

**Region of Waterloo**  
**Planning, Development, and Legislative Services**  
**Community Planning**

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**To:** Planning and Works Committee  
**Meeting Date:** May 9, 2023  
**Report Title:** 2022 Building Permit Activity and Growth Monitoring

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**1. Recommendation**

For information.

**2. Purpose / Issue:**

The purpose of this briefing note is to provide information to Council on building permit activity in 2022. New building construction, as measured by building permits issued, is an indicator of the continued strength of the local economy. Building permit data is also used in population and employment growth monitoring, development charge estimations, development tracking, budgets and forecasts.

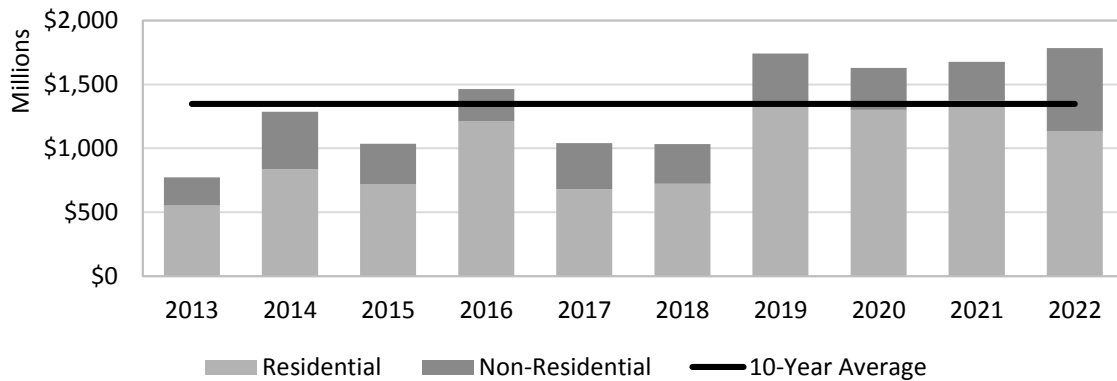
**3. Strategic Plan:**

Tracking and reporting building permit activity provides information to support the strategic focus areas of Thriving Economy and Environment and Climate Action.

**4. Report Highlights:**

Almost \$1.8 billion in new building permits were issued in Waterloo Region between January and December 2022. This represents a record year in terms of new building permit value in the Region. The strong year is largely attributed to a significant increase in construction activity in non-residential projects. The residential sector saw over \$1.1 billion in building activity in 2022, which represents a 17 per cent decline over 2021. However, 2022 still remains at 15 per cent above the 10-year average. Overall, the value of new building permits issued in 2022 increased by 6 per cent (\$107 million) over 2021, and was 33 per cent higher than the ten-year average of \$1.35 billion. The total value of building permits for each year provided in this report reflect the values provided in the given year in which the data was collected and no adjustment has been made to state them in constant 2022 dollars.

**Total Value of New Building Permits, 2013-2022**

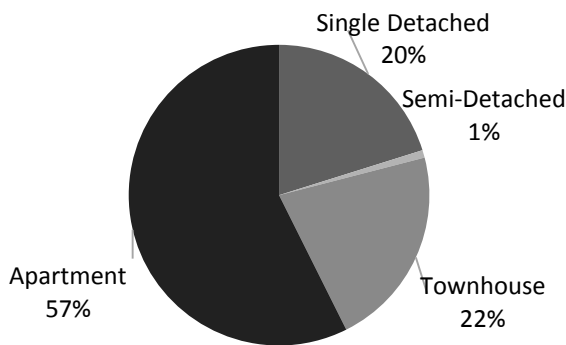


The comprehensive year-end Building Permit Activity and Growth Monitoring bulletin is attached to this report. Of note:

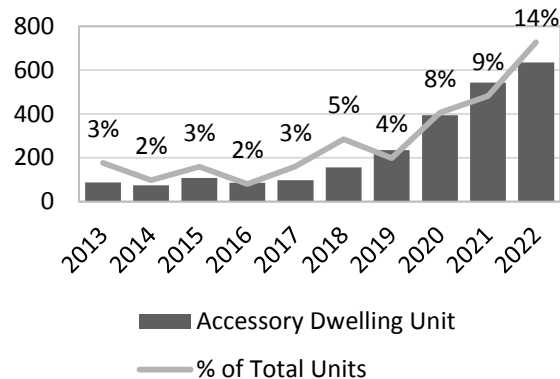
- Total value of industrial, commercial and institutional building permits issued in 2021 was \$649 million. This represents a 114 per cent increase from 2021 and is 80 per cent above the ten-year average of \$360 million.
- New non-residential floor space totalled 4.8 million square feet, a 197 per cent increase over 2021 and 129 per cent but above the ten-year average.
- The industrial sector had a significantly strong year, with above-average growth in both value and floor space. Growth in the industrial sector is largely attributed to a few key projects such as the Amazon warehouse in Cambridge and the Homer Watson Business Park in Kitchener. Institutional investment also had a strong year when compared to 2021 with \$134.2 million in value. The commercial sector observed a 22 per cent decline in value compared to 2021.
- Over \$1.1 billion in permits were issued for new residential construction in 2022, representing a 17 per cent decline from 2021. Although there was a drop in residential construction activity in 2022, residential permit value remains 15 per cent above the 10-year average.
- A total of 4,662 new residential units were added in 2022 – a 22 per cent decrease over 2021. New units in 2022 remains 5 per cent higher than the 10-year average.
- The mix of new units added in 2022 was predominantly apartments (57 per cent) and townhouses (22 per cent). Apartments include accessory units added to existing dwellings (e.g., basement suites or duplex conversions) as well as detached secondary dwellings (e.g. garden suites).

- Over the past decade, there has been rapid growth in accessory units added to existing dwelling units, such as basement suites or duplex conversions. In 2013, only 88 permits were issued for accessory dwelling units across the Region (Figure 16). By 2021, the number reached 546, and increased by a further 17 per cent to 636 units in 2022 – comprising 14 per cent of total new residential units. This number also includes detached additional dwelling units such as garden suites or laneway homes.

**Mix of New Residential Units, 2022**



**New Accessory Dwelling Units, 2013-2022**



- In 2022, 51 per cent of new residential units were located within the Built Up Area. This represents a decline from 2021, where 68 per cent of new units were located in the Built Up Area.
- The mix of new units built in the Designated Greenfield Area has become gradually more dense over the past decade, with low-density housing (single and semi-detached dwellings) now comprising a smaller share of the unit mix (35 per cent in 2022, down from 69 per cent in 2012).
- 24 per cent of new dwelling units in 2022 were located in the Central Transit Corridor.

**5. Background:**

Building Permit Activity reports are prepared for Council semi-annually.

**6. Area Municipality Communication and Public/Stakeholder Engagement: Background:**

Building permit data are collected by Area Municipal staff and compiled by Regional staff. Area Municipal staff are consulted on interpretation.

**7. Financial Implications:**

Building permit activity generally results in growth in the property tax assessment base to the extent residential units and commercial/industrial spaces are renovated, built or expanded. Adding assessment to the roll occurs after an occupancy permit is issued for new units/space, and after closure of permits for renovations. According to our Service Level Agreement with the Municipal Property Assessment Corporation (MPAC) – which is responsible for assessing and classifying all properties in Ontario – the goal is to have 85% of all new assessment resulting from new construction and improvements to existing properties added to the roll within one year of occupancy.

**8. Conclusion / Next Steps:**

Regional staff will continue to monitor building permit activity across the Region. An updated report for mid-year 2023 will be completed for Fall of 2023.

**9. Attachments:**

Appendix A: 2022 Building Permit Activity and Growth Monitoring (DOCS 4321097)

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