

Region of Waterloo
Planning, Development and Legislative Services
Community Planning

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

Meeting Date: April 12, 2022

Report Title: Building Permit Activity 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 2021. New building construction, as measured by building permits issued, is an indicator of the continued strength of the local economy after two years of COVID-19 restrictions. Building permit data are also used in population and employment growth monitoring, development charge estimations, development tracking, budgets and forecasts.

3. Strategic Plan:

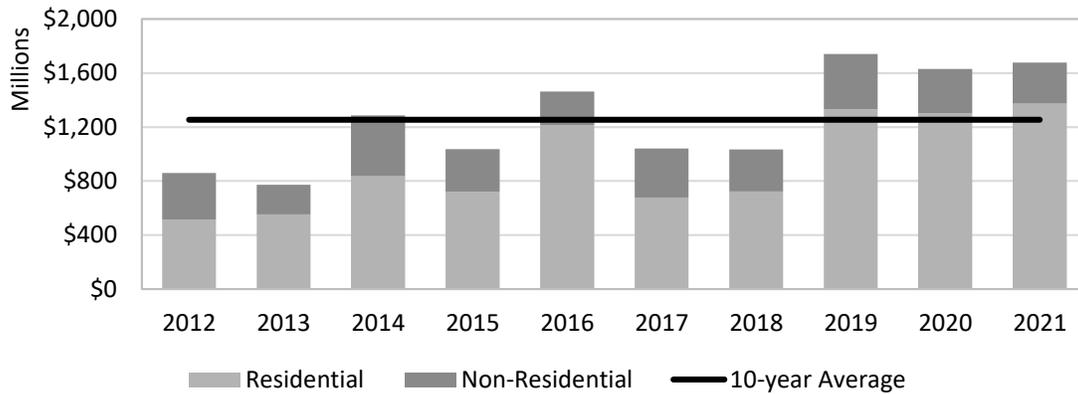
Tracking and reporting building permit activity provides information to support the strategic focus areas of Thriving Economy and Environment and Climate Action.

4. Key Considerations:

Almost \$1.7 billion in new building permits were issued in Waterloo Region between January and December 2021. The total value of new construction activity increased by three per cent (\$46.1 million) over 2020, was 34 per cent higher than the ten-year average of \$1.3 billion, and was exceeded only by 2019's record total.

New construction activity was driven by the residential sector (\$1.4 billion), comprising 82 per cent of total value. For both units and value, 2021 was one of the two strongest growth years of the past decade. Non-residential construction activity was below average, although the industrial sector rebounded after a quiet 2020.

Total Value of New Building Permits, 2012-2021

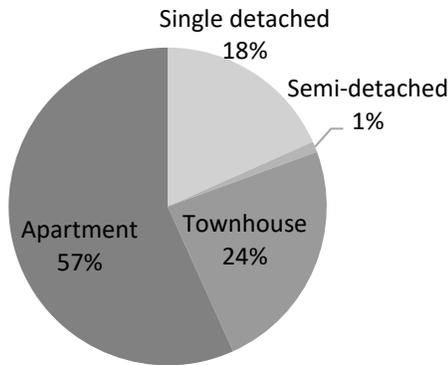


The comprehensive year-end Building Permit Activity and Growth Monitoring bulletin is attached to this report. Of note:

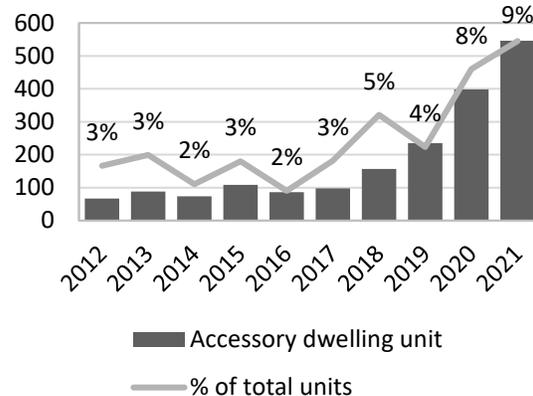
- Total value of industrial, commercial and institutional building permits issued in 2021 was \$303.2 million. This represents an eight per cent decrease from 2020 and is slightly below the ten-year average of \$329.6 million.
- New non-residential floor space totalled 1.6 million square feet, a 44 per cent increase over 2020 but still ten per cent below the ten-year average.
- The industrial sector rebounded, with above-average growth in both value and floor space. Commercial and institutional investment decreased compared to 2020.
- With \$1.4 billion in permits issued for new residential construction, 2021 was the strongest year on record and 49 per cent higher than the ten-year average of \$924.6 million.
- 6,009 new residential units were added in 2021, a 16 per cent increase over 2020. Moreover, 2021 saw the second highest yearly new unit growth on record, greatly outpacing the ten-year average of 4,208 units
- Growth has been particularly robust for townhouse units, with a 96 per cent increase relative to 2020.
- The mix of new units added in 2021 was predominantly apartments (57 per cent) and townhouses (24 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 apartments added to existing dwelling units, such as basement suites or duplex conversions. In 2012, only 67 permits were issued for these units across the Region. By 2020, the number reached 398, and increased by a further 37 per cent to 546 units in 2021 – that is, nine per cent of total residential units. This number also includes detached additional dwelling units such as garden suites or laneway homes.

Mix of New Residential Units, 2021



New Accessory Dwelling Units, 2012-2021



- In 2021, 68 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.
- 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 (53 per cent in 2021, down from 69 per cent in 2012).
- 39 per cent of new dwelling units in 2021 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:

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: 2021 Building Permit Activity and Growth Monitoring (DOCS 3978310)

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