

2018

Annual Building & Development and Benchmark Report



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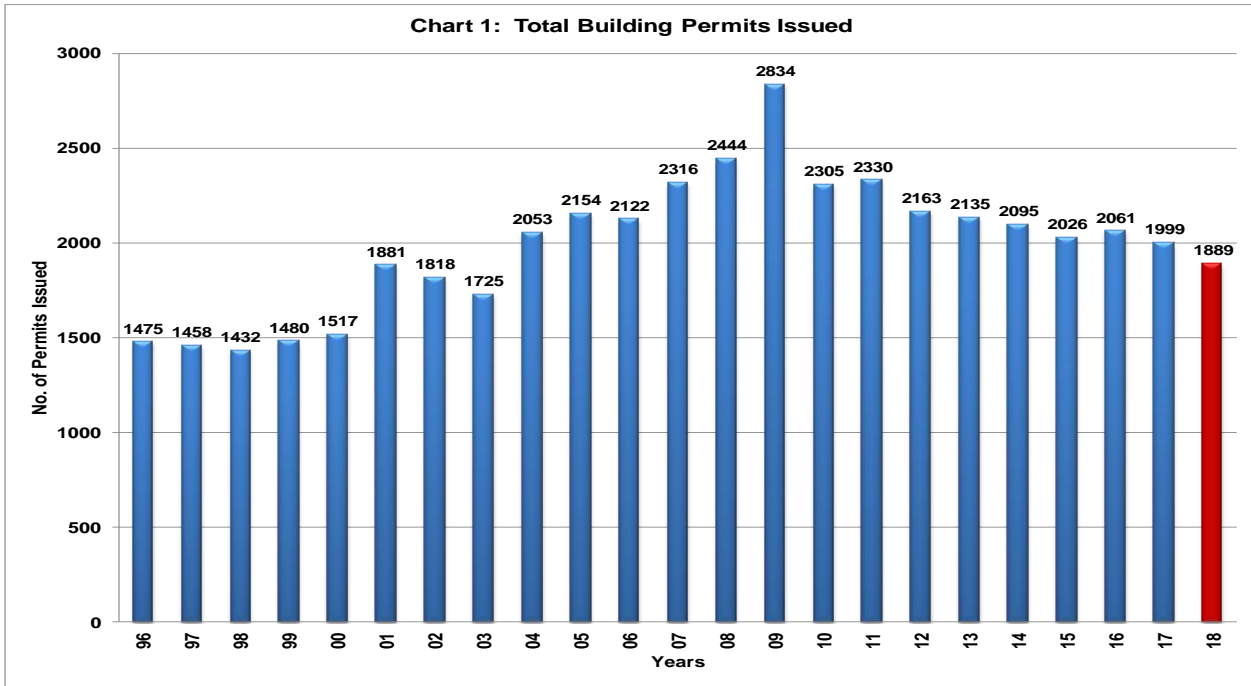
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Building Permit Activity

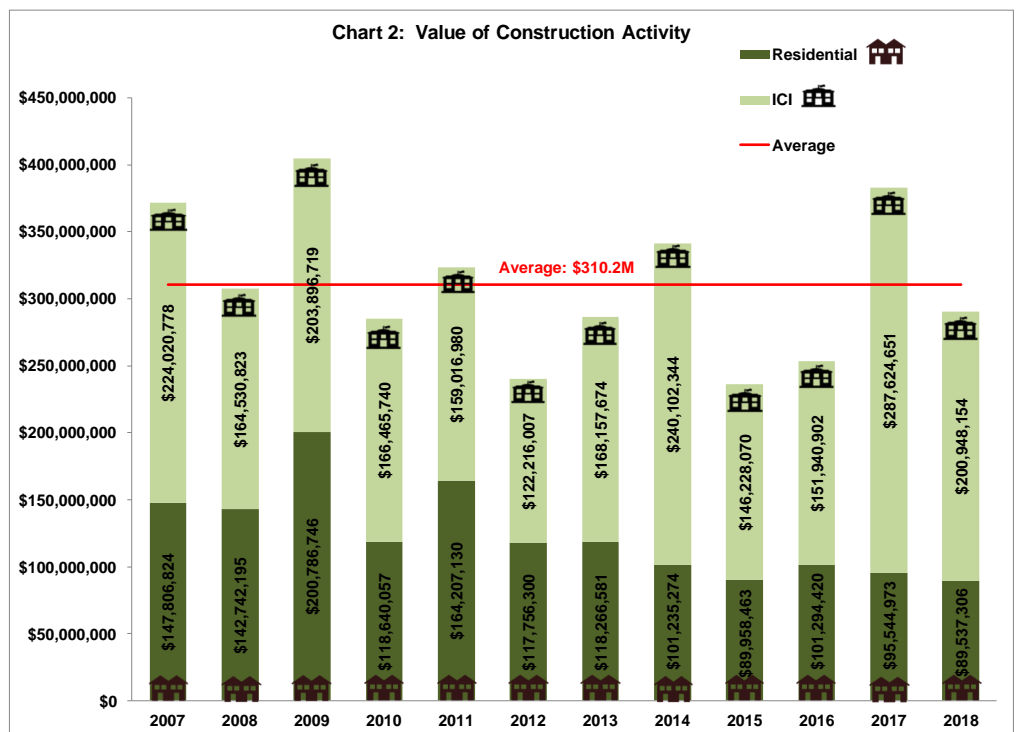
Total building permits issued:

This year, 1,889 building permits were issued in the City of Greater Sudbury, a decrease of 5.5%, as compared to 1,999 in 2017. 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.



Total construction value:

Along with the slight decrease in permit numbers, Chart 2 outlines the total construction value of building permits issued in 2018 was \$291 million, indicating a 24% decrease as compared to \$383 million in 2017 which was our strongest year since 2009. Over the last 12 years, the total construction value of building permits issued in the City of Greater Sudbury has averaged \$310.2 million.



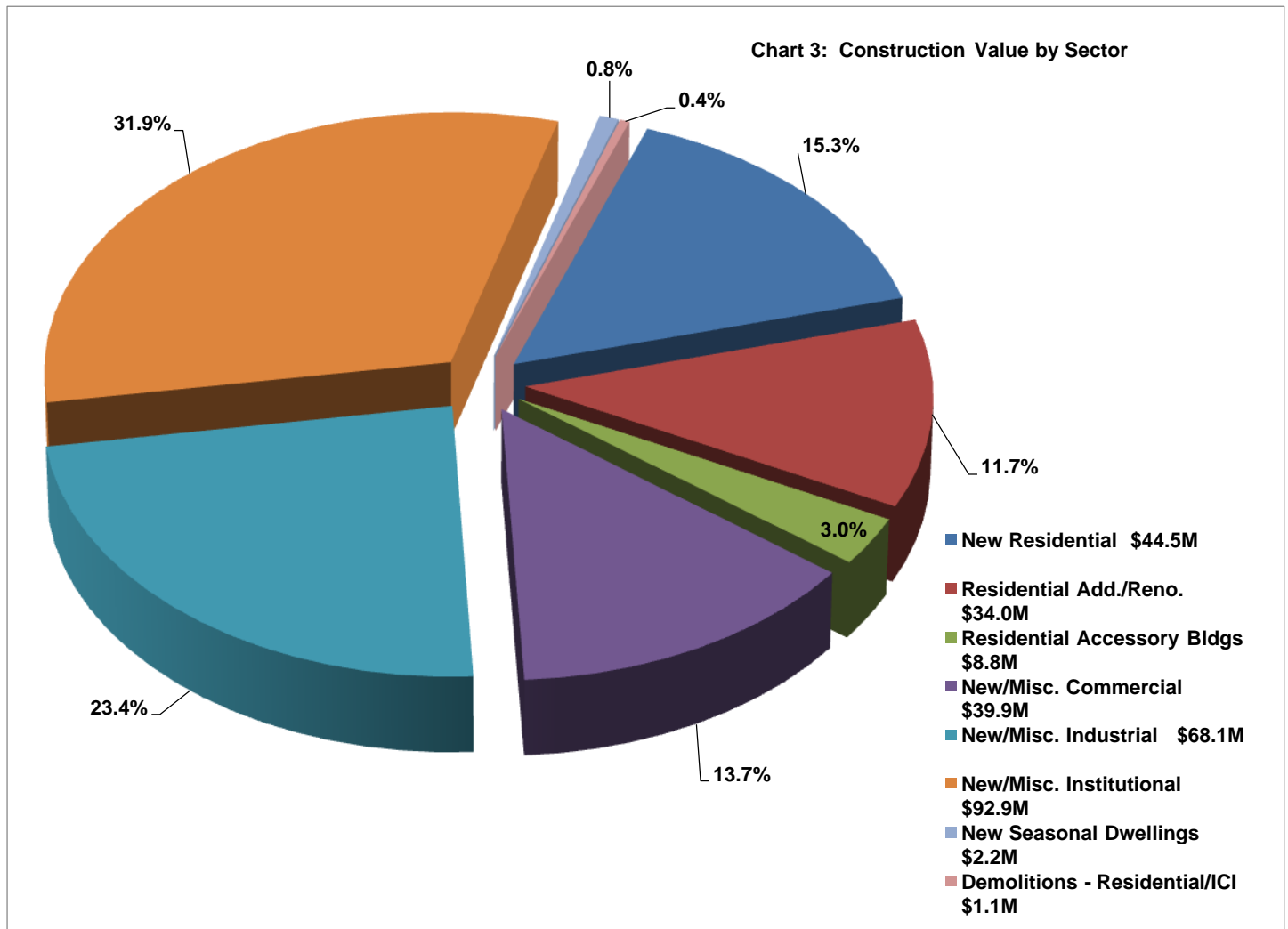
Total building permit value of construction by sector:

In 2018 the construction value for new residential (including seasonal dwellings) was 16.1% of the total number of permits compared to 15.1% in 2017, an increase of 1.0% on the total value of construction. The construction value for residential additions, alterations and renovations accounted for 11.7%, an increase of 62.5% from the 7.2% they accounted for in 2017 and for residential accessory buildings, the construction value accounted for 3% in 2018, as compared to 2.6% in 2017.

It should be noted that this has been a continuing trend for the residential sector for the last several years and CMHC is predicting this trend to continue into 2019 and 2020.

In 2018, the Industrial, Commercial and Institutional (ICI) sector accounted for 69% of construction value in the City totaling \$200.9 million, a decrease of 30.2% from the \$287.6 million in 2017.

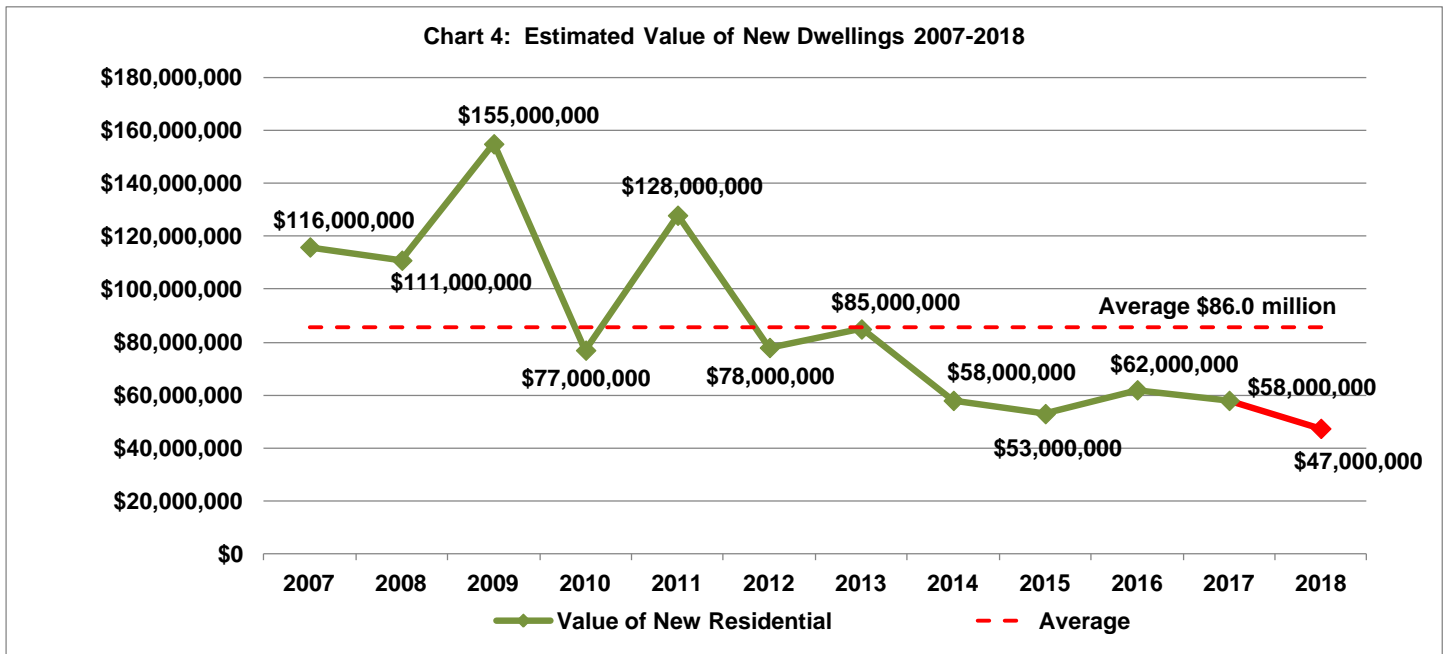
Overall, the total construction value in 2018 was \$291.6 million as compared to \$384 million in 2017, a decrease of 24.1%.



Residential Development

Construction value of new dwellings:

In 2018, the total value of new residential construction was \$44.5 million compared to \$57.8 million in 2017, a decrease of 23% in 2018. However, the total value of new seasonal residential construction was \$2.2 million compared to \$0.1 million in 2017, a significant increase. Total residential building permit value is still below the historical twelve year average of \$86 million.



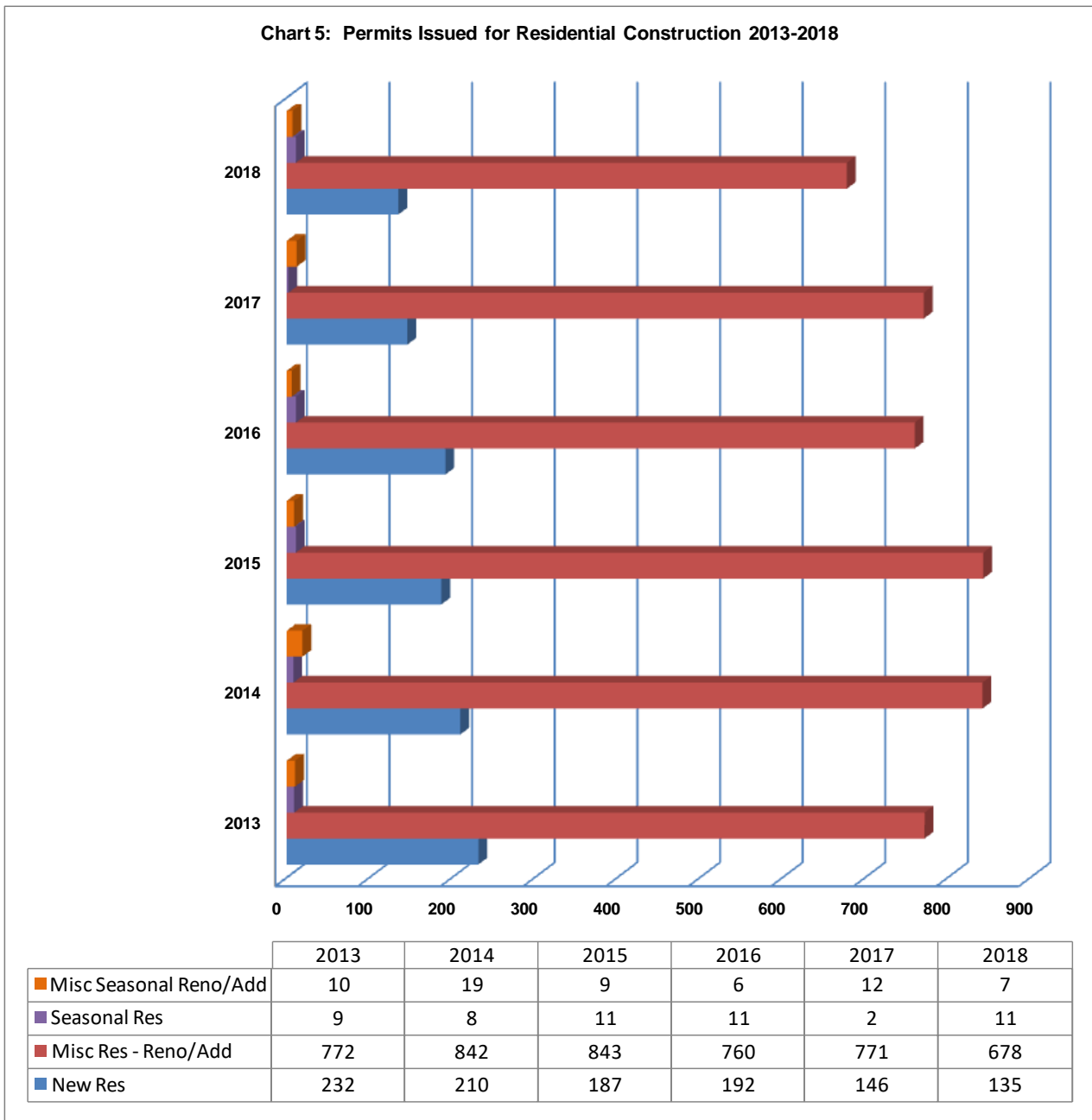
Number of permits issued for residential construction:

Residential renovations/additions (including seasonal) saw a decrease of 12.5% with 685 permits issued in 2018 as compared to 783 permits issued in 2017. These projects were valued at \$34.0 million, a 23.2% increase from the 2017 value of \$27.6 million.

In 2018 there were 93 units created within an existing structure (both residential and ICI), as compared to the 40 units created in 2017. 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 continue to deter builders from starting more rental apartment units¹. There does appear to be more interest by the public in utilizing the changes implemented to Zoning By-law 2010-100Z in 2016 regarding Secondary Dwelling Units. While 2017 only reflected 18 permits for Secondary Dwelling Units, 2018 shows a significant increase of more than twice that number at 25 units, reflected both in new builds and existing dwellings and/or accessory structures.

¹Housing Market Outlook – Northern Ontario, Greater Sudbury CMA, Fall 2018, CMHC

Number of permits issued for residential construction (continued):

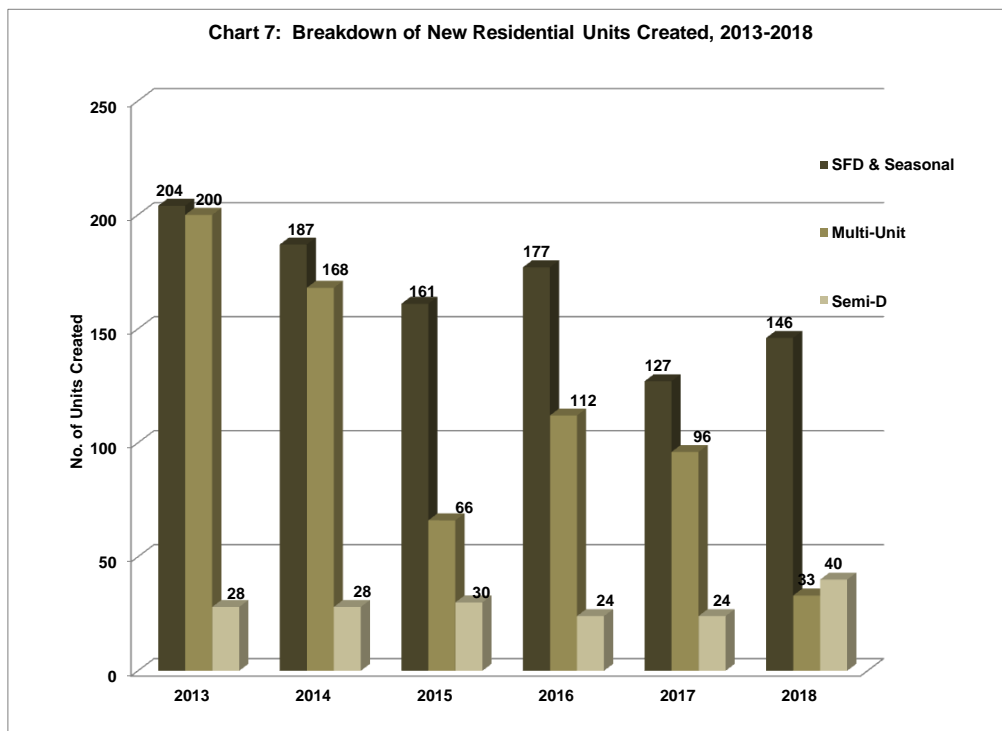
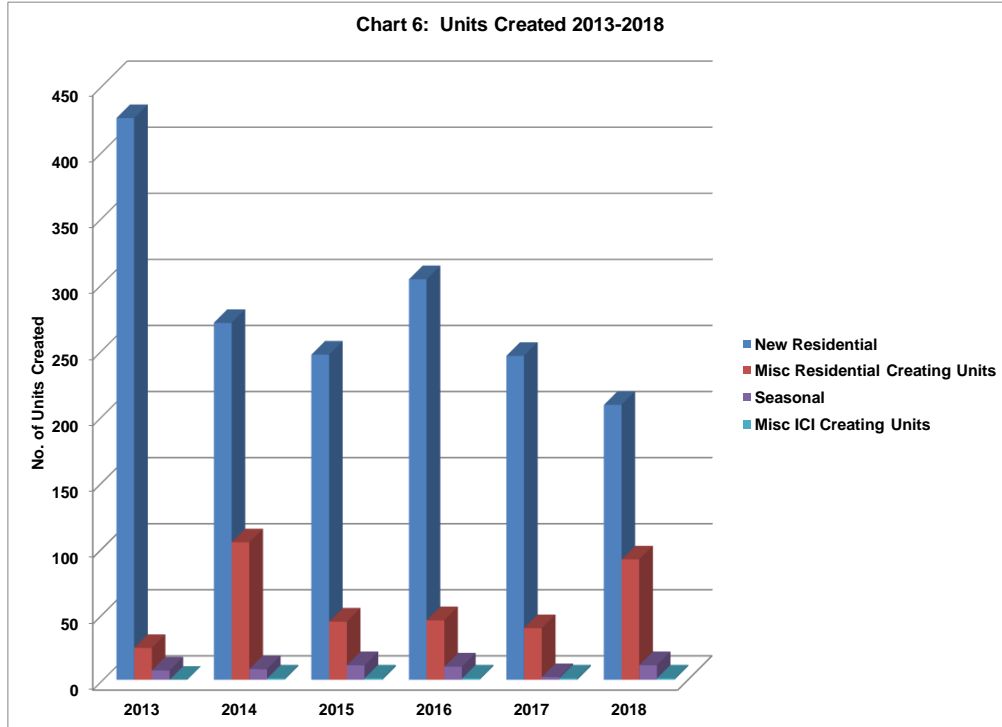


Number of units created:

New housing starts in Sudbury showed a decrease of 11.3% for new residential with 219 units created in 2018 compared to 247 units in 2017. An increase of 132.5% in miscellaneous residential and ICI units from 40 units in 2017 to 93 units in 2018 (Chart 6).

A breakdown of types of dwelling units created in 2018 is outlined in Chart 7, with 146 dwelling units for new residential and seasonal, 34 units for multi-units and 40 units for two family dwellings (semi-d and duplex).

Number of units created (continued):



Residential accessory buildings:

There were 530 permits issued in 2018 for residential accessory buildings (including seasonal) such as detached garages, sheds, and decks, with a construction value of \$8.6 million, a decrease of 14% in construction value as compared to 534 permits issued with a construction value of \$10 million in 2017.

Industrial, Commercial and Institutional (ICI) Development

New commercial and industrial:

In 2018, the total value of new commercial construction was at \$6.9 million, a decrease in construction value of 74.3% with 3 permits issued, whereas, 2017 was \$26.8 million with 6 permits issued. The total value of new industrial construction in 2018 was \$21.2 million with 14 permits issued as compared to 22 permits issued and a construction value of \$118 million in 2017, a decrease of 82.1% in construction value. This was expected as 2017 was a banner year for Vale AER projects. Major projects in 2018 are:

- Construct New – Unheated Self-Storage Buildings, Dalron, \$1.3 million, Brady Street, Sudbury
- Construct New – Low Hazard Cannabis Facility, 83,000 sq.ft., \$10.4 million
- Construct New – Foundations only, Place des Arts, \$22.8 million, Larch Street, Sudbury
- Construct New – DeSimone Shoes & Spa, 7,600 sq.ft., \$1.2 million, Lasalle Boulevard, Sudbury
- Construct New – Self-Storage Building, Access Storage, 61,000 sq.ft., Kingsway, Sudbury
- Raise Mobile Structure – Office Trailer Complex, Vale, 15,800 sq.ft., \$4.8 million
- Raise Mobile Structure – Contractors' Trailers, Vale, \$1.7 million

New institutional:

In 2018 there were 3 permits issued for new institutional construction with a value of \$30.3 million, as compared to 2 permits issued with a construction value of \$2.8 million in 2017. This was a significant impact on construction value to the institutional sector statistics which was attributed to the following projects:

- Construct New – Student Centre, Laurentian University, 14,800 sq.ft., \$7.4 million, Ramsey Lake Road, Sudbury
- Construct New – Meadowbrook Retirement Residence, 14 units, \$2.2 million, Jacobson Drive, Lively

Miscellaneous ICI:

The construction of additions and interior renovations within the miscellaneous Institutional, Commercial and Industrial (ICI) sector in 2018 showed a value of \$142.4 million with 397 permits issued as compared to \$139.8 million with 425 permits issued in 2017.

Therefore, this sector was a steady state when compared year to year, slightly lower (7.1%) number of permits with a slightly higher (1.8%) construction value. Projects in this category for 2018 included the following:

- Accessory Structure – Craig Mine Paste Receiving Station, SINO, 2,500 sq.ft., \$2.3 million
- Accessory Structure – Substation Replacement, Vale, \$5.7 million, Copper Cliff Smelter
- Accessory Structure – Concrete Foundations for Structures & Breakers, Vale, \$1.1 million
- Alter Exterior – Slurry/Filtering/Drying Building & Bin Building Demolition, Process Gas Project, SINO, 23,500 sq.ft., \$2.3 million
- Alter Exterior – Durham Green Stairway, City of Greater Sudbury, \$1.5 million, Durham Street, Sudbury
- Alter Exterior – Exterior Granite Cladding Repairs, Service Canada Centre, \$1.3 million, Lisgar Street, Sudbury
- Alter Interior – Interior/Exterior Renovations, Sudbury Track & Trailer, \$2.0 million, Whissell Avenue, Sudbury
- Alter Interior – Copper Cliff Nickel Lift Station Upgrades, City of Greater Sudbury, \$3.4 million, Nickel Street, Sudbury
- Construct Addition – Learners' Centre, Health Sciences North, 33,000 sq.ft., \$7.4 million, Ramsey Lake Road, Sudbury

Miscellaneous ICI (continued):

- Construct Addition – Diagnostic Imaging Pet/CT Suite, Health Sciences North, 5,000 sq.ft., \$4.4 million, Ramsey Lake Road, Sudbury
- Construct Addition – R.L. Beattie Elementary School, 1,900 sq.ft., \$1.1 million, Loach’s Road, Sudbury
- Construct Addition – Hospice, 5,500 sq.ft., \$6.4 million, South Bay Road, Sudbury

“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 120 swimming pool permits issued at a value of \$1.6 million and 85 demolition permits at a value of \$1.1 million. In 2018, there were 379 plumbing permits issued as compared to 390 in 2017.

Summary

CMHC statistical data forecasts the status quo of a softened residential sector in single family and multiple starts for 2019 continuing into 2020. CMHC is also forecasting a slight increase in the MLS average price for 2019 and 2020².

Forecast Summary Greater Sudbury CMA Fall 2018									
	2015	2016	2017	2018(F)		2019(F)		2020(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	152	158	130	120	140	100	140	80	140
Multiples	95	131	65	60	80	50	70	40	60
Starts - Total	247	289	195	180	220	150	210	120	200
Resale Market									
MLS® Sales	2,300	2,352	2,464	2,550	2,590	2,590	2,650	2,630	2,710
MLS® Average Price(\$)	242,303	252,484	259,920	261,000	272,000	266,000	279,000	271,000	286,000
Economic Overview									
Mortgage Rate(5 year)(%)	4.67	4.66	4.78	5.00	5.60	5.40	6.20	5.50	6.50

	2015	2016	2017	2018(F)	2019(F)	2020(F)
Rental Market						
October Vacancy Rate (%)	3.5	5.3	4.5	4.3	4.1	3.9
Two-bedroom Average Rent (October)(\$)	953	990	1,048	1,080	1,115	1,185
Economic Overview						
Population	165,261	165,146	165,270	165,300	165,400	165,500
Annual Employment Level	82,300	81,700	81,100	80,400	80,200	80,000

Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

Rental Market: Privately initiated rental apartment structures of three units and over.

The forecasts (F) included in this document are based on information available as of 5th October 2018. (L)= Low end of range. (H)= High end of range.

It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.

Source: CMHC (Starts and Completions Survey - Market Absorption Survey - Rental Market Survey). Statistics Canada. CREA(MLS®). CMHC Forecast (2018-2020).

²Housing Market Outlook – Northern Ontario, Greater Sudbury CMA, Fall 2018, CMHC

Turn Around Times for Building Permit Issuance

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 modifications 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.

This continuous improvement process is consistent with the Chief Administrative Officer's commitment to Council through the budget process³.

Continuous Management Cycle



³2019 Budget Overview – Finance and Administration Committee – January 22, 2019

Background information:

Building statistics in this report relate to permits issued for applications processed in 2018 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 during the winter months such as new dwellings (new septic system and/or field bed).

Benchmarks:

Staff reviews building permit applications to confirm that the proposed work complies with the Building Code and other applicable laws set out in the Building Code, such as local zoning bylaws. They may send your application to other local/municipal officials for comments.

Applications for a simple alteration or addition can be processed fairly quickly, but more complex proposals may take longer. The Building Code requires that a municipality review a complete permit application within a certain timeframe where the application meets the criteria set out in the Code for a "complete application". Within this timeframe, a municipality must either issue the permit, or refuse it with full reasons for denial.

The following outlines the four timeframes set out by the Ministry of Municipal Affairs & Housing:

Category 1: Houses (Not Exceeding 3 Storeys/600 Square Meters): provincial standard is 10 working days to process a complete building permit application.

Category 2: Small Buildings (Small Commercial/Industrial Not Exceeding 3 Storeys/600 Square Meters): provincial standard is 15 working days to process a complete building permit application.

Category 3: Large Buildings (Large Residential/Commercial/Industrial/Institutional): provincial standard is 20 working days to process a complete building permit application.

Category 4: Complex Buildings (Post Disaster Buildings, Including Hospitals, Power/Water, Fire/Police/Ems, Communications): provincial standard is 30 working days to process a complete building permit application.

The table below compares DLAC benchmarks to Provincial benchmarks:

PERMIT TYPE	BENCHMARKS	
	DLAC	Provincial
New Residential	10	10
Misc. Residential	5	10
New ICI	10	15 to 30 ⁴
Misc. ICI	5	15 to 30 ⁴

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

What constitutes a complete application?

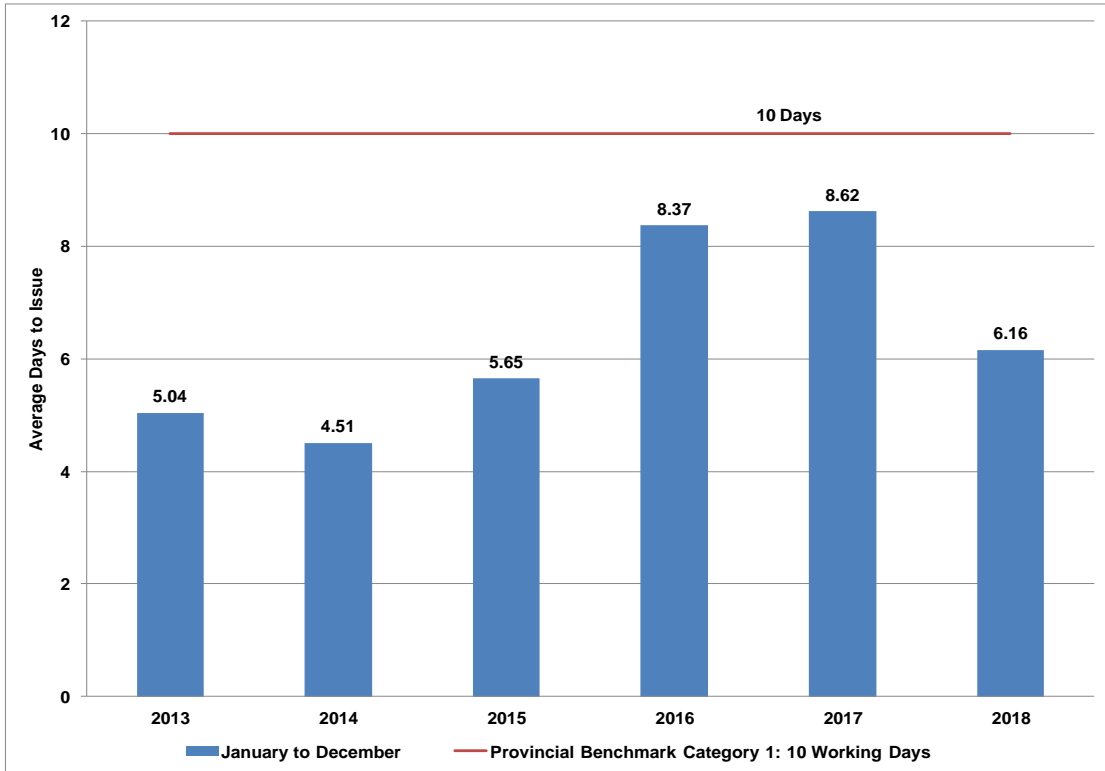
Under Provincial regulations, a complete application must include the following:

- A completed permit application form signed by the applicant and all required schedules.
- Payment of all permit fees.
- Plans and specifications detailing the proposed construction or demolition as prescribed by municipal bylaw.
- Information and documents as prescribed by municipal bylaw which enable the Chief Building Official to determine whether the proposed construction or demolition will contravene any applicable law (i.e. rezoning, minor variance, site plan control agreement, subdivision agreement, lot grading, etc.)

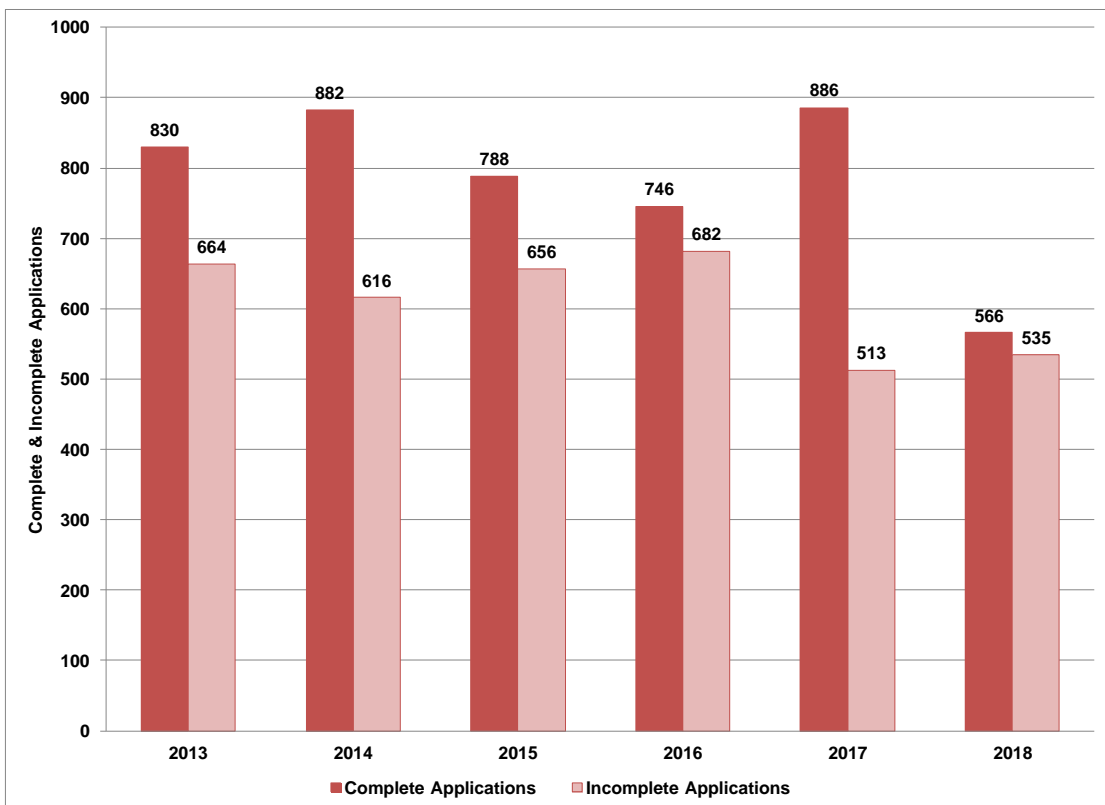
If any of the above has not been adhered to, then the application is deemed incomplete and does not fall under the timelines of the provincial government. However, based on DLAC approved policy and customer centric focus, we do not turn away incomplete applications.

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 2018, with those of the previous years:

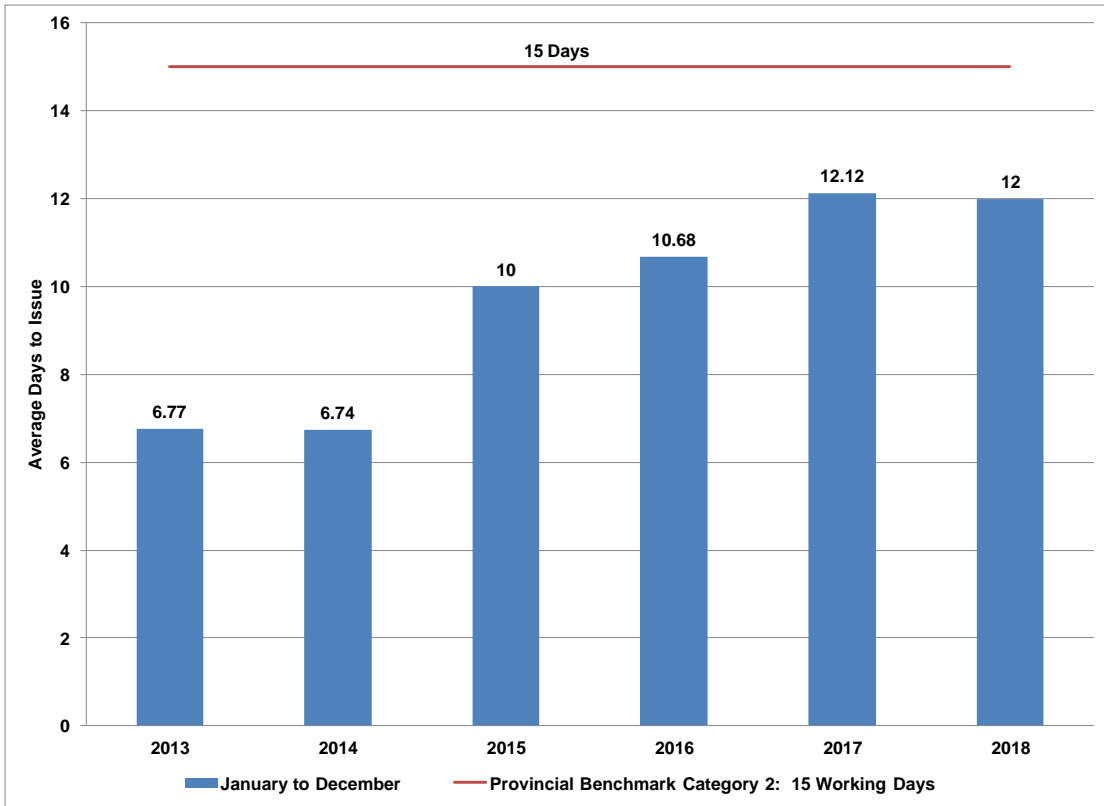
Benchmarks: Category 1: Houses



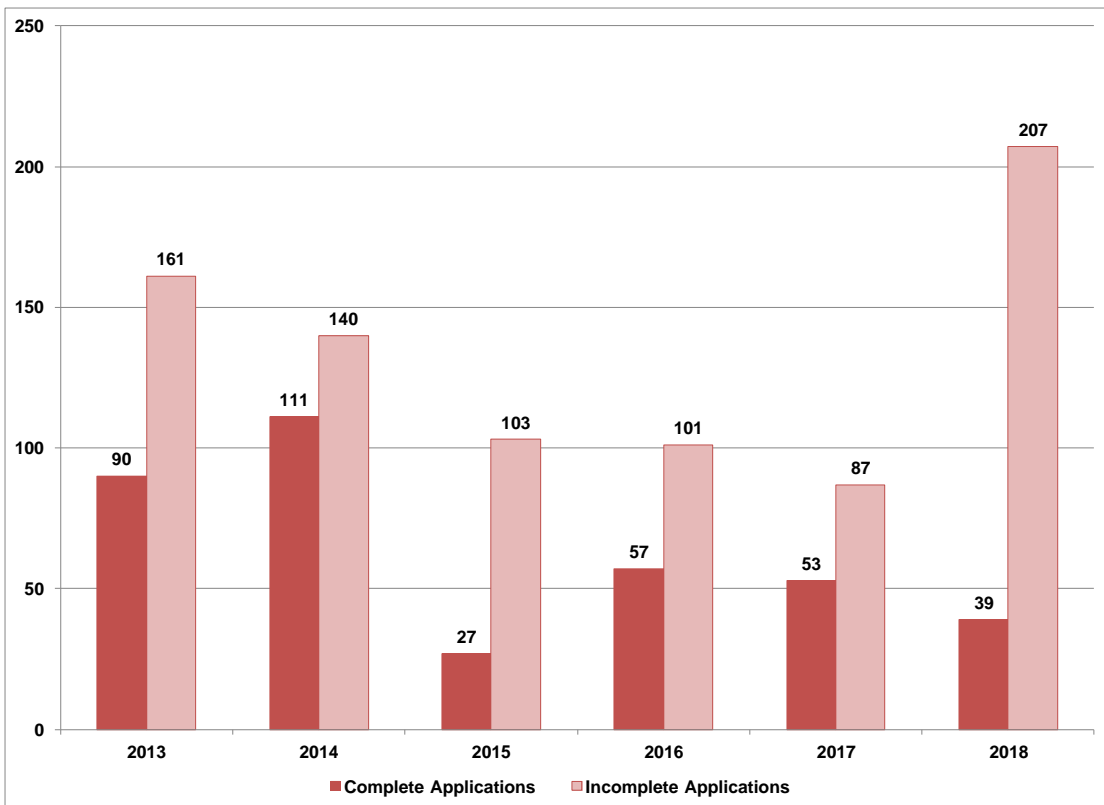
Complete & incomplete applications: Category 1: Houses



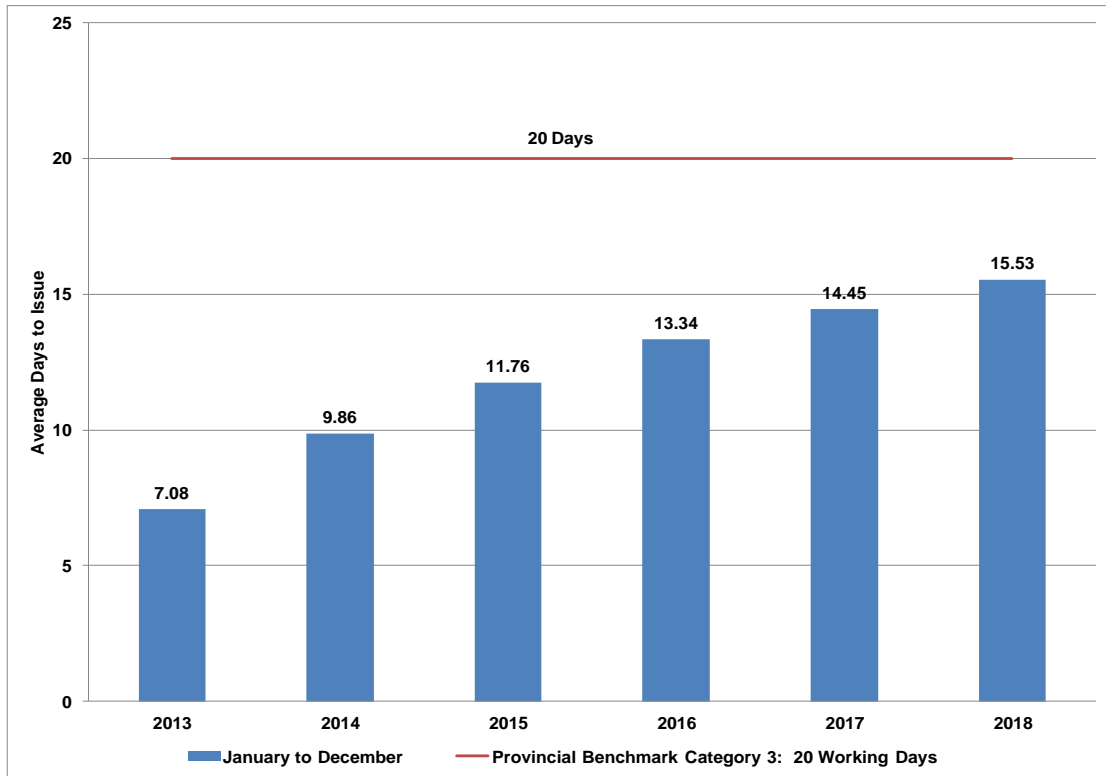
Benchmarks: Category 2: Small Buildings



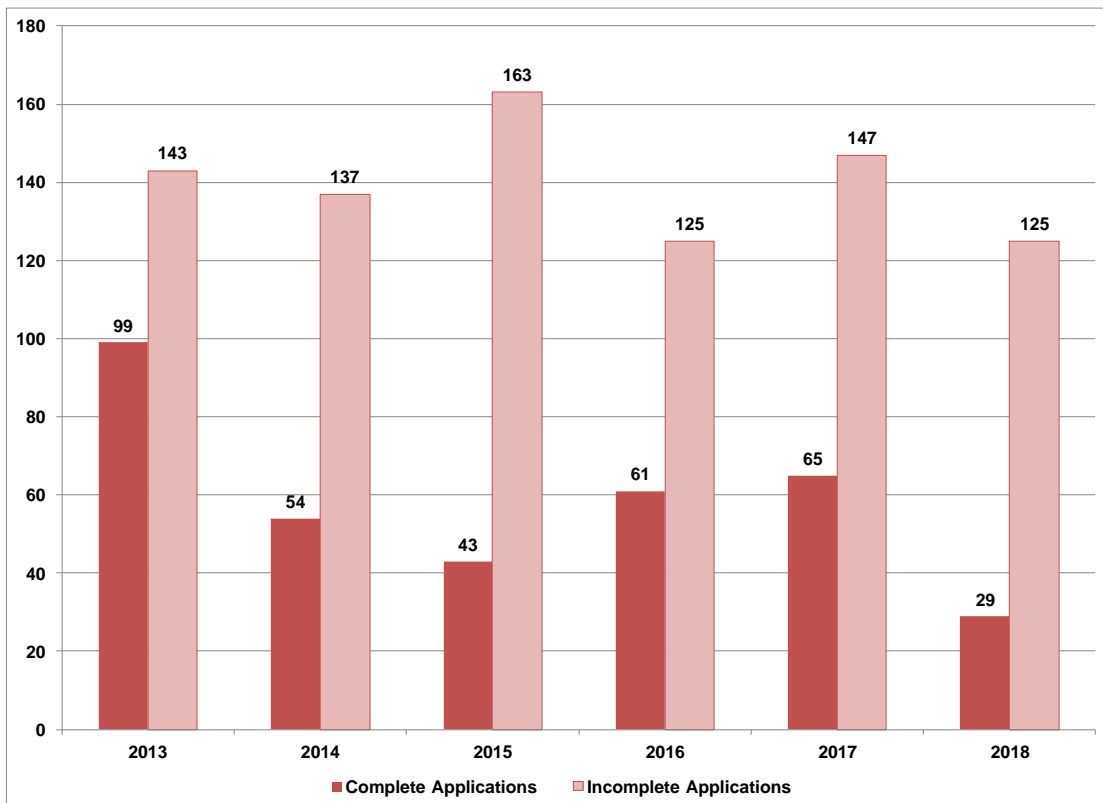
Complete & incomplete applications: Category 2: Small Buildings



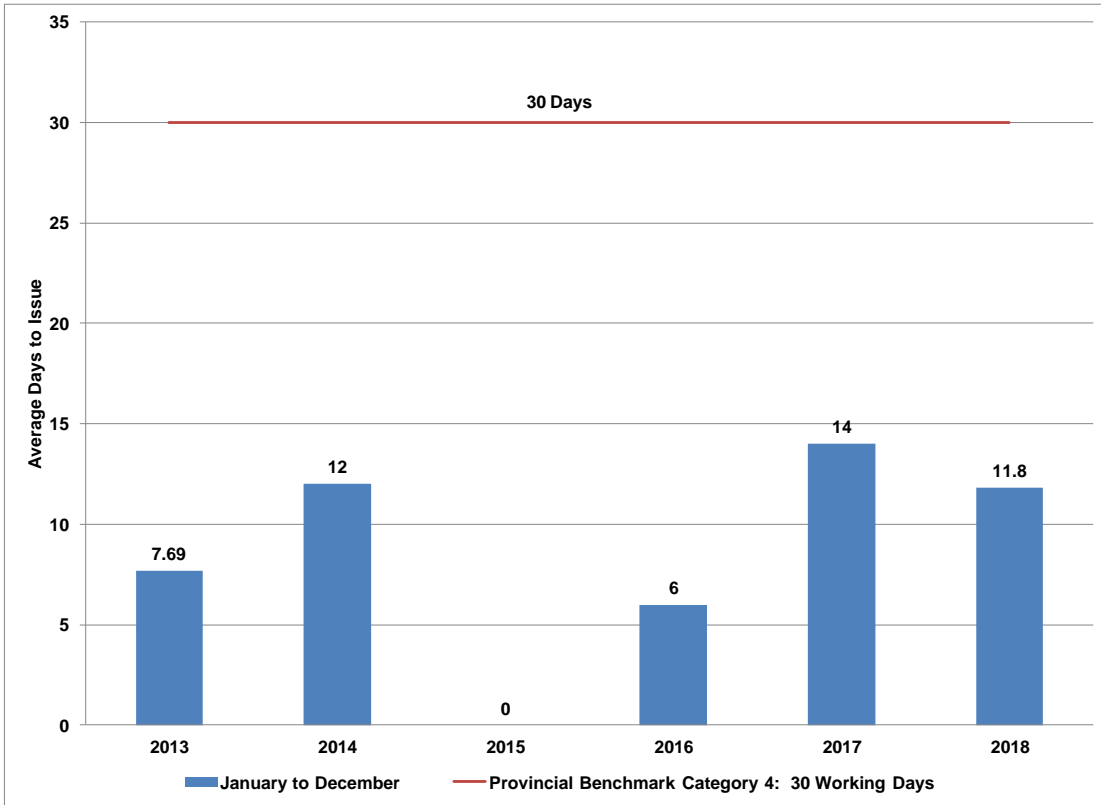
Benchmarks: Category 3: Large Buildings



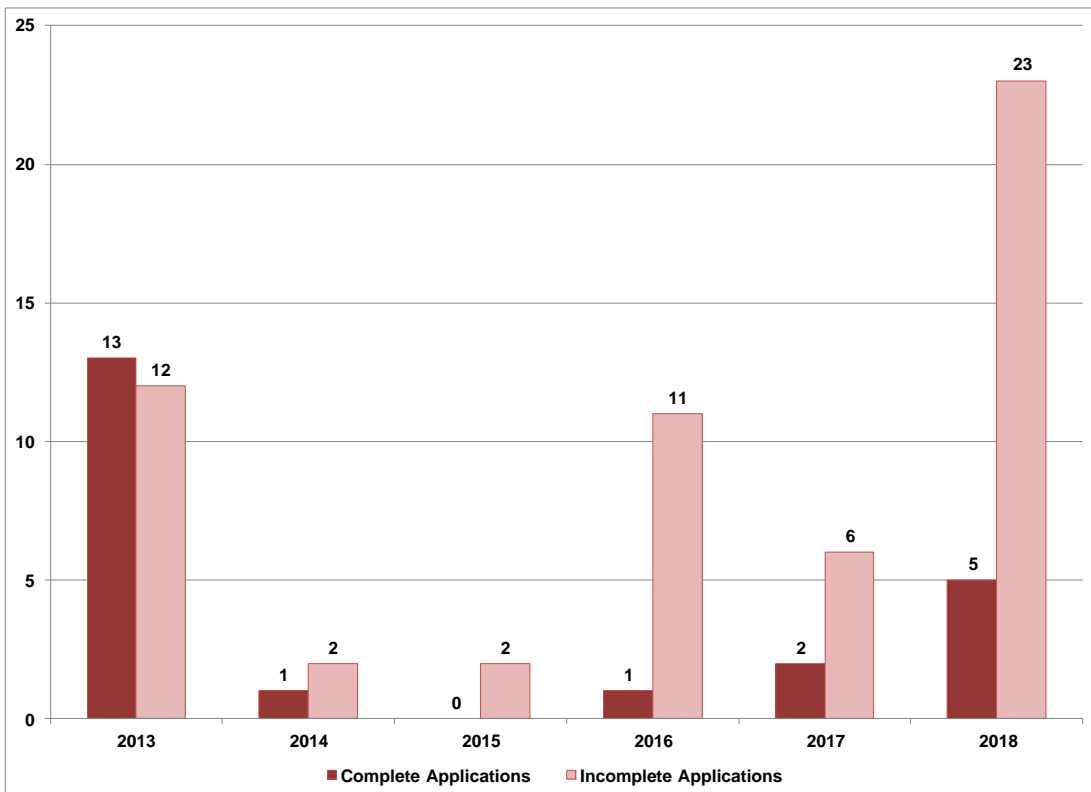
Complete & incomplete applications: Category 3: Large Buildings



Benchmarks: Category 4: Complex Buildings



Complete & incomplete applications: Category 4: Complex Buildings



Conclusion

In 2018, our turnaround times stayed consistent and relatively uniform when compared to 2017 by meeting the provincially mandated benchmarks despite the fact that we had challenges with staff due to turn overs, long term health issues and maternity leaves within the plans examination and building inspection ranks. These temporary job placements are difficult to replace in that no qualified individuals apply for contract positions.

The year 2019 brings exciting new building prospects to Greater Sudbury with the development of numerous ICI and residential projects as listed:

- Fedex Sorting Facility, Greater Sudbury Airport, \$1.3 million
- Industrial Plant Building, Milman Industries, 12,000 sq.ft., \$1.5 million, Foundry Road, Sudbury
- Kingsway Entertainment District
- Red Oak Villa Retirement Expansion
- Algonquin Road Seniors Housing Complex, 256 beds, 4 storeys, 152,880 sq.ft., \$51.3 million
- Second Avenue Seniors Housing Complex, 137 units, 136,583 sq.ft., \$1.7 million
- Vale General Engineering Building, Interior alterations, \$3.2 million
- Vale New Return Air Raise Ventilation Plant, South Mine, \$5.3 million
- Vale Fresh Air Raise Ventilation Plant, South Mine, \$8.8 million
- Vale 70 Ton Lime Silo Building, \$1.6 million, Copper Cliff
- Vale Foundation Only New Smelter Utilities Building, 24,136 sq.ft., \$9.2 million, Copper Cliff
- SINO Package Receiving Building, Process Gas Project, 6,684 sq.ft., \$4.2 million, Falconbridge
- SINO Concentrate Unloading Building, 15,801 sq.ft., \$9.8 million, Falconbridge
- Cambrian College Equipment Storage Garage, 10,000 sq.ft., \$1.2 million, Cambrian College

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.

Currently DLAC has Standing Committees to review the following subjects which may prove to provide suggestions to streamline the development permitting process:

- Lot Grading
- Fire Flow Policy
- Planning Approval Process (Site Plan Control, Rezoning, Consent, Subdivision, Minor Variance)
- Consulting Engineer Report Standards
- Road Grading Policy

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