

2016

Annual Building & Development and Benchmark Report



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Table of Contents

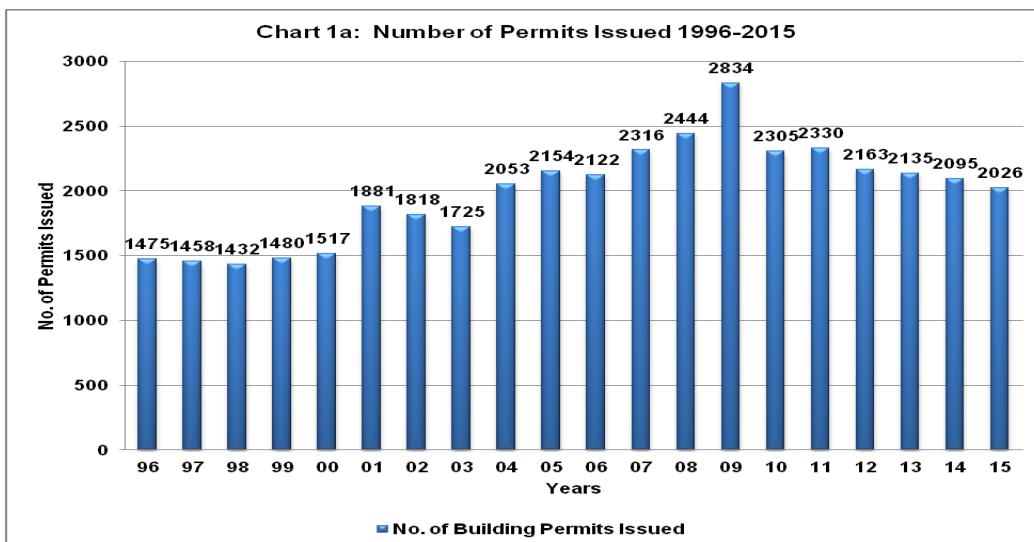
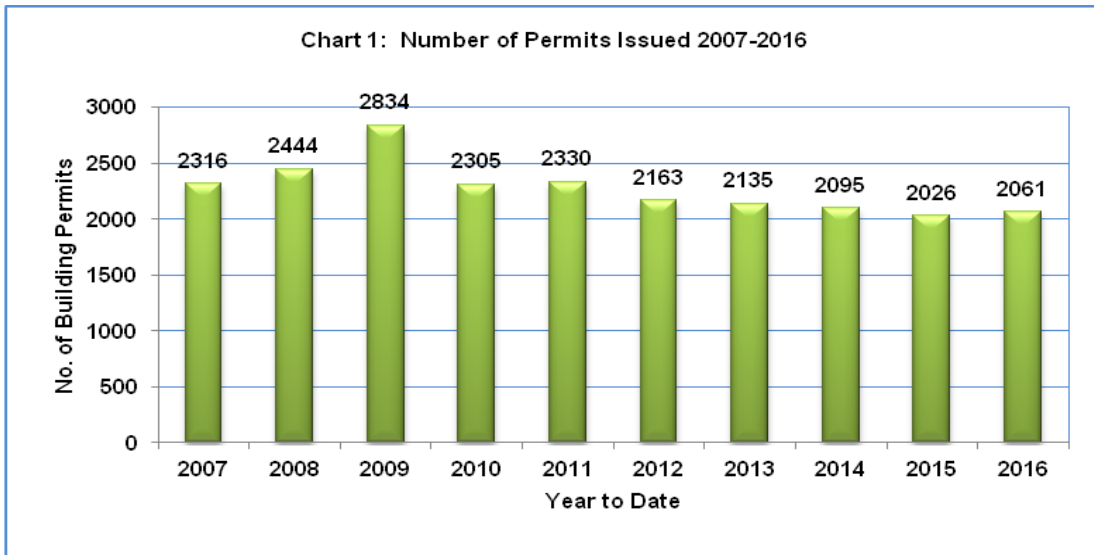
| | |
|---|----|
| Building Permit Activity | 3 |
| Building permits issued: | 3 |
| Construction value: | 4 |
| Number of permits issued by sector: | 4 |
| Residential Development..... | 5 |
| Construction value of new dwellings: | 5 |
| Number of units created:..... | 6 |
| Permits issued for residential construction: | 7 |
| Residential accessory buildings: | 7 |
| Industrial, Commercial and Institutional (ICI) Development..... | 8 |
| New commercial and industrial: | 8 |
| New institutional:..... | 8 |
| Miscellaneous ICI:..... | 8 |
| “Other” Permits..... | 9 |
| Swimming pools, demolitions and plumbing permits: | 9 |
| Summary..... | 9 |
| Turn Around Times for Building Permits | 10 |
| Introduction:..... | 10 |
| Background information: | 10 |
| New residential benchmarks: | 11 |
| Number of residential permits reported & excluded:..... | 11 |
| Miscellaneous residential benchmarks:..... | 12 |
| Number of miscellaneous residential permits reported & excluded:..... | 12 |
| New ICI benchmarks:..... | 13 |
| Number of new ICI permits reported & excluded: | 13 |
| Miscellaneous ICI benchmarks: | 14 |
| Number of miscellaneous ICI permits reported & excluded: | 14 |
| Conclusion..... | 15 |



Building Permit Activity

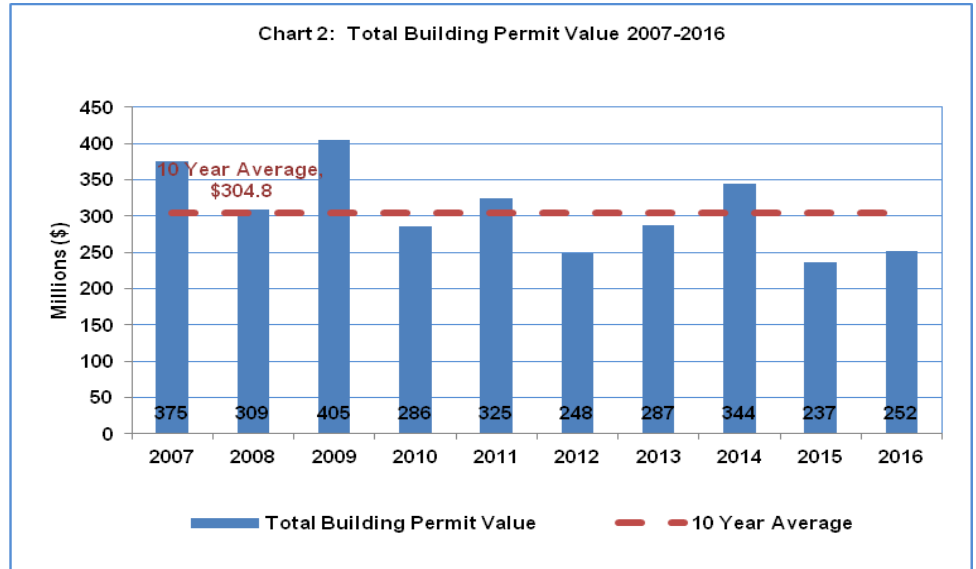
Building permits issued:

This year, 2,061 building permits were issued in the City of Greater Sudbury, an increase of 1.7%, as compared to 2,026 in 2015 (Chart 1). Again, over the last 20 years we can see the cyclical nature of our economy with some anomalies such as the financial crisis of 2007, and the introduction of ICI Development Charges in 2009 (Chart 1a).



Construction value:

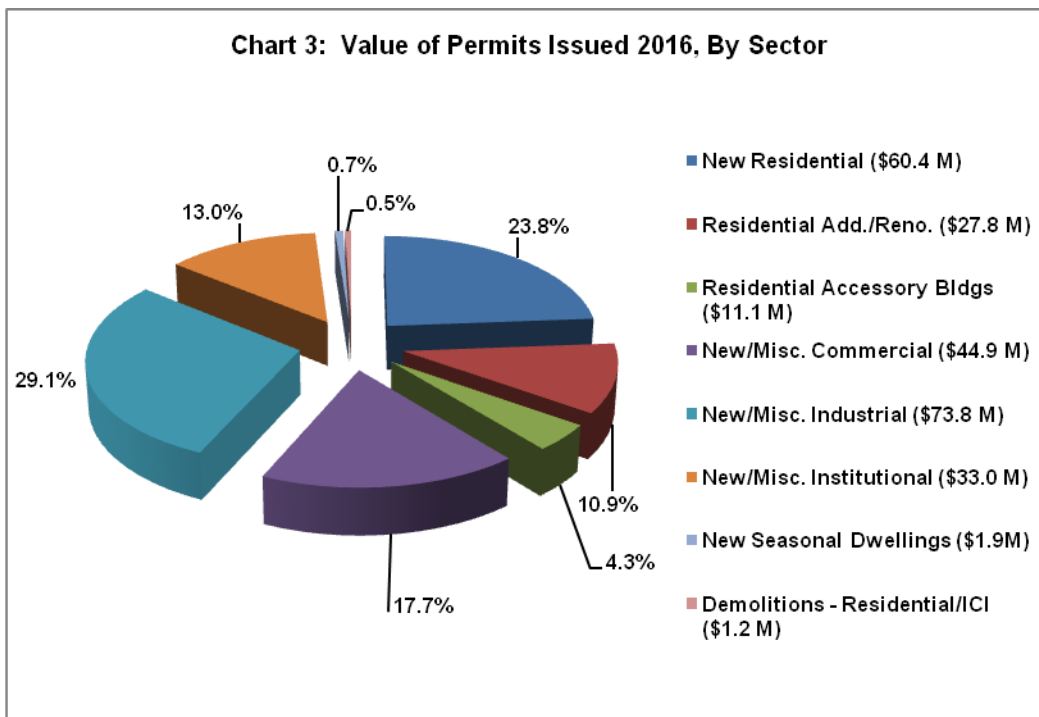
Chart 2 outlines the total construction value of building permits issued in 2016 was \$252.9 million, indicating a 6.7% increase as compared to \$237.0 million in 2015. Over the last 10 years, the total construction value of building permits issued in the City of Greater Sudbury has averaged \$304.8 million.



Number of permits issued by sector:

In 2016 residential additions, alterations and renovations accounted for 36.7% of the total number of permits a slight decrease from the 42.1% they accounted for in 2015. Residential accessory buildings accounted for 27.8% of permits and new residential construction (including seasonal dwellings) at 9.7% were the next most common projects. In total, residential construction made up 74.2% (permit volume) of all construction in the City of Greater Sudbury in 2016, \$101 million or \$39.8% of construction value.

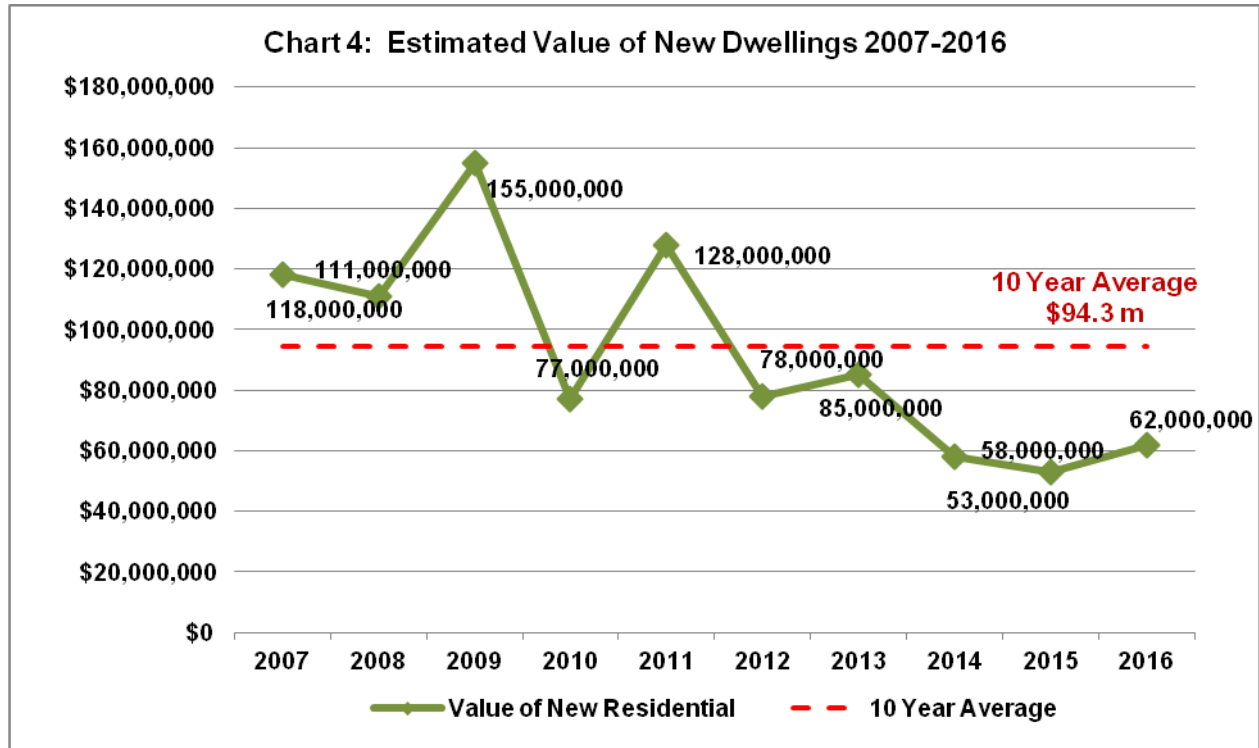
In 2015, the number of building permits issued in residential projects amounted to 82% of the total permits issued, however this only represented 38% of the value of construction in that year. Also, the charts indicated that of the 2015 residential permits, new single family dwellings represented 23.8% of total value, similar to 2016 (Chart 3). It should be noted that in 2013, the new single family dwelling represented 71% of the values. This seems to indicate a continuing migration to the renovation sector from new construction, indicating homeowners continue to invest in existing infrastructure as opposed to buying new.



Residential Development

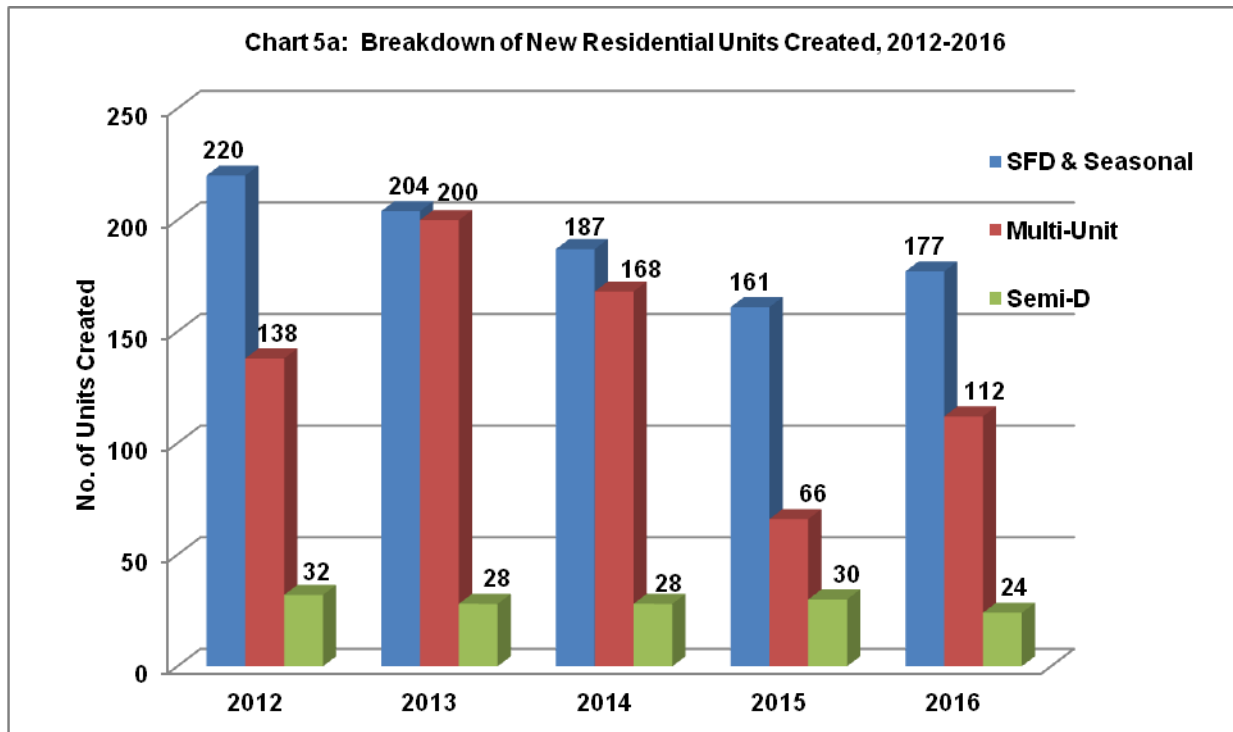
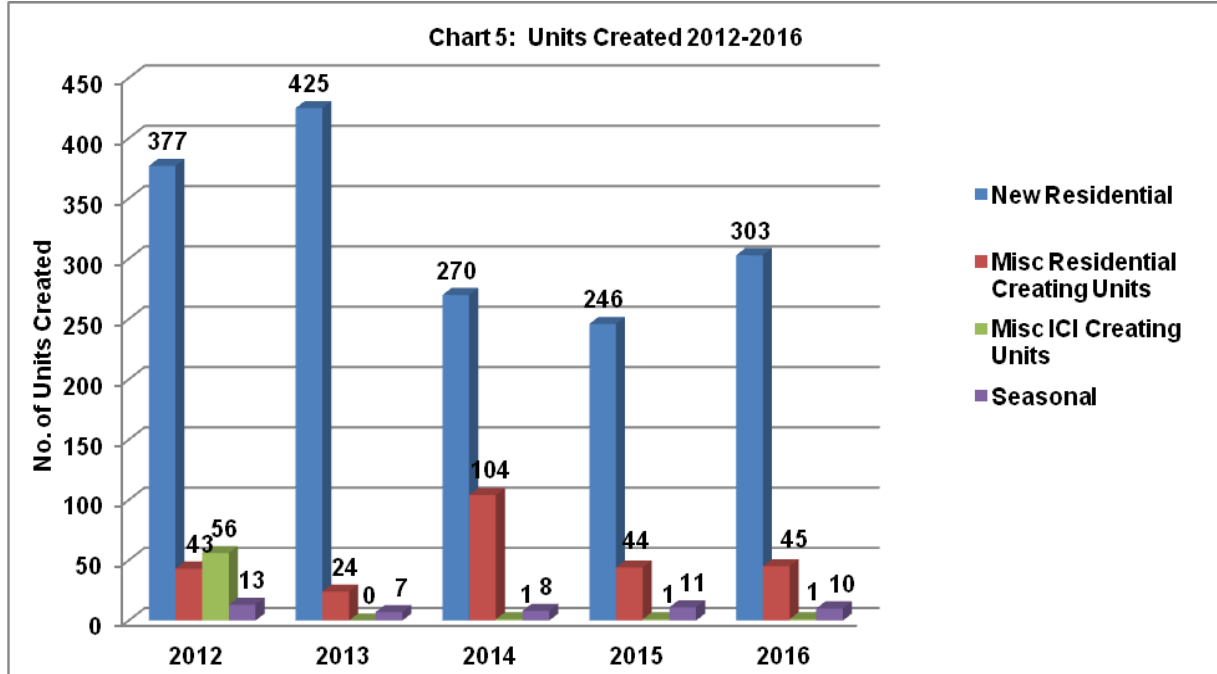
Construction value of new dwellings:

In 2016, the total value of new residential construction (including seasonal dwellings) was \$62.3 million compared to \$52.5 million in 2015, a increase of 18.8% in 2016 (Chart 4). Total residential building permit value is still below the historical 10 year average of \$94.3 million.



Number of units created:

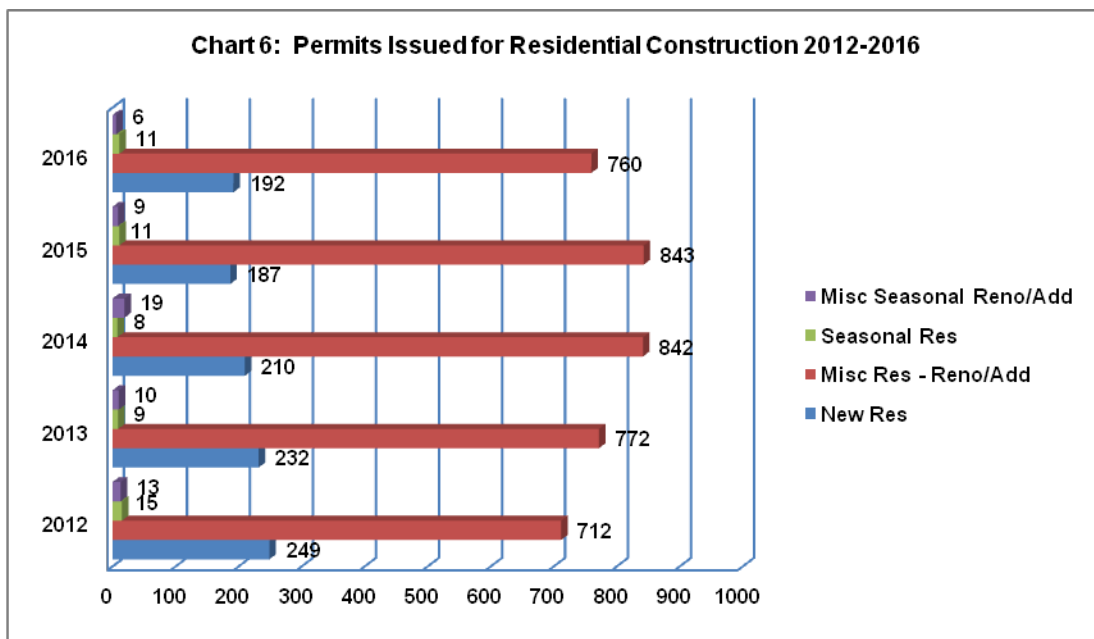
New housing starts in Sudbury showed an increase of 21.8% with 313 units created in 2016 compared to 257 units in 2015. (Charts 5 and 5a).



Permits issued for residential construction:

Applications for residential renovations/additions (including seasonal) saw a decrease of 11.2% with 766 permits issued in 2016 as compared to 852 permits issued in 2015. However, these projects were valued at \$27.8 million, a 3.3% increase from the 2015 value of \$26.9 million (Chart 6).

In 2016 there were 46 units created within an existing structure (both residential and ICI), as compared to the 45 units created in 2015. According to CMHC, the rapidly aging population and decreasing household size in Sudbury have been supporting a growing preference for multiple-unit homes, however, with the high level of rental apartment units already undergoing construction and with the rising vacancy rate, this may deter builders from starting more rental apartment units¹. There is some speculation that changes implemented to Zoning By-law 2010-100Z regarding Secondary Dwelling Units in 2016 may affect these numbers.



Residential accessory buildings:

There were 581 permits issued in 2016 for residential accessory buildings (including seasonal) such as detached garages, sheds, and decks, with a construction value of \$11.1 million, an increase in value of 9.4% as compared to 602 permits issued with a construction value of \$10.4 million in 2015. Again possibly indicating a trend of upgrading existing residential infrastructure as opposed to building/buying new.

¹Housing Market Now, Greater Sudbury CMA, Fall 2015, CMHC

Industrial, Commercial and Institutional (ICI) Development

New commercial and industrial:

In 2016, the total value of new commercial construction at \$6.4 million showed a decrease of 301.6% with 4 permits issued, whereas, 2015 was \$25.7 million with 8 permits issued. The total value of new industrial construction in 2016 was \$19.8 million with 13 permits issued as compared to 19 permits issued and a construction value of \$37.2 million in 2015, a decrease of 87.8%. Major projects issued in 2016 are:

- Reich Development Strip Mall, Kingsway, 9,375 sq.ft., \$2.4 million
- Vale, Baghouse & Iron Ore Recovery Plant, 8,364 sq.ft., \$6.4 million
- Vale, Civil Foundations, New Struct Trestle System, 2,906 sq.ft., \$3.8 million
- New Wendy's Restaurant, Kingsway, 3,228 sq.ft., \$1 million
- Vale, Civil Foundations, NRC Nickel Emissions, 7,100 sq.ft., \$.6 million
- Strip Mall, 3179 Hwy 69 N, 10,730 sq.ft. \$2 million
- New Mac's Convenience Store & Gas, Notre Dame Ave, 7,060 sq.ft., \$965,000
- Mining Sector, Pumphouse Facility, 1700 Elm St, 1,743 sq.ft., \$5.1 million

New institutional:

In 2016, no permits were issued for new institutional construction as compared to 1 permit issued in 2015 with a construction value of \$8.6 million.

Miscellaneous ICI:

The construction of additions and interior renovations within the miscellaneous Institutional, Commercial and Industrial (ICI) sector in 2016 showed a value of \$125.6 million with 426 permits issued as compared to \$74.8 million with 269 permits issued in 2015. Projects such as:

- Addition & renovations to Northern Nissan, \$2.4 million
- Additions & renovations to 1400 Kingsway, \$2.0 million
- Renovations, City of Lakes Family Health, Chelmsford, \$1.5 million
- Food Court Renovation, NSSC, \$1.6 million
- Roof repairs, Bell Building, Minto Street, \$1.2 million
- Roof replacement, Weston Bakery, \$1.5 million
- Mining sector – Electrical Room Addition to Pumphouse, \$5 million
- Interior & exterior alterations – Fisher Wavy, \$4.1 million
- Vale, Clean AER, MK Filtration & Loadout system, \$26.3 million
- Rooftop Solar Panels, Pioneer Manor, \$1 million
- Addition & Int Alterations – AMRIC, Walford Road, \$14.1 million
- Gym renovation, LoEllen Park Secondary, \$1.9 million
- Interior alteration, ODSP Offices, \$1.4 million
- Roof replacement, J.N. Desmarais Library, Laurentian University, \$1.2 million
- Vale, Matte Separation Upgrades, Copper Cliff Smelter, \$5.5 million
- Vale, Converter 10 MPEI Installation, Copper Cliff Smelter, \$2.6 million

“Other” Permits

Swimming pools, demolitions and plumbing permits:

The Building Services statistics also track “other” permits issued such as swimming pools, demolitions and plumbing permits. There were 161 swimming pool permits issued at a value of \$2.2 million and 90 demolition permits at a value of \$1.2 million. In 2016, there were 470 plumbing permits issued as compared to 498 in 2015.

Summary

CMHC statistical data forecasts the status quo of a softened residential sector in single family starts for 2017 with a slight increase predicted for 2018 and the forecast for a higher number of multiples remains. CMHC is also forecasting a slight increase in the MLS average price for 2017 and 2018².

²Housing Market Now, Greater Sudbury CMA, Fall 2016, CMHC

Turn Around Times for Building Permits

Introduction:

Building Services has benchmarked the length of time it takes to issue building permits since 1994. Input from the Development Liaison Advisory Committee (DLAC), stakeholders' feedback and City staff suggestions and actions over that time have assisted in achieving process improvements. Year to year comparators are provided to Council through DLAC on an annual basis. This information serves to identify for Building Services through its automated benchmark tracking what areas within the building permit processing system requires attention. Staff then identifies the practices/procedures and policies requiring further rationalization to meet service demands and improve customer service. The modifications to practices/procedures and policies are vetted by DLAC through its Committee structure and then sent to Council for adoption.

Background information:

Building statistics in this report relate to permits issued for applications processed in 2016 as per DLAC's direction. Benchmark times only reflect the length of time taken to issue permits once all other development approvals have been cleared, such as Site Plan Control, minor variances, zoning changes or Sudbury & District Health Unit approval for buildings being built in unserviced areas such as new dwellings (new septic system and/or field bed).

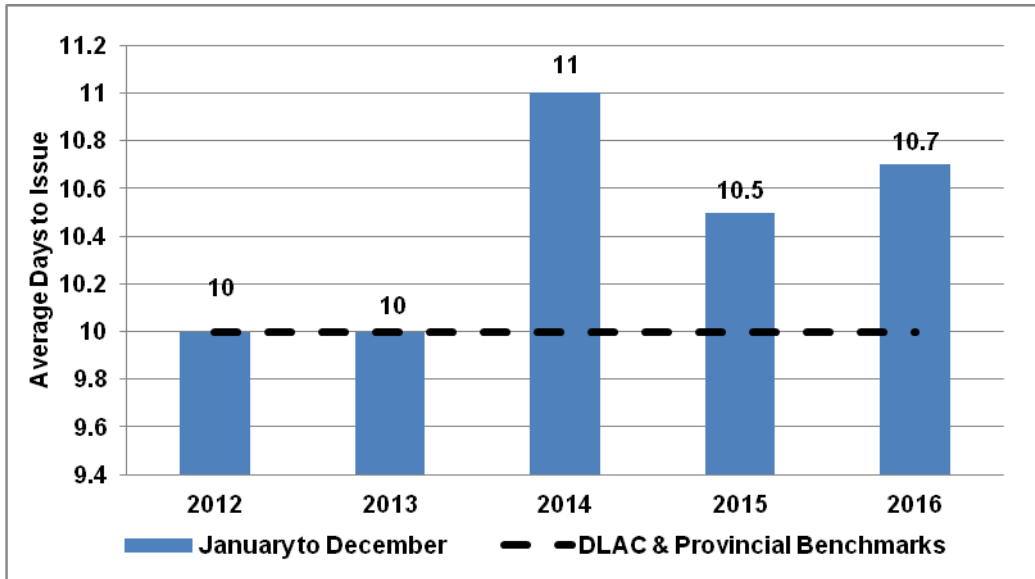
Benchmarks: The following compares the length of time it took to issue permits having a complete application as mandated by the Ministry of Municipal Affairs and Housing for new and miscellaneous construction projects in the residential and ICI sectors during 2015, with those of the previous years.

We have included both DLAC benchmarks as well as Provincial benchmarks:

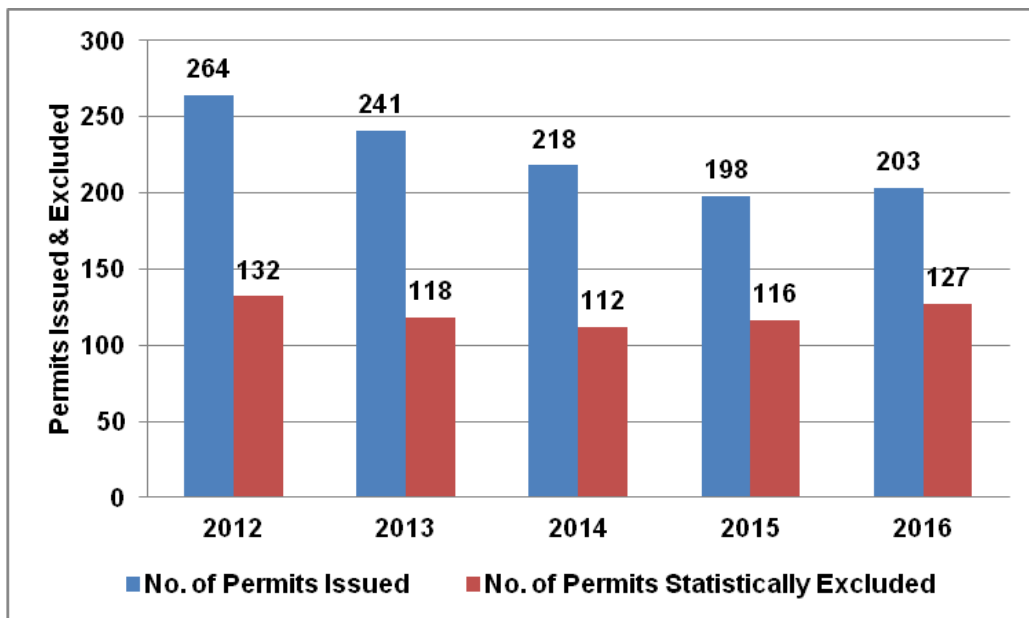
| PERMIT TYPE | BENCHMARKS | |
|-------------------|------------|-----------------------|
| | DLAC | Provincial |
| New Residential | 10 | 10 |
| Misc. Residential | 5 | 10 |
| New ICI | 10 | 15 to 30 ³ |
| Misc. ICI | 5 | 15 to 30 ³ |

³15 days – Part 9 (other) buildings; 20 days – Part 3, 4, 5, 6 large buildings; 30 days – Part 3, 4, 5, 6 complex buildings

New residential benchmarks:

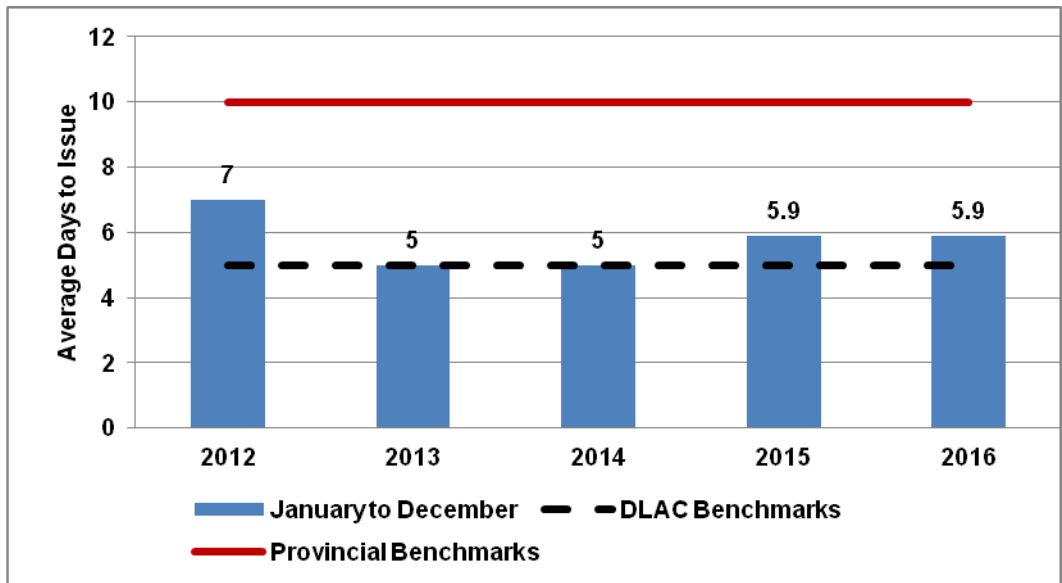


Number of new residential permits issued & excluded:

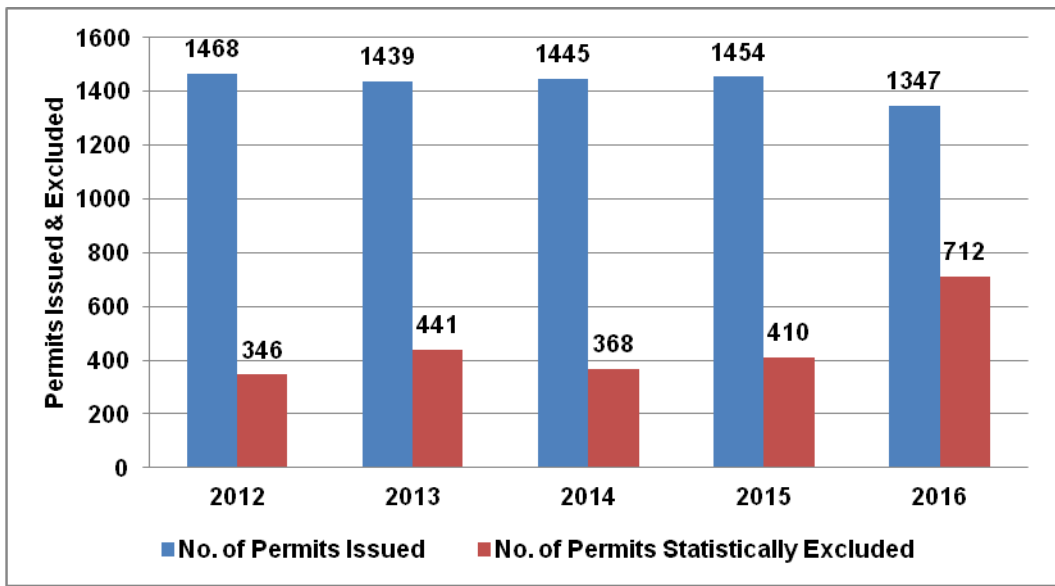


Incomplete applications are excluded and include permits that are subject to City By-laws and regulations such as rezoning, minor variance, site plan control agreement, subdivision agreement, lot grading, etc. which fall outside the control of the building permit process and in theory should be completed prior to a building permit application being received by us in order to deem it a complete application. However, based on DLAC approved policy and customer centric focus, we do not turn away incomplete applications.

Miscellaneous residential benchmarks:

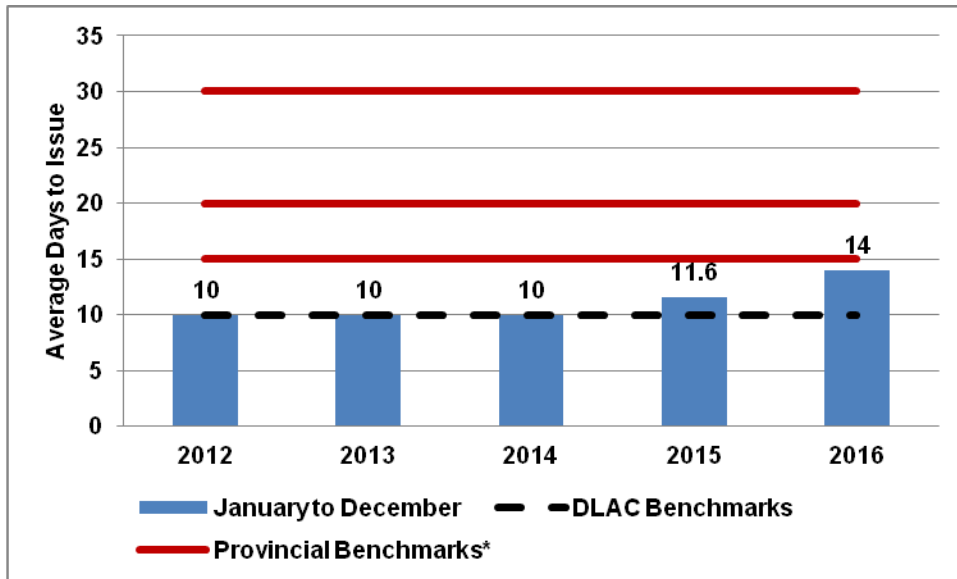


Number of miscellaneous residential permits issued & excluded:



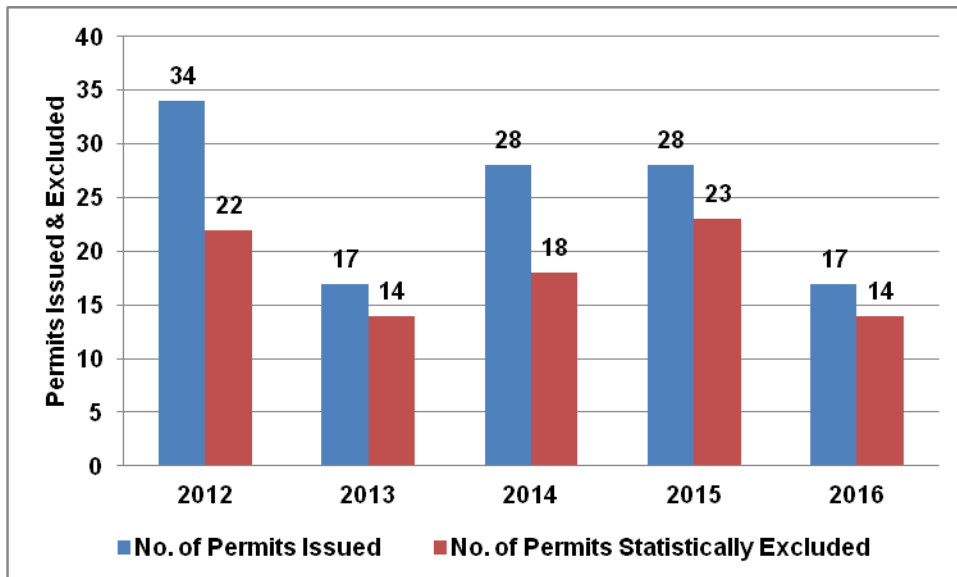
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New ICI benchmarks:



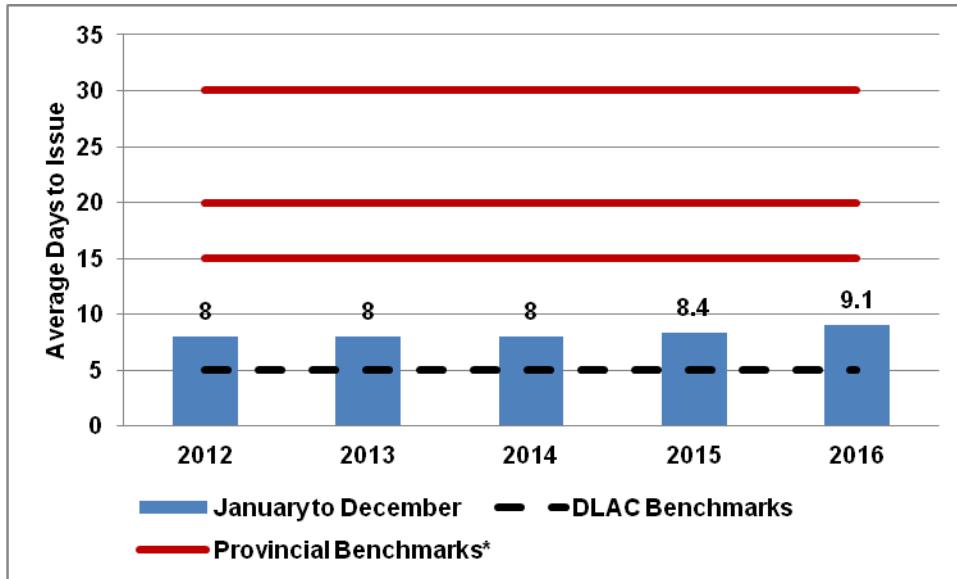
*15 days – Part 9 (other) buildings; 20 days – Part 3,4,5,6 large buildings; 30 days – Part 3,4,5,6 large complex buildings

Number of new ICI permits issued & excluded:



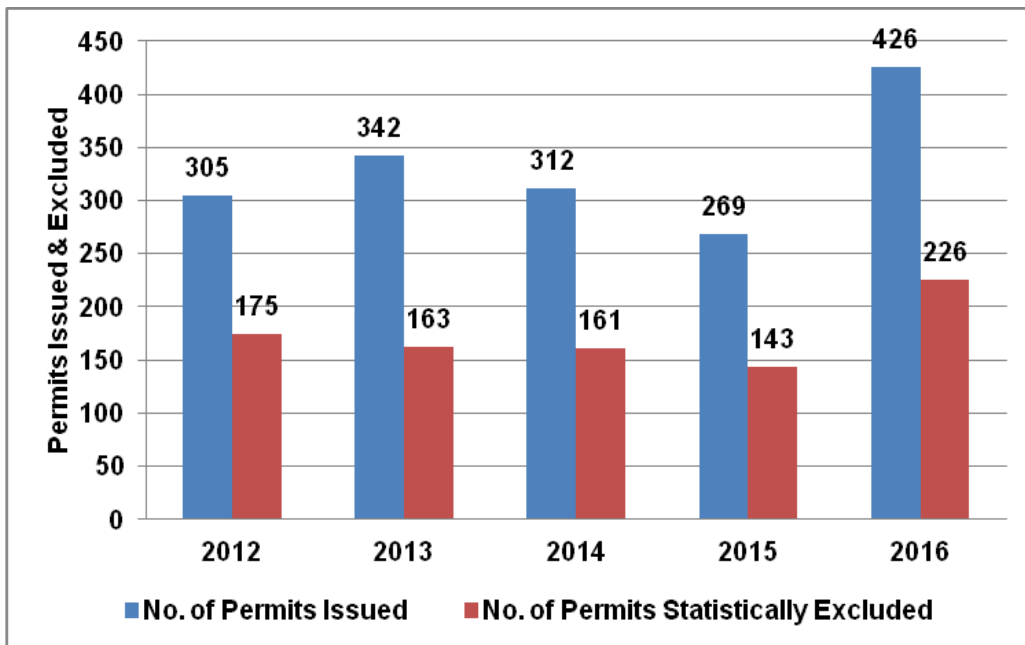
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Miscellaneous ICI benchmarks:



*15 days – Part 9 (other) buildings; 20 days – Part 3,4,5,6 large buildings; 30 days – Part 3,4,5,6 large complex buildings

Number of miscellaneous ICI permits issued & excluded:



Incomplete applications are excluded and include permits that are subject to City By-laws and regulations such as rezoning, minor variance, site plan control agreement, subdivision agreement, lot grading, etc. which fall outside the control of the building permit process and in theory should be completed prior to a building permit application being received by us in order to deem it a complete application. However, based on DLAC approved policy and customer centric focus, we do not turn away incomplete applications.

Conclusion

In 2016, our turnaround times increased slightly when compared to 2015 being slightly above the DLAC benchmarks but still within the provincially mandated benchmarks. Building Services continued to have challenges with staff due to health issues within senior Permit Processing Clerk ranks, and junior Permit Processing Clerks moving onto different departments within the organization creating significant staffing pressures for remaining senior staff when hiring and training to replace these lost resources.

The year 2017 brings exciting new building prospects to Greater Sudbury with the development of numerous ICI and residential projects as listed:

- 6 Storey, 119 room Hilton Garden Inn Hotel, Kingsway, \$11.9 million
- AER Wet Gas Building - \$26 million
- Research, Innovation & Engineering Building – Laurentian University – \$27.4 million
- Kingsway Development New Restaurant, 15,000 sq.ft.
- Auto Park Development, 2 Dealerships, 50,000 sq.ft.; 1 Body Shop, 15,000 sq.ft.
- Victoria Mine Site Development
- Proposed Brewers Loft Condominium Development, Northern Breweries, Lorne St.
- St. Joseph's Hospital Condominium Development, 183 units
- Health Sciences North Medical NEO Kids Learners Unit
- Copper Cliff South
- Casino Development
- Red Oak Villa Retirement Expansion
- Laurentian University New Student Centre

Building Services staff will continue to explore opportunities with the development industry and their representatives on DLAC to improve service and streamline the development permitting process.