net Migration 2006-2007	6,226

Source: Statistics Canada, Migration Estimates for Census Division 3506

* Most significant destinations in order of magnitude

** Rest of Québec = All of Québec outside Gatineau, Suburban Gatineau and Greater Montréal

*** Rest of Ontario = All of Ontario outside OMATO, Eastern Ontario, Northern Ontario and the Greater Toronto Area



**TABLE 4
MIGRATION BETWEEN OTTAWA AND ADJACENT MUNICIPALITIES**

UPPER-TIER MUNICIPALITY	2002-2003	2003-2004 (R)	2004-2005 (R)	2005-2006 (P)	2006-2007 (P)	TOTAL 2002-2007
GATINEAU* TO OTTAWA	2,068	2,050	2,118	2,023	2,218	10,477
OTTAWA TO GATINEAU	3,141	3,239	2,974	2,257	2,359	13,970
GATINEAU - NET MIGRATION	-1,073	-1,189	-856	-234	-141	-3,493
LANARK TO OTTAWA	857	975	983	904	997	4,716
OTTAWA TO LANARK	1,575	1,436	1,445	1,197	1,221	6,874
LANARK - NET MIGRATION	-718	-461	-462	-293	-224	-2,158
LEEDS-GRENVILLE TO OTTAWA	778	777	779	843	875	4,052
OTTAWA TO LEEDS-GRENVILLE	1,311	1,190	1,114	1,012	1,071	5,698
LEEDS-GRENVILLE - NET MIGRATION	-533	-413	-335	-169	-196	-1,646
PRESCOTT-RUSSELL TO OTTAWA	1,632	1,551	1,755	1,701	1,741	8,380
OTTAWA TO PRESCOTT-RUSSELL	2,084	2,121	1,907	1,836	1,784	9,732
PRESCOTT-RUSSELL - NET MIGRATION	-452	-570	-152	-135	-43	-1,352
LES-COLLINES-DE-L'OUTAOUAIS TO OTTAWA	318	240	232	238	294	1,322
OTTAWA TO LES-COLLINES-DE-L'OUTAOUAIS	438	526	484	397	301	2,146
LES-COLLINES - NET MIGRATION	-120	-286	-252	-159	-7	-824
RENFREW TO OTTAWA	1,038	939	1,017	964	908	4,866
OTTAWA TO RENFREW	1,173	1,134	1,025	1,045	1,076	5,453
RENFREW - NET MIGRATION	-135	-195	-8	-81	-168	-587
PAPINEAU TO OTTAWA	22	23	11	20	18	94
OTTAWA TO PAPINEAU	41	37	29	34	17	158
PAPINEAU - NET MIGRATION	-19	-14	-18	-14	1	-64
LA-VALLÉE-DE-LA-GATINEAU TO OTTAWA	52	34	38	21	65	210
OTTAWA TO LA-VALLÉE-DE-LA-GATINEAU	52	57	51	57	42	259
LA-VALLÉE - NET MIGRATION	0	-23	-13	-36	23	-49
PONTIAC TO OTTAWA	46	69	59	55	71	300
OTTAWA TO PONTIAC	98	82	59	48	50	337
PONTIAC - NET MIGRATION	-52	-13	0	7	21	-37
S.D.&G.** TO OTTAWA	890	862	1,018	990	923	4,683
OTTAWA TO S.D.&G.	1,145	969	982	713	773	4,582
S.D.&G. - NET MIGRATION	-255	-107	36	277	150	101
TOTAL	-3,357	-3,271	-2,060	-837	-584	-10,109

* Gatineau refers to the new Ville de Gatineau as constituted in 2002, and to the Communauté Urbaine de l'Outaouais prior to amalgamation.

** S.D.&G. = Stormont, Dundas and Glengarry United Counties

Time periods represent approximately May to May.

Source: Statistics Canada, Migration Estimates for Census Division 3506, City of Ottawa

(P) = preliminary (R) = revised

**TABLE 5
TOTAL NET MIGRATION, SIX LARGEST CENSUS METROPOLITAN AREAS,
2002-2007**

CMA	2002-2003	2003-2004 (R)	2004-2005 (R)	2005-2006 (R)	2006-2007 (P)	% chg. 05-06/06-07	2002-2007 TOTAL
Toronto	64,667	78,344	84,615	91,909	74,195	-19.3	393,730
Montréal	21,162	22,378	23,748	20,390	21,960	7.7	109,638
Vancouver	21,707	28,339	33,485	36,321	30,102	-17.1	149,954
Ottawa-Gatineau	7,624	5,429	6,009	8,214	8,579	4.4	35,855
Calgary	10,356	11,679	21,888	22,961	17,905	-22.0	84,789
Edmonton	5,715	6,895	14,417	21,480	17,439	-18.8	65,946
TOTAL 6 CMA's	131,231	153,064	184,162	201,275	170,180	-15.4	839,912
Ottawa-Gatineau % of 6 largest CMA's	5.8%	3.5%	3.3%	4.1%	5.0%		4.3%

Source: Statistics Canada, Table 111-0027

(R) = Revised; (P) = Preliminary

**TABLE 6
POPULATION & HOUSEHOLDS: ESTIMATES BY SUB-AREA, 2005-2008**

SUB-AREA	POPULATION						HOUSEHOLDS					
	2005	2006	2007	2008	2007-08	% 2007-08	2005	2006	2007	2008	2007-08	
Downtown*												
Central Area	8,728	9,404	9,376	10,043	667	7.1	5,088	5,530	5,534	5,966	432	
Inner Area	86,049	86,602	86,818	86,654	-164	-0.2	43,647	44,188	44,571	44,758	187	
Other Areas Inside Greenbelt												
Ottawa East	52,155	52,477	52,398	52,195	-203	-0.4	24,598	24,886	24,989	25,013	24	
Beacon Hill	32,512	32,271	32,281	31,850	-431	-1.3	13,790	13,825	13,961	13,913	-48	
Alta Vista	77,886	78,129	77,726	77,107	-619	-0.8	31,909	32,166	32,208	32,178	-30	
Hunt Club	66,003	66,748	66,828	66,734	-94	-0.1	24,891	25,508	25,724	25,911	187	
Merivale	77,548	78,060	78,261	77,981	-280	-0.4	31,934	32,299	32,531	32,596	65	
Ottawa West	41,286	41,459	41,785	41,860	75	0.2	19,170	19,262	19,466	19,504	38	
Bayshore	40,044	40,215	40,059	39,772	-287	-0.7	17,673	17,797	17,813	17,789	-24	
Cedarview	48,933	48,698	48,396	48,209	-187	-0.4	18,174	18,184	18,189	18,258	69	
Urban Centres Outside Greenbelt												
Kanata	67,519	69,123	70,634	73,360	2,726	3.9	24,097	24,825	25,487	26,612	1,125	
Stittsville	20,016	20,869	23,022	24,829	1,807	7.8	6,698	6,968	7,710	8,307	597	
South Nepean	54,344	57,498	60,480	62,906	2,426	4.0	19,281	20,542	21,699	22,619	920	
Riverside South	6,944	7,656	8,467	9,425	958	11.3	2,901	2,995	3,261	3,571	310	
Leitrim	1,568	1,959	2,547	2,893	346	13.6	534	659	843	925	82	
Orléans	98,701	99,820	102,151	103,732	1,581	1.5	34,078	34,835	36,056	36,959	903	
Rural												
Rural Northeast	11,555	11,626	11,690	11,694	4	0.0	4,026	4,078	4,112	4,131	19	
Rural Southeast	24,337	24,751	25,351	25,829	478	1.9	8,472	8,631	8,824	8,982	158	
Rural Southwest	26,154	26,371	26,733	26,945	212	0.8	9,021	9,137	9,262	9,343	81	
Rural Northwest	23,271	23,544	23,879	24,132	253	1.1	8,097	8,221	8,340	8,435	95	
City of Ottawa	865,553	877,280	888,883	898,150	9,267	1.0	348,079	354,536	360,580	365,770	5,190	
Downtown*	94,777	96,006	96,194	96,697	503	0.5	48,735	49,718	50,105	50,724	619	
Other Inside Greenbelt	436,367	438,057	437,734	435,708	-2,026	-0.5	182,139	183,927	184,881	185,162	281	
Combined Inside GB	531,144	534,063	533,928	532,405	-1,523	-0.3	230,874	233,645	234,986	235,886	900	
Urban Cntrs Outside	249,092	256,925	267,301	277,145	9,844	3.7	87,589	90,824	95,056	98,993	3,937	
Rural	85,317	86,292	87,653	88,600	947	1.1	29,616	30,067	30,538	30,891	353	
Downtown*	10.9%	10.9%	10.8%	10.8%	5.4%		14.0%	14.0%	13.9%	13.9%	11.9%	
Other Inside Greenbelt	50.4%	49.9%	49.2%	48.5%	-21.9%		52.3%	51.9%	51.3%	50.6%	5.4%	
Combined Inside GB	61.4%	60.9%	60.1%	59.3%	-16.4%		66.3%	65.9%	65.2%	64.5%	17.3%	
Urban Cntrs Outside	28.8%	29.3%	30.1%	30.9%	106.2%		25.2%	25.6%	26.4%	27.1%	75.9%	
Rural	9.9%	9.8%	9.9%	9.9%	10.2%		8.5%	8.5%	8.5%	8.4%	6.8%	

NOTE: Based on 2001 post-censal estimates of population and occupied dwelling units, with new dwelling units from building permit information. **Data are year-end.**

* **Downtown** refers to the Central and Inner Areas.

Source: City of Ottawa, Department of Planning, Transit and the Environment

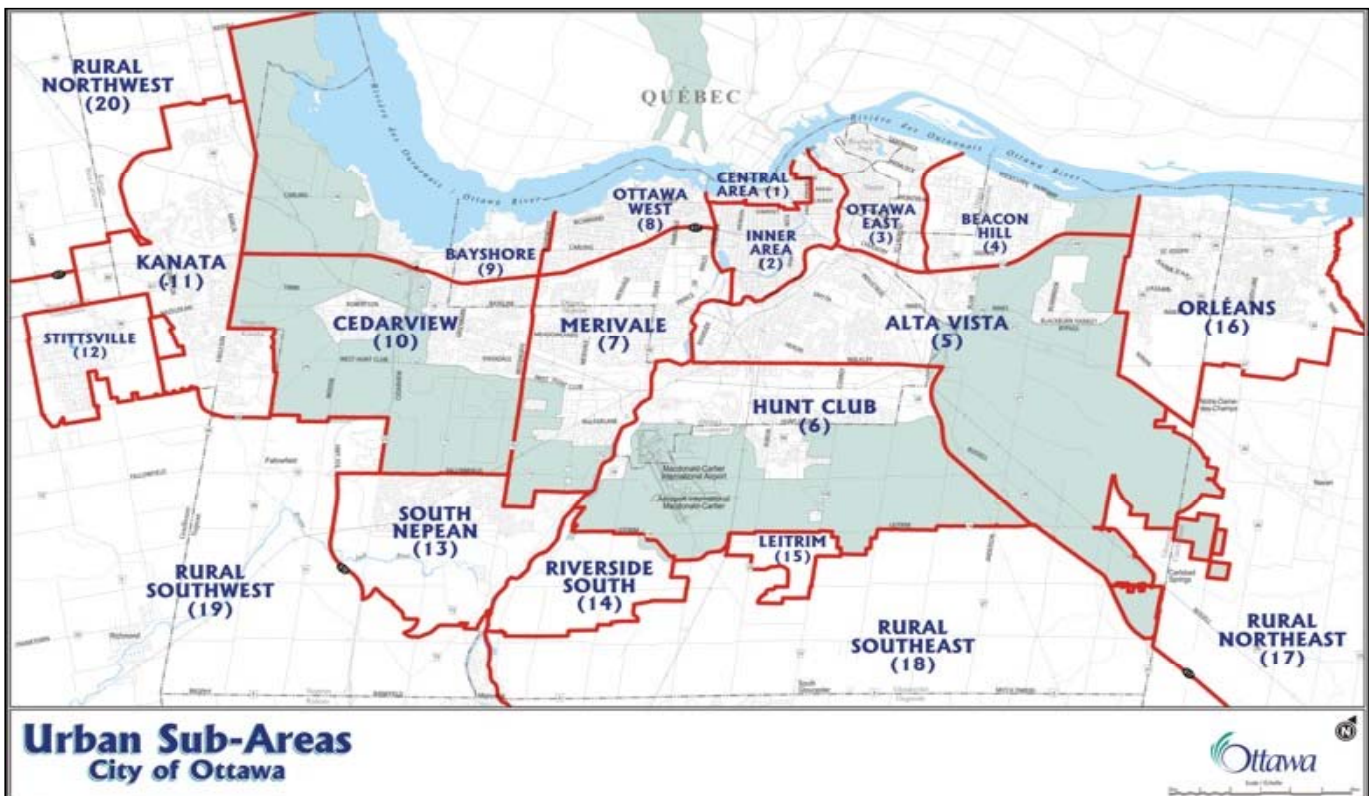
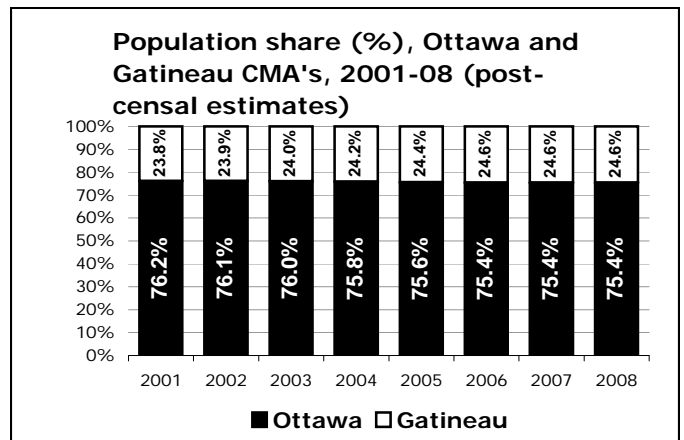
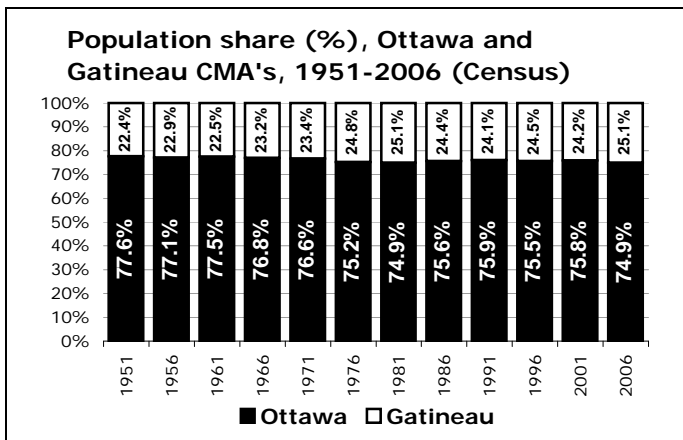


TABLE 7
POPULATION AND HOUSEHOLDS, GATINEAU CMA, 1991-2006

MUNICIPALITY	POPULATION						Households 2006 Census	
	Census 1991	Census 1996	1991-1996 % chg	Census 2001	1996-2001 % chg	Census 2006		2001-2006 % chg
City of Gatineau	201,536	217,591	8.0	226,696	4.2	242,124	6.8	100,265
Cantley	4,424	5,443	23.0	5,898	8.4	7,926	34.4	2,750
Chelsea	5,091	5,925	16.4	6,036	1.9	6,703	11.1	2,780
La Pêche	5,854	6,160	5.2	6,453	4.8	7,477	15.9	3,060
Pontiac	4,501	4,722	4.9	4,643	-1.7	5,238	12.8	2,005
Val-des-Monts	5,551	7,231	30.3	7,842	8.4	9,539	21.6	3,670
L'Ange-Gardien	2,815	2,880	2.3	2,870	-0.3	4,348	51.5	1,495
Denholm	409	493	20.5	526	6.7	604	14.8	255
Gatineau CMA	226,957	247,072	8.9	257,568	4.2	283,959	10.2	116,280

Source: Statistics Canada Census data, 1991-2006

NOTE: The Gatineau CMA did not include L'Ange-Gardien and Denholm prior to 2006; CMA totals reflect this.



NOTE: In the 1951-2006 graph, Ottawa and Gatineau CMA's refer to the CMA area as of each Census year.

POST-CENSAL ESTIMATES, OTTAWA-GATINEAU CMA

Statistics Canada Ottawa-Gatineau CMA	2001	2002	2003	2004	2005	2006	2007	2008
Ottawa portion (pop)	839,953	851,739	860,237	865,776	869,835	881,902	892,027	904,358
(%)	76.2%	76.1%	76.0%	75.8%	75.6%	75.4%	75.4%	75.4%
Gatineau portion (pop)	262,958	267,080	271,792	276,600	281,101	287,053	290,919	294,310
(%)	23.8%	23.9%	24.0%	24.2%	24.4%	24.6%	24.6%	24.6%
Total (pop)	1,102,911	1,118,819	1,132,029	1,142,376	1,150,936	1,168,955	1,182,946	1,198,668

Source: Statistics Canada, Table 051-0034

**TABLE 8
GREATER OTTAWA-GATINEAU AREA POPULATION
AND DWELLINGS**

Municipality	Population, 2008 (Estimate)	Dwellings, 2008 (Estimate)	Population, 2001*	Dwellings, 2001 (Census)	Population, 2006 (Census)	Total Dwellings, 2006 (Census)	Occupied Dwellings, 2006 (Census)
Ottawa, C	898,150	365,770	806,560	301,770	812,129	340,732	320,888
Gatineau, V	256,108	109,869	231,344	91,930	242,124	104,607	100,203
Prescott & Russell	63,891	22,932	54,126	18,660	57,264	21,259	20,570
Alfred and Plantagenet, TP	9,332	3,634	8,593	3,190	8,654	3,581	3,373
Casselman, Vlg.	3,744	1,415	2,910	1,095	3,294	1,280	1,243
Clarence-Rockland, C	22,919	8,257	19,612	6,690	20,790	7,667	7,491
Russell, TP	15,444	5,262	12,412	4,040	13,883	4,838	4,730
The Nation Municipality	12,452	4,364	10,599	3,645	10,643	3,893	3,733
Leeds & Grenville	19,020	7,082	16,393	5,965	17,065	6,708	6,357
Merrickville-Wolford, Vlg.	3,145	1,223	2,812	1,060	2,867	1,195	1,115
North Grenville, TP	15,875	5,859	13,581	4,905	14,198	5,513	5,242
S.D. & G.	12,187	4,586	11,014	4,025	11,095	4,323	4,175
North Dundas, TP	12,187	4,586	11,014	4,025	11,095	4,323	4,175
Lanark	35,923	13,309	30,447	10,975	31,169	12,338	11,571
Beckwith, TP	7,993	2,872	6,046	2,145	6,387	2,649	2,296
Carleton Place, Tn.	10,444	4,088	9,083	3,435	9,453	3,832	3,702
Mississippi Mills, Tn.	13,268	4,947	11,647	4,235	11,734	4,581	4,375
Montague, TP	4,218	1,402	3,671	1,160	3,595	1,276	1,198
Renfrew	16,451	6,695	14,035	5,500	14,380	6,269	5,847
Arnprior, Tn.	8,308	3,662	7,192	3,030	7,158	3,335	3,158
McNab/Braeside, TP	8,143	3,033	6,843	2,470	7,222	2,934	2,689
Les-Collines-de-l'Outaouais	44,171	16,567	34,462	13,020	42,005	19,909	15,800
Cantley, M	8,902	3,083	5,898	2,040	7,926	2,912	2,748
Chelsea, M	6,927	2,563	6,036	2,225	6,703	2,824	2,482
La Pêche, M	7,467	3,056	6,453	2,550	7,477	4,492	3,067
L'Ange-Gardien, M	4,758	1,636	2,870	1,230	4,348	1,676	1,492
Notre-Dame-de-la-Salette, M	804	348	720	280	774	465	335
Pontiac, M	5,272	2,018	4,643	1,730	5,238	2,003	2,003
Val-des-Monts, M	10,041	3,863	7,842	2,965	9,539	5,537	3,673
La-Vallée-de-la-Gatineau	1,637	709	1,378	580	1,560	1,389	673
Denholm, M	595	251	526	220	604	489	254
Low, CT	1,042	458	852	360	956	900	419
Papineau	4,924	2,141	4,306	1,830	4,624	2,746	2,013
Lochaber-Partie-Ouest, CT	614	227	460	160	514	203	193
Mayo, M	535	229	443	180	549	325	232
Mulgrave-et-Derry, M	387	174	235	105	389	448	175
Thurso, V	2,531	1,079	2,436	1,020	2,299	1,015	974
Val-des-Bois, M	857	432	732	365	873	755	439
Pontiac	1,285	541	1,172	490	1,458	1,277	617
Alleyn-et-Cawood, M	192	85	179	75	248	241	111
Bristol, M	1,093	456	993	415	1,210	1,036	506
TOTAL	1,353,747	550,201	1,205,237	454,745	1,234,873	521,557	488,714
Ontario part	1,045,622	420,374	932,575	346,895	943,102	391,629	369,408
Ottawa	898,150	365,770	806,560	301,770	812,129	340,732	320,888
OMATO	147,472	54,604	126,015	45,125	130,973	50,897	48,520
Québec part	308,125	129,827	272,662	107,850	291,771	129,928	119,306
Gatineau	256,108	109,869	231,344	91,930	242,124	104,607	100,203
QMAG	52,017	19,958	41,318	15,920	49,647	25,321	19,103

* 2001 population: Post-censal estimates for Ottawa and Gatineau; Census population for all other municipalities.

Sources:

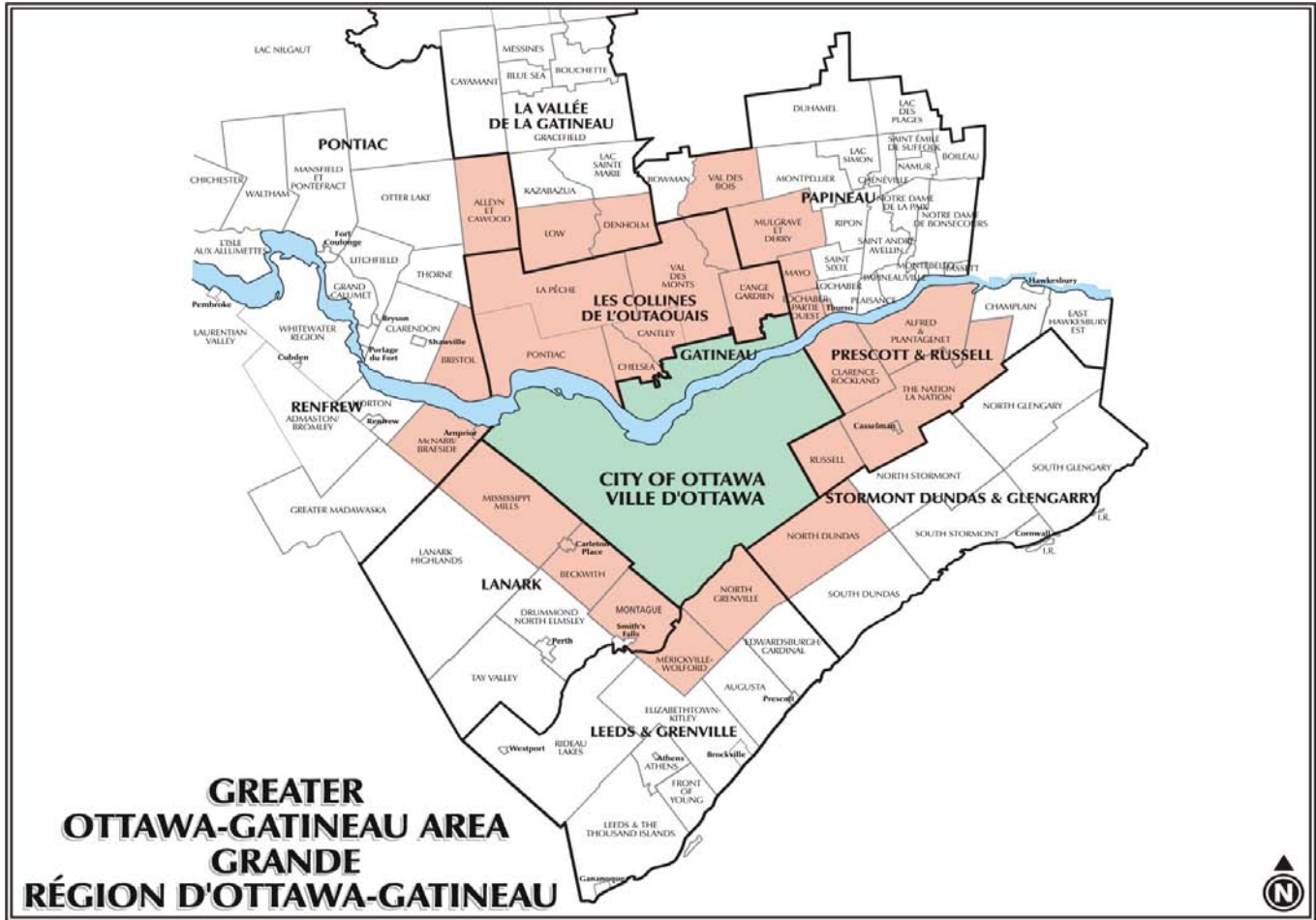
OMATO: Ontario Municipalities Adjacent to Ottawa; **QMAG:** Québec Municipalities Adjacent to Gatineau

Statistics Canada, Census (2001, 2006)

City of Ottawa (City population estimates based on building permits adjusted for vacancies and ongoing declines in average household size).

Institut de la Statistique du Québec (Québec population estimates by municipality)

**MAP 1
AREA MUNICIPALITIES WITH A HIGH PERCENTAGE OF THE
WORKING-AGE POPULATION WORKING IN OTTAWA-GATINEAU**



**TABLE 9
GREATER OTTAWA-GATINEAU AREA POPULATION
AND LABOUR FORCE, 2001-2006**

Municipality	Population, 2001*	Population, 2006 (Estimate)	% growth 2001-06	Employed Labour Force working in Ottawa- Gatineau (2001) (%)	Total Employed Labour Force (2006)	Employed Labour Force working in Ottawa- Gatineau (2006)	Employed Labour Force working in Ottawa- Gatineau (2006) (%)
Ottawa, C	806,560	877,280	8.8	85%	429,575	356,615	83%
Gatineau, V	231,344	249,374	7.8	86%	130,495	110,220	84%
Prescott & Russell	54,126	62,323	15.1	49%	31,235	15,165	49%
Alfred and Plantagenet, TP	8,593	9,393	9.3	31%	4,350	1,235	28%
Casselman, Vlg.	2,910	3,539	21.6	41%	1,805	650	36%
Clarence-Rockland, C	19,612	22,692	15.7	58%	11,340	6,555	58%
Russell, TP	12,412	15,037	21.1	59%	7,650	4,355	57%
The Nation Municipality	10,599	11,662	10.0	37%	6,090	2,370	39%
Leeds & Grenville	16,393	18,090	10.4	39%	9,035	3,545	39%
Merrickville-Wolford, Vlg.	2,812	3,006	6.9	19%	1,445	270	19%
North Grenville, TP	13,581	15,084	11.1	43%	7,590	3,275	43%
S.D. & G.	11,014	11,817	7.3	31%	5,930	2,145	36%
North Dundas, TP	11,014	11,817	7.3	31%	5,930	2,145	36%
Lanark	30,447	33,816	11.1	42%	16,085	6,510	40%
Beckwith, TP	6,046	6,799	12.5	49%	3,545	1,695	48%
Carleton Place, Tn.	9,083	10,089	11.1	46%	4,645	1,975	43%
Mississippi Mills, Tn.	11,647	12,822	10.1	41%	6,275	2,455	39%
Montague, TP	3,671	4,106	11.8	20%	1,620	385	24%
Renfrew	14,035	15,593	11.1	23%	7,285	1,855	25%
Arnprior, Tn.	7,192	8,137	13.1	26%	3,385	895	26%
McNab/Braeside, TP	6,843	7,456	9.0	21%	3,900	960	25%
Les-Collines-de-l'Outaouais	34,462	41,017	19.0	67%	22,665	15,175	67%
Cantley, M	5,898	7,719	30.9	76%	4,435	3,280	74%
Chelsea, M	6,036	7,201	19.3	70%	3,730	2,765	74%
La Pêche, M	6,453	6,907	7.0	50%	4,005	2,030	51%
L'Ange-Gardien, M	2,870	4,242	47.8	75%	2,330	1,630	70%
Notre-Dame-de-la-Salette, M	720	746	3.6	30%	370	185	50%
Pontiac, M	4,643	5,041	8.6	65%	2,695	1,625	60%
Val-des-Monts, M	7,842	9,161	16.8	70%	5,100	3,660	72%
La-Vallée-de-la-Gatineau	1,378	1,475	7.0	49%	640	240	38%
Denholm, M	526	565	7.4	67%	175	70	40%
Low, CT	852	910	6.8	36%	465	170	37%
Papineau	4,306	4,665	8.3	42%	1,985	940	47%
Lochaber-Partie-Ouest, CT	460	448	-2.6	41%	270	130	48%
Mayo, M	443	481	8.6	64%	335	260	78%
Mulgrave-et-Derry, M	235	271	15.3	36%	165	75	45%
Thurso, V	2,436	2,654	8.9	39%	905	320	35%
Val-des-Bois, M	732	811	10.8	36%	310	155	50%
Pontiac	1,172	1,380	17.7	34%	675	265	39%
Alleyn-et-Cawood, M	179	175	-2.2	71%	100	30	30%
Bristol, M	993	1,205	21.3	28%	575	235	41%
TOTAL	1,205,237	1,316,830	9.3	80%	655,605	512,675	78%
Ontario part	932,575	1,018,919	9.3	79%	499,145	385,835	77%
Québec part	272,662	297,911	9.3	82%	156,460	126,840	81%

* 2001 population: Post-Censal estimates for Ottawa and Gatineau; Census population for all other municipalities.

Sources:

Statistics Canada (1996 and 2001 Census of Population)

Statistics Canada, Table 97F0015XCB01003 (2001 Census data on Labour Force)

City of Ottawa (2006 Ontario population estimates; based on housing starts and average number of persons per dwelling as reported in the 2001 Census).

Institut de la Statistique du Québec (2006 Québec population estimates by municipality)

TABLE 10
LABOUR FORCE INDICATORS, OTTAWA CMA 1999-2008
(ANNUAL AVERAGES)

YEAR	POPULATION 15 YEARS + (000)	LABOUR FORCE (000)	(1) EMPLOYED RESIDENTS (000)	(2) NO. OF JOBS (000)	UNEM- PLOYED (000)	NOT IN LABOUR FORCE (000)	PARTICI- PATION RATE (%)	UNEMPLOYMENT RATE		
								OTTAWA CMA (%)	ONTARIO (%)	CANADA (%)
1999	632.2	438.2	410.2		28.0	194.0	69.3%	6.4%	6.4%	7.6%
2000	648.4	454.3	429.1		25.3	194.0	70.1%	5.6%	5.8%	6.8%
2001	666.4	471.6	442.8	479	28.8	194.8	70.8%	6.1%	6.3%	7.2%
2002	678.3	474.6	438.9		35.7	203.7	70.0%	7.5%	7.1%	7.7%
2003	686.5	495.5	461.5		34.0	191.0	72.2%	6.9%	6.9%	7.6%
2004	694.2	494.3	461.5		32.8	199.8	71.2%	6.6%	6.8%	7.2%
2005	701.6	496.9	464.3		32.6	204.8	70.8%	6.6%	6.6%	6.8%
2006	707.8	509.0	483.1	522	25.9	198.9	71.9%	5.1%	6.3%	6.3%
2007	711.5	514.3	488.2		26.2	197.1	72.3%	5.1%	6.4%	6.0%
2008	718.9	525.5	500.0		25.5	193.4	73.1%	4.9%	6.5%	6.1%
% chg.										
2007-08	1.0	2.2	2.4		-2.7	-1.9				
2003-08	4.7	6.1	8.3		-25.0	1.3				

Source: Statistics Canada, Labour Force Survey, Tables 282-0053 and 282-0002 (1997-2006); and City of Ottawa Employment Survey
Ottawa CMA (Census Metropolitan Area) as defined by Statistics Canada includes the City of Ottawa, the City of Clarence-Rockland and the Township of Russell.

NOTE: Labour Force Survey data is reported by place of residence.

(1) EMPLOYED RESIDENTS is taken from Statistics Canada's Labour Force Survey (reports by place of residence of employee).

(2) NUMBER OF JOBS is taken from the City of Ottawa's Employment Survey (reports by location of the job).

TABLE 11
LABOUR FORCE INDICATORS, GATINEAU CMA 1999-2008
(ANNUAL AVERAGES)

YEAR	POPULATION 15 YEARS + (000)	LABOUR FORCE (000)	EMPLOYED RESIDENTS (000)	UNEM- PLOYED (000)	NOT IN LABOUR FORCE (000)	PARTICI- PATION RATE (%)	UNEMPLOYMENT RATE			
							GATINEAU CMA (%)	QUÉBEC (%)	CANADA (%)	
1999	201.0	135.7	126.2	9.5	65.3	67.5%	7.0%	9.4%	7.6%	
2000	204.5	142.4	133.8	8.5	62.2	69.6%	6.0%	8.5%	6.8%	
2001	208.8	145.5	135.1	10.5	63.3	69.7%	7.2%	8.8%	7.2%	
2002	213.3	147.1	137.1	10.0	66.2	69.0%	6.8%	8.6%	7.7%	
2003	218.1	155.0	145.1	10.0	63.0	71.1%	6.5%	9.2%	7.6%	
2004	224.0	158.0	147.6	10.4	66.0	70.5%	6.6%	8.5%	7.2%	
2005	230.5	165.3	154.2	11.1	65.3	71.7%	6.7%	8.3%	6.8%	
2006	235.6	169.7	160.2	9.5	66.0	72.0%	5.6%	8.0%	6.3%	
2007	240.0	172.8	163.3	9.4	67.3	72.0%	5.4%	7.2%	6.0%	
2008	244.2	180.3	171.7	8.6	63.9	73.8%	4.8%	7.2%	6.1%	
% chg.										
2007-08	1.7	4.3	5.1	-5.1	2.5					
2003-08	12.0	16.3	18.3	1.4	3.8					

Source: Statistics Canada, Labour Force Survey, Tables 282-0053 and 282-0002 (1997-2006)

Gatineau Census Metropolitan Area (CMA) as defined by Statistics Canada includes the City of Gatineau and the Municipalities of Cantley, Chelsea, La Pêche, Pontiac and Val-des-Monts

NOTE: Labour Force Survey data is reported by place of residence.

**TABLE 12
EMPLOYMENT BY MAJOR SECTOR (000's), OTTAWA CMA, 2003-2008**

By Major Sector	2003	2004	2005	2006	2007	2008
Primary	1.8	3.2	2.4	2.6	2.2	2.4
Utilities	1.8	1.5	0.0	0.0	0.0	0.0
Construction	21.3	19.8	20.7	19.4	24.4	21.6
Manufacturing	28.3	30.0	30.3	34.0	35.9	30.8
Wholesale Trade	11.5	11.0	9.6	10.2	9.8	9.6
Retail Trade	49.2	49.9	50.1	50.8	52.0	56.8
Transportation & Warehousing	17.1	16.5	12.5	15.0	16.8	13.7
Information & Cultural Industries	11.4	12.1	13.7	17.6	16.9	14.0
F.I.R.E.*	22.3	23.9	23.4	25.8	24.8	23.7
Professional, Sci. & Tech. Services	56.2	43.9	51.0	56.1	52.4	55.1
Administrative & Support Services	21.8	20.0	21.1	18.5	18.3	18.5
Health & Education	72.3	74.0	79.9	77.9	83.1	92.1
Arts, Entertainment & Recreation	10.3	12.3	8.2	11.3	9.9	9.7
Accommodation and Food Services	22.9	25.0	24.3	30.0	26.5	25.8
Other Services	22.2	19.4	22.1	21.1	22.3	21.4
Public Administration	91.4	98.8	93.3	91.3	91.1	103.4
Total	461.5	461.5	464.3	483.1	488.2	500.0
By Primary, Secondary or Tertiary Sector						
Primary	1.8	3.2	2.4	2.6	2.2	2.4
Secondary	51.4	51.3	51.0	53.4	60.3	52.4
Tertiary	408.3	407.0	410.9	427.1	425.7	445.2
Total Jobs	461.5	461.5	464.3	483.1	488.2	500.0
By Type of Sector						
Private sector	303.9	292.9	296.8	319.3	318.3	317.2
Public sector	143.9	156.0	153.5	151.5	155.6	171.4
Non-profit sector	13.7	12.6	14.0	12.3	14.3	11.4
Total	461.5	461.5	464.3	483.1	488.2	500.0
% private	65.9%	63.5%	63.9%	66.1%	65.2%	63.4%
By Cluster						
Telecom	8.1	8.0	7.1	12.5	11.8	10.0
Microelectronics	10.8	10.3	12.7	16.5	18.7	14.5
Software & Communications	29.5	25.6	28.9	32.8	35.2	30.4
Health Sciences	0.0	1.6	0.0	1.8	1.6	3.1
Tourism	33.2	37.3	32.5	41.3	36.4	35.5
Prof Serv's @ ICF definition	46.0	37.9	42.7	43.1	39.9	43.0
Total, all clusters	127.6	120.7	123.9	148.0	143.6	136.5
High Technology	48.4	45.5	48.7	63.6	67.3	58.0

Source: Labour Force Survey, Statistics Canada

Note: ' 0.0 ' indicates estimate is less than 1,500

Figures may not add due to rounding and data suppression by Statistics Canada

* F.I.R.E. = Finance, Insurance and Real Estate

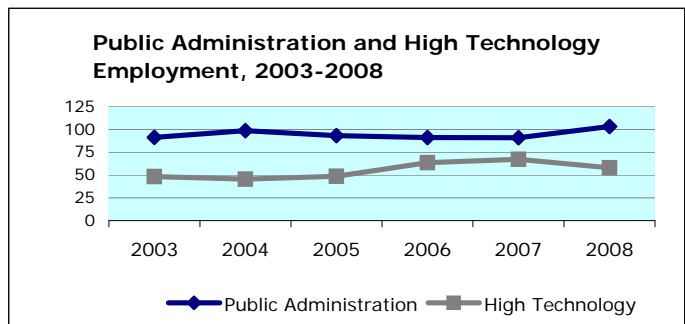
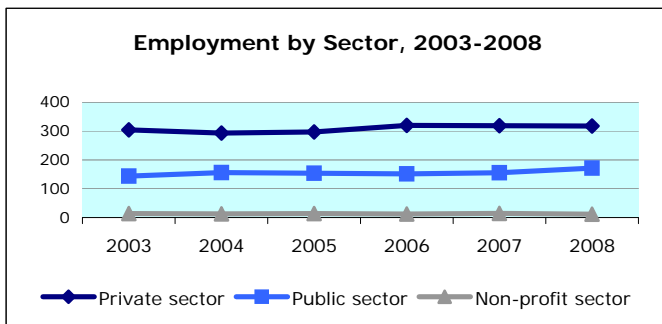


TABLE 13
EMPLOYMENT BY MAJOR SECTOR (000's),
OTTAWA-GATINEAU CMA, 2003-2008

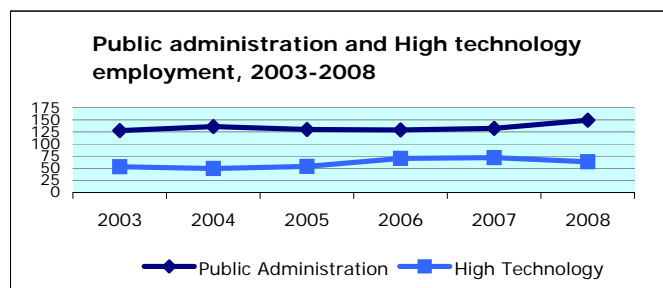
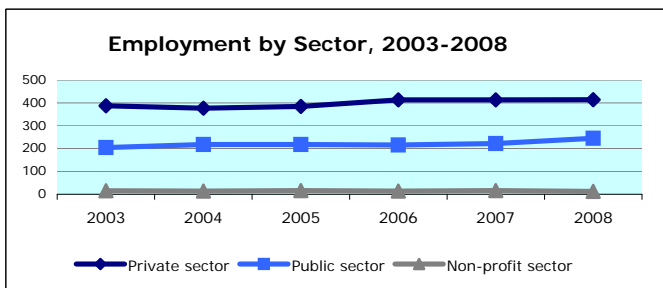
By Major Sector	2003	2004	2005	2006	2007	2008
Primary	2.4	3.8	3.1	3.4	2.9	3.1
Utilities	2.2	2.9	2.1	1.9	3.0	2.5
Construction	31.5	30.0	30.9	31.1	36.1	32.7
Manufacturing	34.9	37.2	37.3	41.7	43.4	39.2
Wholesale Trade	14.5	13.6	12.0	13.3	12.5	13.3
Retail Trade	64.1	67.7	66.6	69.7	69.7	74.7
Transportation & Warehousing	21.7	20.5	17.3	19.4	22.2	19.4
Information & Cultural Industries	16.0	15.5	17.6	21.3	21.0	17.0
F.I.R.E.*	27.7	29.9	31.0	33.1	31.6	30.9
Professional, Sci. & Tech. Services	63.1	49.5	58.3	63.8	59.8	64.7
Administrative & Support Services	28.3	26.8	28.7	25.6	25.9	26.3
Health & Education	97.6	100.4	109.0	107.9	111.4	121.5
Arts, Entertainment & Recreation	14.9	17.0	12.3	15.0	14.9	15.6
Accommodation and Food Services	32.0	34.1	33.1	38.8	35.2	34.1
Other Services	27.9	24.0	28.2	27.6	28.9	27.2
Public Administration	127.8	136.0	130.2	129.1	132.5	149.2
Total	606.6	609.1	618.5	643.3	651.5	671.7
By Primary, Secondary or Tertiary Sector						
Primary	2.4	3.8	3.1	3.4	2.9	3.1
Secondary	68.6	70.1	70.3	74.7	82.5	74.4
Tertiary	535.6	535.2	545.1	565.2	566.1	594.2
Total Jobs	606.6	609.1	618.5	643.3	651.5	671.7
By Type of Sector						
Private sector	387.0	376.7	384.6	413.5	413.1	414.0
Public sector	204.3	218.1	218.0	215.6	222.1	245.0
Non-profit sector	15.3	14.3	15.9	14.2	16.3	12.7
Total	606.6	609.1	618.5	643.3	651.5	671.7
% private	63.8%	61.8%	62.2%	64.3%	63.4%	61.6%
By Cluster						
Telecom	8.3	8.6	7.6	12.9	12.2	10.4
Microelectronics	11.0	11.1	13.5	17.1	19.3	15.2
Software & Communications	33.9	28.2	32.6	38.5	38.9	34.5
Health Sciences	0.0	1.7	0.0	1.9	1.7	3.3
Tourism	46.9	51.1	45.4	53.8	50.1	49.7
Prof Serv's @ ICF definition	55.0	47.3	53.4	53.4	51.0	55.8
Total, all clusters	155.1	148.0	152.5	177.6	173.2	168.9
High Technology	53.2	49.6	53.7	70.4	72.1	63.4

Source: Labour Force Survey, Statistics Canada.

Note: ' 0.0 ' indicates estimate is less than 1,500

Figures may not add due to rounding and data suppression by Statistics Canada

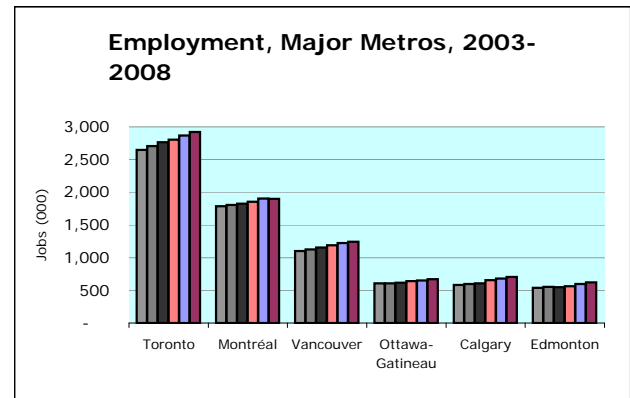
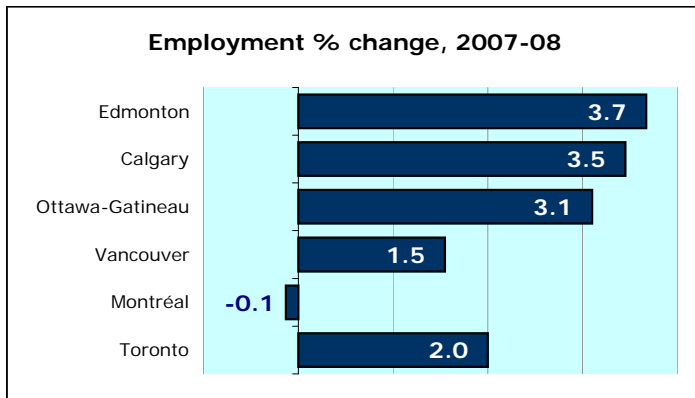
* F.I.R.E. = Finance, Insurance and Real Estate



**TABLE 14
LABOUR FORCE INDICATORS FOR CANADA'S LARGEST CMA'S, 2003-08**

Annual	Toronto		Montréal		Vancouver		Ottawa-Gatineau		Calgary		Edmonton	
	EMPLOYED ('000)	UNEMP. RATE (%)	EMPLOYED ('000)	UNEMP. RATE (%)	EMPLOYED ('000)	UNEMP. RATE (%)	EMPLOYED ('000)	UNEMP. RATE (%)	EMPLOYED ('000)	UNEMP. RATE (%)	EMPLOYED ('000)	UNEMP. RATE (%)
2003	2,648.5	7.7	1,788.3	9.5	1,103.5	7.3	606.6	6.7	583.5	5.4	538.3	5.0
2004	2,707.3	7.5	1,804.6	8.7	1,127.5	6.7	609.1	6.6	598.7	5.0	553.8	4.8
2005	2,763.4	7.0	1,823.5	8.7	1,155.7	5.7	618.5	6.6	605.9	3.9	545.8	4.5
2006	2,802.1	6.6	1,856.8	8.4	1,187.1	4.4	643.3	5.2	655.1	3.2	561.3	3.9
2007	2,865.5	6.8	1,902.6	7.0	1,222.7	4.0	651.5	5.2	680.6	3.2	599.1	3.8
2008	2,922.8	6.9	1,900.1	7.4	1,241.6	4.3	671.7	4.8	704.1	3.5	621.1	3.7
Net job growth, 2007-08	57.3		-2.5		18.9		20.2		23.5		22.0	
% chg.												
2003-08	10.4		6.3		12.5		10.7		20.7		15.4	
2007-08	2.0		-0.1		1.5		3.1		3.5		3.7	

Source: Statistics Canada, Table 282-0053



**TABLE 15
CONSUMER PRICE INDICES,
OTTAWA CMA (2002=100), 2003-2008**

YEAR	ALL ITEMS	RATE OF INFLATION (%)	SHELTER	RENTED ACCOM.	OWNED ACCOM.
2003	102.5	2.5	102.9	102.0	103.3
2004	104.5	2.0	106.2	103.0	107.4
2005	106.8	2.2	110.0	103.0	111.9
2006	108.6	1.7	113.4	103.4	115.1
2007	110.7	1.9	115.6	104.3	118.7
2008	113.1	2.2	119.7	105.6	122.6
% change					
2007-2008	2.2		3.5	1.2	3.3
2003-2008	10.3		16.3	3.5	18.7

SOURCE: Statistics Canada, Table 326-0021

Note: 'Shelter' is an aggregate index for accommodation, fuel, electricity, etc. and was re-constructed in 1995 to adjust for changes in its make-up. The 'Rented Accommodation' and 'Owned Accommodation' indexes do not take heating or utilities into account.

**TABLE 16
INTEREST RATES, OTTAWA
2005-2008**

YEAR / MONTH	(1) MORTGAGE INTEREST RATE *	(2) CPI (2002= 100)	(3) CPI YEAR OVER YEAR CHANGE	(4) REAL INTEREST RATE (1-3)
2005 JAN	5.60%	105.0	1.7%	3.9%
MAY	5.60%	106.5	1.4%	4.2%
SEPT	5.40%	108.3	3.5%	1.9%
2006 JAN	6.00%	108.1	3.0%	3.0%
MAY	6.45%	109.4	2.7%	3.7%
SEPT	6.50%	108.3	0.0%	6.5%
2007 JAN	6.60%	108.5	0.4%	6.2%
MAY	7.20%	111.5	1.9%	5.3%
SEPT	7.30%	110.9	2.4%	4.9%
2008 JAN	7.40%	110.4	1.8%	5.6%
MAY	6.15%	113.4	1.7%	4.4%
SEPT	6.70%	115.0	3.7%	3.0%

* Mortgage rates based on a 3 year term

SOURCES: (1) Bank of Canada

(2) Statistics Canada, Table 326-0020

TABLE 17
BUILDING PERMITS, MAJOR CANADIAN CITIES (CMAs)
(\$ 000, Annual)

CMA		2003	2004	2005	2006	2007	2008	% chg. 2007- 2008
Toronto	Residential	\$7,417,823	\$7,650,693	\$7,494,559	\$7,120,759	\$8,082,844	\$7,117,428	-11.9
	Non-res.	\$4,224,571	\$4,498,157	\$3,882,624	\$3,901,571	\$5,134,212	\$5,125,045	-0.2
	<i>Industrial</i>	\$963,349	\$911,916	\$677,406	\$725,652	\$913,267	\$738,415	-19.1
	<i>Commercial</i>	\$1,883,140	\$2,198,456	\$2,153,946	\$2,386,161	\$3,069,945	\$3,212,240	4.6
	<i>Institutional</i>	\$1,378,082	\$1,387,785	\$1,051,272	\$789,758	\$1,151,000	\$1,174,390	2.0
	TOTAL	\$11,642,394	\$12,148,850	\$11,377,183	\$11,022,330	\$13,217,056	\$12,242,473	-7.4
Montreal	Residential	\$3,453,248	\$4,356,744	\$4,095,174	\$3,955,142	\$4,045,213	\$4,246,555	5.0
	Non-res.	\$1,825,095	\$1,875,955	\$1,738,539	\$2,078,878	\$2,466,154	\$2,164,354	-12.2
	<i>Industrial</i>	\$249,586	\$318,770	\$446,895	\$367,647	\$443,294	\$332,810	-24.9
	<i>Commercial</i>	\$1,082,461	\$991,339	\$948,769	\$1,208,969	\$1,341,197	\$1,368,179	2.0
	<i>Institutional</i>	\$493,048	\$565,846	\$342,875	\$502,262	\$681,663	\$463,365	-32.0
	TOTAL	\$5,278,343	\$6,232,699	\$5,833,713	\$6,034,020	\$6,511,367	\$6,410,909	-1.5
Vancouver	Residential	\$2,751,827	\$3,613,001	\$3,969,178	\$4,242,551	\$4,770,629	\$3,385,938	-29.0
	Non-res.	\$925,644	\$1,229,764	\$1,681,804	\$2,374,831	\$2,250,989	\$2,193,002	-2.6
	<i>Industrial</i>	\$90,082	\$140,419	\$148,198	\$172,413	\$124,205	\$123,727	-0.4
	<i>Commercial</i>	\$607,764	\$812,400	\$1,099,029	\$1,666,544	\$1,732,366	\$1,710,326	-1.3
	<i>Institutional</i>	\$227,798	\$276,945	\$434,577	\$535,874	\$394,418	\$358,949	-9.0
	TOTAL	\$3,677,471	\$4,842,765	\$5,650,982	\$6,617,382	\$7,021,618	\$5,578,940	-20.5
Ottawa- Gatineau	Residential	\$1,425,240	\$1,552,199	\$1,189,704	\$1,283,990	\$1,572,408	\$1,527,599	-2.8
	Non-res.	\$759,967	\$713,538	\$1,054,666	\$884,156	\$1,025,147	\$906,119	-11.6
	<i>Industrial</i>	\$30,962	\$27,431	\$44,177	\$41,760	\$63,338	\$30,258	-52.2
	<i>Commercial</i>	\$544,701	\$530,086	\$425,782	\$522,687	\$583,893	\$565,799	-3.1
	<i>Institutional</i>	\$184,304	\$156,021	\$584,707	\$319,709	\$377,916	\$310,062	-18.0
	TOTAL	\$2,185,207	\$2,265,737	\$2,244,370	\$2,168,146	\$2,597,555	\$2,433,718	-6.3
Ottawa (Ontario part of the CMA)	Residential	\$1,034,155	\$1,142,893	\$876,430	\$860,420	\$1,118,003	\$1,117,679	0.0
	Non-res.	\$646,468	\$553,436	\$954,152	\$780,442	\$867,989	\$683,731	-21.2
	<i>Industrial</i>	\$26,716	\$15,908	\$33,403	\$32,706	\$50,928	\$25,717	-49.5
	<i>Commercial</i>	\$473,571	\$416,071	\$353,948	\$462,777	\$492,422	\$434,785	-11.7
	<i>Institutional</i>	\$146,181	\$121,457	\$566,801	\$284,959	\$324,639	\$223,229	-31.2
	TOTAL	\$1,680,623	\$1,696,329	\$1,830,582	\$1,640,862	\$1,985,992	\$1,801,410	-9.3
Calgary	Residential	\$1,811,295	\$1,962,465	\$2,328,632	\$2,987,924	\$3,153,888	\$1,980,361	-37.2
	Non-res.	\$1,007,938	\$894,458	\$1,592,714	\$2,492,273	\$3,328,015	\$2,742,683	-17.6
	<i>Industrial</i>	\$87,994	\$70,007	\$171,117	\$148,514	\$115,888	\$202,088	74.4
	<i>Commercial</i>	\$539,403	\$633,254	\$1,036,077	\$1,785,539	\$2,911,653	\$1,764,891	-39.4
	<i>Institutional</i>	\$380,541	\$191,197	\$385,520	\$558,220	\$300,474	\$775,704	158.2
	TOTAL	\$2,819,233	\$2,856,923	\$3,921,346	\$5,480,197	\$6,481,903	\$4,723,044	-27.1
Edmonton	Residential	\$1,207,761	\$1,374,754	\$1,914,838	\$2,435,446	\$2,743,726	\$1,714,992	-37.5
	Non-res.	\$558,946	\$653,053	\$997,451	\$1,105,630	\$1,178,719	\$1,944,938	65.0
	<i>Industrial</i>	\$55,730	\$115,429	\$153,223	\$171,507	\$190,688	\$312,214	63.7
	<i>Commercial</i>	\$361,383	\$428,435	\$512,144	\$745,472	\$872,515	\$1,153,438	32.2
	<i>Institutional</i>	\$141,833	\$109,189	\$332,084	\$188,651	\$115,516	\$479,286	314.9
	TOTAL	\$1,766,707	\$2,027,807	\$2,912,289	\$3,541,076	\$3,922,445	\$3,659,930	-6.7

Source: Statistics Canada, Table 026-0003

TABLE 18
GROSS DOMESTIC PRODUCT, MAJOR CANADIAN CITIES (CMAs)

CMA		2006	2007	2008	2009f	2010f	2011f
Toronto	2002 \$ millions	\$214,402	\$220,313	\$220,884	\$217,455	\$223,799	\$234,452
	% change	3.0%	2.8%	0.3%	-1.6%	2.9%	4.8%
Montréal	2002 \$ millions	\$117,522	\$120,132	\$121,339	\$120,751	\$123,707	\$127,432
	% change	1.5%	2.2%	1.0%	-0.5%	2.4%	3.0%
Vancouver	2002 \$ millions	\$78,107	\$80,293	\$81,175	\$80,438	\$83,246	\$86,214
	% change	4.1%	2.8%	1.1%	-0.9%	3.5%	3.6%
Ottawa-Gatineau	2002 \$ millions	\$43,734	\$44,853	\$45,381	\$45,456	\$46,677	\$48,006
	% change	3.2%	2.6%	1.2%	0.2%	2.7%	2.8%
Calgary	2002 \$ millions	\$60,438	\$62,770	\$63,562	\$63,513	\$65,525	\$68,192
	% change	7.1%	3.9%	1.3%	-0.1%	3.2%	4.1%
Edmonton	2002 \$ millions	\$48,416	\$50,231	\$50,988	\$50,897	\$52,495	\$54,624
	% change	6.2%	3.7%	1.5%	-0.2%	3.1%	4.1%
Total Big Six	2002 \$ millions	\$562,619	\$578,592	\$583,329	\$578,510	\$595,449	\$618,920
	% change	3.2%	2.9%	0.9%	1.5%	3.5%	3.7%
Canada	2002 \$ millions	\$1,284,819	\$1,319,681	\$1,327,385	\$1,321,016	\$1,368,067	\$1,419,483
	% change	3.1%	2.7%	0.6%	-0.5%	3.6%	3.8%
Big Six share of Canada GDP		43.8%	43.8%	43.9%	43.8%	43.5%	43.6%

Source: The Conference Board of Canada, Metropolitan Outlook, Spring 2009
(f) = Forecast

TABLE 19
PERSONAL INCOME PER CAPITA, MAJOR CANADIAN CITIES (CMAs)

CMA		2006	2007	2008	2009f	2010f	2011f
Toronto	Personal Income per Capita	\$36,542	\$37,662	\$38,867	\$39,011	\$39,879	\$41,379
	% change		3.1%	3.2%	0.4%	2.2%	3.8%
Montréal	Personal Income per Capita	\$32,657	\$33,930	\$34,982	\$35,023	\$35,938	\$37,298
	% change		3.9%	3.1%	0.1%	2.6%	3.8%
Vancouver	Personal Income per Capita	\$33,979	\$35,386	\$36,388	\$36,920	\$38,004	\$39,305
	% change		4.1%	2.8%	1.5%	2.9%	3.4%
Ottawa-Gatineau	Personal Income per Capita	\$38,627	\$40,578	\$42,236	\$42,804	\$44,097	\$45,552
	% change		5.1%	4.1%	1.3%	3.0%	3.3%
Calgary	Personal Income per Capita	\$50,677	\$52,421	\$54,329	\$54,744	\$56,012	\$57,655
	% change		3.4%	3.6%	0.8%	2.3%	2.9%
Edmonton	Personal Income per Capita	\$41,165	\$42,907	\$44,548	\$44,967	\$45,915	\$47,356
	% change		4.2%	3.8%	0.9%	2.1%	3.1%
Canada	Personal Income per Capita	\$33,911	\$35,635	\$36,960	\$37,455	\$38,638	\$40,069
	% change		5.1%	3.7%	1.3%	3.2%	3.7%

Source: The Conference Board of Canada, Metropolitan Outlook, Spring 2009
(f) = Forecast

TABLE 20
RENTAL VACANCY RATES AND RENTS
OTTAWA-GATINEAU CMA, OCTOBER 2008

SURVEY ZONE	1	2	3	4	5	6	7	8	9	10	11	OTTAWA CMA	GATINEAU CMA	OTTAWA-GATINEAU CMA
	Downtown	Sandy Hill, Lowertown	Glebe-Old Ottawa South	Alta Vista-Hunt Club	Carlington-Iris	Chinatown-Hintonburgh-Westboro North	New Edinburgh-Manor Park-Overbrook	Westboro South-Hampton Park-Britannia	Vanier	Gloucester-Cumberland-Osgoode	Nepean-Kanata-Goulbourn			
Bachelor														
No. Of Units	1,489	908	265	302	507	671	201	428	180	120	144	5,215	875	6,090
Avg. Rent, 2008	\$695	\$702	\$662	\$636	\$672	\$627	\$649	\$673	\$526	\$684	\$716	\$671	\$492	\$645
Avg. Rent, 2007	\$664	\$673	\$645	\$615	\$622	\$590	\$628	\$645	\$556	\$668	\$690	\$643	\$487	\$645
% chg.	4.7	4.3	2.6	3.4	8.0	6.3	3.3	4.3	-5.4	2.4	3.8	4.4	1.0	0.0
Vacancy Rate 2008	1.7%	0.8%	1.8%	0.7%	1.6%	2.5%	0.0%	0.9%	**	0.0%	2.1%	1.4%	2.9%	1.6%
Vacancy Rate 2007	1.7%	1.5%	4.9%	3.0%	2.7%	1.9%	0.0%	1.4%	**	**	2.1%	2.2%	3.5%	2.4%
1-Bedroom														
No. Of Units	5,033	2,958	1,470	4,636	3,213	2,537	1,363	2,714	1,735	891	1,916	28,466	4,885	33,351
Avg. Rent, 2008	\$916	\$946	\$854	\$783	\$783	\$776	\$829	\$801	\$674	\$794	\$817	\$827	\$572	\$790
Avg. Rent, 2007	\$887	\$905	\$844	\$764	\$745	\$725	\$798	\$776	\$666	\$766	\$788	\$798	\$565	\$790
% chg.	3.3	4.5	1.2	2.5	5.1	7.0	3.9	3.2	1.2	3.7	3.7	3.6	1.2	0.0
Vacancy Rate 2008	1.2%	0.9%	0.9%	0.8%	1.7%	1.4%	1.0%	0.8%	2.8%	1.2%	2.3%	1.3%	1.9%	1.4%
Vacancy Rate 2007	1.7%	1.4%	1.4%	2.4%	2.3%	2.4%	4.0%	1.3%	4.6%	1.3%	2.9%	2.2%	2.9%	2.3%
2-Bedroom														
No. Of Units	2,090	1,826	1,245	4,514	2,857	1,161	2,136	2,324	1,762	1,837	4,174	25,926	10,835	36,761
Avg. Rent, 2008	\$1,259	\$1,174	\$1,115	\$942	\$931	\$1,002	\$981	\$948	\$786	\$889	\$1,015	\$994	\$677	\$901
Avg. Rent, 2007	\$1,200	\$1,107	\$1,070	\$924	\$896	\$955	\$935	\$922	\$771	\$883	\$986	\$962	\$662	\$901
% chg.	4.9	6.1	4.2	1.9	3.9	4.9	4.9	2.8	1.9	0.7	2.9	3.3	2.3	0.0
Vacancy Rate 2008	1.2%	0.8%	0.7%	1.4%	2.1%	1.6%	0.5%	0.4%	4.0%	1.1%	2.2%	1.5%	1.8%	1.6%
Vacancy Rate 2007	1.8%	1.1%	1.4%	2.3%	1.6%	2.2%	1.3%	1.2%	4.9%	2.6%	3.7%	2.3%	3.1%	2.6%
3+ Bedroom														
No. Of Units	237	461	257	1,064	404	170	677	189	256	1,519	3,229	8,463	2,662	11,125
Avg. Rent, 2008	\$1,371	\$1,548	\$1,337	\$1,213	\$1,097	\$1,279	\$1,029	\$1,074	\$943	\$1,105	\$1,143	\$1,162	\$759	\$1,066
Avg. Rent, 2007	\$1,275	\$1,443	\$1,164	\$1,204	\$1,048	\$1,248	\$976	\$1,069	\$922	\$1,079	\$1,129	\$1,124	\$762	\$1,066
% chg.	7.5	7.3	14.9	0.7	4.7	2.5	5.4	0.5	2.3	2.4	1.2	3.4	-0.4	0.0
Vacancy Rate 2008	**	**	**	0.8%	3.6%	2.4%	**	0.6%	**	0.9%	2.4%	1.8%	1.7%	1.9%
Vacancy Rate 2007	**	**	**	2.5%	0.5%	0.8%	0.0%	0.0%	**	**	5.7%	2.8%	1.5%	2.5%
All Units														
No. Of Units	8,849	6,153	3,237	10,516	6,981	4,539	4,377	5,655	3,933	4,367	9,463	68,070	19,257	87,327
Avg. Rent, 2008	\$969	\$1,020	\$977	\$891	\$854	\$829	\$926	\$860	\$734	\$940	\$1,014	\$920	\$653	\$861
Avg. Rent, 2007	\$929	\$959	\$949	\$873	\$816	\$784	\$885	\$836	\$728	\$921	\$990	\$888	\$642	\$861
% chg.	4.3	6.4	3.0	2.1	4.7	5.7	4.6	2.9	0.8	2.1	2.4	3.6	1.7	0.0
Vacancy Rate 2008	1.3%	0.8%	1.1%	1.4%	1.9%	1.6%	0.9%	0.7%	3.3%	1.4%	2.1%	1.4%	1.9%	1.6%
Vacancy Rate 2007	1.8%	1.4%	1.6%	2.5%	2.0%	2.2%	2.1%	1.3%	4.8%	2.7%	3.4%	2.3%	2.9%	2.5%

** Less than three structures in universe

SOURCE: CMHC Rental Market Survey, Ottawa and Gatineau CMA Reports, October 2007 and Custom Information

CMHC, Housing Market Information System (Rent Range by Area, Ottawa)

CMHC, Housing Market Information System (Vacancy Rate by Area, Ottawa-Gatineau)

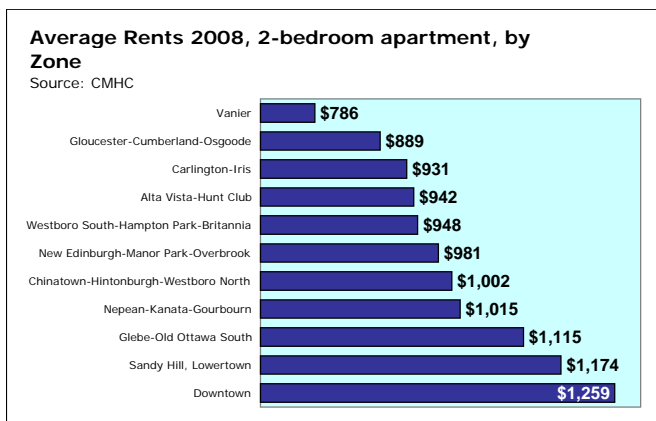
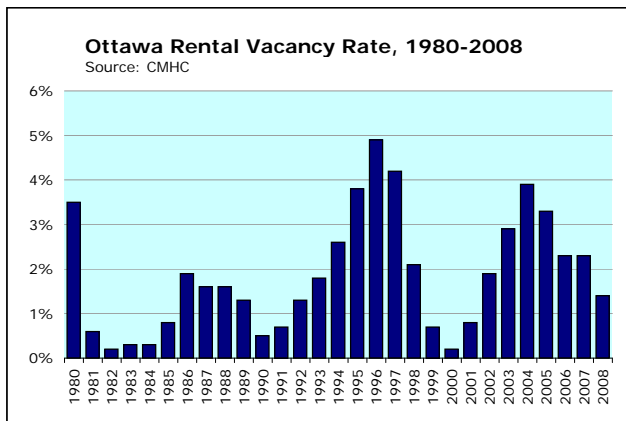


TABLE 21
RENTS BY ZONE AND UNIT TYPE, 2003-2008

ZONE 1 - DOWNTOWN					
	Bachelor	1 bedroom	2 bedroom	3+ bedroom	All units
2003	\$638	\$820	\$1,117	\$1,256	\$869
2004	\$646	\$828	\$1,161	\$1,366	\$886
2005	\$657	\$842	\$1,127	\$1,205	\$893
2006	\$659	\$852	\$1,168	\$1,313	\$904
2007	\$664	\$887	\$1,201	\$1,242	\$928
2008	\$695	\$916	\$1,260	\$1,393	\$969
% chg. 07-08	4.7	3.3	4.9	12.2	4.4
% chg. 03-08	8.9	11.7	12.8	10.9	11.5

ZONE 2 - SANDY HILL-LOWERTOWN					
	Bachelor	1 bedroom	2 bedroom	3+ bedroom	All units
2003	\$650	\$844	\$1,099	\$1,390	\$926
2004	\$639	\$889	\$1,129	\$1,359	\$947
2005	\$652	\$869	\$1,071	\$1,399	\$931
2006	\$644	\$863	\$1,112	\$1,484	\$930
2007	\$673	\$906	\$1,108	\$1,459	\$958
2008	\$702	\$946	\$1,175	\$1,566	\$1,019
% chg. 07-08	4.3	4.4	6.0	7.3	6.4
% chg. 03-08	8.0	12.1	6.9	12.7	10.0

ZONE 3 - GLEBE-OLD OTTAWA SOUTH					
	Bachelor	1 bedroom	2 bedroom	3+ bedroom	All units
2003	**	\$826	\$1,036	**	\$915
2004	**	\$781	\$1,054	**	\$909
2005	\$592	\$749	\$993	\$1,125	\$855
2006	\$600	\$783	\$1,049	\$1,236	\$894
2007	\$645	\$844	\$1,070	\$1,135	\$943
2008	\$662	\$854	\$1,115	\$1,328	\$971
% chg. 07-08	2.6	1.2	4.2	17.0	3.0
% chg. 03-08		3.4	7.6		6.1

ZONE 4 - ALTA VISTA-HUNT CLUB					
	Bachelor	1 bedroom	2 bedroom	3+ bedroom	All units
2003	\$627	\$755	\$916	\$1,202	\$840
2004	\$622	\$743	\$900	\$1,134	\$824
2005	\$619	\$730	\$872	\$1,175	\$807
2006	\$629	\$743	\$893	\$1,176	\$823
2007	\$615	\$764	\$922	\$1,206	\$847
2008	\$636	\$783	\$941	\$1,250	\$868
% chg. 07-08	3.4	2.5	2.1	3.6	2.5
% chg. 03-08	1.4	3.7	2.7	4.0	3.3

ZONE 5 - CARLINGTON-IRIS					
	Bachelor	1 bedroom	2 bedroom	3+ bedroom	All units
2003	\$631	\$729	\$852	\$1,080	\$789
2004	\$626	\$740	\$853	\$1,144	\$792
2005	\$606	\$697	\$842	\$1,107	\$760
2006	\$626	\$727	\$863	\$1,056	\$786
2007	\$622	\$745	\$891	\$1,105	\$805
2008	\$672	\$783	\$926	\$1,139	\$843
% chg. 07-08	8.0	5.1	3.9	3.1	4.7
% chg. 03-08	6.5	7.4	8.7	5.5	6.8

ZONE 6 - CHINATOWN-HINTONBURG-WESTBORO NORTH					
	Bachelor	1 bedroom	2 bedroom	3+ bedroom	All units
2003	\$570	\$713	\$898	**	\$757
2004	\$562	\$715	\$872	**	\$742
2005	\$584	\$711	\$889	\$1,116	\$749
2006	\$590	\$726	\$962	\$1,370	\$788
2007	\$590	\$725	\$951	\$1,322	\$780
2008	\$627	\$776	\$1,003	\$1,315	\$827
% chg. 07-08	6.3	7.0	5.5	-0.5	6.0
% chg. 03-08	10.0	8.8	11.7		9.2

ZONE 7 - NEW EDINBURGH-MANOR PARK-OVERBROOK					
	Bachelor	1 bedroom	2 bedroom	3+ bedroom	All units
2003	**	\$787	\$956	\$1,149	\$868
2004	**	\$796	\$979	**	\$891
2005	\$630	\$814	\$957	\$1,080	\$886
2006	\$615	\$778	\$944	\$1,065	\$865
2007	\$628	\$802	\$960	\$1,047	\$882
2008	\$649	\$829	\$1,019	\$1,178	\$930
% chg. 07-08	3.3	3.4	6.1	12.5	5.4
% chg. 03-08		5.3	6.6	2.5	7.1

ZONE 8 - WESTBORO SOUTH-HAMPTON PARK-BRITANNIA					
	Bachelor	1 bedroom	2 bedroom	3+ bedroom	All units
2003	\$645	\$757	\$902	**	\$819
2004	\$637	\$747	\$889	\$1,082	\$813
2005	\$627	\$747	\$915	\$1,099	\$818
2006	\$643	\$762	\$913	\$1,057	\$822
2007	\$645	\$776	\$922	\$1,079	\$834
2008	\$673	\$801	\$949	\$1,086	\$859
% chg. 07-08	4.3	3.2	2.9	0.6	3.0
% chg. 03-08	4.3	5.8	5.2		4.9

ZONE 9 - VANIER					
	Bachelor	1 bedroom	2 bedroom	3+ bedroom	All units
2003	**	\$648	\$749	**	\$705
2004	**	\$656	\$756	**	\$715
2005	\$500	\$648	\$751	\$865	\$705
2006	\$497	\$650	\$768	\$871	\$713
2007	\$556	\$666	\$771	\$873	\$723
2008	\$526	\$674	\$786	\$892	\$729
% chg. 07-08	-5.4	1.2	1.9	2.2	0.8
% chg. 03-08		4.0	4.9		3.4

ZONE 10 - GLOUCESTER-CUMBERLAND					
	Bachelor	1 bedroom	2 bedroom	3+ bedroom	All units
2003	\$639	\$756	\$896	**	\$859
2004	\$655	\$753	\$859	\$1,009	\$828
2005	\$646	\$729	\$822	\$928	\$797
2006	\$698	\$753	\$858	\$972	\$830
2007	\$668	\$765	\$871	\$968	\$840
2008	\$684	\$794	\$875	\$962	\$850
% chg. 07-08	2.4	3.8	0.5	-0.6	1.2
% chg. 03-08	7.0	5.0	-2.3		-1.0

ZONE 11 - NEPEAN-KANATA					
	Bachelor	1 bedroom	2 bedroom	3+ bedroom	All units
2003	\$676	\$755	\$920	\$1,006	\$863
2004	\$681	\$758	\$969	\$1,036	\$899
2005	\$660	\$751	\$941	\$1,054	\$880
2006	\$667	\$754	\$941	\$1,037	\$878
2007	\$692	\$788	\$978	\$1,071	\$913
2008	\$716	\$817	\$1,007	\$1,096	\$941
% chg. 07-08	3.5	3.7	3.0	2.3	3.1
% chg. 03-08	5.9	8.2	9.5	8.9	9.0

OTTAWA CMA					
	Bachelor	1 bedroom	2 bedroom	3+ bedroom	All units
2003	\$627	\$768	\$932	\$1,168	\$838
2004	\$623	\$771	\$940	\$1,156	\$843
2005	\$628	\$762	\$920	\$1,125	\$831
2006	\$633	\$774	\$941	\$1,146	\$844
2007	\$643	\$798	\$962	\$1,144	\$864
2008	\$671	\$827	\$995	\$1,227	\$897
% chg. 07-08	4.4	3.6	3.4	7.3	3.8
% chg. 03-08	7.0	7.7	6.8	5.1	7.0

** Less than three structures in universe.
Source: CMHC Rental Market Reports

TABLE 22
RENTAL VACANCY RATES AND RENTS, LARGEST CMA'S

CMA	Weighted average rent, 2-bedroom apartment						
	2003	2004	2005	2006	2007	2008	% chg. 2007-2008
Calgary	\$804	\$806	\$808	\$960	\$1,089	\$1,148	5.4
Vancouver	\$965	\$984	\$1,004	\$1,045	\$1,084	\$1,124	3.7
Toronto	\$1,040	\$1,052	\$1,052	\$1,067	\$1,061	\$1,095	3.2
Edmonton	\$722	\$730	\$732	\$808	\$958	\$1,034	7.9
Ottawa	\$932	\$940	\$920	\$941	\$962	\$995	3.4
Kitchener	\$754	\$765	\$811	\$824	\$829	\$845	1.9
Hamilton	\$778	\$789	\$791	\$796	\$824	\$836	1.5
Halifax	\$720	\$747	\$762	\$799	\$815	\$833	2.2
Winnipeg	\$645	\$664	\$683	\$709	\$740	\$769	3.9
Gatineau	\$639	\$663	\$660	\$667	\$662	\$677	2.3
Montréal	\$575	\$594	\$616	\$636	\$647	\$659	1.9
Québec	\$567	\$596	\$621	\$637	\$641	\$653	1.9
Ottawa-Gatineau Rent Gap (%)	46	42	39	41	45	47	

CMA	Vacancy Rate						
	2002	2003	2004	2005	2006	2007	2008
Vancouver	1.4%	2.0%	1.3%	1.4%	0.7%	0.7%	0.5%
Québec	0.3%	0.5%	1.1%	1.4%	1.5%	1.2%	0.6%
Winnipeg	1.2%	1.3%	1.1%	1.7%	1.3%	1.5%	1.0%
Ottawa	1.9%	2.9%	3.9%	3.3%	2.3%	2.3%	1.4%
Kitchener	2.3%	3.2%	3.5%	3.3%	3.3%	2.7%	1.8%
Gatineau	0.5%	1.2%	2.1%	3.1%	4.2%	2.9%	1.9%
Toronto	2.5%	3.8%	4.3%	3.7%	3.2%	3.2%	2.0%
Calgary	2.9%	4.4%	4.3%	1.6%	0.5%	1.5%	2.1%
Edmonton	1.7%	3.4%	5.3%	4.5%	1.2%	1.5%	2.4%
Montréal	0.7%	1.0%	1.5%	2.0%	2.7%	2.9%	2.4%
Hamilton	1.6%	3.0%	3.4%	4.3%	4.3%	3.5%	3.2%
Halifax	2.7%	2.3%	2.9%	3.3%	3.2%	3.1%	3.4%

Source: CMHC, Rental Market Survey, 2008

TABLE 23
RENTAL STOCK AND COMPLETIONS, OTTAWA, 1998-2008

YEAR	EXISTING STOCK			COMPLETIONS		
	PRIVATE*	PUBLIC**	TOTAL	PRIVATE	PUBLIC	TOTAL
1998	69,324	21,536	90,860	24	0	24
1999	68,804	21,468	90,272	144	0	144
2000	68,771	21,246	90,017	47	0	47
2001	68,128	21,239	89,367	744	0	744
2002	68,076	21,358	89,434	655	16	671
2003	67,848	21,470	89,318	511	40	551
2004	68,141	20,818	88,959	606	0	606
2005	68,545	20,629	89,174	343	0	343
2006	68,177	22,478	90,655	166	83	249
2007	68,228	22,478	90,706	140	0	140
2008	68,069	22,478	90,547	226	0	226
				Total 2003-2008		
				1,992	123	2,115

Source: CMHC Rental Market Survey reports, 1998-2008

* Stock: refers to private rental universe as measured by CMHC, comprising buildings with three or more rental units.

** As tracked by CMHC up to 2005; As tracked by the City of Ottawa (see Table 24) since 2006.

NOTE FROM CMHC:

When conducting the "Rental Market Survey" for 2006, respondents for "Publicly Initiated" structures were asked to identify "how many units were available for immediate rental and physically unoccupied at that time". In some instances, respondents identified self-contained units that were physically vacant; however, this can often be explained by the fact that these units had not yet been assigned to a person on a waiting list for assisted housing, or that a lease had not been signed yet for procedural reasons only. As a result, these "vacancies" can be purely administrative in nature.

The same situation can apply to other structures identified as "Publicly Initiated" which have a mix of units targeted to renters receiving housing assistance and others whose rents are at the "low end of the market". Vacancies in these structures could also be administrative in nature relating to waiting lists for assisted housing or more market related depending on the rent level of a unit.

Due to complexities in reporting rental market information for these units, both the vacancy data for "Publicly Initiated" structures or the combined "Publicly & Privately Initiated" structures should be interpreted with great care and results should always be put within the previously explained context.

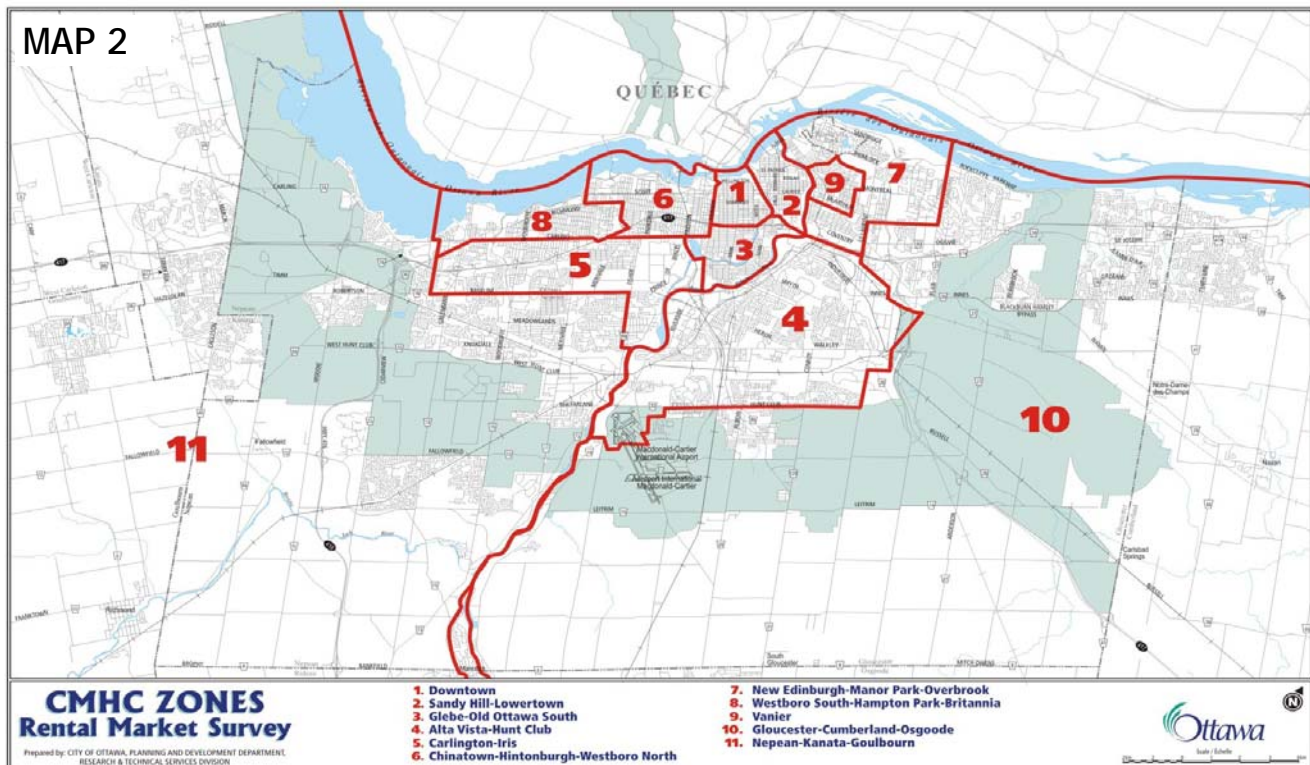


TABLE 24
DISTRIBUTION OF NON-MARKET HOUSING UNITS BY WARD

WARD		UNITS BUILT PRIOR TO 1995*				UNITS BUILT SINCE 1999***		
No.	NAME	OCHC**	PRIVATE NON-PROFIT	CO-OP HOUSING	TOTAL UNITS	PERCENT OF TOTAL	UNITS	PERCENT OF TOTAL
12	Rideau-Vanier	2,783	346	530	3,659	16.3%	37	5.7%
13	Rideau-Rockcliffe	2,186	334	465	2,985	13.3%	0	0.0%
14	Somerset	1,641	1,328	636	3,605	16.0%	218	33.4%
15	Kitchissippi	1,151	458	86	1,695	7.5%	50	7.7%
17	Capital	440	3	12	455	2.0%	0	0.0%
TOTAL - CENTRAL		8,201	2,469	1,729	12,399	55.2%	305	46.7%
7	Bay	1,370	124	0	1,494	6.6%	23	3.5%
8	College	328	344	60	732	3.3%	62	9.5%
9	Knoxdale-Merivale	99	176	167	442	2.0%	0	0.0%
11	Beacon Hill-Cyrville	0	198	120	318	1.4%	38	5.8%
16	River	1,589	14	627	2,230	9.9%	15	2.3%
18	Alta Vista	1,270	30	125	1,425	6.3%	1	0.2%
TOTAL - INNER URBAN		4,656	886	1,099	6,641	29.5%	139	21.3%
1	Orléans	0	43	154	197	0.9%	0	0.0%
2	Innes	0	150	0	150	0.7%	0	0.0%
3	Barrhaven	0	102	0	102	0.5%	110	16.8%
4	Kanata North	40	0	86	126	0.6%	83	12.7%
6	Stittsville-Kanata West	0	32	0	32	0.1%	0	0.0%
10	Gloucester-Southgate	1,688	0	427	2,115	9.4%	0	0.0%
22	Gloucester-South Nepean	0	0	0	0	0.0%	0	0.0%
23	Kanata South	17	148	318	483	2.1%	0	0.0%
TOTAL - SUBURBAN		1,745	475	985	3,205	14.3%	193	29.6%
5	West Carleton-March	0	25	0	25	0.1%	0	0.0%
19	Cumberland	0	24	0	24	0.1%	0	0.0%
20	Osgoode	0	107	0	107	0.5%	0	0.0%
21	Rideau-Goulbourn	15	62	0	77	0.3%	16	2.5%
TOTAL - RURAL		15	218	0	233	1.0%	16	2.5%
Total Units		14,617	4,048	3,813	22,478	100.0%	653	100.0%

Source: City of Ottawa, Community and Protective Services Department, Housing Branch

* Includes: All social housing stock built under federal and provincial programs prior to 1995.

Excludes: Private Landlord Rent Supplement units, Integrated Supportive Housing.

** OCHC = Ottawa Community Housing Corporation.

*** Includes units built since 1999 under a range of incentives and investment programs, including the City of Ottawa's *Action Ottawa*.

Excludes: Shelters/transitional housing built under homelessness initiatives since 1999.

TABLE 25
MULTIPLE LISTING SERVICE SALES, 2003-2008
(AREA APPROXIMATES CITY OF OTTAWA)

DWELLING TYPE	2003	2004	2005	2006	2007	2008	%chg. 07-08
Bungalow	\$212,880	\$228,717	\$240,491	\$253,930	\$266,143	\$283,289	6.4
Two-storey	\$273,361	\$292,371	\$302,989	\$320,187	\$346,175	\$367,157	6.1
DETACHED*	\$243,422	\$263,502	\$273,735	\$287,634	\$307,081	\$326,235	6.2
Row	\$197,381	\$211,010	\$218,474	\$231,547	\$244,107	\$259,119	6.1
Semi-detached	\$209,848	\$225,611	\$232,457	\$248,623	\$269,074	\$284,116	5.6
CONDO							
Apartment	\$178,982	\$187,705	\$195,245	\$203,210	\$219,423	\$236,925	8.0
AVERAGE RESIDENTIAL MLS RESALE PRICE	\$219,713	\$238,152	\$248,358	\$257,481	\$272,477	\$289,698	6.3

Source: OREB

TABLE 26
MLS SALES AND PRICES BY SUB-MARKET, OTTAWA & OMATO, 2003-2008

SUB-MARKET	MLS SALES							
	2003	2004	2005	2006	2007	2008	07-08 % chg.	03-08 % chg.
Kanata-Stittsville	1,429	1,420	1,467	1,456	1,547	1,481	-4.3	3.6
Orléans	1,595	1,619	1,492	1,470	1,491	1,467	-1.6	-8.0
South East	1,280	1,225	1,185	1,299	1,325	1,203	-9.2	-6.0
Inner Nepean	1,024	1,037	1,008	1,019	1,099	960	-12.6	-6.3
Barrhaven	837	932	837	919	1,011	949	-6.1	13.4
Downtown	851	904	858	995	1,057	925	-12.5	8.7
East End	903	910	895	1,000	1,010	897	-11.2	-0.7
West End	725	832	818	773	854	800	-6.3	10.3
Hintonburg-Westboro	473	476	540	505	553	492	-11.0	4.0
East Rural	189	268	296	389	416	450	8.2	138.1
Riverside South-Leitrim	270	300	361	327	401	386	-3.7	43.0
W.Carleton-Goulbourn	348	320	370	377	391	381	-2.6	9.5
Manotick-Greely	236	235	247	273	280	265	-5.4	12.3
South Rural	226	229	234	213	233	223	-4.3	-1.3
Rockcliffe	31	28	29	41	34	27	-20.6	-12.9
TOTAL CITY OF OTTAWA	10,417	10,735	10,637	11,056	11,702	10,906	-6.8	4.7
Prescott-Russell (1)	783	792	825	880	810	849	4.8	8.4
Lanark (3)	496	498	493	510	578	500	-13.5	0.8
Leeds & Grenville (2)	298	341	280	328	317	304	-4.1	2.0
Renfrew (4)	152	128	133	188	213	188	-11.7	23.7
North Dundas	131	143	127	141	168	118	-29.8	-9.9
TOTAL OMATO	1,860	1,902	1,858	2,047	2,086	1,959	-6.1	5.3

SUB-MARKET	MLS AVERAGE PRICE							
	2003	2004	2005	2006	2007	2008	07-08 % chg.	03-08 % chg.
Rockcliffe	\$918,469	\$857,714	\$933,017	\$1,139,402	\$1,248,038	\$1,154,222	-7.5	25.7
Manotick-Greely	\$340,875	\$368,355	\$375,483	\$400,369	\$435,691	\$485,109	11.3	42.3
Downtown	\$306,984	\$337,717	\$344,693	\$360,507	\$381,935	\$408,769	7.0	33.2
Hintonburg-Westboro	\$249,121	\$274,321	\$284,134	\$315,604	\$355,322	\$379,953	6.9	52.5
W.Carleton-Goulbourn	\$230,403	\$249,034	\$262,626	\$273,166	\$293,268	\$330,379	12.7	43.4
East Rural	\$240,145	\$266,543	\$276,767	\$281,219	\$296,793	\$328,244	10.6	36.7
Kanata-Stittsville	\$234,726	\$250,896	\$261,307	\$275,256	\$286,236	\$302,924	5.8	29.1
Barrhaven	\$217,173	\$232,150	\$246,542	\$255,129	\$275,474	\$292,229	6.1	34.6
Riverside South-Leitrim	\$218,288	\$243,227	\$250,688	\$254,191	\$272,108	\$291,164	7.0	33.4
West End	\$219,017	\$231,609	\$245,010	\$249,236	\$267,763	\$289,004	7.9	32.0
South Rural	\$210,389	\$222,439	\$236,663	\$261,329	\$283,227	\$287,848	1.6	36.8
South East	\$217,759	\$237,106	\$237,102	\$247,002	\$264,267	\$286,616	8.5	31.6
Inner Nepean	\$222,047	\$237,803	\$249,564	\$251,321	\$272,264	\$280,168	2.9	26.2
Orléans	\$211,593	\$223,295	\$229,389	\$235,055	\$252,751	\$269,448	6.6	27.3
East End	\$189,080	\$209,873	\$214,224	\$216,756	\$227,488	\$245,281	7.8	29.7
TOTAL CITY OF OTTAWA	\$231,388	\$249,313	\$258,585	\$270,658	\$289,167	\$308,192	6.6	33.2
Leeds & Grenville (2)	\$186,549	\$196,620	\$210,879	\$220,059	\$223,157	\$242,253	8.6	29.9
Lanark (3)	\$167,269	\$194,935	\$214,422	\$205,260	\$207,256	\$229,693	10.8	37.3
Prescott-Russell (1)	\$162,514	\$175,682	\$183,400	\$195,437	\$203,955	\$222,885	9.3	37.1
Renfrew (4)	\$161,407	\$165,449	\$190,314	\$184,871	\$198,725	\$212,138	6.7	31.4
North Dundas	\$144,263	\$158,239	\$171,297	\$177,839	\$188,205	\$196,568	4.4	36.3
TOTAL OMATO	\$166,257	\$182,477	\$195,440	\$199,647	\$205,930	\$225,011	9.3	35.3

Source: OREB

(1) Data for Prescott-Russell is for the following municipalities: Clarence-Rockland, Russell, The Nation, Casselman, Alfred-Plantagenet.

(2) Data for Leeds & Grenville is for the following municipalities: North Grenville and Merrickville-Wolford.

(3) Data for Lanark is for the following municipalities: Carleton Place, Beckwith, Mississippi Mills, Montague.

(4) Data for Renfrew is for the following municipalities: Arnprior, McNab/Braeside.

TABLE 27
RESALE MARKET - ANNUAL SALES AND AVERAGE PRICE
CANADA'S SIX LARGEST CMA'S, 2003-2008

CMA		2003	2004	2005	2006	2007	2008	2007-08 % chg.
Toronto	Sales	79,366	84,854	85,672	84,842	95,164	76,387	-19.7
	Avg Price	\$293,308	\$315,266	\$336,176	\$352,388	\$377,029	\$379,943	0.8
Montréal	Sales	38,060	38,845	39,589	39,964	44,176	40,916	-7.4
	Avg Price	\$153,830	\$175,911	\$190,100	\$200,323	\$214,801	\$224,592	4.6
Vancouver	Sales	39,022	37,972	42,222	36,479	38,978	25,149	-35.5
	Avg Price	\$329,447	\$373,877	\$425,745	\$509,876	\$570,795	\$593,767	4.0
Ottawa-Gatineau	Sales	16,693	18,091	18,033	18,791	19,944	18,298	-8.3
	Avg Price	\$196,239	\$215,640	\$224,273	\$233,544	\$247,917	\$263,768	6.4
Ottawa	Sales	12,877	13,457	13,300	14,003	14,739	13,908	-5.6
	Avg Price	\$219,713	\$238,152	\$248,358	\$257,481	\$273,058	\$290,483	6.4
Calgary	Sales	24,359	26,511	31,569	33,027	32,176	23,136	-28.1
	Avg Price	\$211,155	\$222,860	\$250,832	\$346,675	\$414,066	\$405,267	-2.1
Edmonton	Sales	16,277	17,652	18,634	21,984	20,427	17,369	-15.0
	Avg Price	\$165,541	\$179,610	\$193,934	\$250,915	\$338,636	\$332,852	-1.7

Source: Canadian Real Estate Association and City of Ottawa Custom Tabulations

NOTE: MLS sales data are for area covered by local Real Estate Boards, which may not match municipal or Census Metropolitan Area boundaries

TABLE 28
RESALE MARKET - SUPPLY AND DEMAND, OTTAWA, 2003-2008

YEAR	MLS SALES	MLS NEW LISTINGS	SALES TO NEW LISTINGS RATIO
2003	12,877	19,706	0.65
2004	13,457	22,348	0.60
2005	13,099	24,143	0.54
2006	14,003	23,808	0.59
2007	14,739	22,170	0.66
2008	13,733	23,837	0.58

Source: Ottawa Real Estate Board and City of Ottawa tabulation

NOTE:

MLS New Listings is the annual number of properties listed on the Multiple Listings Service and measures Supply. MLS Sales is the annual number of residential sales through the MLS system and measures demand.

SUPPLY AND DEMAND

Sales divided by New Listings produces a Sales-to-New-Listings Ratio that classifies the resale market. A ratio of 0.35 or below is considered a Buyers' market; between 0.35 and 0.50, a Balanced market; and above 0.50, a Sellers' market.

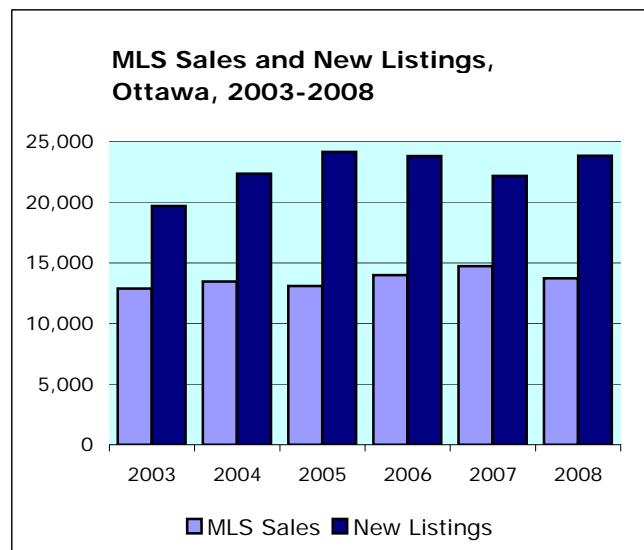


TABLE 29
HOUSING STARTS, GREATER OTTAWA AREA, 2003-2008

FORMER MUNICIPALITY	2003	2004	2005	2006	2007	2008	% chg. 2007 08
OTTAWA*	5,973	6,879	4,700	5,627	6,218	6,679	7.4
Ottawa, Vanier, Rockcliffe	1,373	1,388	900	1,213	1,016	1,100	8.3
Nepean	1,318	1,427	1,071	1,240	1,306	1,615	23.7
Gloucester	635	1,205	614	857	1,014	774	-23.7
Kanata	648	915	660	679	682	1,073	57.3
Cumberland	1,041	1,143	802	842	980	939	-4.2
Goulbourn	428	416	294	510	892	675	-24.3
Osgoode	240	193	148	157	179	153	-14.5
Rideau	139	49	58	35	47	38	-19.1
West Carleton	151	143	153	94	102	312	205.9
<i>Inside the Greenbelt</i>	1,661	1,811	1,131	1,339	1,623	1,682	3.6
<i>Outside the Greenbelt</i>	4,312	5,068	3,569	4,288	4,595	4,997	8.7
GATINEAU*	2,369	2,717	1,714	2,523	2,358	2,889	22.5
Hull	721	564	153	530	275	150	-45.5
Aylmer	590	766	579	759	1,105	1,686	52.6
Former Gatineau	936	1,189	883	1,176	929	892	-4.0
Buckingham	24	46	28	23	17	81	376.5
Masson-Angers	98	152	71	35	32	80	150.0
Prescott & Russell	545	507	413	417	495	568	14.7
Alfred and Plantagenet, TP**	46	52	42	46	67	80	19.4
Casselman, Vlg.**	27	28	34	63	25	39	56.0
Clarence-Rockland, C*	168	209	167	150	132	204	54.5
Russell, TP*	213	155	115	98	156	133	-14.7
The Nation Municipality**	91	63	55	60	115	112	-2.6
Leeds & Grenville	107	114	104	98	115	113	-1.7
Merrickville-Wolford, Vlg.**	15	16	13	6	12	16	33.3
North Grenville, TP**	92	98	91	92	103	97	-5.8
S.D. & G.	47	50	55	51	115	39	-66.1
North Dundas, TP**	47	50	55	51	115	39	-66.1
Lanark	226	241	218	168	174	259	48.9
Beckwith, TP**	48	65	38	33	34	38	11.8
Carleton Place, Tn.**	71	85	54	50	54	142	163.0
Mississippi Mills, Tn.**	75	66	90	68	62	60	-3.2
Montague, TP**	32	25	36	17	24	19	-20.8
Renfrew	89	124	120	121	88	104	18.2
Amprior, Tn.**	46	70	86	110	61	78	27.9
McNab/Braeside, TP**	43	54	34	11	27	26	-3.7
MRC des-Collines	502	580	479	471	437	420	-3.9
Cantley*	175	179	122	130	150	123	-18.0
Chelsea*	61	63	35	38	29	34	17.2
La Pêche*	45	100	105	59	45	78	73.3
L'Ange-Gardien*	55	61	62	55	44	58	31.8
N.-D.-de-la-Salette**	15	9	8	6	7	7	0.0
Pontiac*	38	48	33	50	29	36	24.1
Val-des-Monts*	113	120	114	133	133	84	-36.8
MRC La-Vallée-de-la-Gatineau	12	22	16	15	14	20	42.9
Denholm*	1	6	3	7	1	4	300.0
Low**	11	16	13	8	13	16	23.1
MRC Papineau	44	43	32	52	47	32	-31.9
Lochaber-Ouest**	9	10	7	13	18	8	-55.6
Mayo**	7	6	7	7	1	8	700.0
Mulgrave-et-Derry**	20	14	2	5	2	3	50.0
Thurso**	0	1	5	22	22	3	-86.4
Val-des-Bois**	8	12	11	5	4	10	150.0
MRC Pontiac	4	8	2	7	10	8	-20.0
Alley-et-Cawood**	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	4	6	50.0
Bristol**	4	8	2	7	6	2	-66.7
GREATER OTTAWA AREA	9,918	11,285	7,853	9,550	10,071	11,131	10.5
Ottawa	5,973	6,879	4,700	5,627	6,218	6,679	7.4
Gatineau	2,369	2,717	1,714	2,523	2,358	2,889	22.5
OMATO	1,014	1,036	910	855	987	1,083	9.7
Q MAG	562	653	529	545	508	480	-5.5

Sources: (*) CMHC Starts and Completions Survey; (**) Municipal Building Permit Records

TABLE 30: NEW DWELLING UNITS IN O.P. INTENSIFICATION TARGET AREAS, 2004-08

OP Target Area (Designation)	2004				2005				2006				2007				2008			
	Sing+Semi	Row/Town	Apt	Total	Sing+Semi	Row/Town	Apt	Total	Sing+Semi	Row/Town	Apt	Total	Sing+Semi	Row/Town	Apt	Total	Sing+Semi	Row/Town	Apt	Total
Central Area	0	0	440	440	0	0	0	0	0	0	715	715	0	0	353	353	0	0	0	0
Mainstreets																				
Inside Greenbelt	13	75	261	349	11	48	204	263	0	5	96	101	0	0	115	115	0	5	201	206
Outside Greenbelt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32	32
Total	13	75	261	349	11	48	204	263	0	5	96	101	0	0	115	115	0	5	233	238
Mixed Use Centres																				
Inside Greenbelt	0	32	167	199	0	59	68	127	0	0	3	3	2	44	34	80	3	14	191	208
Outside Greenbelt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	32	167	199	0	59	68	127	0	0	3	3	2	44	34	80	3	14	191	208
Rapid Transit Stations																				
Inside Greenbelt	27	181	355	563	19	64	61	144	28	26	71	125	43	60	302	405	29	34	389	452
Outside Greenbelt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	27	181	355	563	19	64	61	144	28	26	71	125	43	60	302	405	29	34	389	452
Town Centres	12	52	24	88	5	8	16	29	0	60	0	60	0	0	158	158	0	0	0	0
Enterprise Areas																				
Inside Greenbelt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outside Greenbelt	0	8	0	8	6	29	0	35	0	19	0	19	59	216	0	275	90	129	77	296
Total	0	8	0	8	6	29	0	35	0	19	0	19	59	216	0	275	90	129	77	296
Total Units in Designated Areas*	40	241	1,080	1,361	30	149	301	480	28	110	821	959	102	276	927	1,305	119	168	599	886
Total New Units	3,250	2,532	1,659	7,441	2,510	1,624	1,038	5,172	2,552	1,808	1,359	5,719	3,184	2,522	1,646	7,352	2,939	2,067	1,747	6,753
Demolitions	110	6	28	144	127	3	3	133	121	3	4	128	145	6	10	161	195	3	54	252
Total Net New Units	3,140	2,526	1,631	7,297	2,383	1,621	1,035	5,039	2,431	1,805	1,355	5,591	3,039	2,516	1,636	7,191	2,744	2,064	1,693	6,501
% Share in Designated Areas	1.3%	9.5%	66.2%	18.7%	1.3%	9.2%	29.1%	9.5%	1.2%	6.1%	60.6%	17.2%	3.4%	11.0%	56.7%	18.1%	4.3%	8.1%	35.4%	13.6%

* Removes double-counting of units that are included in two different OP designations.

Official Plan refers to the Council-adopted 2003 Official Plan as amended.

SUMMARIES: 5- AND 10-YEAR

OP Target Areas: 2004-08	Sing/Semi	Row/Town	Apt	Total
Central Area	0	0	1,508	1,508
Mainstreets	24	133	909	1,066
Mixed-Use Centres	5	149	463	617
Rapid Transit Stations	146	365	1,178	1,689
Town Centres	17	120	198	335
Enterprise Areas	155	401	77	633
TOTAL Units in OP Target Areas*	319	944	3,728	4,991
TOTAL Units -- City of Ottawa	13,737	10,532	7,350	31,619
% Share in OP Target Areas	2.3%	9.0%	50.7%	15.8%

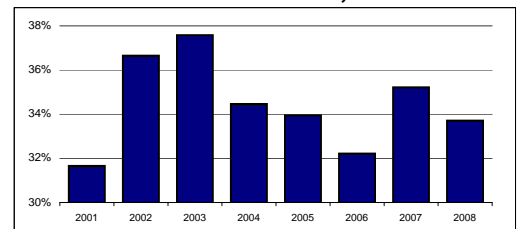
* Removes double-counting of units that are included in two different OP designations.

OP Target Areas: last 10 years	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TOTAL
Central Area	0	0	157	468	532	440	0	715	353	0	2,665
Mainstreets	0	255	27	299	394	349	263	101	115	238	2,041
Mixed-Use Centres	216	43	191	175	159	199	127	3	80	208	1,401
Rapid Transit Stations	284	491	383	616	596	563	144	125	405	452	4,059
Town Centres	94	125	250	260	176	88	29	60	158	0	1,240
Enterprise Areas	0	0	0	10	31	8	35	19	275	296	674
TOTAL	594	914	1,008	1,828	1,888	1,647	598	1,023	1,386	1,194	12,080

TABLE 30a: INTENSIFICATION SHARE OF NEW URBAN DWELLING UNITS, 2001-08

	2001	2002	2003	2004	2005	2006	2007	2008	Average, 2007-08
Intensification units	782	2,599	2,237	2,323	1,545	1,614	2,394	2,179	2,287
Total urban units	2,470	7,091	5,953	6,740	4,551	5,010	6,798	6,464	6,631
% Intensification	31.7%	36.7%	37.6%	34.5%	33.9%	32.2%	35.2%	33.7%	34.5%

Source for Tables 30 and 30a: Building permits, net of demolitions



**TABLE 31
HOUSING STARTS IN CANADA'S SIX LARGEST CMA's, 2003-2008**

CMA	Dwg. Type	HOUSING STARTS						% change	
		2003	2004	2005	2006	2007	2008	2007-08	2003-08
Toronto	Singles	19,626	19,076	15,797	14,120	14,769	11,308	-23.4	-42.4
	Multiples	25,849	23,039	25,799	22,960	18,524	30,904	66.8	19.6
	Total	45,475	42,115	41,596	37,080	33,293	42,212	26.8	-7.2
Montréal	Singles	10,360	10,578	8,544	7,793	8,013	6,602	-17.6	-36.3
	Multiples	13,961	18,095	16,773	15,020	15,220	15,325	0.7	9.8
	Total	24,321	28,673	25,317	22,813	23,233	21,927	-5.6	-9.8
Vancouver	Singles	5,382	5,614	4,935	5,600	4,211	3,634	-13.7	-32.5
	Multiples	10,244	13,816	13,905	12,997	16,525	15,957	-3.4	55.8
	Total	15,626	19,430	18,840	18,597	20,736	19,591	-5.5	25.4
Ottawa-Gatineau	Singles	4,562	4,806	3,542	3,651	4,010	4,076	1.6	-10.7
	Multiples	4,620	5,664	3,563	5,157	5,284	6,226	17.8	34.8
	Total	9,182	10,470	7,105	8,808	9,294	10,302	10.8	12.2
Calgary	Singles	8,526	8,233	8,719	10,482	7,777	4,387	-43.6	-48.5
	Multiples	5,116	5,775	4,948	6,564	5,728	7,051	23.1	37.8
	Total	13,642	14,008	13,667	17,046	13,505	11,438	-15.3	-16.2
Edmonton	Singles	6,391	6,614	7,623	9,064	7,682	2,613	-66.0	-59.1
	Multiples	5,989	4,874	5,671	5,906	7,206	4,002	-44.5	-33.2
	Total	12,380	11,488	13,294	14,970	14,888	6,615	-55.6	-46.6

Source: CMHC

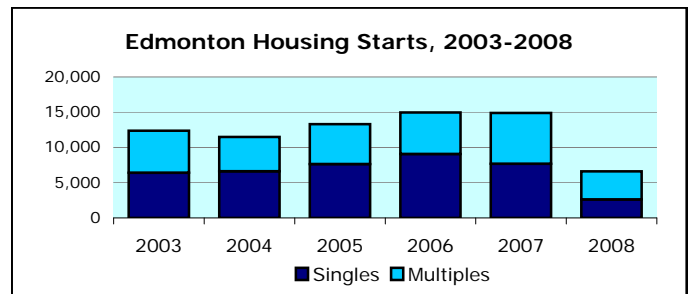
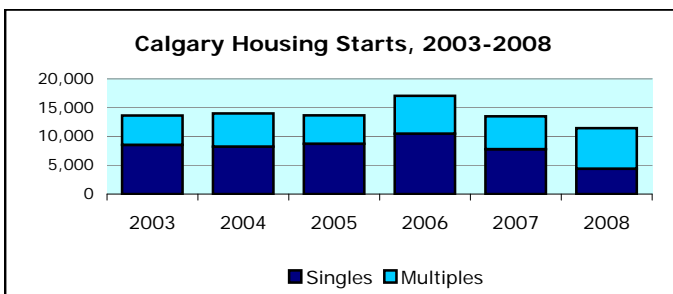
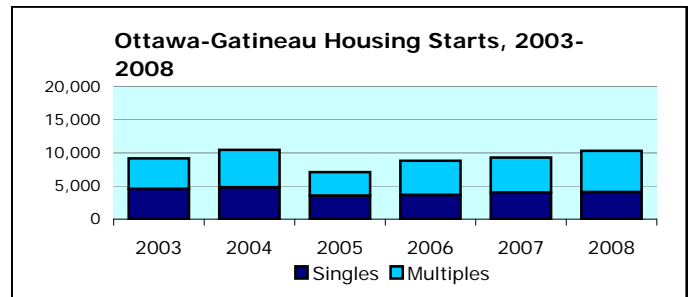
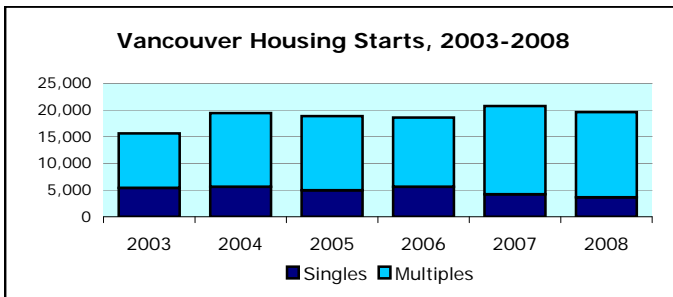
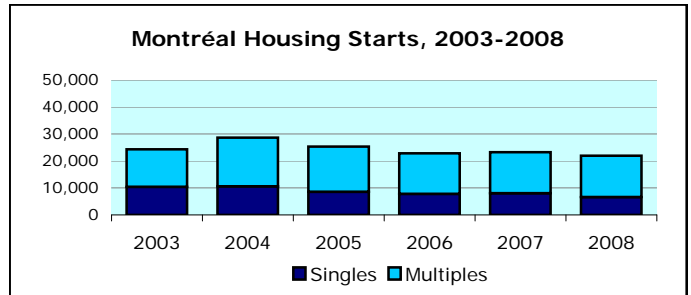
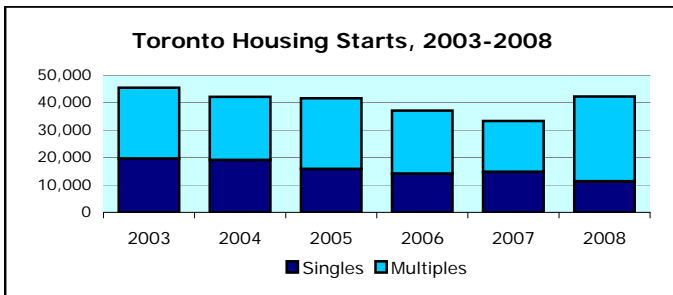


TABLE 32**HOUSING COMPLETIONS, OTTAWA CMA, 2003-2008, BY TYPE AND INTENDED MARKET**

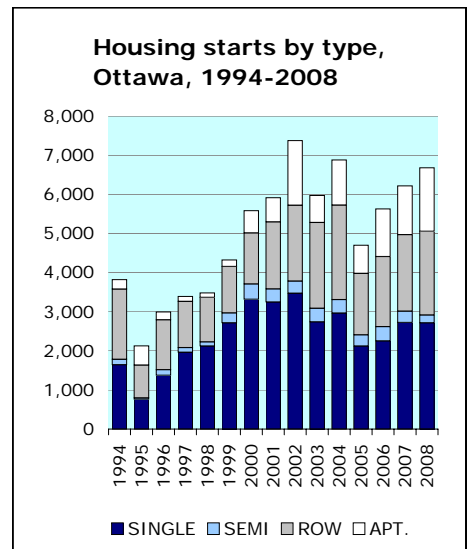
YEAR	FREEHOLD				CONDOMINIUM			PRIVATE RENTAL			ASSISTED RENTAL			ANNUAL TOTAL
	SINGLE	SEMI	ROW	TOTAL	ROW	APT.	TOTAL	ROW	APT.	TOTAL	ROW	APT.	TOTAL	
2003	3,208	331	1,623	5,162	18	143	161	196	315	511	0	40	40	5,874
2004	3,171	322	1,929	5,422	301	796	1,097	159	447	606	0	0	0	7,125
2005	2,640	252	1,408	4,300	490	899	1,389	112	245	357	0	0	0	6,046
2006	2,325	380	1,410	4,115	225	712	937	75	91	166	83	0	83	5,301
2007	2,500	303	1,484	4,287	51	1,200	1,251	79	61	140	0	0	0	5,678
2008	2,920	232	1,926	5,078	81	1,047	1,128	28	198	226	0	0	0	6,432

Source: CMHC, Starts, Completions and Under Construction Ledgers

TABLE 33**HOUSING STARTS BY TYPE, CITY OF OTTAWA, 1994-2008**

YEAR	SINGLE	SEMI	ROW	APT.	TOTAL	SINGLE	SEMI	ROW	APT.
1994	1,644	141	1,794	240	3,819	43.0%	3.7%	47.0%	6.3%
1995	759	39	840	490	2,128	35.7%	1.8%	39.5%	23.0%
1996	1,374	143	1,278	198	2,993	45.9%	4.8%	42.7%	6.6%
1997	1,962	118	1,185	127	3,392	57.8%	3.5%	34.9%	3.7%
1998	2,123	108	1,135	115	3,481	61.0%	3.1%	32.6%	3.3%
1999	2,716	253	1,187	169	4,325	62.8%	5.8%	27.4%	3.9%
2000	3,316	392	1,306	567	5,581	59.4%	7.0%	23.4%	10.2%
2001	3,248	334	1,714	620	5,916	54.9%	5.6%	29.0%	10.5%
2002	3,471	312	1,939	1,653	7,375	47.1%	4.2%	26.3%	22.4%
2003	2,742	345	2,194	692	5,973	45.9%	5.8%	36.7%	11.6%
2004	2,967	340	2,421	1,151	6,879	43.1%	4.9%	35.2%	16.7%
2005	2,121	286	1,572	721	4,700	45.1%	6.1%	33.4%	15.3%
2006	2,252	367	1,789	1,219	5,627	40.0%	6.5%	31.8%	21.7%
2007	2,722	292	1,954	1,250	6,218	43.8%	4.7%	31.4%	20.1%
2008	2,715	203	2,136	1,625	6,679	40.6%	3.0%	32.0%	24.3%

Source: CMHC

**TABLE 34****HOUSING STARTS BY TYPE, GATINEAU CMA, 1994-2008**

YEAR	SINGLE	SEMI	ROW	APT.	TOTAL	SINGLE	SEMI	ROW	APT.
1994	987	531	99	511	2,128	46.4%	25.0%	4.7%	24.0%
1995	548	378	61	221	1,208	45.4%	31.3%	5.0%	18.3%
1996	528	282	82	152	1,044	50.6%	27.0%	7.9%	14.6%
1997	638	322	120	182	1,262	50.6%	25.5%	9.5%	14.4%
1998	687	196	139	222	1,244	55.2%	15.8%	11.2%	17.8%
1999	640	154	26	365	1,185	54.0%	13.0%	2.2%	30.8%
2000	768	142	7	307	1,224	62.7%	11.6%	0.6%	25.1%
2001	1,093	196	13	357	1,659	65.9%	11.8%	0.8%	21.5%
2002	1,574	238	29	712	2,553	61.7%	9.3%	1.1%	27.9%
2003	1,507	316	37	941	2,801	53.8%	11.3%	1.3%	33.6%
2004	1,561	358	88	1,220	3,227	48.4%	11.1%	2.7%	37.8%
2005	1,192	236	0	695	2,123	56.1%	11.1%	0.0%	32.7%
2006	1,171	524	116	1,122	2,933	39.9%	17.9%	4.0%	38.3%
2007	1,037	446	303	1,002	2,788	37.2%	16.0%	10.9%	35.9%
2008	1,120	698	236	1,250	3,304	33.9%	21.1%	7.1%	37.8%

Source: CMHC

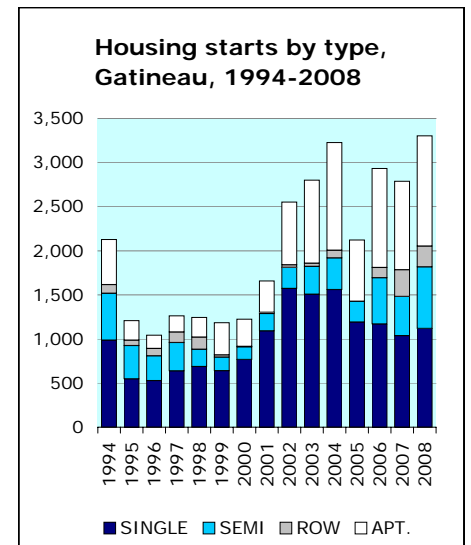


TABLE 35
ABSORBED NEW SINGLE-DETACHED HOME PRICES, OTTAWA, 2003-08

YEAR	NOMINAL AVERAGE PRICE OF ABSORBED NEW SINGLES	OTTAWA CPI (ALL ITEMS) (2002=100)	INFLATION FACTOR (INFLATOR)	AVERAGE PRICE OF ABSORBED NEW SINGLES (2008 DOLLARS)	YEAR-OVER-YEAR CHANGE IN CONSTANT PRICE (%)	ANNUAL INFLATION RATE (%)
2003	\$305,923	102.5	0.906	\$337,560	5.9	2.5
2004	\$335,251	104.5	0.924	\$362,841	7.5	2.0
2005	\$365,551	106.8	0.944	\$387,114	6.7	2.2
2006	\$396,677	108.6	0.960	\$413,114	6.7	1.7
2007	\$407,749	110.7	0.979	\$416,589	0.8	1.9
2008	\$417,683	113.1	1.000	\$417,683	0.3	2.2

Sources: CMHC Housing Now Ottawa; Statistics Canada Table 326-0021; City of Ottawa calculations

NOTE: The prices of new single detached homes differs between Tables 35 and 36. Table 35 is the price as sold, Table 36 is the asking price. The difference stems from the time lag between a new house being brought to market and sold.

TABLE 36
AVERAGE NEW HOME PRICES, OTTAWA, 2004-2008

AREA	Dwelling type	2004	2005	2006	2007	2008	% chg 2007-08
Central	Singles	\$403,400	\$491,900	\$482,100	\$581,300	\$581,500	0.0
	Townhomes	\$291,700	\$430,300	\$253,500	\$314,300	\$335,400	6.7
	All Units	\$312,300	\$448,400	\$323,300	\$382,500	\$379,300	-0.8
East	Singles	\$296,400	\$337,800	\$351,400	\$365,400	\$383,250	4.9
	Townhomes	\$212,300	\$223,800	\$230,900	\$256,000	\$285,300	11.4
	All Units	\$250,000	\$277,900	\$288,400	\$313,200	\$330,700	5.6
West	Singles	\$335,900	\$343,700	\$345,300	\$362,300	\$383,200	5.8
	Townhomes	\$240,100	\$249,700	\$239,100	\$243,600	\$258,700	6.2
	All Units	\$288,600	\$297,000	\$290,900	\$301,400	\$315,200	4.6
South	Singles	\$357,000	\$385,100	\$381,300	\$395,800	\$420,340	6.2
	Townhomes	\$224,400	\$233,700	\$230,300	\$250,300	\$255,400	2.0
	All Units	\$295,300	\$303,800	\$295,900	\$323,200	\$338,200	4.6
All Units	Singles	\$338,700	\$371,300	\$371,900	\$390,500	\$407,100	4.3
	Townhomes	\$238,700	\$270,700	\$236,600	\$260,600	\$275,800	5.8
	All Units	\$284,600	\$316,100	\$304,300	\$321,900	\$341,400	6.1

Source: The Corporate Research Group; Ottawa-Carleton Home Builders Association Housing Report, Volume 233 (December 2004), Volume 245 (December 2005), Volume 257 (December 2006), Volume 269 (December 2007), Volume 281 (December 2008)

TABLE 37
OWNERSHIP HOUSING COMPLETIONS BY DWELLING TYPE,
OTTAWA, 2007-2008, BASED ON INCOME PERCENTILES

INCOME PERCENTILE	2007 COMPLETIONS				CUMULATIVE TOTAL
	HOUSE PRICE (UP TO)	COMPLETIONS BY HOUSE TYPE			
		SINGLES AND SEMIS	ROW	APARTMENTS	
15th	\$88,145	0 0.0%	0 0.0%	0 0.0%	0 0.0%
20th	\$112,449	1 0.0%	0 0.0%	0 0.0%	1 0.0%
25th	\$136,176	1 0.0%	0 0.0%	0 0.0%	1 0.0%
30th	\$158,431	1 0.0%	0 0.0%	10 1.0%	11 0.2%
35th	\$180,690	3 0.1%	16 0.8%	225 22.2%	244 4.1%
40th	\$203,061	8 0.3%	50 2.5%	375 37.0%	433 7.3%
45th	\$226,487	21 0.7%	343 17.3%	490 48.4%	854 14.4%
50th	\$250,078	87 3.0%	1,118 56.2%	553 54.6%	1,758 29.7%
55th	\$274,945	207 7.1%	1,431 72.0%	740 73.1%	2,378 40.2%
60th	\$300,480	425 14.6%	1,450 72.9%	770 76.0%	2,645 44.7%
COMPLETIONS, TOTAL		2,562	1,535	1,201	5,298

INCOME PERCENTILE	2008 COMPLETIONS				CUMULATIVE TOTAL
	HOUSE PRICE (UP TO)	COMPLETIONS BY HOUSE TYPE			
		SINGLES AND SEMIS	ROW	APARTMENTS	
15th	\$89,908	0 0.0%	0 0.0%	0 0.0%	0 0.0%
20th	\$113,645	1 0.0%	0 0.0%	0 0.0%	1 0.0%
25th	\$136,468	1 0.0%	0 0.0%	0 0.0%	1 0.0%
30th	\$158,242	2 0.1%	0 0.0%	0 0.0%	2 0.0%
35th	\$180,990	5 0.2%	42 2.1%	158 15.6%	205 3.5%
40th	\$203,827	12 0.4%	77 3.9%	294 29.0%	383 6.5%
45th	\$228,001	19 0.7%	353 17.8%	541 53.4%	913 15.4%
50th	\$252,268	59 2.0%	1,289 64.8%	594 58.6%	1,942 32.8%
55th	\$277,040	195 6.7%	1,717 86.4%	625 61.7%	2,537 42.9%
60th	\$303,349	525 18.0%	1,825 91.8%	648 64.0%	2,998 50.7%
COMPLETIONS, TOTAL		2,911	1,988	1,013	5,912

Source: CMHC, Custom tabulation

INCOME PERCENTILE defines the amount of gross annual income below which a specific percentage of households lie. For example, the 40th income percentile refers to the income point which is equal to or less than 40% of all households.

TABLE 38
OWNERSHIP HOUSING COMPLETIONS BY INCOME PERCENTILE
CITY OF OTTAWA, 2006-2008

INCOME PERCENTILE	2006			2007			2008		
	HOUSE PRICE (UP TO)	CUMULATIVE COMPLETIONS	% OF TOTAL SALES	HOUSE PRICE (UP TO)	CUMULATIVE COMPLETIONS	% OF TOTAL SALES	HOUSE PRICE (UP TO)	CUMULATIVE COMPLETIONS	% OF TOTAL SALES
15th	\$90,117	0	0.0%	\$88,145	0	0.0%	\$89,908	0	0.0%
20th	\$114,964	1	0.0%	\$112,449	1	0.0%	\$113,645	1	0.0%
25th	\$139,222	1	0.0%	\$136,176	1	0.0%	\$136,468	1	0.0%
30th	\$161,974	38	0.8%	\$158,431	11	0.2%	\$158,242	2	0.0%
35th	\$184,731	270	5.7%	\$180,690	244	4.6%	\$180,990	205	3.5%
40th	\$207,603	664	13.9%	\$203,061	433	8.2%	\$203,827	383	6.5%
45th	\$231,553	1,160	24.3%	\$226,487	854	16.1%	\$228,001	913	15.4%
50th	\$255,671	1,794	37.5%	\$250,078	1,758	33.2%	\$252,268	1,942	32.8%
55th	\$281,094	2,361	49.4%	\$274,945	2,378	44.9%	\$277,040	2,537	42.9%
60th	\$307,201	2,721	56.9%	\$300,480	2,654	50.1%	\$303,349	2,998	50.7%
>60th	> \$307,201	4,778	100.0%	> \$300,480	5,298	100.0%	> \$303,349	5,912	100.0%

Source: CMHC, Custom tabulations

TABLE 39
RESIDENTIAL MLS* SALES BY INCOME PERCENTILE
CITY OF OTTAWA, 2006-2008

INCOME PERCENTILE	2006			2007			2008		
	HOUSE PRICE (UP TO)	CUMULATIVE SALES	% OF TOTAL SALES	HOUSE PRICE (UP TO)	CUMULATIVE SALES	% OF TOTAL SALES	HOUSE PRICE (UP TO)	CUMULATIVE SALES	% OF TOTAL SALES
15th	\$90,117	54	0.5%	\$88,145	44	0.4%	\$89,908	34	0.3%
20th	\$114,964	130	1.2%	\$112,449	107	0.9%	\$113,645	67	0.6%
25th	\$139,222	680	6.2%	\$136,176	464	4.0%	\$136,468	231	2.1%
30th	\$161,974	1,492	13.5%	\$158,431	1,216	10.4%	\$158,242	713	6.5%
35th	\$184,731	2,297	20.8%	\$180,690	1,995	17.0%	\$180,990	1,425	13.0%
40th	\$207,603	3,359	30.4%	\$203,061	2,705	23.1%	\$203,827	2,057	18.8%
45th	\$231,553	4,816	43.6%	\$226,487	3,922	33.5%	\$228,001	3,016	27.6%
50th	\$255,671	6,171	55.8%	\$250,078	5,474	46.7%	\$252,268	4,318	39.5%
55th	\$281,094	7,250	65.6%	\$274,945	6,650	56.8%	\$277,040	5,462	50.0%
60th	\$307,201	8,081	73.1%	\$300,480	7,715	65.9%	\$303,349	6,477	59.3%
>60th	> \$307,201	11,052	100.0%	> \$300,480	11,716	100.0%	> \$303,349	10,921	100.0%

Source: Ottawa Real Estate Board,
 Custom tabulations

* MLS (Multiple Listing Service) is a Registered Trademark
 of the Canadian Real Estate Association

NOTE: Total MLS sales for the City of Ottawa differ from total MLS sales for Ottawa Real Estate Board territory, which extends beyond city limits.

**TABLE 40
AFFORDABILITY OF NEW AND RESALE HOUSING**

	Resale/New	2004	2005	2006	2007	2008
Average Prices	Resale Singles	\$263,502	\$273,735	\$287,634	\$307,081	\$326,235
	Resale All Units	\$238,152	\$248,358	\$257,481	\$273,058	\$290,483
	New Singles	\$338,700	\$371,300	\$371,900	\$390,500	\$407,100
	New All Units	\$284,600	\$316,100	\$304,300	\$321,900	\$341,400
Total Units	Residential MLS	10,743	10,653	11,056	11,702	10,906
	Ownership Completions	6,122	5,466	4,778	5,298	6,206
Share of Ownership Market	Resale	63.7%	66.1%	69.8%	68.8%	63.7%
	New	36.3%	33.9%	30.2%	31.2%	36.3%
Affordable Units (#)	Resale	3,740	3,695	3,359	2,705	2,057
	New	784	733	664	433	383
% Affordable	Resale	34.8%	34.7%	30.4%	23.1%	18.8%
	New	12.8%	13.4%	13.9%	8.2%	6.5%
Combined New and Resale Supply	Units	4,524	4,428	4,023	3,138	2,440
Affordable up to 40th Income Percentile	%	26.8%	27.5%	25.4%	18.5%	14.3%

- (1) Resale prices are MLS averages from Table 25 in this Appendix.
New housing prices for Singles and All Units are from the OCHBA Housing Report, Vol. 269, December 2007 New Home Sales Summary
- (2) Affordable Units are from Ottawa Real Estate Board and CMHC Custom Tabulations

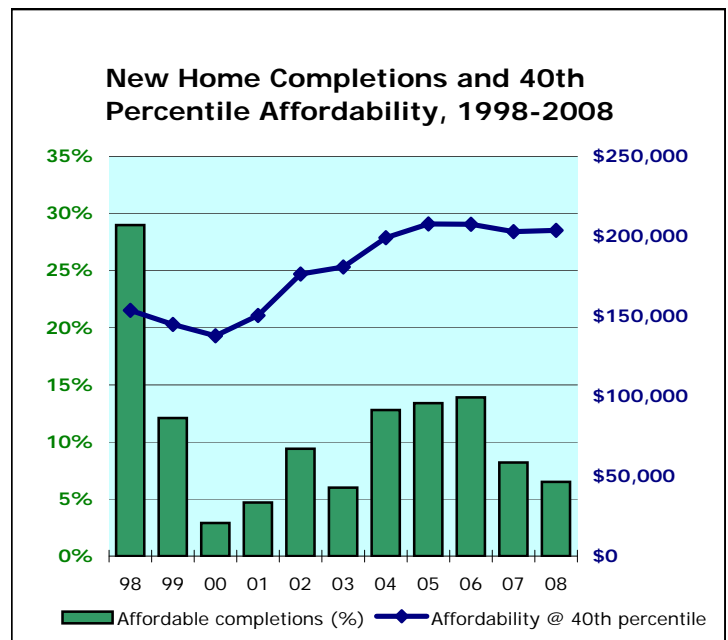
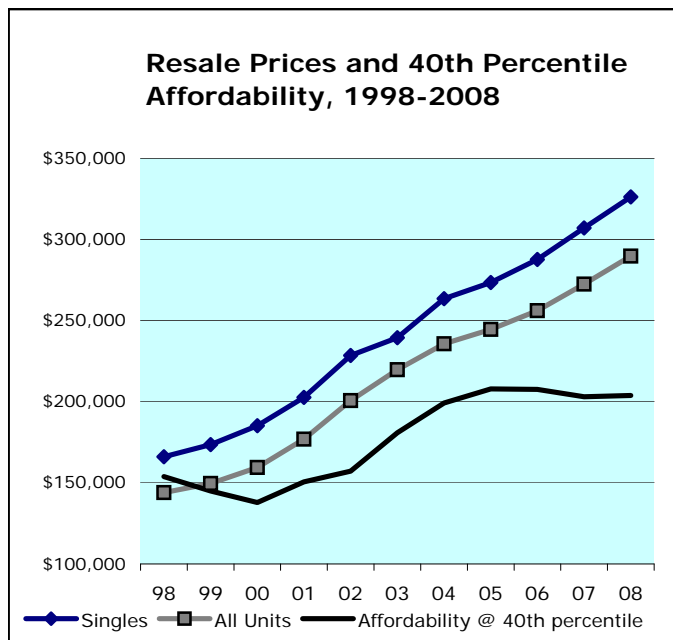


TABLE 41
ROYAL BANK'S HOUSING AFFORDABILITY INDEX
PERCENTAGE OF HOUSEHOLD INCOME REQUIRED TO AFFORD EACH TYPE OF DWELLING

Detached Bungalow	Toronto	Montreal	Vancouver	Ottawa	Calgary	Canada
2006 Q1	41.8	34.7	64.5	29.0	32.7	37.3
2006 Q2	43.9	36.0	68.3	30.4	34.6	39.5
2006 Q3	44.4	36.0	70.0	30.8	41.0	40.3
2006 Q4	42.6	35.3	68.5	30.0	40.9	39.4
2007 Q1	42.0	34.6	66.6	29.9	38.5	38.3
2007 Q2	44.2	36.0	70.7	31.4	44.8	41.0
2007 Q3	46.3	36.8	72.4	31.9	46.1	42.0
2007 Q4	47.3	37.4	73.8	32.2	42.3	42.5
2008 Q1	54.1	41.0	79.3	42.7	47.9	
2008 Q2	54.3	41.1	78.8	43.4	48.1	43.6
2008 Q3	53.1	40.5	74.6	43.2	47.2	45.6
2008 Q4	51.3	39.4	70.3	42.7	42.7	43.7
Standard Two Storey						
2006 Q1	47.6	45.0	69.7	34.5	34.4	42.7
2006 Q2	50.2	46.1	72.9	36.0	36.2	44.9
2006 Q3	50.4	46.1	74.9	36.3	42.6	45.8
2006 Q4	48.8	45.1	73.5	35.2	43.1	44.9
2007 Q1	48.6	44.3	68.0	35.2	39.6	43.2
2007 Q2	52.2	46.1	73.3	36.9	45.7	46.3
2007 Q3	53.4	47.2	75.4	37.4	46.9	47.4
2007 Q4	53.4	47.8	79.2	38.0	45.5	48.1
2008 Q1	63.9	52.2	87.2	44.0	49.4	
2008 Q2	64.5	51.6	87.3	44.9	49.4	48.3
2008 Q3	63.6	51.1	84.1	44.8	47.9	52.0
2008 Q4	61.4	49.8	78.6	44.2	44.5	50.0
Standard Townhouse						
2006 Q1	32.4	30.8	47.6	24.4	24.4	29.8
2006 Q2	34.0	32.1	49.8	25.5	26.2	31.4
2006 Q3	33.7	32.0	51.1	25.7	30.8	32.0
2006 Q4	33.0	31.5	51.6	25.1	31.5	31.7
2007 Q1	33.0	30.8	48.7	25.2	31.1	30.9
2007 Q2	34.8	32.0	51.1	26.4	35.0	32.8
2007 Q3	36.2	32.7	52.4	26.9	36.6	33.9
2007 Q4	36.7	33.2	54.3	27.3	35.5	34.5
2008 Q1	45.5	36.1	59.2	33.2	39.0	
2008 Q2	47.0	36.0	59.1	34.0	40.4	31.2
2008 Q3	46.0	35.4	57.1	33.9	36.1	36.9
2008 Q4	43.2	34.4	55.1	33.5	33.8	35.4
Standard Condo						
2006 Q1	28.1	30.6	32.7	20.3	20.0	26.3
2006 Q2	30.1	29.7	34.3	21.3	21.1	27.6
2006 Q3	29.5	29.8	35.2	21.7	25.6	28.0
2006 Q4	28.5	29.3	35.4	21.2	26.0	27.5
2007 Q1	29.0	28.8	33.7	21.3	24.8	27.0
2007 Q2	31.0	29.9	35.5	22.4	29.1	28.7
2007 Q3	32.3	30.5	36.6	22.8	28.6	29.6
2007 Q4	32.2	31.0	37.7	23.2	27.8	29.9
2008 Q1	36.1	33.7	45.3	27.7	30.8	
2008 Q2	37.0	33.6	45.1	28.5	31.6	28.7
2008 Q3	36.5	33.0	43.0	28.5	29.3	31.4
2008 Q4	34.8	32.2	40.2	28.1	27.2	30.1

Source: Royal Bank of Canada

The Royal Bank's Housing Affordability Index index measures the proportion of pre-tax household income required to service the cost of a mortgage, including principal and interest, property taxes and utilities, based on a 25% down payment and a 25-year mortgage loan at a fixed five-year rate, for the average price of the four typical house types listed above on the resale market.

TABLE 42
VALUE OF NON-RESIDENTIAL BUILDING PERMITS,
CANADA AND SIX LARGEST CMA's, 2003-2008

Annual, \$000's

CMA	2003	2004	2005	2006	2007	2008	% chg. 2007-08
Toronto	\$4,224,571	\$4,498,157	\$3,882,624	\$3,901,571	\$5,134,212	\$5,125,045	-0.2
Montréal	\$1,825,095	\$1,875,955	\$1,738,539	\$2,078,878	\$2,466,154	\$2,164,354	-12.2
Vancouver	\$925,644	\$1,229,764	\$1,681,804	\$2,374,831	\$2,250,989	\$2,193,002	-2.6
Ottawa-Gatineau	\$759,967	\$713,538	\$1,054,056	\$884,156	\$1,025,147	\$906,119	-11.6
Ottawa	\$646,468	\$553,436	\$954,152	\$780,442	\$867,989	\$683,731	-21.2
Calgary	\$1,007,938	\$894,458	\$1,592,714	\$2,492,273	\$3,328,015	\$2,742,683	-17.6
Edmonton	\$558,946	\$653,053	\$997,451	\$1,105,630	\$1,178,719	\$1,944,938	65.0
Big 6 Total	\$9,302,161	\$9,864,925	\$10,947,188	\$12,837,339	\$15,383,236	\$15,076,141	-2.0
Canada Total	\$18,800,600	\$18,745,100	\$22,012,000	\$25,213,062	\$28,832,256	\$29,559,086	2.5
Ottawa-Gatineau							
Share of Big 6	8.2%	7.2%	9.6%	6.9%	6.7%	6.0%	
Share of Canada	4.0%	3.8%	4.8%	3.5%	3.6%	3.1%	
Ottawa							
Share of Big 6	6.9%	5.6%	8.7%	6.1%	5.6%	4.5%	
Share of Canada	3.4%	3.0%	4.3%	3.1%	3.0%	2.3%	

Source: Statistics Canada - CANSIM Table 026-0003

TABLE 43
OTTAWA OFFICE MARKET BY SUB-MARKET, 2008

	Inventory m ²	Vacant m ²	Vacancy Rate		Absorption m ²	New Supply m ²	Avg. Net Rent, \$/m ²
			2008 Q4	2007 Q4			
Downtown CBD	1,356,892	31,207	2.3%	4.2%	25,407	0	\$240
Fringe Core	311,351	16,755	5.4%	6.0%	2,960	0	\$172
Central	1,668,243	47,961	2.9%	4.5%	28,367	0	\$228
East	306,458	3,301	1.1%	2.4%	3,940	0	\$148
South/Airport	321,504	20,580	6.4%	8.0%	5,113	0	\$135
West	417,939	36,213	8.7%	8.5%	-696	0	\$156
Kanata	467,199	94,150	20.2%	7.4%	-35,729	0	\$120
Suburban	1,513,101	154,244	10.2%	6.8%	-27,371	0	\$139
TOTAL	3,181,344	202,205	6.4%	5.6%	996	0	\$185
Central Class A	802,733	13,636	1.7%	3.8%	13,782	0	\$274
Central Class B	396,982	8,192	2.1%	3.5%	1,300	0	\$209
Central Class C	156,899	9,381	6.0%	10.3%	10,325	0	\$143
Suburban Class A	1,079,592	105,012	9.7%	6.2%	-24,885	0	\$156
Suburban Class B	609,860	58,567	9.6%	8.3%	-309	0	\$131
Suburban Class C	152,000	7,419	4.9%	6.1%	783	0	\$119

Source: Colliers International - Ottawa Office Market Report, 2008 Q4

TABLE 44
COMMERCIAL OFFICE MARKET
OVERVIEW, OTTAWA, 2003-2008

YEAR	INVENTORY		VACANCY RATE (%)	ABSORPTION		NEW SUPPLY	
	m ²	sq.ft.		m ²	sq.ft.	m ²	sq.ft.
2003	2,893,030	31,141,330	10.9%	-5,927	-63,797	-158,099	-1,701,818
2004	2,971,711	31,988,273	12.1%	1,765	19,000	78,616	846,243
2005	3,056,576	32,901,792	9.1%	121,641	1,309,376	84,866	913,519
2006	3,104,625	33,419,000	6.9%	118,726	1,278,000	48,104	517,806
2007	3,172,054	34,144,818	5.6%	39,464	424,802	76,564	824,155
2008	3,198,066	34,424,818	6.3%	996	10,722	0	0

Source: Colliers International - Ottawa Office Market Reports

TABLE 45
TOTAL OFFICE INVENTORY,
OTTAWA-GATINEAU, 2008

TYPE	INVENTORY m ²	INVENTORY sq.ft.
Private sector (Competitive)	3,671,936	39,525,687
Ottawa*	3,198,066	34,424,818
Gatineau	473,871	5,100,869
Public sector (Owned)	1,520,763	16,369,892
Ottawa	1,230,504	13,245,468
Gatineau	290,259	3,124,424
Private (Owned and occupied)	994,030	10,700,000
TOTAL	6,186,729	66,595,579

Sources: Colliers International - Ottawa Office Market Report, 2008 Q4
Treasury Board Secretariat; Directory of Federal Real Property: <http://www.tbs-sct.gc.ca/dfrp-rbif/>
Cushman & Wakefield LePage - Private Owned and Occupied Inventory

NOTES:

Competitive Office Market includes privately-owned office buildings available for lease, but does not include privately held owner-occupied office buildings.

Owned Office Space includes commercial, medical and government-owned office space.

* Ottawa's private inventory includes two office properties formerly owned by the federal government which were subject to a sale-leaseback agreement with a private ownership group in October 2007.

TABLE 46
OTTAWA REAL ESTATE INVESTMENT MARKET, 2004-2008

ASSET TYPE	INVESTMENT ACTIVITY (\$ millions)					5-YR TOTAL
	2004	2005	2006	2007	2008	
Office	\$106.5	\$430.7	\$436.1	\$958.8	\$189.4	\$2,121.5
Land	\$201.7	\$262.1	\$337.4	\$240.0	\$235.9	\$1,277.1
Multi-residential	\$136.5	\$264.5	\$165.9	\$376.1	\$143.9	\$1,086.9
Retail	\$179.5	\$236.7	\$110.2	\$320.5	\$151.5	\$998.4
Industrial and Other	\$146.0	\$159.5	\$211.2	\$233.8	\$146.0	\$896.5
ANNUAL TOTAL	\$770.2	\$1,353.5	\$1,260.8	\$2,129.1	\$866.7	\$6,380.3

Source: Juteau Johnson Comba, based on data from RealTrack

TABLE 47
OFFICE MARKET OVERVIEW, SIX LARGEST CMA's, 2008

CMA	INVENTORY (1)			VACANCY RATE (%)		ABSORPTION m ²	NEW SUPPLY m ²
	COMMERCIAL	GOV'T.	TOTAL	2007	2008		
	m ²	m ²	m ²				
Toronto	16,672,670	283,533	16,956,203	5.6%	4.6%	319,390	125,322
Montréal	6,679,696	284,940	6,964,636	9.1%	6.4%	195,926	16,536
Ottawa-Gatineau (2)	4,665,966	1,520,763	6,186,729	5.0%	5.6%	38,662	0
Ottawa	4,192,096	1,230,504	5,422,600	5.6%	6.3%	38,554	0
Calgary	5,169,421	10,374	5,179,795	3.2%	4.7%	208,653	270,060
Vancouver	4,848,730	108,772	4,957,502	4.7%	4.6%	41,898	38,368
Edmonton	1,639,128	77,606	1,716,734	3.7%	3.9%	5,760	39,668

Source: Colliers International - North America Office Real Estate Highlights, 2008 Q4

(1) Total Inventory refers to commercial, government, owner-occupied and medical office inventory combined.

Government Inventory is from Treasury Board's Directory of Federal Real Property for all 6 CMA's and refers to space that is Crown-owned.

(2) Ottawa-Gatineau indicators are derived from Gatineau market data provided by Cushman Wakefield LePage.

TABLE 48
OFFICE RENTS, SIX LARGEST CMA'S, 2007-08

CMA	DOWNTOWN CLASS "A" (1)					OVERALL NET LEASE RATE, 2008 (2)	
	2007		2008		% change	\$ /sq.ft.	\$ /m ²
	\$ /sq.ft.	\$ /m ²	\$ /sq.ft.	\$ /m ²			
Toronto	\$51.10	\$550	\$57.80	\$622	13.1	\$19.87	\$214
Calgary	\$60.00	\$646	\$55.50	\$597	-7.5	\$33.60	\$362
Ottawa	\$44.90	\$483	\$50.50	\$544	12.5	\$16.80	\$181
Edmonton	\$36.00	\$388	\$45.50	\$490	26.4	\$26.54	\$286
Vancouver	\$46.00	\$495	\$44.00	\$474	-4.3	\$18.41	\$198
Montréal	\$29.70	\$320	\$27.60	\$297	-7.1	\$17.99	\$194

Source: (1) Colliers International - North America Office Real Estate Highlights, 2008 Q4

(2) CB Richard Ellis, MarketView - Canadian Office, 2008 Q4

TABLE 49
OFFICE VACANCY RATES AND OCCUPANCY COSTS, 2007-08

MAJOR NORTH AMERICAN DOWNTOWNS

All amounts in Canadian \$

CITY (DOWNTOWN)	TOTAL OCCUPANCY COSTS (1)				VACANCY RATE (2)	
	2007		2008		2007	2008
	\$ /sq.ft.	\$ /m ²	\$ /sq.ft.	\$ /m ²		
<i>New York, NY - Manhattan Midtown</i>	\$100.79	\$1,085	\$119.47	\$1,286	6.8%	10.2%
Calgary	\$64.44	\$694	\$70.79	\$762	3.2%	4.6%
Toronto	\$63.78	\$687	\$65.43	\$704	4.6%	4.0%
<i>Boston, MA</i>	\$41.84	\$450	\$64.38	\$693	8.6%	10.6%
<i>Washington, DC</i>	\$49.46	\$532	\$62.43	\$672	7.4%	7.8%
Vancouver	\$50.32	\$542	\$58.47	\$629	2.3%	2.1%
<i>Miami, FL</i>	\$42.84	\$461	\$56.67	\$610	9.0%	14.8%
Edmonton	\$46.31	\$498	\$49.00	\$527	3.3%	4.3%
Ottawa	\$44.55	\$480	\$44.07	\$474	4.2%	2.3%
Montréal	\$36.09	\$388	\$39.83	\$429	8.3%	4.9%
<i>Los Angeles, CA</i>	\$25.98	\$280	\$37.16	\$400	14.4%	14.8%
<i>Houston, TX</i>	\$24.60	\$265	\$32.68	\$352	12.1%	12.2%
<i>Philadelphia, PA</i>	\$33.90	\$365	\$30.77	\$331	10.7%	9.3%
<i>Chicago, IL</i>	\$34.26	\$369	\$30.18	\$325	13.2%	12.8%
<i>Dallas, TX</i>	\$32.16	\$346	\$28.89	\$311	21.9%	20.5%
<i>Atlanta, GA</i>	\$22.02	\$237	\$25.86	\$278	13.5%	12.6%

Sources: (1) CB Richard Ellis - Global MarketView, November 2008. Occupancy Costs refers to gross rents.

(2) Colliers International - North America Office Real Estate Highlights, 2008 Q4

TABLE 50
INDUSTRIAL MARKET OVERVIEW, SIX LARGEST CMA's, 2008

CMA	INVENTORY		VACANCY RATE (%)		ABSORPTION	NEW SUPPLY
	m ²	sq.ft.	2007	2008	m ²	m ²
Toronto	65,578,389	705,903,000	5.4%	5.5%	786,863	429,291
Montréal	31,368,242	337,656,000	9.7%	6.9%	287,804	227,141
Vancouver	15,885,621	170,997,000	1.5%	2.5%	146,132	315,953
Ottawa	2,593,675	27,919,000	4.4%	5.1%	7,897	13,099
Calgary	10,801,948	116,275,000	1.6%	4.0%	89,370	270,246
Edmonton	7,060,400	76,000,000	1.7%	3.7%	158,395	312,051

Source: Colliers International; North America Industrial Real Estate Highlights, 2008 Q4

TABLE 51
INDUSTRIAL AVERAGE LEASE RATES, SIX LARGEST CMA'S

CMA	2005 (\$/sq.ft.)	2006 (\$/sq.ft.)	2007 (\$/sq.ft.)	2008 (\$/sq.ft.)	2008 (\$/m ²)	%chg.07-08
Toronto	\$5.19	\$5.33	\$5.46	\$5.22	\$56	-4.4
Montréal	\$5.11	\$5.04	\$5.22	\$5.26	\$57	0.8
Vancouver	\$7.02	\$7.63	\$8.15	\$8.33	\$90	2.2
Ottawa	\$6.50	\$6.75	\$7.00	\$7.92	\$85	13.1
Calgary	\$7.39	\$8.34	\$8.93	\$9.50	\$102	6.4
Edmonton	\$5.00	\$7.40	\$9.09	\$9.40	\$101	3.4

Source: CB Richard Ellis Canadian Industrial Market Report, 2008 Q4

TABLE 52
INDUSTRIAL MARKET OVERVIEW, OTTAWA, 1998-2008

YEAR	INVENTORY		VACANCY RATE	ABSORPTION	NEW SUPPLY
	m ²	sq.ft.	(%)	m ²	m ²
1998	2,059,779	22,172,000	8.6%	39,142	3,586
1999	2,051,277	22,080,481	3.8%	121,340	23,998
2000	2,057,380	22,146,177	1.8%	89,831	38,236
2001	2,243,246	24,146,884	3.0%	35,587	67,375
2002	2,512,852	27,049,000	4.5%	2,972	38,089
2003	2,535,427	27,292,000	4.0%	35,467	22,575
2004	2,232,669	24,033,039	4.2%	34,926	23,039
2005	2,010,898	21,645,837	4.1%	36,874	21,088
2006	2,024,432	21,791,517	3.9%	28,733	15,389
2007	2,053,794	22,107,575	5.1%	8,852	37,105
2008	2,077,661	22,364,490	5.1%	7,907	13,104

Source: Cushman & Wakefield LePage, Marketbeat Snapshot - Industrial Overview, Ottawa, 2008 Q4

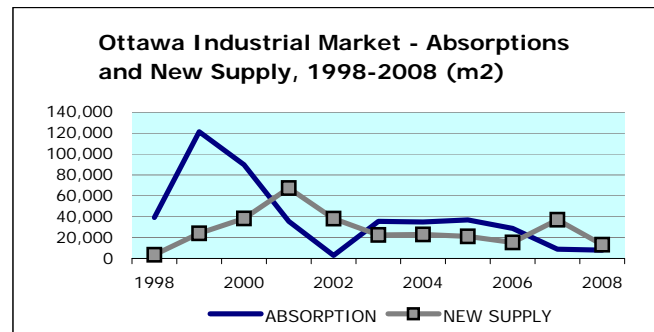
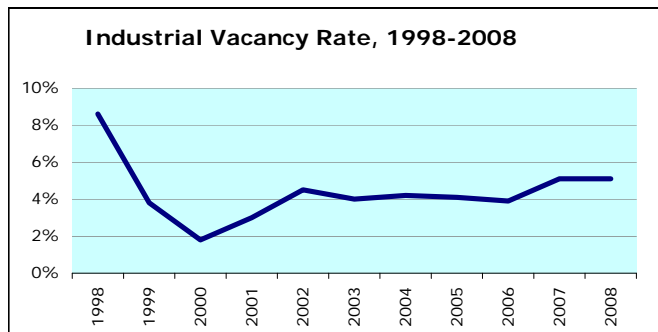


TABLE 53
OTTAWA INDUSTRIAL MARKET BY SUB-AREA, 2008

AREA	INVENTORY		VACANCY RATE		ABSORPTION 2008		WEIGHTED AVG. OVERALL NET RENT	
	sq.ft.	m ²	2007	2008	sq.ft.	m ²	(\$/sq.ft.)	(\$/m ²)
Kanata	3,379,000	313,909	10.8%	18.8%	-212,975	-19,785	\$7.44	\$80
Sheffield	3,276,043	304,344	6.0%	4.5%	49,371	4,587	\$5.98	\$64
Cyrville	2,190,942	203,539	1.8%	1.7%	2,433	226	\$6.50	\$70
Coventry-Belfast	1,886,526	175,258	2.4%	2.1%	5,097	474	n.a.	n.a.
Stevenage-Belgreen	1,813,009	168,429	2.7%	3.7%	67,339	6,256	\$7.90	\$85
Ottawa Business Park	1,321,259	122,745	3.2%	0.2%	39,505	3,670	\$12.00	\$129
Sheffield-Lancaster	1,170,820	108,769	5.8%	2.3%	40,833	3,793	\$7.60	\$82
Ottawa Centre	833,814	77,461	12.2%	1.6%	26,942	2,503	\$12.00	\$129
Colonnade	786,560	73,071	7.1%	9.0%	-12,104	-1,124	\$10.03	\$108
Ottawa South	695,111	64,576	9.7%	2.4%	50,669	4,707	\$7.50	\$81
Queensway	639,185	59,380	1.1%	0.8%	2,414	224	\$9.00	\$97
Rideau Heights	622,918	57,869	3.7%	1.6%	12,909	1,199	\$11.55	\$124
East Merivale	587,403	54,570	0.6%	3.7%	-18,439	-1,713	\$9.18	\$99
West Merivale	554,593	51,522	2.5%	0.3%	12,577	1,168	\$6.95	\$75
Woodward-Carling	540,800	50,240	0.3%	1.4%	-5,996	-557	\$7.50	\$81
Orléans	458,369	42,582	3.2%	2.4%	4,000	372	\$7.50	\$81
South Walkley	441,680	41,032	0.0%	0.0%	0	0	n.a.	n.a.
Morrison-Queensview	415,519	38,602	6.2%	4.1%	8,790	817	\$7.97	\$86
South Gloucester	387,097	35,961	3.0%	0.0%	11,745	1,091	n.a.	n.a.
Bells Corners	363,842	33,801	1.4%	1.4%	0	0	n.a.	n.a.
TOTAL	22,364,490	2,077,661	5.1%	5.1%	85,110	7,907	\$7.37	\$79

Source: Cushman & Wakefield LePage, Marketbeat - Ottawa Industrial Report, 2008 Q4

TABLE 54
INDUSTRIAL TRIPLE-NET RENT*, 2008
SELECTED NORTH AMERICAN METRO AREAS
FOR INDUSTRIAL SPACE BETWEEN 50,000 AND 100,000 sq.ft. (per sq.ft.)

CITY	TRIPLE-NET RENT (C\$/sq.ft.)		
	TECH R&D	FLEX SERVICE	W'HOUSE & DISTRIB.
San Francisco, CA	\$23.97	\$23.97	\$13.74
San José/Silicon Valley, CA	\$19.00	\$0.00	\$8.04
Northern New Jersey, NJ	\$16.93	\$12.81	\$7.92
Philadelphia, PA	\$14.62	\$9.14	\$5.79
Portland, OR	\$14.23	\$12.00	\$6.72
Raleigh, NC	\$12.79	\$10.35	\$5.36
Orlando, FL	\$11.88	\$12.98	\$6.92
Calgary	\$11.00	\$9.50	\$6.75
Seattle, WA	\$10.54	\$9.73	\$8.00
Ottawa	\$10.00	\$8.50	\$7.00
Charlotte, NC	\$9.80	\$9.80	\$4.69
Vancouver	\$9.50	\$9.00	\$7.75
Toronto	\$9.34	\$8.63	\$6.00
Edmonton	\$9.00	\$8.25	\$7.50
Montréal	\$8.00	\$6.50	\$5.00

Source: Colliers North America Industrial Real Estate Highlights, 2008 Q4

* "Triple Net Rent" includes rent payable to the landlord and does not include additional expenses such as taxes, insurance, maintenance, janitorial and utilities.

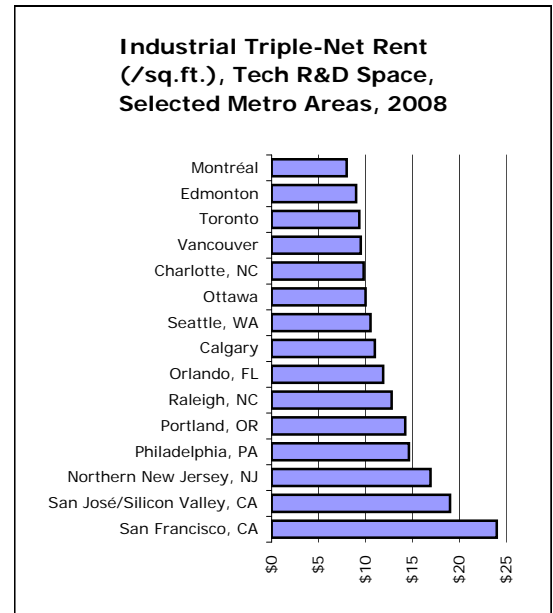


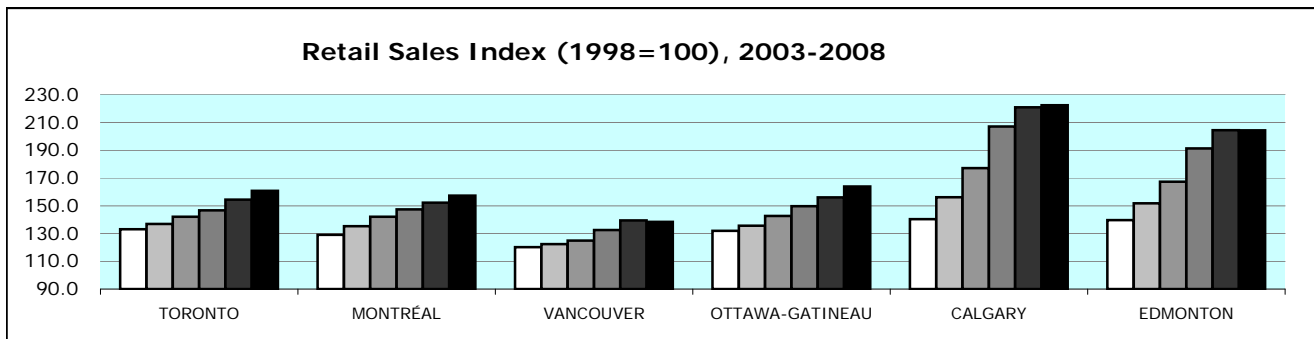
TABLE 55**RETAIL SALES, SIX LARGEST CMA's, 2003-2008**

(\$ millions)

YEAR	TORONTO	MONTRÉAL	VANCOUVER	OTTAWA-GATINEAU	CALGARY	EDMONTON
2003	\$49,973	\$34,642	\$21,837	\$12,098	\$13,931	\$13,150
2004	\$51,409	\$36,288	\$22,238	\$12,438	\$15,493	\$14,284
2005	\$53,368	\$38,128	\$22,686	\$13,083	\$17,576	\$15,744
2006	\$55,077	\$39,533	\$24,071	\$13,725	\$20,551	\$18,008
2007	\$57,984	\$40,860	\$25,330	\$14,311	\$21,927	\$19,238
2008	\$60,344	\$42,223	\$25,130	\$15,029	\$22,074	\$19,229
% chg.						
07-08	4.1	3.3	-0.8	5.0	0.7	0.0
03-08	20.8	21.9	15.1	24.2	58.5	46.2
Population*	5,531,263	3,750,540	2,271,224	1,198,668	1,182,446	1,124,163
2008 Sales per capita	\$10,910	\$11,258	\$11,065	\$12,538	\$18,668	\$17,105

Source: Conference Board of Canada, *Metropolitan Outlook*, Spring 2009

* Population: Post-censal estimates, 2008, StatCan

**TABLE 56****OTTAWA RETAIL SPACE SUMMARY**

FORMAT	Total Space, 2006			Total Space, 2007			Vacancy Rate	
	m ²	sq.ft.	Share	m ²	sq.ft.	Share	2006	2007
Power Centres	555,449	5,979,000	21%	662,634	7,132,766	23%	0.6%	2.4%
Other*	363,425	3,912,000	14%	447,122	4,812,939	15%	2.7%	0.2%
Traditional Mainstreets	407,552	4,387,000	15%	440,679	4,743,584	15%	4.1%	8.3%
Community SC	369,278	3,975,000	14%	337,757	3,635,705	12%	2.5%	4.9%
Regional SC	346,889	3,734,000	13%	349,733	3,764,618	12%	2.1%	2.6%
Neighbourhood SC	342,337	3,685,000	13%	387,755	4,173,897	13%	5.6%	6.5%
Mini-Plazas	206,795	2,226,000	8%	216,596	2,331,496	8%	5.9%	7.9%
Office Tower Concourses	39,947	430,000	2%	42,953	462,357	1%	5.4%	7.4%
TOTAL	2,631,671	28,328,000	100%	2,885,229	31,057,363	100%	3.0%	4.9%

Source: The Corporate Research Group Ltd.

* Other includes: In the older urbanized areas inside the Greenbelt, stretches of retail space along streets that are designated Traditional or Arterial Mainstreets in the 2003 Official Plan (including Bronson, Carling east of Island Park, Merivale between Carling and Baseline, or Scott Street) as well as standalone retail outlets that are not part of power centres or shopping centres and may or may not be on Mainstreets.

NOTE: For more detailed information on retail, please refer to the Ottawa Retail Report 2005, publication # 11-20

TABLE 57
RETAIL SPACE, OUTLETS AND VACANCY RATES ON
MAINSTREETS, 2008

MAINSTREET	N° OF OUTLETS	TOTAL SPACE (m ²)	AVG. OUTLET SIZE (m ²)	VACANT (m ²)	VACANCY RATE (%)
Bank Street	490	92,353	188	4,234	4.6%
Westboro	141	45,706	324	3,744	8.2%
ByWard Market (outside Dalhousie)	257	41,787	163	2,088	5.0%
Rideau Street	141	39,792	282	6,111	15.4%
Sparks Street	148	38,055	257	6,077	16.0%
Wellington Street West	201	34,579	172	2,360	6.8%
Stittsville Main Street	122	33,478	274	3,923	11.7%
McArthur Avenue	94	31,850	339	693	2.2%
Montreal Road West	121	30,727	254	1,511	4.9%
Somerset Street West	168	27,172	162	4,490	16.5%
Preston Street	104	23,414	225	3,015	12.9%
Elgin Street	96	19,015	198	1,504	7.9%
Beechwood Avenue	78	12,496	160	472	3.8%
Dalhousie Street	79	11,758	149	757	6.4%
Gladstone Avenue	65	10,967	169	734	6.7%
Merivale Road North	51	9,812	192	281	2.9%
Bronson Avenue	50	6,325	126	492	7.8%
Scott Street	12	4,647	387	818	17.6%
Holland Avenue	26	2,987	115	0	0.0%
TOTAL	2,444	516,920	212	43,303	8.4%

Source: City of Ottawa; Commercial Retail Space Inventory, 2008 (by the Corporate Research Group)

TABLE 58
RETAIL SPACE, OUTLETS AND VACANCY RATES AT POWER
CENTRES AND MAJOR MALLS, 2008

CENTRE	N° OF OUTLETS	TOTAL SPACE (m ²)	AVG. OUTLET SIZE (m ²)	VACANT (m ²)	VACANCY RATE (%)
Innes Road PC	154	133,417	866	2,499	1.9%
Kanata Centrum PC	127	94,594	745	1,988	2.1%
Merivale/Hunt Club PC	96	94,109	980	976	1.0%
Rideau Centre SC	160	90,192	564	900	1.0%
Greenbank/Strandherd PC	113	89,875	795	585	0.7%
St. Laurent SC	180	80,038	445	4,589	5.7%
417/Innes PC	66	73,776	1,118	2,889	3.9%
Place d'Orléans SC	170	68,637	404	1,975	2.9%
Bayshore SC	164	66,608	406	409	0.6%
South Keys PC	31	48,442	1,563	938	1.9%
Carlingwood SC	131	44,259	338	1,078	2.4%
College Square PC	40	38,226	956	232	0.6%
Train Yards PC	43	34,438	801	3,670	10.7%
Billings Bridge SC	102	29,304	287	1,305	4.5%
Blair/Ogilvie PC	44	27,889	634	790	2.8%
Queensway/Pinecrest PC	60	27,870	465	2,583	9.3%
Gloucester Centre SC	41	27,784	678	469	1.7%
Lincoln Fields SC	56	26,935	481	3,616	13.4%
Hazeldean Mall SC	45	20,955	466	1,341	6.4%

Source: City of Ottawa; Commercial Retail Space Inventory, 2008 (by the Corporate Research Group)

TABLE 59
HOUSEHOLD EXPENDITURES, CANADA AND LARGEST CMA'S, 2007

CMA	CANADA	TORONTO	MONTRÉAL	VANCOUVER	OTTAWA*	CALGARY	EDMONTON
Food	\$7,305	\$7,943	\$7,558	\$8,267		\$7,815	\$7,491
Shelter	\$13,643	\$18,688	\$11,416	\$15,918		\$16,391	\$14,686
Household operation	\$3,287	\$3,909	\$2,611	\$3,248		\$3,807	\$3,867
Household furnishings & eqpm't	\$1,964	\$2,157	\$1,577	\$1,639		\$2,375	\$2,658
Clothing	\$2,948	\$4,245	\$2,509	\$3,066		\$3,878	\$3,732
Transportation	\$9,395	\$10,086	\$6,861	\$9,486		\$13,458	\$12,443
Health care	\$1,932	\$1,617	\$1,962	\$1,921		\$2,187	\$2,208
Personal care	\$1,167	\$1,402	\$1,121	\$1,202		\$1,357	\$1,347
Recreation	\$3,976	\$4,405	\$3,036	\$4,017		\$5,245	\$5,293
Reading materials & printed matter	\$260	\$295	\$274	\$213		\$323	\$321
Education	\$1,017	\$1,550	\$811	\$1,346		\$1,509	\$1,231
Alcohol and tobacco	\$1,536	\$1,392	\$1,310	\$1,355		\$1,709	\$1,909
Games of chance (net)	\$251	\$226	\$167	\$189		\$216	\$432
Miscellaneous	\$1,081	\$1,191	\$960	\$1,241		\$1,363	\$1,569
Personal income taxes	\$14,447	\$21,036	\$13,103	\$15,157		\$25,800	\$19,675
Pers'n'l insur. & pension contb'ns	\$3,946	\$4,688	\$3,320	\$3,810		\$4,445	\$4,644
Gifts of money	\$1,788	\$2,336	\$957	\$2,386		\$2,493	\$2,243
Total Expenditures	\$69,943	\$87,166	\$59,553	\$74,461	\$0	\$94,371	\$85,749

Source: Statistics Canada, Catalogue no. 62-202-X

* NOTE: Ottawa refers to the Ontario portion of the Ottawa-Gatineau CMA.

NOTE: 2007 results for Ottawa were exceptionally not published due to unusual levels of non-response that compromised the sample.

TABLE 60
HOTEL MARKET INDICATORS

		2004	2005	2006	2007	2008	%chg. 07-08	2009 F
Toronto	Occupancy rate ⁽¹⁾	66%	67%	66%	67%	66%		63%
	RevPAR ⁽²⁾	\$84	\$86	\$89	\$91	\$91	0.0	\$87
	Hotel Value Index ⁽³⁾	199.5	225.8	258.1	289.0	282.1	-2.4	266.0
Montreal	Occupancy rate ⁽¹⁾	67%	68%	68%	67%	64%		61%
	RevPAR ⁽²⁾	\$92	\$94	\$95	\$92	\$88	-4.3	\$85
	Hotel Value Index ⁽³⁾	345.5	392.8	450.2	504.2	477.0	-5.4	430.7
Vancouver	Occupancy rate ⁽¹⁾	67%	69%	72%	74%	72%		68%
	RevPAR ⁽²⁾	\$79	\$84	\$91	\$98	\$99	1.0	\$96
	Hotel Value Index ⁽³⁾	161.6	184.6	218.2	263.3	268.3	1.9	254.1
Ottawa	Occupancy rate ⁽¹⁾	64%	65%	69%	70%	71%		68%
	RevPAR ⁽²⁾	\$80	\$82	\$88	\$94	\$96	2.1	\$94
	Hotel Value Index ⁽³⁾	202.2	219.7	242.8	267.1	270.8	1.4	265.7
Calgary	Occupancy rate ⁽¹⁾	65%	70%	74%	74%	72%		69%
	RevPAR ⁽²⁾	\$72	\$81	\$95	\$105	\$109	3.8	\$108
	Hotel Value Index ⁽³⁾	176.9	201.7	234.3	274.2	282.7	3.1	261.8
Edmonton	Occupancy rate ⁽¹⁾	63%	66%	72%	75%	73%		71%
	RevPAR ⁽²⁾	\$62	\$65	\$74	\$85	\$89	4.7	\$89
	Hotel Value Index ⁽³⁾	152.0	165.5	186.9	209.3	213.1	1.8	201.4
Canada	Occupancy rate ⁽¹⁾	62%	63%	65%	65%	63%		61%
	RevPAR ⁽²⁾	\$73	\$75	\$79	\$83	\$83	0.0	\$81
	Hotel Value Index ⁽³⁾	193.3	214.4	240.8	271.4	267.7	-1.4	250.9

Sources: PFK Consulting and Colliers International

(1) Occupancy rate: PFK Consulting, 2009 Market Outlook

(2) RevPAR (Revenue per Available Room): PFK Consulting, 2009 Market Outlook

(3) Hotel Value Index: Colliers International, 2009 Canadian Hotel Investment Report

The Hotel Value Index (1992=100) measures the rate of change in hotel values. Rates of change are influenced by investor yield expectations, market performance, changes to supply and the overall economic health of the market.