



Report: PDL-CPL-17-33

Region of Waterloo
Planning Development and Legislative Services
Community Planning

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

Date: November 14, 2017 **File Code:** D10-20

Subject: Monitoring Change in the Central Transit Corridor – 2016 Annual Report

Recommendation:

For information

Summary:

The Region of Waterloo recognizes the importance of monitoring the Central Transit Corridor (CTC) over time in order to understand the changing nature of the social, economic and environmental characteristics of the area around the future ION route. This report is the second of the annual monitoring reports, and covers the period from 2011 to year-end 2016. It is intended that annual reports be produced until 2021 at which point it will have been ten years since the announcement of ION, and the system will be in its early operation phase.

The “Monitoring Change in the Central Transit Corridor (CTC) – 2016 Report” (attached) provides information about progress on the two goals of the ION rapid transit system: shaping the community and moving people:

- The mix of land uses has increased, as has the number of people living in the corridor, the number of restaurants, and the number of arts and culture establishments. Heritage retention is lower in 2016. Perception of safety shows similar results as 2011, and calls for police services for publically-visible activities (such as graffiti and public mischief) remain stable. Home affordability has increased.
- Transit ridership and bus boardings/alightings have tapered, while people living in walkable areas shows a steady increase. Emissions from passenger vehicles

were at a similar level to 2011.

Each year, the report focuses on a different theme. This year's report focuses on investment in the corridor, and indicates:

- The assessed value of properties has risen by \$600 million per year, and property taxes generated is up 23 per cent from 2011 to 2016. Property transactions increased steadily to over \$1 billion in 2016, and the six years' worth of transaction data adds up to \$5 billion. The value of building permits for new construction was \$308 million in 2016 and from 2011 to 2016 the cumulative amount of value of new buildings in the corridor is estimated at \$2.1 billion. In 2016, improvements in homes and businesses accounted for \$166 million in building permit value, while over the six years, it adds up to almost \$590M of investment.

Last year's report focused on the environment, with the following results:

- The corridor has almost 80 kilometres of trails and pathways, and 400 hectares of publically-accessible green spaces in over 150 locations, ranging from small parkettes to large conservation areas of over 100 hectares in size.

Next year's report theme is mobility and sustainable modes of transportation.

Report:

About the Central Transit Corridor Monitoring Program:

The goals of the CTC monitoring program are to measure and report on changes happening in the ION corridor, to provide an indication of the influence of ION, and to encourage discussion about the nature of the changes. The initial component of the CTC monitoring program was the establishment of a set of key indicators to measure the base state of the CTC prior to the establishment of ION. The next component was to produce annual reports to publish the results of the monitoring. Monitoring will continue until at least 2021, after ION has been constructed, opened for service, and is functioning within the community.

ION was approved by the Council of the Region of Waterloo to achieve two goals: to move people, and to build community. The indicators provide a lens for monitoring the achievement of ION's dual goals.

Results: Change in the Central Transit Corridor

The first aspect of change that is monitored relates to "moving people". During 2016, the second full year of construction of ION, there was a continued tapering of transit ridership, and a decrease in the percentage of bus boardings and alightings within the corridor. These results reflected local influences, including service adjustments, student

busing arrangements, and transit fare increases as well as broader provincial trends such as declining fuel costs and higher levels of car ownership. The monitoring results reflect the disruption of bus routing and scheduling caused by the construction of ION infrastructure.

As might be expected, emissions from passenger vehicles are at a similar level to the base year of 2011, estimated at 2.54 tonnes of air emissions per person in 2016 compared to 2.52 tonnes in 2011. Unfortunately, data about residents' choices for active transportation (walking, transit, cycling) was not available in 2016, however, a related measure, the percentage of people living in walkable areas, shows a continued moderate increase. This illustrates the popularity of neighbourhoods that are conducive to walking as a means to travel to school, places of employment, shopping and other destinations.

The second aspect of monitoring change in the CTC relates to "shaping the community." The indicators of vibrancy, art and culture are showing generally positive results. The mix of land uses in the corridor has moved up a notch from 69 per cent to 70; the per cent of regional population who are living in the corridor is at the 17.8 per cent mark, up from 17.5 per cent in 2011; and the number of restaurants in the corridor is increasing despite the challenges of road construction. Arts and culture establishments have increased from 192 to 271 (up 41 per cent) from 2011 to 2016, based on data from the Workplace Count, resulting in half of all such establishments now being located in the corridor.

Two indicators give us a perspective on how people feel in their downtown areas. A survey of people's perception of safety shows similar results as in 2011 when this survey was previously undertaken, with 64 per cent of people who live in Kitchener, Cambridge or Waterloo feeling safe in their downtown. It was noted that when the opinions of only the people who have visited their downtown, even infrequently, are considered, 7 out of 10 feel safe, whereas for those who have never visited the downtown, only 1 in 3 feel safe. A related indicator, the calls for police services that for publically-visible activities (for example graffiti and public mischief) remain stable, with 42 per cent occurring within the corridor.

With respect to affordability of housing, 57 per cent of homes that have been bought/sold in the corridor in 2016 fit the definition of "affordable". It is noteworthy that this report covers the timeframe before the housing market heated up (in the spring of 2017).

Each year the monitoring report examines one aspect of the monitoring in greater detail. Last year's report focused on the environment, and found almost 80 kilometres of trails and pathways and 400 hectares of publically-accessible green spaces in over 150 locations, ranging from small parkettes to large conservation areas of over 100 hectares in size. Next year's report theme will be mobility and sustainable modes of

transportation.

This year's report focuses on the theme of investment in the corridor, and adds two new indicators to the existing two annual indicators. The investment indicators are:

- Value of new residential and non-residential construction (annual)
- Property assessment value and tax (annual)
- Value of improvements to homes and businesses (new)
- Value of real estate purchases / sales (new)

Data on these various forms of investments in the CTC is heartening. The assessed value of all properties in the corridor has risen from \$10 billion in 2011 to \$13.6 billion in 2016, an increase of \$600 million per year. While not all properties will contribute to the tax base (some are tax-exempt or subject to payment in lieu of taxes), staff have calculated the increase in regional and area municipal property taxes generated within the corridor at \$30 million since 2011, an increase of \$5 million per year.

Property transactions within the corridor increased steadily from just under \$620 million dollars in 2011, to over \$1 billion in 2016. These figures have been adjusted to remove the effects of inflation. Cumulatively, the six years' worth of transaction data adds up to \$5 billion.

The dollar value of building permits issued by municipalities for new construction of residential units and employment space was \$308 million in 2016. Notable residential building activity initiated in 2016 included the Caroline Street Private Residences in Waterloo, the Midtown Lofts in Kitchener, and Linden Crossing in Cambridge as well as student/young-professional apartments in Waterloo. Over the six years from 2011 to 2016, the cumulative amount of value of new buildings in the corridor is estimated at \$2.1 billion.

In addition to the permits that are issued for new space, this year staff also estimated the dollar value of improvements to properties within the corridor. These improvements include everything from simple plumbing permits to façade improvements and signs on businesses to extensive renovations that span multiple years such as the renewal of the Walper Hotel. (They do not include the dollar value of permits issued for ION infrastructure in order to avoid attributing ION construction dollars to ION). In 2016 alone, improvements accounted for \$166 million in investment in CTC homes and businesses. Over the six years between 2011 and 2016 (inclusive), this adds up to almost \$590 million of investment.

The data presented in this report is the best available at the time of publication. Data is typically acquired from external agencies, and occasionally changes over time, sometime necessitating a modification to the indicator. When such a situation occurs, the indicator is recalculated for all years in the monitoring timeframe. All such changes

over the course of the monitoring program are fully documented. Where change in value is monitored over time, the values have been adjusted to 2011 values using the consumer price index to eliminate any effect of inflation.

For a more detailed discussion of these findings and the factors that may influence change in the corridor, please refer to the full Monitoring Change in the Central Transit Corridor – 2016 Annual Report which is available from Planning, Development and Legislative Services or on the Region’s website. Additionally, a dashboard of the indicators is available to the public.

How ION has influenced the changes we see:

There are many influences, including ION, on changes happening in the transit corridor. The extent to which ION is affecting the changes in the corridor is being researched by the University of Waterloo. The University of Waterloo, through the Urban Growth and Change Research Group, chaired by Dr. Dawn Parker, has undertaken a program of investigation into this question. This work is resulting in several research theses by Masters and PhD students:

- “Estimating Homebuyer Preferences under Intensification: Hedonic Modelling of Open Space and Multimodal Transit Amenities Preceding Light Rail in Kitchener-Waterloo” which included a research question ‘Have property prices increased throughout the planning of the LRT, and, if so, is this effect greater in the CTC?’, Robert Babin, 2016
- “Exploring Rental Housing Market in Kitchener-Waterloo, Ontario” which included a research objective ‘to investigate the potential influence of the pending development of LRT on the rental market in Kitchener-Waterloo’, Xinyue Pi, 2017
- “Investigating realtor perspectives in the impact of the ION LRT on the real estate market in the Region of Waterloo”, with an aim to ‘develop a deeper understanding of how the implementation of the LRT and changes in the Central Transit Corridor (CTC) were affecting the real estate market in the Region of Waterloo’ Justin Cook, pending 2017/18.

To provide examples of how ION is influencing change in the corridor, the Office of Regional Economic Development will continue to profile recent announcements in the CTC that are a result of ION. Investment profiles will be completed in the spring and fall of 2018 and will be available to the public in print form and online. This will be supported by a collection of media articles with developer views towards the ION and a detailed case study with specific examples of investment decisions related to ION.

Area Municipal Consultation/Coordination:

A draft of this report was circulated to the Area Municipalities for review.

Corporate Strategic Plan:

Monitoring of the Central Transit Corridor directly addresses Focus Area 2: Growth Management and Prosperity (Manage growth to foster thriving and productive urban and rural communities) including Strategic Objective 2.1. Encourage compact, livable urban and rural settlement form.

Financial Implications:

Nil

Other Department Consultations/Concurrence:

Departments across the Region of Waterloo, as well as the Waterloo Regional Police Services, participated in the creation of this annual report.

Attachments

Summary of Indicators for the Central Transit Corridor (CTC) Monitoring Program

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

Attachment 1: Indicators for the Central Transit Corridor (CTC) Monitoring

Annual Indicators of Change in the CTC

		Indicator	Metric	2011	2012	2013	2014	2015	2016
Moving People	Mobility	Transit Ridership	Number of trips made using Grand River Transit (million)	19.7	21.3	22.0	21.6	20.3	19.7
		Daily Transit Activity	Per cent of daily average transit activity in the CTC	67%	65%	67%	64%	63%	63%
	Sustainable Modes of Transportation	Transit Mode Share	Per cent of mode of travel share on transit across the CTC	-	-	-	-	5%	-
		Active Transportation	Per cent of mode of travel share which was pedestrian and cyclist in the CTC	5%	-	-	-	-	-
		Walkability	Per cent of population living in "high" or "very high" walkable areas in the CTC	55%	55%	56%	56%	56%	57%
Building Community	Vibrant Communities	Land Use Mix	Per cent of all regional land uses found in the CTC	69%	69%	69%	69%	69%	70%
		Population	Per cent of Region's residents who live in the CTC	17.5 %	17.6 %	17.7 %	17.8%	17.9 %	17.8%
	Art and Culture	Cultural Vibrancy	Number of arts and culture establishments in the CTC	192	-	-	-	-	271
		Restaurants	Per cent of the Region's restaurants in the CTC	50%	51%	52%	52%	52%	52%
	Heritage	Heritage Resource Retention	Number of demolition permits on pre-1920 and designated built heritage resources in the CTC	13	36	11	9	12	17
	Investment	Building Activity	Dollar value of building permits in the CTC for new construction (million, adjusted)	\$491	\$262	\$227	\$548	\$259	\$308

Environment	Assessment Value	Assessed value of properties in the CTC (billion)	\$10.0	-	-	\$12.0	\$12.8	\$13.6	
	Emissions	Tonnes of net air emissions per capita in Cambridge, Kitchener and Waterloo	2.52	2.42	2.40	2.57	2.61	2.54	
	Crime and Safety	Perception of Safety	Per cent of people in the Tri-Cities who perceive that their downtowns are safe at night	65%	-	-	-	-	64%
		Calls for Service	Per cent of police calls for service related to potential public perception in the CTC	40%	41%	43%	43%	42%	-
Inclusive Community	Home Ownership Affordability	Per cent of affordable housing transactions to low and moderate income households in the CTC	55%	56%	53%	54%	57%	57%	

The Environment in the CTC (2015)

Dimension	Indicator	Metric	Indicator Value
Environment	Trails and Pathways	Length of trails and pathways in the CTC	78 Kilometres
	Public Greenspaces	Area of public greenspaces in the CTC	398 hectares

Investment in the CTC (new in 2016)

Dimension	Indicator	Metric	2011	2012	2013	2014	2015	2016
Investment	Transaction Values	Dollar value of transaction values in the CTC (million, adjusted)	\$619	\$764	\$821	\$916	\$898	\$1,030
	Building Improvements	Dollar value of building permits for property improvements in the CTC (million, adjusted)	\$74	\$80	\$93	\$80	\$96	\$166