

Report to Council



Date: May 4, 2020
To: Council
From: City Manager
Subject: 2020 Q1 Planning and Development Statistics
Department: Planning and Development Services

Recommendation:

THAT Council receive for information the report from the Divisional Director of Planning and Development Services dated May 11, 2020 with information relating to Q1 Planning and Development Statistics.

Purpose:

This report updates Council on Building and Development Statistics from Q1 2020.

Background:

In order to keep Council current with local development and construction trends, the Divisional Director of Planning and Development Services will endeavor to bring quarterly reports forward for Council's information. As the structure of this report continues to develop, the goal is to improve the connection between Council's consideration of development applications on a weekly basis and the larger picture of housing goals in the Official Community Plan.

Discussion:

Planning Application Intake Statistics – Q1 2020

A record number of development applications were submitted in the first quarter of 2020. Although the City's Development Planning department has been experiencing higher than average development application volumes for the last 4-5 years, this Q1 volume is attributed to the Development Cost Charge increase that was implemented in February of 2020. The application intake statistics for the final quarter of 2019 were similarly high for the same reason. Council should expect to see these applications begin to translate into busier Council agendas in the weeks/months ahead. The total volume will be somewhat reduced by the delegation of authorities for Development Permits and waived Public Hearings for OCP compliant rezoning applications. Depending on the development conditions late in

2020 and early 2021, these applications may lead to higher than average Building Permit values and housing starts.

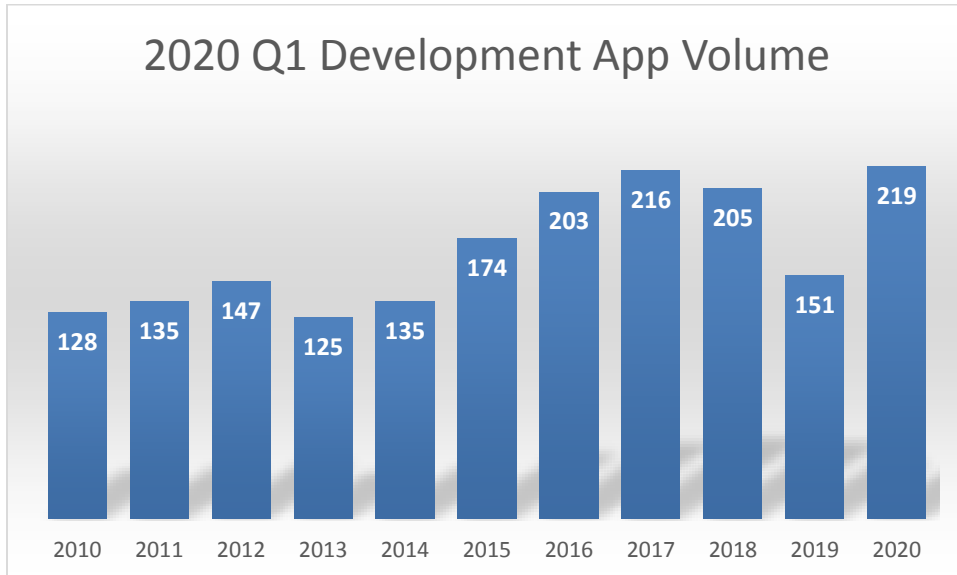


Chart 1

Building and Permitting Statistics Q1 - 2020

The Building and Permitting Department notes a Q1 reduction in construction value of just over 50%; however, this is in comparison to 2019 where Building Permits for several very large Commercial, Industrial and Multi-Family projects were permitted. While this number is below the 5-year trend (as shown in Chart 3); the number of permits issued is only down 19% over the same Q1 period from last year. Permitting activity remains relatively high although the value of construction being permitted has dropped. The next section will dig into this trend further.

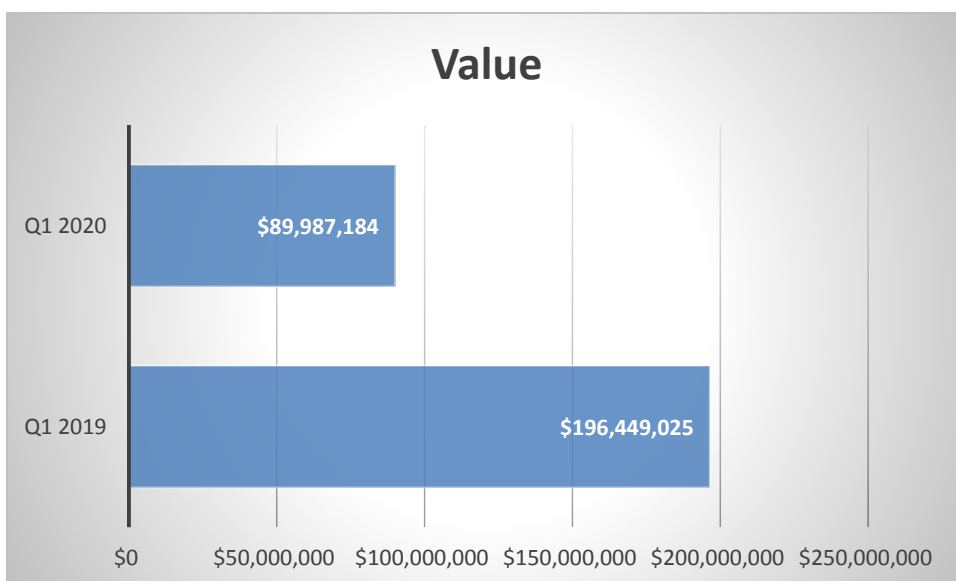


Chart 2

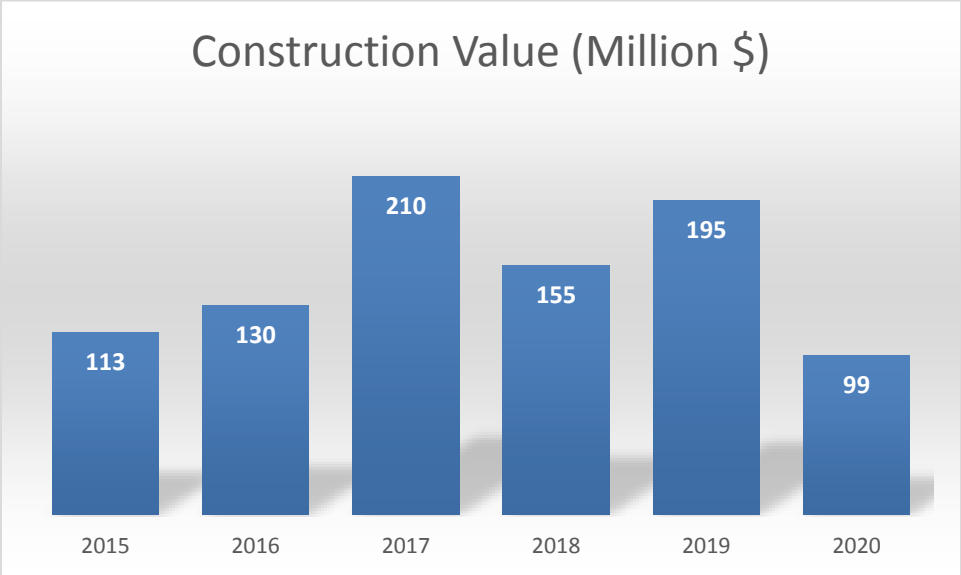


Chart 3

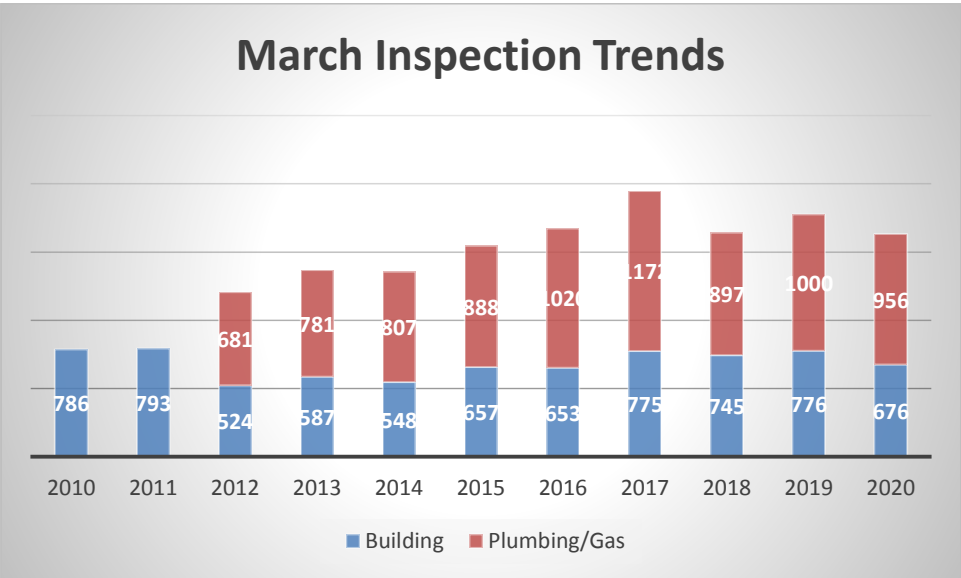


Chart 4

Chart 4 shows that the City’s Building Inspections team remained very busy in March with inspections of the many projects around the City that are at all stages of the construction process. Developers and contractors have implemented measures to allow construction projects to move forward rather than putting a hold on construction mid-build.

Housing Type and Volumes

Housing starts which are often quite strong in March were a bit less than half of their normal volume. The drop in this area is directly related to the impacts of COVID-19. The drop in multi-family starts shows that those developers doing larger scale projects chose to hold off on starting those projects while single family project which generally represent a lower risk investments proceeded. The second graph reinforces this by showing that 91% of the Q1 housing starts were single family which is well above the 5 year average of 41% for this period.

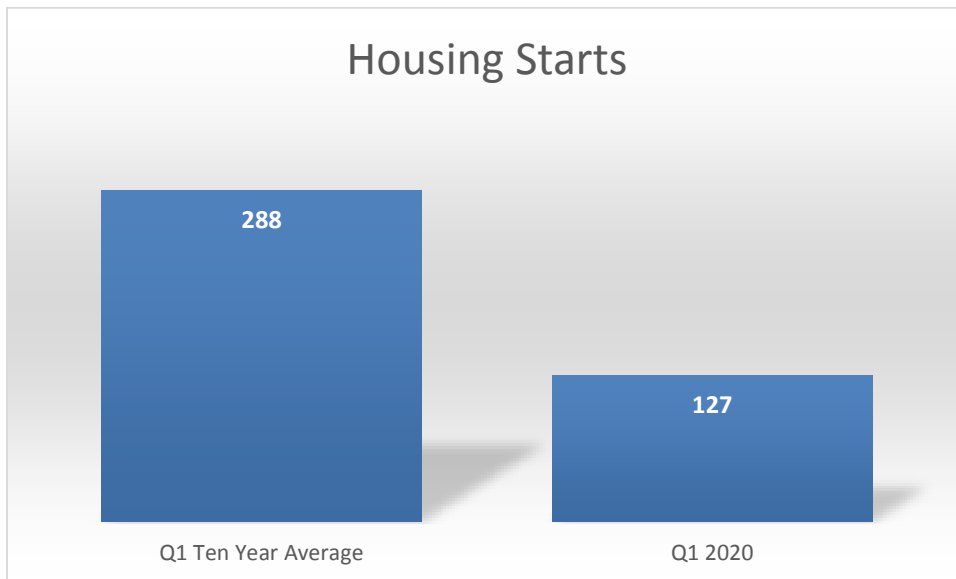


Chart 5

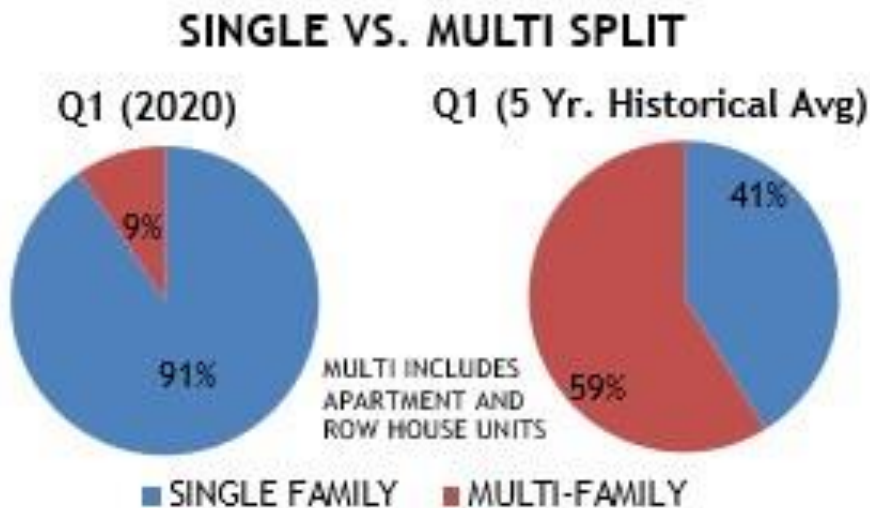


Chart 6

Conclusions:

Planning application numbers for Q1 are strong, fueled by DCC increase deadline and grandfathering legislation. As business recovery efforts get underway, we can likely expect to see much higher levels of multi-family housing starts in the months ahead as developers get already permitted projects underway to take advantage of DCC rate grandfathering.

Although Building Permit value is down substantially from 2019 Q1 numbers, a minor decrease was already anticipated and has been exasperated by the COVID-19 crisis. Inspection numbers remain high, these are follow-through inspections related to the many on-going projects permitted in 2018 and 2019. These levels are expected to continue well into 2020 (unless COVID-19 restrictions are tightened further).

Q1 2020 also saw the reversal of multi-family/single-family split. The 5-year average of 59% multi-family vs. 41% single family units permitted changed dramatically in Q1. The first quarter of 2020 saw 91% single family units permitted and only 9% multi-family. While a sharp contrast against the 5-year trend, this change is to be expected given that there is far less financial risk associated with commencing single family home construction than multi-family type construction. In a recent survey of the local development industry, only 5% of respondents indicated that they would be cancelling projects. Most are either deferring projects or proceeding in a limited manner. Based on the available information at this time, all the fundamentals appear to be in place to allow a quick re-bounce from a slow first quarter which was heavily impacted by COVID-19. In order to further support economic recovery in the local development and construction industries, staff have been meeting with the local liaison committee for the Urban Development Institute to identify additional opportunities. Staff will bring these opportunities forward to Council for deliberation later this spring.

The following planning initiatives are development proposals are expected to come forward to Council in Q2 of 2020:

Development	Planning Projects
Ramada Mass Timber Tower	OCP Project report update
St.Paul/Clement Boutique Hotel	Revitalization Tax Exemption Report
9 storey hotel South Pandosy	CARIP (Climate Action Revenue Incentive Program) Annual Report
Retaining Wall regulation update	Energy Step Code Part 3 Strategy
Society of Hope 8 storey on Benvoulin	
9 story senior's housing at KLO and Pandosy	

Internal Circulation:

Director, Development Services

Department Manager, Policy and Planning
Department Manager, Development Planning
Divisional Director, Corporate Strategic Services

Considerations applicable to this report:

N/a

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

External Agency/Public Comments:

Communications Comments:

Financial/Budgetary Considerations:

Submitted by:

R.Smith, Divisional Director of Planning and Development Services

Approved for inclusion:



D.Gilchrist, City Manager