

Region of Waterloo
Planning, Development and Legislative Services
Community Planning

To: Committee of the Whole
Meeting Date: November 9, 2021
Report Title: Building Permit Activity, January-June 2021

1. Recommendation:

For information.

2. Purpose / Issue:

The purpose of this briefing note is to provide information to Council on building permit activity in the first half of 2021. New building construction, as measured by building permits issued, is an indicator of the continued strength of the local economy after a year and a half of COVID-19 restrictions. Building permit data is also used in population and employment growth monitoring, development charge estimations, development tracking, budgets and forecasts.

3. Strategic Plan:

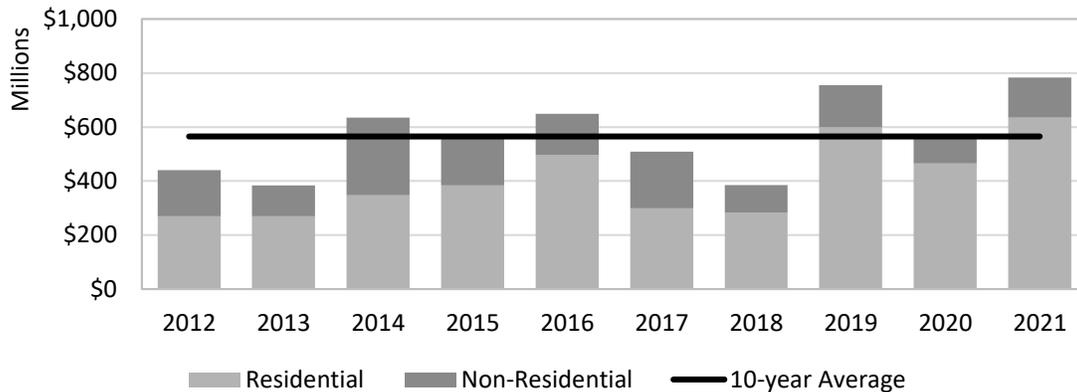
Tracking and reporting building permit activity contributes to Strategic Focus Areas 2: Growth Management and Prosperity.

4. Key Considerations:

Almost \$800 million in new building permits were issued in Waterloo Region between January and June 2021. It was the strongest first half of the past ten years, with total permit value 39 per cent higher than the ten-year average of \$565.3 million. In addition, the value of permits issued increased by 41 per cent (\$227.9 million) over 2020.

New construction activity was driven by the residential sector (\$634.8 million), comprising 81 per cent of total value. In both units and value, 2021 saw the strongest first-half residential growth of the past decade. Non-residential construction was also strong, especially in the industrial sector.

Total Value of New Building Permits, January-June 2012-2021

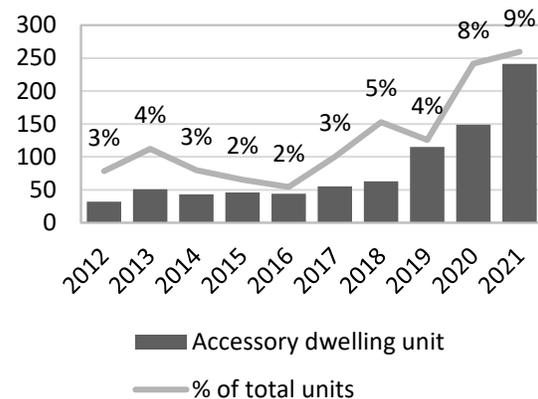
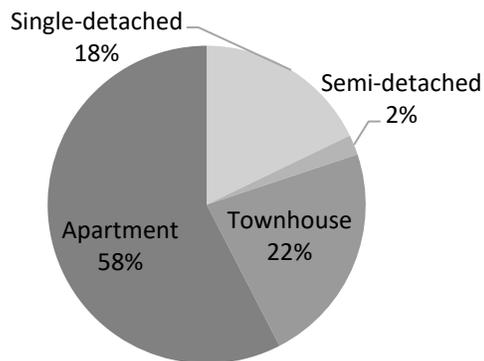


The comprehensive mid-year Building Permit Activity bulletin is attached to this report. Several details of note include:

- Total value of non-residential permits issued was slightly below the ten-year average. However, January to June 2021 saw a rebound from 2020's slow first half, with a year-over-year increase of 64 per cent.
- New non-residential floor space was more than double 2020, and was 13 per cent higher than the ten-year average – the most new space added in the first half since 2017.
- Robust year-over-year growth – in both value and floor space – was observed in the industrial and commercial sectors. The industrial sector in particular had the strongest start of the past ten years. Institutional activity has been virtually non-existent so far in 2021.
- Residential permit value increased by 36 per cent over 2020 and was 57 per cent higher than the ten-year average.
- 2,786 new residential units were added in the first six months of 2021 – a 51 per cent increase from 2020, outperforming the ten-year average by 884 units or 46 per cent.
- Growth has been robust for townhouse and apartment units, with increases of 227 per cent and 50 per cent, respectively, since last year. Similarly, the mix of new units added in 2021 was predominantly apartments (58 per cent) and townhouses (22 per cent); apartments include accessory units added to existing dwellings (e.g., basement suites or duplex conversions).
- Over the past decade, there has been rapid growth in accessory apartments added to existing dwelling units, such as basement suites or duplex conversions. From January to June 2012, only 32 permits were issued for these units across

the Region. By 2020, the number reached 149, and increased by a further 62 per cent to 241 new units in the first half of 2021 – that is, nine per cent of total residential units.

Mix of New Residential Units, January-June 2021 New Accessory Dwelling Units, January-June 2012-2021



- Between January and June 2021, 70 per cent of new residential units were located within the Built Up Area. This exceeds the Region of Waterloo Official Plan's intensification target of 45 per cent.
- 47 per cent of new units in the first half of 2021 were located in the Central Transit Corridor. This is the highest concentration achieved in the CTC since ION was approved in 2011.

5. Background:

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

6. Area Municipality Communication and Public/Stakeholder Engagement:

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

7. Financial Implications:

Nil

8. Conclusion / Next Steps:

Nil

9. Attachments / Links:

Appendix A: Building Permit Activity, January-June 2021 (DOCS 3847746)

Prepared By: Derrick Hambly, Planning Data Analyst

Brenna MacKinnon, Manager, Planning

Reviewed By: Kate Hagerman, Acting Director, Community Planning

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