



Report: PDL-CPL-18-37

Region of Waterloo
Planning, Development and Legislative Services
Community Planning

To: Chair Tom Galloway and Members of the Planning and Works Committee

Date: September 11, 2018 **File Code:** D07-40(A)

Subject: **Building Permit Activity – January to June 2018**

Recommendation:

For information.

Summary:

This report summarizes building activity in both the residential and non-residential sectors in Waterloo Region for the first half of 2018 (January to June). Data for the same period in 2017 is provided for comparison. Building permit data are collected by Area Municipal staff and compiled by Regional staff for use in growth monitoring, development charge estimations, development tracking, budgets and forecasts.

The total value of new building permits issued across Waterloo Region in the first half of 2018 was \$373 million. Specifically:

- The value of non-residential permits was \$102 million.
- Permits were issued for almost 574,000 square feet of non-residential floor space.
- The value of residential permits was \$271 million.
- Residential permits were issued for 1,195 units in the first half of 2018.

In addition to the building permit activity included in this report, there are upcoming projects that are approaching the building permit issuance stage. For instance, land preparation for construction has begun for a 31 storey apartment project called Charlie West (24 Gaukel Street, Kitchener), and for Barra on Queen (379 Queen Street South, Kitchener) that will include a six storey apartment building, townhouses and semi-

detached units. While early-stage activity is apparent on the ground, these projects are not yet included in the report of building permit activity.

Report:

Total Value of New Construction

The total value of new building permits issued across Waterloo Region was \$373.3 million. It is comprised of almost \$271 million in the residential sector and over \$102 million in the non-residential sector and is shown by type in Figure 1. Overall, building permit data is currently posting values approximately 25 per cent lower than the same time last year. However, in addition to the building permit activity included in this report, there are upcoming projects that are approaching the building permit issuance stage. For instance, land preparation for construction has begun for a 31 storey apartment project called Charlie West (24 Gaukel Street, Kitchener), and for Barra on Queen (379 Queen Street South, Kitchener) that will include a six storey apartment building, townhouses and semi-detached units. While early-stage activity is apparent on the ground, these projects are not yet included in the report of building permit activity.

Figure 1 - Summary of Building Permit Activity (January – June)

	First Half 2017		First Half 2018		Change from First Half 2017		Percent Change from First Half 2017	
	Value (in millions)	Units	Value (in millions)	Units	Value (in millions)	Units	Value	Units
Residential	\$297.8	1,642	\$270.9	1,195	-\$26.9	-447	-9%	-27%
Singles	\$159.2	414	\$134.3	362	-\$25.0	-52	-16%	-13%
Semi-detached	\$4.4	15	\$7.3	26	\$2.9	11	65%	73%
Townhouses	\$40.5	238	\$44.1	257	\$3.6	19	9%	8%
Apartments	\$93.6	975	\$85.2	550	-\$8.4	-425	-9%	-44%
	Value (in millions)	Area (Sq. Ft.)	Value (in millions)	Area (Sq. Ft.)	Value (in millions)	Area (Sq. Ft.)	Value	Area (Sq. Ft.)
Non-Residential	\$209.1	1,060,580	\$102.4	573,804	-\$106.7	-486,776	-51%	-46%
Industrial	\$53.8	254,879	\$24.9	188,636	-\$28.8	-66,243	-54%	-26%
Commercial	\$72.5	508,300	\$43.3	257,607	-\$29.3	-250,693	-40%	-49%
Institutional	\$82.8	297,401	\$34.2	127,561	-\$48.6	-169,840	-59%	-57%
Total Value	\$506.9		\$373.3		-\$133.6		-26%	

Non-Residential Sector Building Activity

By the end of June 2018, the value of non-residential building permits was approximately \$102 million. Industrial activity was valued at almost \$25 million, commercial was at \$43 million and institutional was at \$34 million. Non-residential activity is currently sitting at about half of the value as the same time period in 2017. The largest permits by type were:

- Industrial: \$18.8 million for a new shell of a highrise freezer at Conestoga Cold

Storage, located at 299 Trillium Drive in Kitchener.

- Commercial: \$9.5 million for a new five storey office building in The Boardwalk at 105 Ira Needles Boulevard in Waterloo
- Institutional: \$18 million for a new ambulance station at the Region of Waterloo Paramedic Services Headquarters, at 1001 Erb's Road in Wilmot.

Total floor space was about 574,000 square feet. For comparison, last year there were just over a million square feet by mid-year. Non-residential building activity tends to show a variable pattern as illustrated in Figure 3 which shows the long-term trends, and Figure 4 which provides a summary by municipality.

Figure 2 - New Square Feet by Structure Type by First Half of Years (2009-2018)

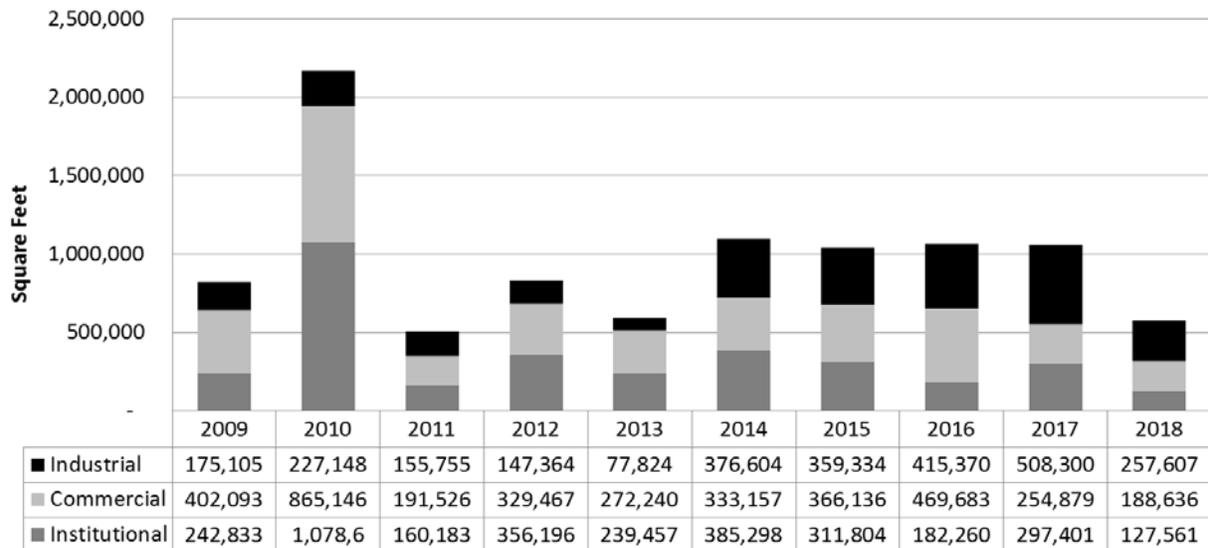


Figure 3 - Total New Non-Residential Floor Space by Type, January – June (2017 – 2018)

	Industrial		Commercial		Institutional		Total	
	2017	2018	2017	2018	2017	2018	2017	2018
Cambridge	260,586	13,501	64,553	39,750	151,459	17,642	476,598	70,893
Kitchener	18,842	107,895	44,116	28,910	5,819	12,077	68,777	148,882
Waterloo	61,999	4,903	114,560	117,598	84,099	4,715	260,658	127,216
North Dumfries	82,247	47,345	9,967	2,378	41,233	42,346	133,447	92,069
Wellesley	40,827	66,095	0	0	0	0	40,827	66,095
Wilmot	0	0	20,963	0	14,791	50,781	35,754	50,781
Woolwich	43,799	17,868	720	0	0	0	44,519	17,868
Region of Waterloo	508,300	257,607	254,879	188,636	297,401	127,561	1,060,580	573,804

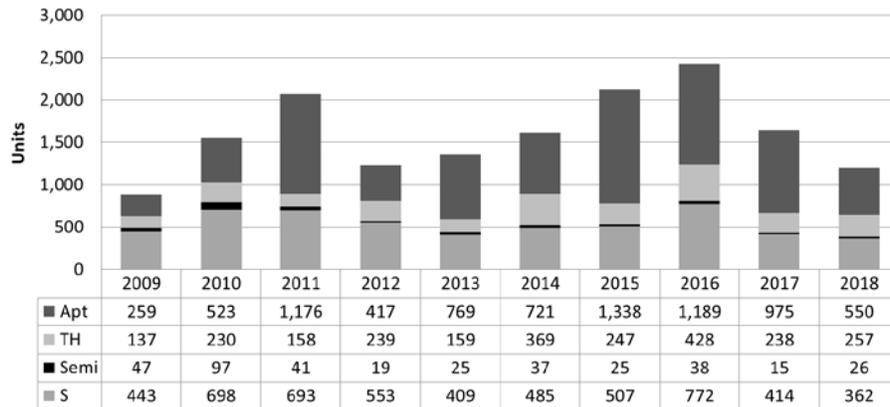
* Values in square feet

Residential Sector Building Activity

The value of new residential construction in the first half of 2018 was almost \$271 million. While this is 9 per cent lower than same period in 2017, there are some large residential projects that are in the pipeline.

- The value of the residential building permits in the first half of 2018 was comprised of \$134.2 million of single-detached, \$85.2 million of apartment, \$44 million of townhouse and \$7.3 million of semi-detached construction activity.
- Compared to the first half of 2017, the construction value of semi-detached and townhouses increased 65 per cent and 9 per cent, while single-detached and apartments tapered 16 per cent, and 9 per cent respectively.
- There were permits issued for 1,195 units in the first half of 2018, 447 residential units (27 per cent) lower compared to same period in 2017, and below the ten-year average of 1,636 units.
- In the first half of 2018, single and semi-detached units were 32 per cent of new residential activity. This is consistent with the longer term trend in which the percentage of single detached units constructed has declined from representing over 60 percent of new stock in the 15 years from 1996 to 2010, with a shift towards higher-density forms of housing.
- Apartments represented 46 per cent of new units, and 22 per cent were townhouses as shown in Figure 5.

Figure 4 - New Units by Structure Type by First Half of Years (2009-2018)

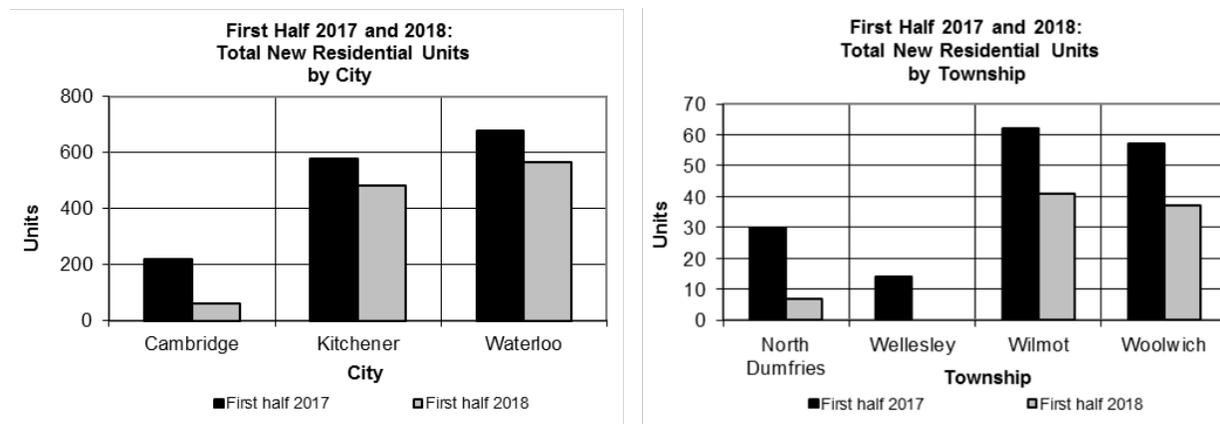


There were three residential projects within Waterloo Region with the construction value over \$10 million in the first half of 2017, all located in the city of Waterloo:

- \$42.5 million for the 12 storey (188 units) project called ‘CIRCA 1877’ (Brick Brewery Building) located at 181 King Street South in Waterloo.
- \$12 million for the six storey (147 units) building called ‘Sage X Condos,’ a student-oriented building located at 257 Hemlock Street in Waterloo.
- \$10.4 million for the 12 storey (85 units) building called ‘U-Style Condo’, a student-oriented project, located at 246 Lester Street in Waterloo.

Construction of new residential units varied by municipality, as illustrated in Figure 6.

Figure 5 - Total New Residential Units by Type, January – June



Students and Seniors

Three student-oriented buildings were issued permits in first half of 2018: Sage X (147 bedrooms in 137 units); U-Style Condo (85 one bedroom units); and a six storey project at 311-312 Batavia Place, Waterloo, with 57 one bedroom units. In the same time

period of 2017 there was only one student-oriented project called Waterloo Co-operative Residence Incorporated (WCRI-COOP), with 60 one bedroom units.

No permits were issued for senior-oriented projects in the first half of 2018.

Area Municipal Consultation/Coordination

Building permit data are collected by Area Municipal staff and submitted to the Region. Area Municipal staff is consulted for verification and insight into the data. Copies of this report have been circulated to the Area Municipalities.

Corporate Strategic Plan:

Tracking and reporting building permit activity contributes to Strategic Focus Area 2: Growth Management and Prosperity as it provides an indication of the growth of both residential and non-residential sectors

Financial Implications:

Nil.

Other Department Consultations/Concurrence:

Nil.

Attachments

Nil.

Prepared By: Rehan Waheed, Planning Data Analyst

Approved By: Rod Regier, Commissioner, Planning, Development and Legislative Services