



**Date:** November 9, 2021

**Subject:** Building Permit Activity, January-June 2021

This bulletin presents building permit activity in Waterloo Region, updated for mid-year 2021. First-half (January to June) building activity is summarized relative to ten-year trends for 2012-2021, with additional year-over-year comparisons to 2020.

Building permit data is collected by the Area Municipalities and provided to the Region, where it is consolidated and forms the basis of reports and analysis. Building permit activity is one indicator of the strength of the local economy, as well as a predictor of population and employment growth.

### Summary

The total value of building permits issued for new construction across Waterloo Region in the first half of 2021 was \$783.8 million (Figure 1). Specifically:

- The value of non-residential permits was \$149.0 million.
- Permits were issued for 968,410 square feet of new non-residential floor space.
- The value of residential permits was \$634.8 million.
- Residential permits were issued for 2,786 new units.

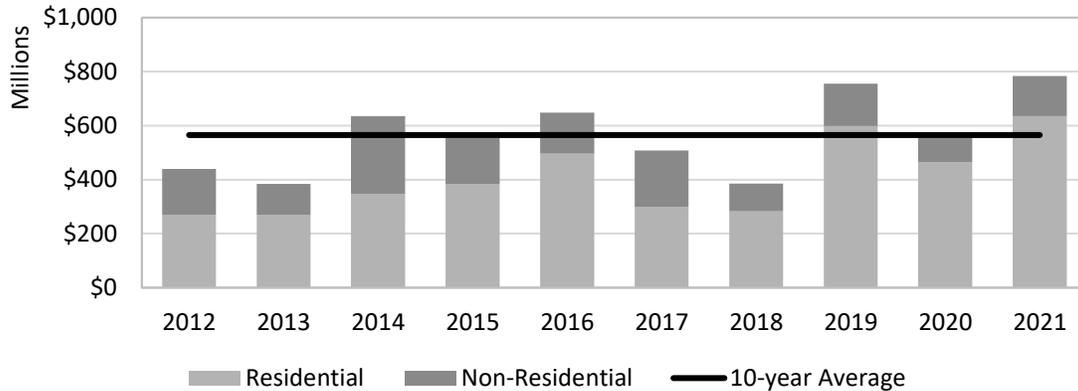
**Figure 1. Summary of Building Permit Activity, January-June 2020 and 2021**

	First Half 2020		First Half 2021		Change from 2020		Per cent Change from 2020	
	Value (in millions)	Area (Sq.Ft.)	Value (in millions)	Area (Sq.Ft.)	Value (in millions)	Area (Sq.Ft.)	Value	Area (Sq.Ft.)
<b>Non-Residential</b>	<b>\$90.9</b>	<b>464,325</b>	<b>\$149.0</b>	<b>968,410</b>	<b>\$58.2</b>	<b>504,085</b>	<b>64%</b>	<b>109%</b>
Industrial	\$27.6	194,723	\$63.8	652,145	\$36.2	457,422	131%	235%
Commercial	\$16.3	76,956	\$43.6	313,554	\$27.3	236,598	167%	307%
Institutional	\$47.0	192,646	\$41.6	2,711	-\$5.3	-189,935	-11%	-99%
	Value (in millions)	Units	Value (in millions)	Units	Value (in millions)	Units	Value	Units
<b>Residential</b>	<b>\$465.1</b>	<b>1,851</b>	<b>\$634.8</b>	<b>2,786</b>	<b>\$169.7</b>	<b>935</b>	<b>36%</b>	<b>51%</b>
Single-detached	\$173.7	459	\$261.2	497	\$87.4	38	50%	8%
Semi-detached	\$31.7	130	\$16.2	57	-\$15.5	-73	-49%	-56%
Townhouse	\$41.8	192	\$129.6	628	\$87.8	436	210%	227%
Apartment	\$217.9	1,070	\$227.8	1,604	\$9.9	534	5%	50%
<b>Total Value</b>	<b>\$555.9</b>		<b>\$783.8</b>		<b>\$227.9</b>		<b>41%</b>	

### Total Value of New Building Permit Activity

Almost \$800 million in new building permits were issued in Waterloo Region between January and June 2021 (Figure 2). New construction activity in the first half was driven by the residential sector (\$634.8 million), comprising 81 per cent of total value. Overall, the value of permits issued in the first six months of the year increased by 41 per cent (\$227.9 million) over 2020. In addition, 2021 saw the strongest first half of the past ten years, with total permit value 39 per cent above the ten-year average of \$565.3 million.

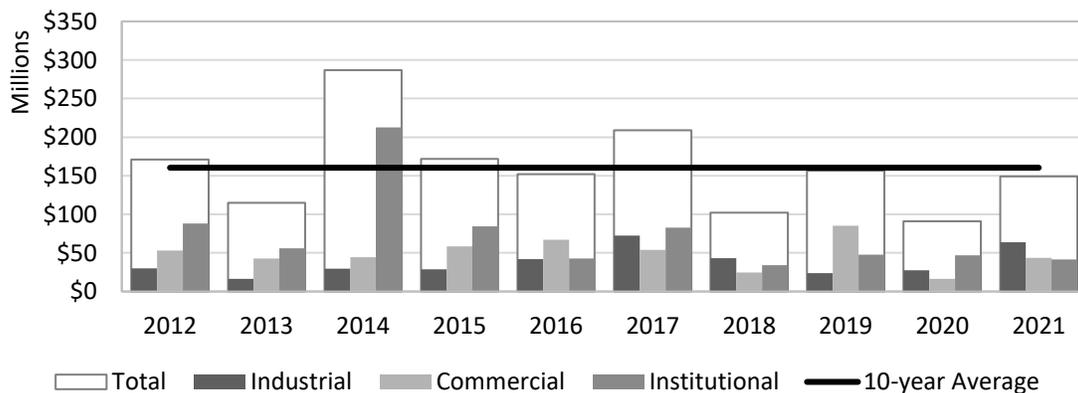
**Figure 2. Total Value of New Building Permits, January-June 2012-2021**



### New Building Permit Activity in the Non-Residential Sector

The total value of non-residential permits issued between January and June 2021 was \$149.0 million (Figure 3). Although the total was slightly below the ten-year average of \$160.4 million, the first six months of 2021 saw a rebound from 2020's slow first half, with a year-over-year increase of \$58.2 million (64 per cent).

**Figure 3. New Non-Residential Building Permit Value, by Sector, January-June 2012-2021**

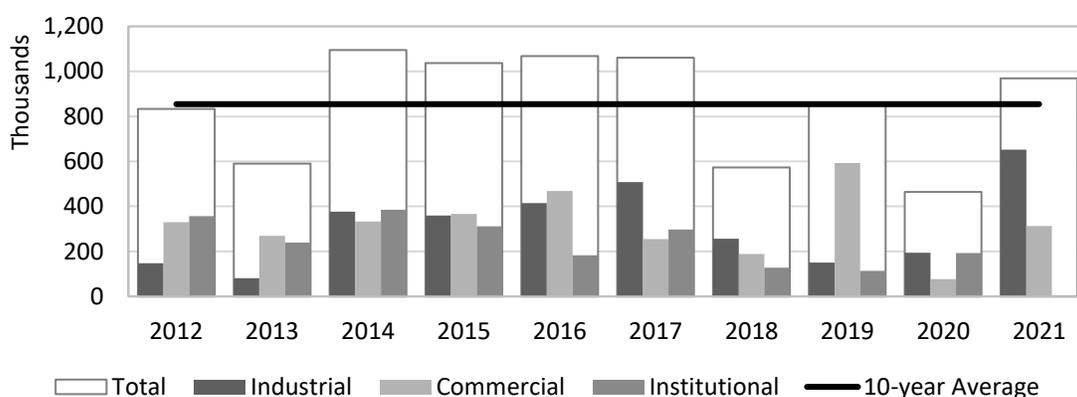


Permit values in the industrial and commercial sectors increased year-over-year by 131 per cent (from \$27.6 to \$63.8 million) and 167 per cent (from \$16.3 to \$43.6 million), respectively, while an 11 per cent decrease was observed in institutional permit values (from \$47.0 to \$41.6 million). The highest-value non-residential permits issued in the first half of 2021, by sector, were:

- Industrial: \$19.6 million for a new 250,000 square foot assembly and warehousing facility (Toyota) at 770 Boxwood Drive in Cambridge.
- Commercial: \$11 million for a 49,000 square foot, third-storey addition to the DoubleTree by Hilton hotel at 30 Fairway Road South, Kitchener.
- Institutional: \$41.3 million for a 2,100 square foot addition and interior/exterior alterations to the future Waterloo Regional Police Service Central Division headquarters at 200 Frederick Street in Downtown Kitchener.

Non-residential floor space added in 2021 first-half permits was more than double the previous year, with an increase of 504,085 square feet or 109 per cent (Figure 4). Moreover, growth between January and June 2021 was 13 per cent higher than the ten-year average of 854,403 square feet – the strongest start to a year since 2017.

**Figure 4. New Non-Residential Floor Space, by Sector, January-June 2012-2021**



Robust year-over-year growth was observed in the industrial (235 per cent) and commercial (307 per cent) sectors: industrial in particular had the strongest start of the past ten years. Conversely, institutional activity was virtually non-existent with just 2,711 square feet added between January and June – a 99 per cent decrease from 192,646 square feet in the first half of 2020.

Three non-residential permits with more than 100,000 square feet were issued in the first half of 2021; no permits of this size were issued in 2020.

- The aforementioned 250,000 square foot Toyota facility at 277 Boxwood Drive in Cambridge, valued at \$19.6 million.
- A 130,000 square foot addition to an existing commercial building at 388 Phillip Street in Waterloo, valued at \$5.3 million.
- A new 127,000 square foot industrial mall (shell only) at 45 Tyler Street in Cambridge, valued at \$7.3 million.

Non-residential building activity tends to show a variable pattern from year-to-year, as illustrated by the long-term trends in Figures 3 and 4. Figure 5 provides a year-over-year summary of new square footage by municipality and sector.

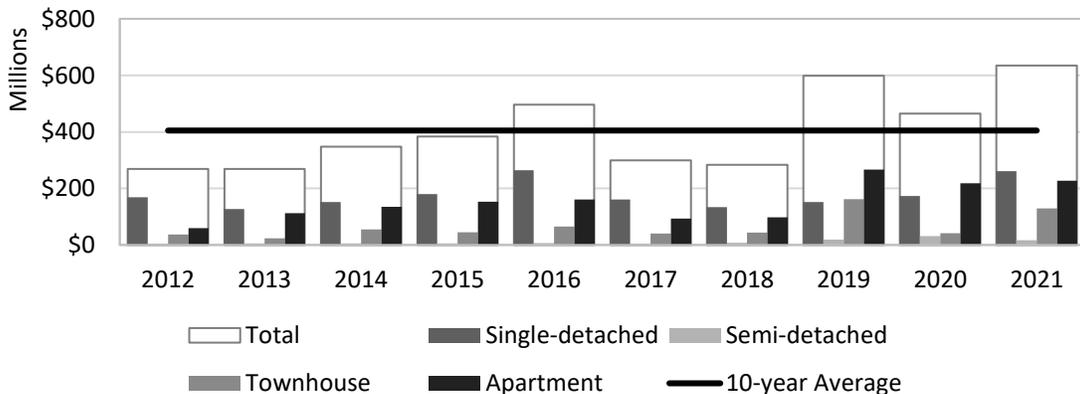
**Figure 5. New Non-Residential Floor Space, by Sector and Municipality, January-June 2020 and 2021**

Municipality	Industrial		Commercial		Institutional		Total		% Change
	2020	2021	2020	2021	2020	2021	2020	2021	
Cambridge	145,649	460,937	0	0	5,200	0	150,849	460,937	206%
Kitchener	28,769	97,089	13,977	141,374	157,314	2,711	200,060	241,174	21%
Waterloo	0	312	62,979	151,905	0	0	62,979	152,217	142%
North Dumfries	7,000	0	0	0	0	0	7,000	0	-100%
Wellesley	188	25,906	0	297	0	0	188	26,203	13838%
Wilmot	3,163	6,072	0	0	28,897	0	32,060	6,072	-81%
Woolwich	9,954	61,829	0	19,978	1,235	0	11,189	81,807	631%
<b>Region Total</b>	<b>194,723</b>	<b>652,145</b>	<b>76,956</b>	<b>313,554</b>	<b>192,646</b>	<b>2,711</b>	<b>464,325</b>	<b>968,410</b>	<b>109%</b>
% by Type	42%	67%	17%	32%	41%	0%	100%	100%	
% Change	235%		307%		-99%		109%		

### New Building Permit Activity in the Residential Sector

The total value of residential building activity in the first half of 2021 was \$634.8 million (Figure 6). This represents a 36 per cent increase over the same period last year (\$465.1 million) and a 57 per cent increase over the ten-year average of \$404.8 million. Notably, 2021 saw the strongest first-half residential growth of the past ten years.

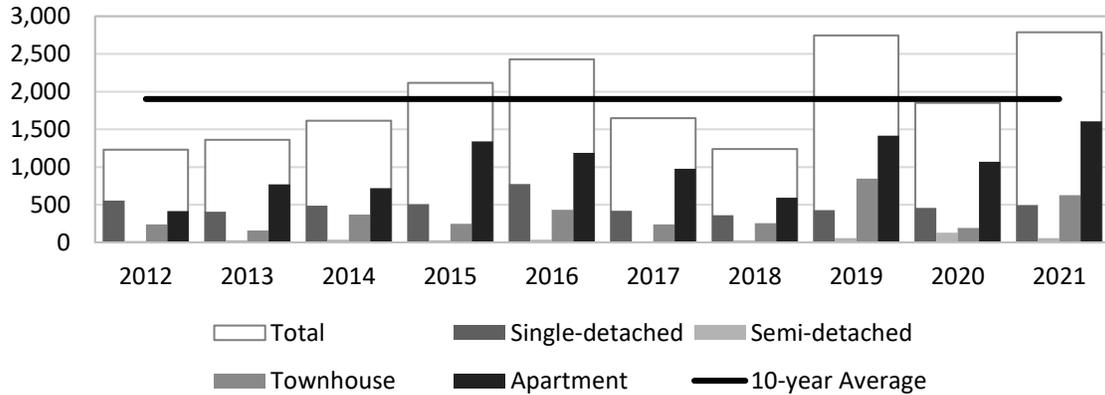
**Figure 6. New Residential Building Permit Value, by Unit Type, January-June 2012-2021**



Residential construction value increased for all unit types with the exception of semi-detached dwellings, which saw a 49 per cent decrease over 2020 (from \$31.7 to \$16.2 million). Year-over-year growth was strongest for townhouse units (210 per cent increase in total value, from \$41.8 to \$129.6 million), followed by single-detached dwellings (50 per cent increase, from \$173.7 to \$261.2 million) and apartments (up five per cent, from \$217.9 to \$227.8 million).

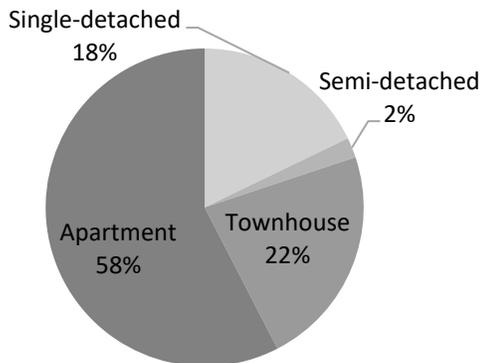
A total of 2,786 new residential units were added in the first six months of 2021, a 51 per cent increase from 2020 (Figure 7). Moreover, 2021 has thus far outperformed the ten-year average by 884 units or 46 per cent – the strongest start to any year over the past decade.

**Figure 7. New Residential Units, by Type, January-June 2012-2021**

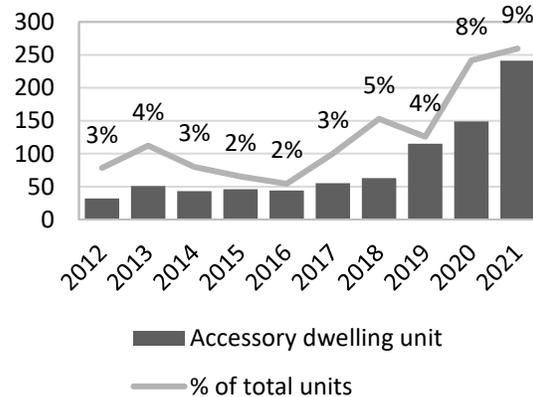


Growth has been particularly robust for townhouse and apartment units, with respective 227 per cent (from 192 to 628 units) and 50 per cent (from 1,070 to 1,604 units) increases over 2020. The number of new semi-detached dwellings has decreased by more than half – from 130 to 57 units – while singles have remained stable with modest eight per cent growth (from 459 to 497 units). These numbers reflect a trend seen in recent years where residential development is occurring in more dense forms. Figure 8 illustrates that new units added in 2021 were predominantly apartments (58 per cent) and townhouses (22 per cent).

**Figure 8. Mix of New Residential Units, January-June 2021**



**Figure 9. New Accessory Dwelling Units, January-June 2012-2021**



The top five residential permits issued in the first half of 2021 were apartments:

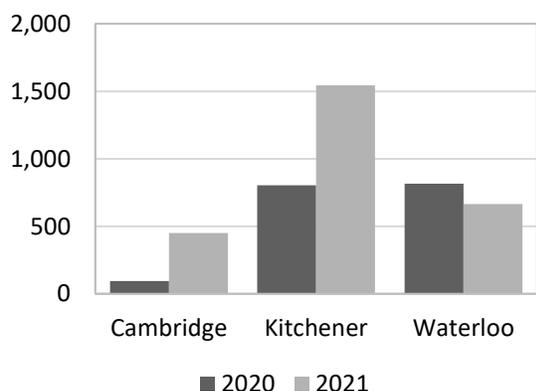
- Two residential towers (20 and 15 storeys) with 435 units at 145 Columbia Street West, Waterloo, valued at \$57 million.
- An 18-storey, 228-unit condominium apartment building at 741 King Street West, Kitchener, valued at \$38 million.
- A six-storey, 166-unit apartment building at 169 Borden Avenue North, Kitchener, valued at \$24 million.
- A 10-storey, 127-unit residential apartment building at 528 Lancaster Street West, Kitchener, valued at \$15 million.

- A nine-storey, 107-unit apartment building at 595 Strasburg Road, Kitchener, valued at \$21.5 million.

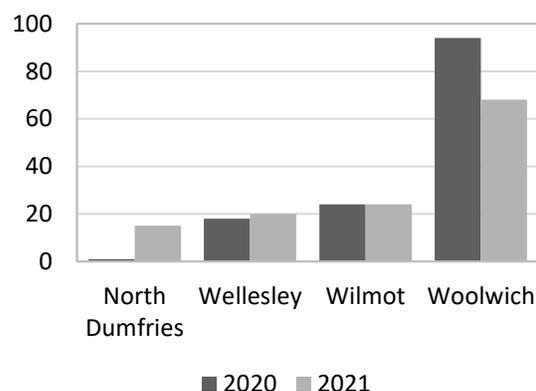
Another trend of note is the rapidly growing number of accessory apartments added to existing dwelling units, such as basement suites or duplex conversions. From January to June 2012, 32 permits were issued for accessory dwelling units across the Region (Figure 9). By 2020, the number reached 149, and increased by a further 62 per cent to 241 new units in the first half of 2021 – comprising nine per cent of new residential units. With Kitchener’s recent move to permit additional units such as laneway suites and backyard homes in April 2021, these units are certain to gain increased momentum as a useful – and perhaps more affordable – addition to the Region’s housing stock.

Year-over-year trends in residential construction varied by area municipality (Figures 10 and 11). Kitchener, Cambridge and North Dumfries saw large increases in the number of new units, while Waterloo and Woolwich saw fewer units, and Wellesley and Wilmot remained relatively stable. Figure 12 provides a more granular comparison of units added in 2020 versus 2021 by type and municipality.

**Figure 10. New Residential Units, by City, January-June 2020 and 2021**



**Figure 11. New Residential Units, by Township, January-June 2020 and 2021**



**Figure 12. New Residential Units, by Type and Municipality, January-June 2020 and 2021**

Municipality	Single-detached		Semi-detached		Townhouse		Apartment		Total		% Change
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	
Cambridge	26	40	0	0	49	330	20	81	95	451	375%
Kitchener	276	305	112	44	109	298	306	896	803	1,543	92%
Waterloo	48	59	12	2	21	0	735	604	816	665	-19%
North Dumfries	1	15	0	0	0	0	0	0	1	15	1400%
Wellesley	18	11	0	5	0	0	0	4	18	20	11%
Wilmot	17	7	0	4	0	0	7	13	24	24	0%
Woolwich	73	60	6	2	13	0	2	6	94	68	-28%
<b>Region Total</b>	<b>459</b>	<b>497</b>	<b>130</b>	<b>57</b>	<b>192</b>	<b>628</b>	<b>1,070</b>	<b>1,604</b>	<b>1,851</b>	<b>2,786</b>	<b>51%</b>
% by Type	25%	18%	7%	2%	10%	23%	58%	58%	100%	100%	
% Change	8%		-56%		227%		50%		51%		

### ***Students and Seniors***

No student or senior-oriented projects were issued in the first half of 2021. There were three student-oriented and two senior-oriented projects in the same period of 2020.

### ***Monitoring Growth with Building Permits***

The Region of Waterloo Official Plan's intensification target is 45 per cent of units within the Built Up Area (BUA) – that is, the area that was developed prior to 2006. In the first half of 2021, there were 1,959 residential units built in the BUA, representing 70 per cent of new units across the Region. This is a modest increase from the 66 per cent intensification rate achieved in the first six months of 2020.

### ***Central Transit Corridor***

The Central Transit Corridor (CTC) – the area around the Region's ION light rail transit system – has been a key target for residential intensification since ION's approval in 2011. Between January and June 2021, 1,301 residential units were built in the CTC, comprising 47 per cent of units added throughout the Region. This is a 29 per cent increase from first-half 2020, when 36 per cent of new units were in the CTC.

For further information, please refer to Report PDL-CPL-21-40 "Building Permit Activity, January-June 2021" at [www.regionofwaterloo.ca](http://www.regionofwaterloo.ca) or contact us at:

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