

Report to Council



Date: March 27, 2017
File: 0165-02
To: City Manager
From: G. March, Planner Specialist
Subject: 2016 Development Summary Report

Recommendation:

THAT Council receives for information the report from the Planner Specialist, dated March 27, 2017, with respect to the 2016 Development Statistics Summary Report

Purpose:

The purpose of this report is to provide a summary of residential, commercial, industrial, and institutional development in 2016, as measured by building permit issuances.

Background:

The Policy & Planning Department has been compiling the monthly statistics and preparing the annual Development Statistics Summary Report since 1987.

The 2016 Development Statistics Summary Report provides an overview of new development that was issued a building permit in 2016. The Report looks at the number and location of new residential, commercial, industrial and institutional building permits issued during the year. For context, the report also provides the current year to the previous 5 and 10 year averages.

The Annual Development Summary Report is intended to provide Council with a comprehensive picture of development in Kelowna, as well as to aide in policy development and decision making. Furthermore, the data from the report also feeds into other City reports such as the Official Community Plan (OCP) Indicators Report and the Community Trends Report, to name a few.

In summary, 2016 was a year characterized by growth in both commercial and residential development, but relatively low activity in institutional and industrial development. Highlights from the 2016 report are shown below:

- **Total dollar value** for all building permit issued in 2016 was \$537,597,310. This is significantly higher than the most recent five and ten-year averages, and is the first time since 2007 that the total dollar value has exceeded a half-billion dollars.
- **Residential** building activity in 2016 saw building permits issued for 1,950 new residential units. This is significantly higher than the most recent five-year average of 1,138 units per year, as well as the most recent 10-year average of 1,067 units per year. In fact, 2016 saw permits issued for the second highest number of new units since the late 1980's, with 2005 the only year seeing more units. Furthermore, 2016 represents a 360% increase over 2011, which saw the fewest permits issued for new residential units since the late 1980's.
- Based on permit issuance, the 2016 housing split exceeded the OCP goal for the second consecutive year, and was approximately 36% single/semi-detached units and 64% multiple housing units. Since adoption of the current OCP, the housing split has been approximately 48% single/semidetached and 52% multiple housing units, which is just below the OCP target of 43% single/semi-detached and 57% multiple unit.
- Of the units issued a building permit in 2016, 47% were located within an Urban or Village Centre. However, as some of the Village Centres are outside of the Urban Core boundary, only 39% of all units were located within the Urban Core Area. The past two years have seen a significant increase over previous years in both the percentage and absolute number of new residential development in Urban or Village Centres.
- **Commercial** development in 2016 saw permits issued for 343,622 square feet of new floor space. This is just above both the most recent five and ten-year averages. However, only 21% of the total commercial square feet is located within the Urban and Village Centres, which is a decrease over the previous five years.
- **Industrial** development in 2016 was above the most recent five-year average, but below the ten-year average. The nature of industrial development is such that trends should be measured over multiple years versus year-to-year. One or two large projects in a given year can skew the annual averages significantly.
- **Institutional** building permits were issued for 166,026 square feet of new development in 2016. Similar to industrial development, new institutional floor space in 2016 is above the most recent five-year average but below the 10-year average. The public sector was responsible for approximately 85% of the institutional development in 2016.

It is not unusual for building permit issuances to increase or decrease from one year to the next. The OCP takes these types of fluctuations into account and forecasts on the basis of averages. As such, in any given year, building permit issuances may vary quite a bit from the average figure cited in the OCP. It is for this reason that the OCP forecasts in five-year increments, rather than in one-year increments. Looking forward, the first quarter of 2017 has already seen building permits issued for 858 new residential units, which is a 216% increase over the first quarter of 2016; 81% are for multiple-unit development. Comparatively, of the 271 residential units issued a permit in the first quarter of 2016, just under half were for multiple-unit development. In terms of new commercial, industrial and institutional floor space, the first quarter of 2017 has seen permits issued in all three categories for less floor space than in the first quarter of 2016.

The 2016 Development Statistics Summary Report (see link above) provides further details on the 2016 building activity and is currently posted on the City's web page for public information.

Internal Circulation:

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cc:

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