
Subject: 2020 End of Year Growth Report and 5 Year Growth Trend

Report to: Planning and Economic Development Committee

Report date: Wednesday, June 16, 2021

Recommendations

1. That Report PDS 23-2021 **BE RECEIVED** for information; and
2. That a copy of Report PDS 23-2021 **BE CIRCULATED** to the Local Area Municipalities, Niagara Peninsula Conservation Authority, Niagara Home Builders Association, Niagara Industrial Association, local Chambers of Commerce and School Boards.

Key Facts

- The purpose of this report is to provide information on growth in Niagara in 2020, as well as a summary of growth and development trends over the past 5 years.
- Housing starts, completions and building permits have all increased since 2016 and show a growing diversification of housing types being built.
- Niagara Region's population has increased by over 26,000 people since 2016, reaching an estimated population of 485,313 as of July 1, 2020.
- The average sale price of a house in Niagara Region has increased significantly between 2016 and 2020, reaching \$532,400 in 2020.
- During the early stages of the Covid-19 pandemic, population growth slowed, but development and building permits remained consistent. Notwithstanding this slower relative population growth in 2020, housing sale prices grew substantially.
- Over \$6 Billion in building permits have been issued since 2016, with 2020 reaching nearly \$1.5 Billion for the second consecutive year.

Financial Considerations

There are no direct financial implications associated with this report.

Metrics in this report inform Niagara's financial strategies. Increased residential, commercial and industrial development in Niagara, combined with increasing property assessments, has a direct impact on revenues collected by the Region.

Analysis

The Planning and Development Services department has been producing the annual growth report since 2016. This report focuses on the past 5 years collectively to provide a comprehensive analysis on growth metrics.

The 2020 growth report follows the same approach and methodology as the previous annual reports before it. This is important as it can be used to review impacts associated with the first nine months of the Covid-19 pandemic.

As 2021 is a Census year, the 2020 report also provides insights into development trends since the 2016 Census was conducted over 5 years ago.

Finally, the Region has experienced significant growth across all areas set out in this report. This information is being presented as a means to update Regional Council on how growth has evolved over the last half decade and feeds directly into numerous Council Strategic Priorities.

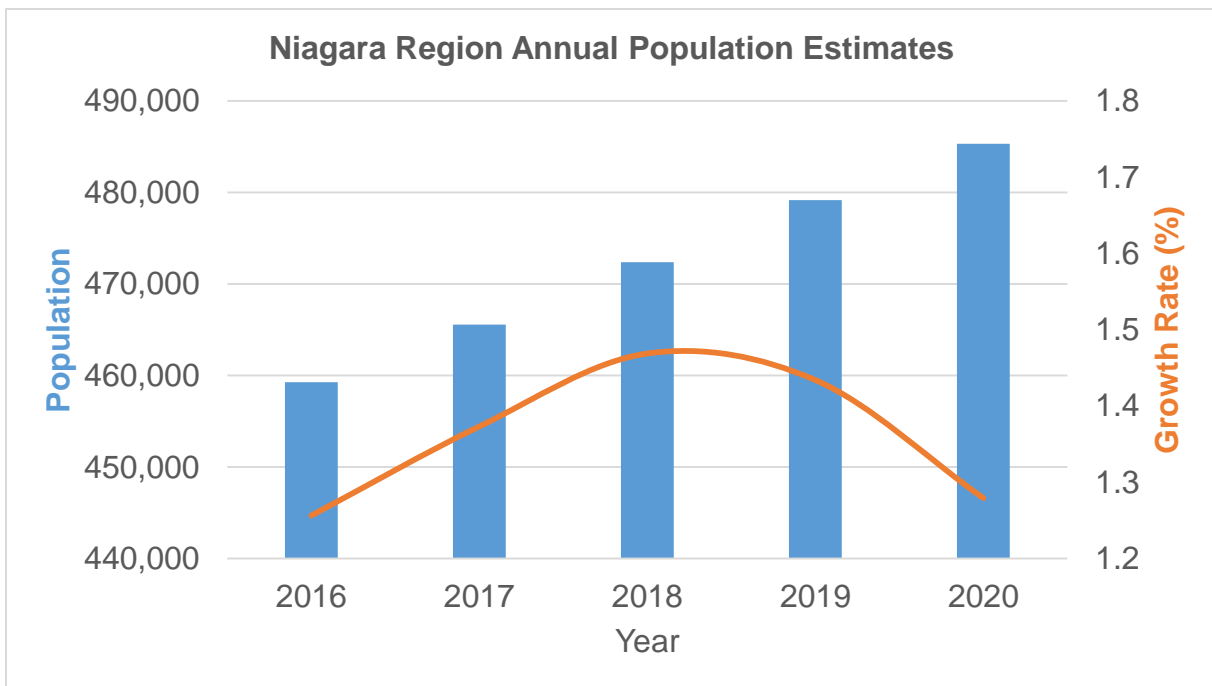
Population

Pace of Population Growth

Population growth has increased significantly for Niagara since 2016. On average, the Region's population has increased by nearly 6,500 people per year since 2016, for a total of approximately 26,000 new residents calling Niagara home. This is nearly double the pace of growth experienced in the previous 5 year period between 2011 and 2016.

Figure 1 provides a summary of population growth per year since 2016.

Figure 1: Niagara Region Annual Population Estimates



Source: Statistics Canada, Table 17-10-0140-01

As illustrated in Figure 1, the pace of population growth dropped slightly to approximately 1.4% in 2019 (compared to 2018) and more significantly to 1.3% in 2020.

Since Niagara's population growth is dependant on migration from other municipalities (intraprovincial migration) and temporary international migration (net non-permanent migration), any disruption to Ontario's broader immigration trends, availability of in-person post-secondary education options in Niagara and work availability for migrant or seasonal workers will have a direct impact on population totals.

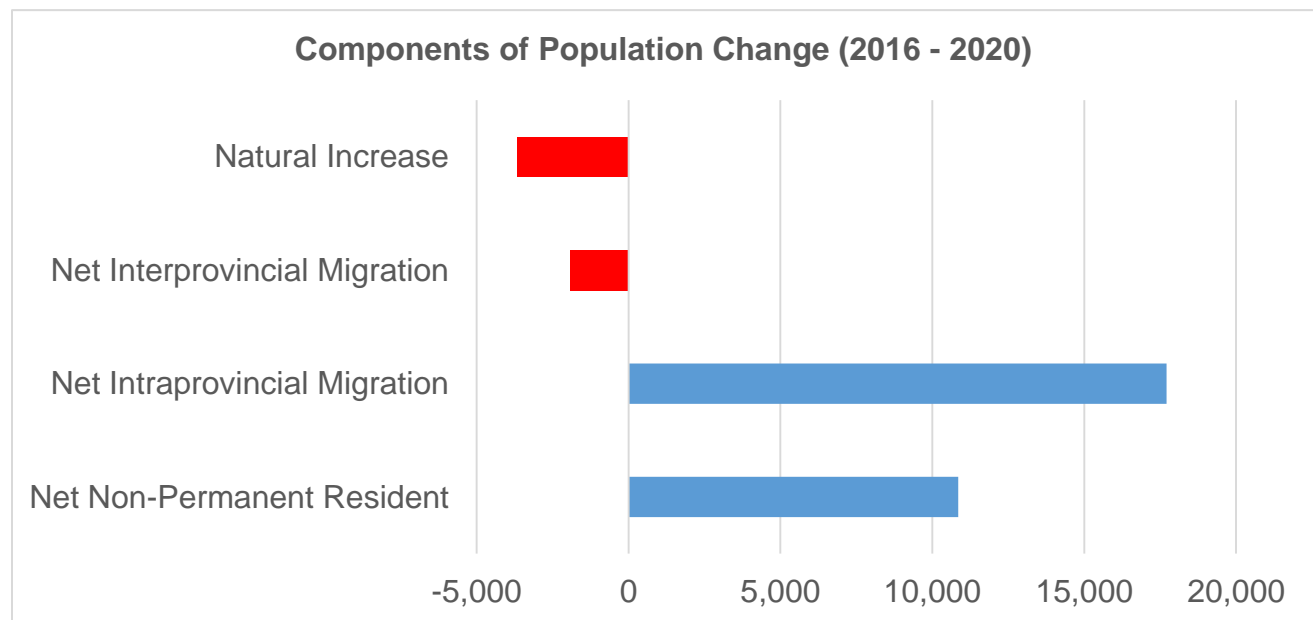
Even with the decrease in growth rate between 2019 and 2020, population growth in Niagara remains strong relative to historic averages. Only in the last 5 years has Niagara Region started to match the pace contemplated in the Provincial population forecasts provided in *A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2020*.

This is noteworthy as the Region must plan to achieve the minimum forecasts set out in the *Growth Plan* and base decisions on infrastructure and development charges on the same forecasts.

Components of Population Growth

Niagara's population growth has been driven entirely by international and intraprovincial migration since 2016, as highlighted in Figure 2.

Figure 2: Components of Population Change (2016 - 2020)



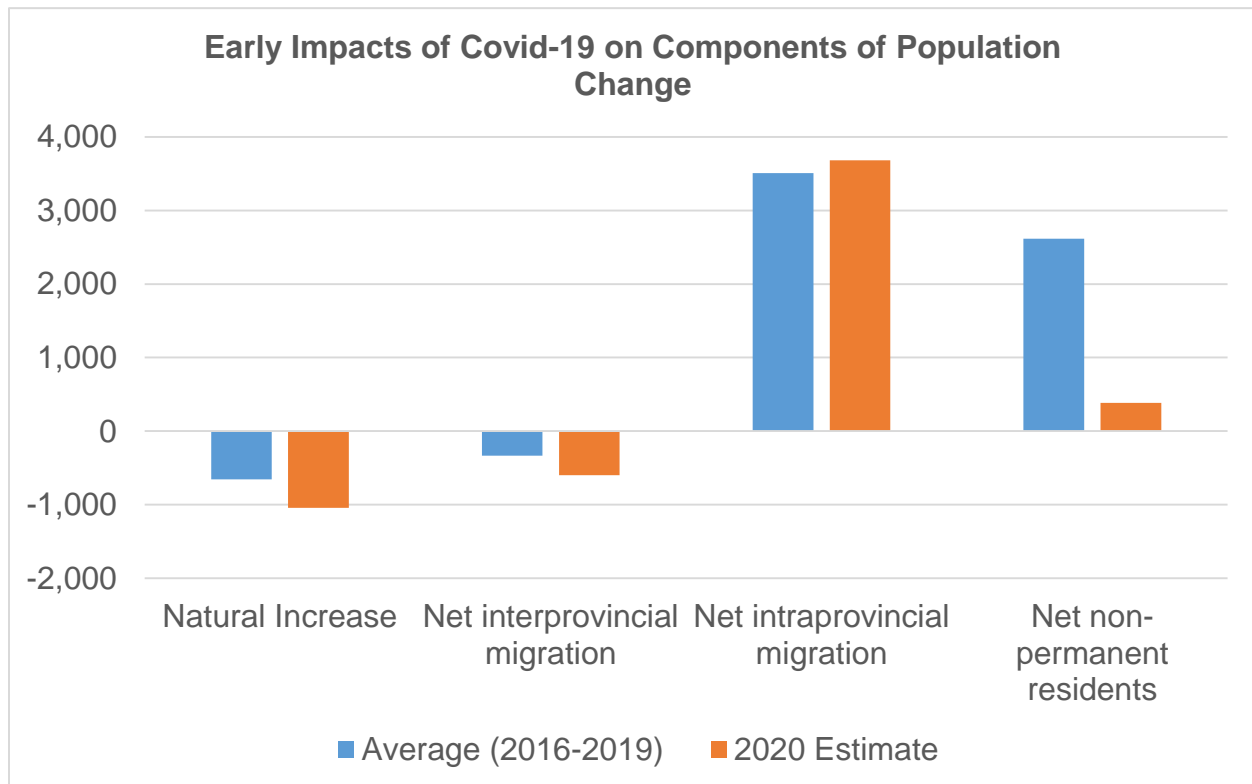
Source: Statistics Canada, Table 17-10-0140-01

Since 2016, over 17,500 people have moved to Niagara from elsewhere in Ontario. Intraprovincial migration is the most significant contributor of population growth in Niagara and non-permanent residents account for an additional increase of 11,100 people.

In 2020, with its restrictions as a result of Covid-19, Niagara had a significant decrease in the number of net non-permanent residents coming into Niagara compared to 2016-2019. As shown below in Figure 3, net non-permanent migration accounted for an increase of just over 380 people in 2020, compared to an average of over 2,600 per year between 2016 and 2019. This, coupled with a higher proportion of deaths than births and increase in interprovincial migration, contributed to the relatively lower growth rate in 2020.

Importantly, the 2020 growth rate of 1.27% is still significantly higher than the pace of growth experienced between 2001 and 2016.

Figure 3: Early Impacts of Covid-19 on Components of Population Change



Source: Statistics Canada, Table 17-10-0140-01

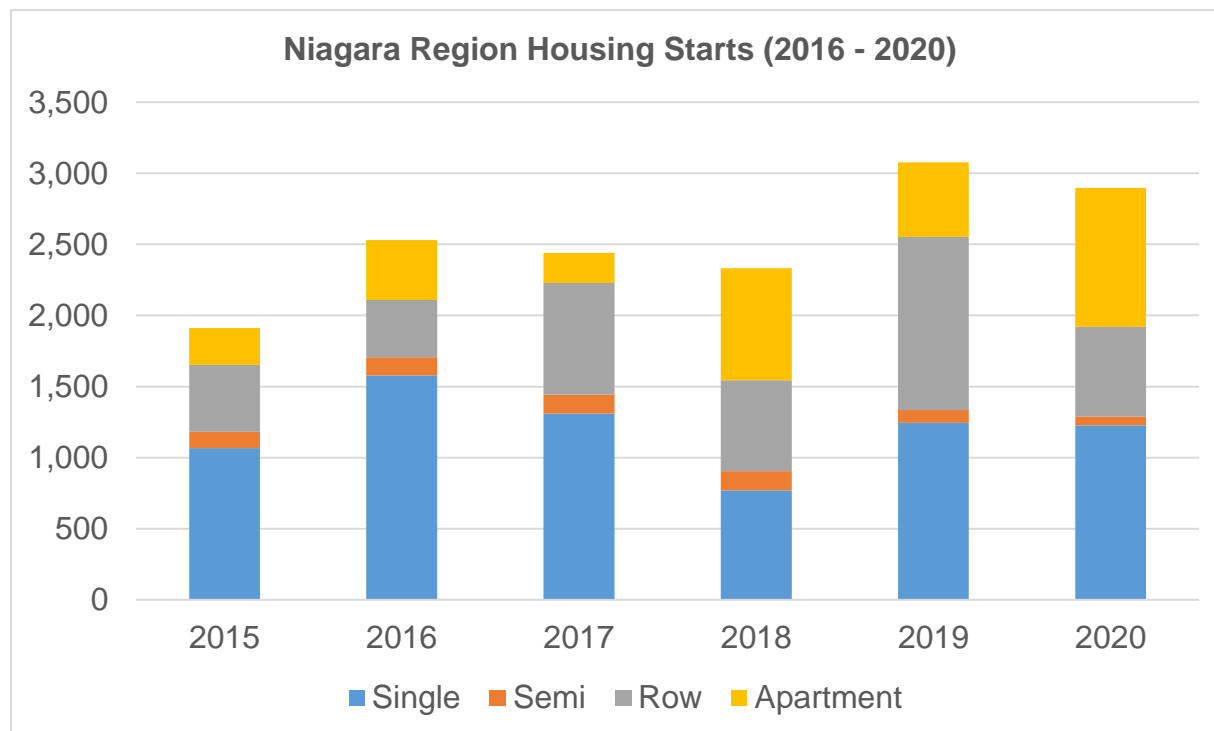
It appears Covid-19 has had a direct impact on population trends in Niagara, specifically in the category of net non-permanent resident. Impacts from Covid-19 on international travel and visas, limited tourism operations and introduction of remote learning opportunities for post-secondary education all contribute to the sharp decline in the net non-permanent resident category for 2020.

Housing Starts and Completions

Housing starts have steadily risen over the last 5 years. In 2016, there were 2,530 starts; in 2020, there were nearly 2,900 starts. Within starts, we can also see a shifting dynamic in housing choice as single-detached housing has made up less than 50% of starts over the past 3 years.

A critical factor of meeting population forecasts in the *Growth Plan* and, importantly, achieving affordable housing targets, is Niagara’s ability to offer a wider range of housing options for residents. Figure 4 provides an overview of housing starts per year by housing type.

Figure 4: Niagara Region Housing Starts (2016 - 2020)

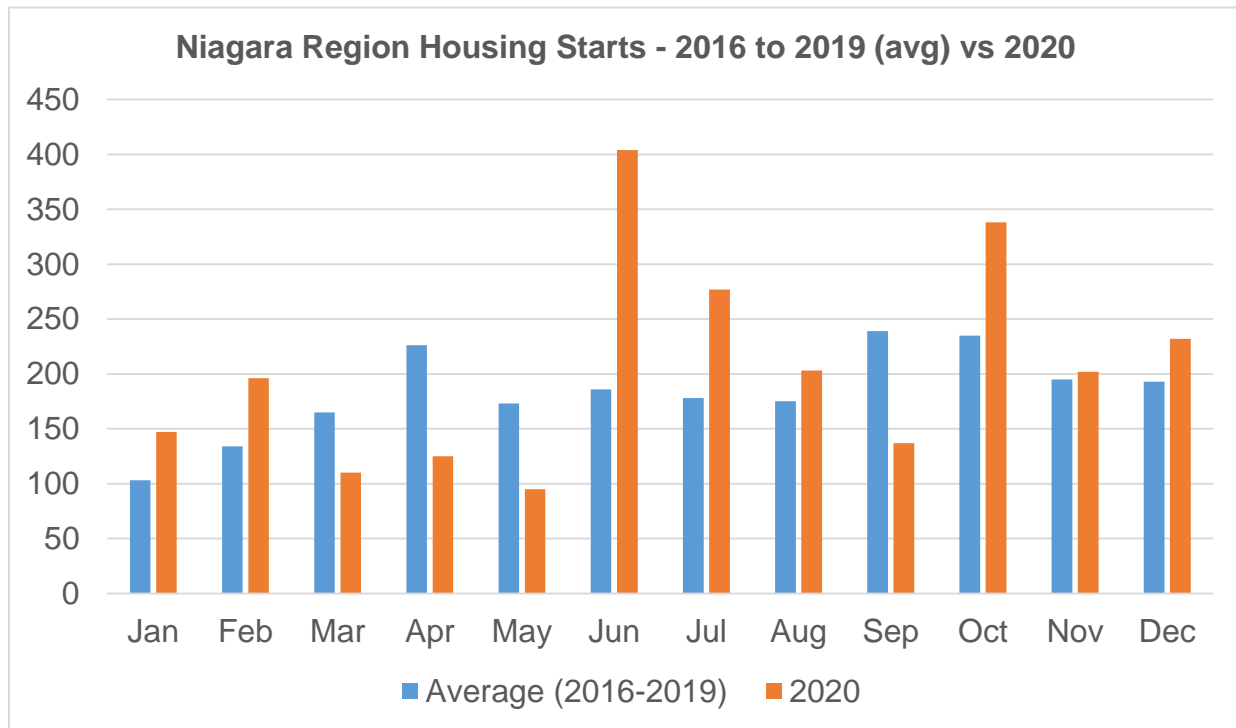


Source: CMHC, Housing Market Information Portal

Housing starts, while consistent with overall trends since 2016, were impacted early in 2020 by Covid-19. Housing starts between March and May were significantly lower than the previous four year average. During this period of time, the Province of Ontario had announced a Provincial State of Emergency (March 17, 2020) and released Bill 189 (Coronavirus (COVID-19) Support and Protection Act, 2020) on April 21, 2020).

As shown in Figure 5, housing starts rebounded strongly in June and July and settled into a comparable pattern to the previous four years throughout the second half of 2020.

Figure 5: Niagara Region Housing Starts: 2016 to 2019 (avg) vs 2020



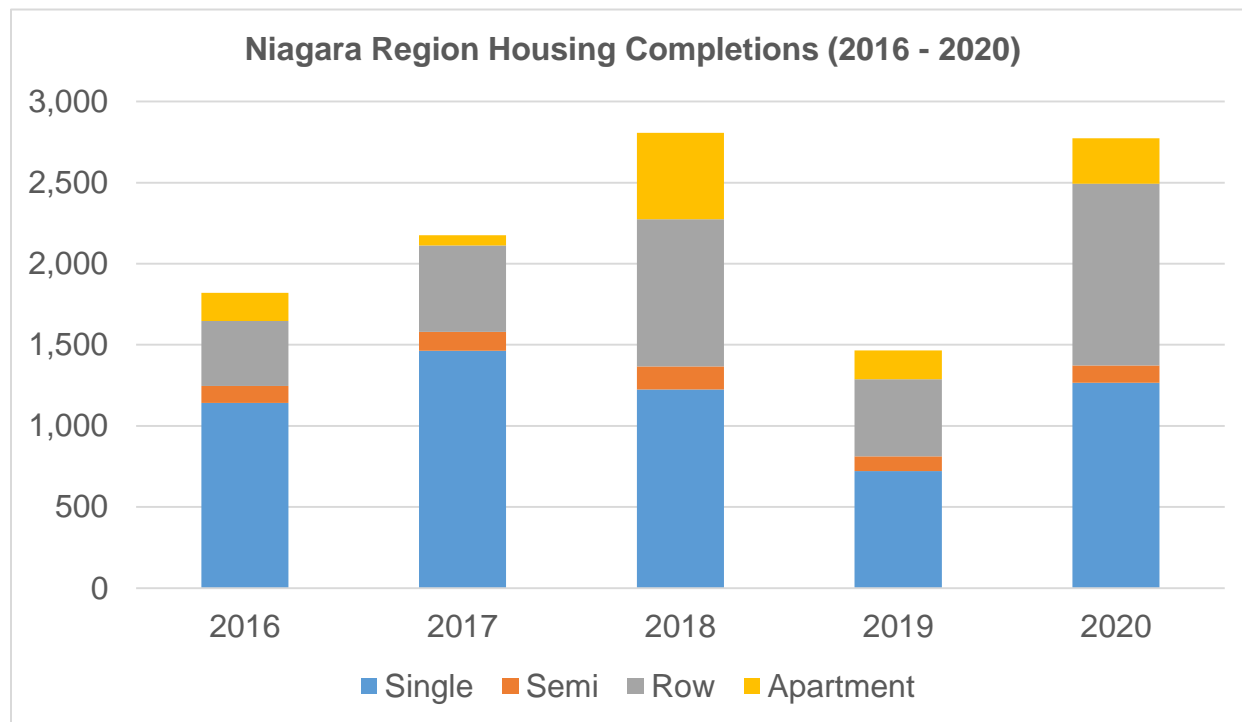
Source: CMHC, Housing Market Information Portal

Similar to housing starts, housing completions have also increased steadily over the last 5 years, including a significant increase in 2020 compared to 2019. Housing completions have greater variation on a year-to-year basis as higher density forms of development (such as apartments) tend to take longer to complete and can often start years prior to completion.

Consistent with housing starts, housing completions have begun to shift towards denser forms of development. The housing mix built since 2016 include 53% single detached, 5% semi-detached, 31% townhouse/row and 11% apartment. As a point of comparison, the 2016 Census identified an existing housing stock in Niagara of 70% single detached, 5% semi-detached, 7% townhouse/row and 17% apartment. An even greater shift towards denser forms of housing will be required in Niagara to achieve growth forecasts, reduce core housing need and improve affordability.

Figure 6 provides an overview of housing completions between 2016 and 2020.

Figure 6: Niagara Region Housing Completions (2016 – 2020)



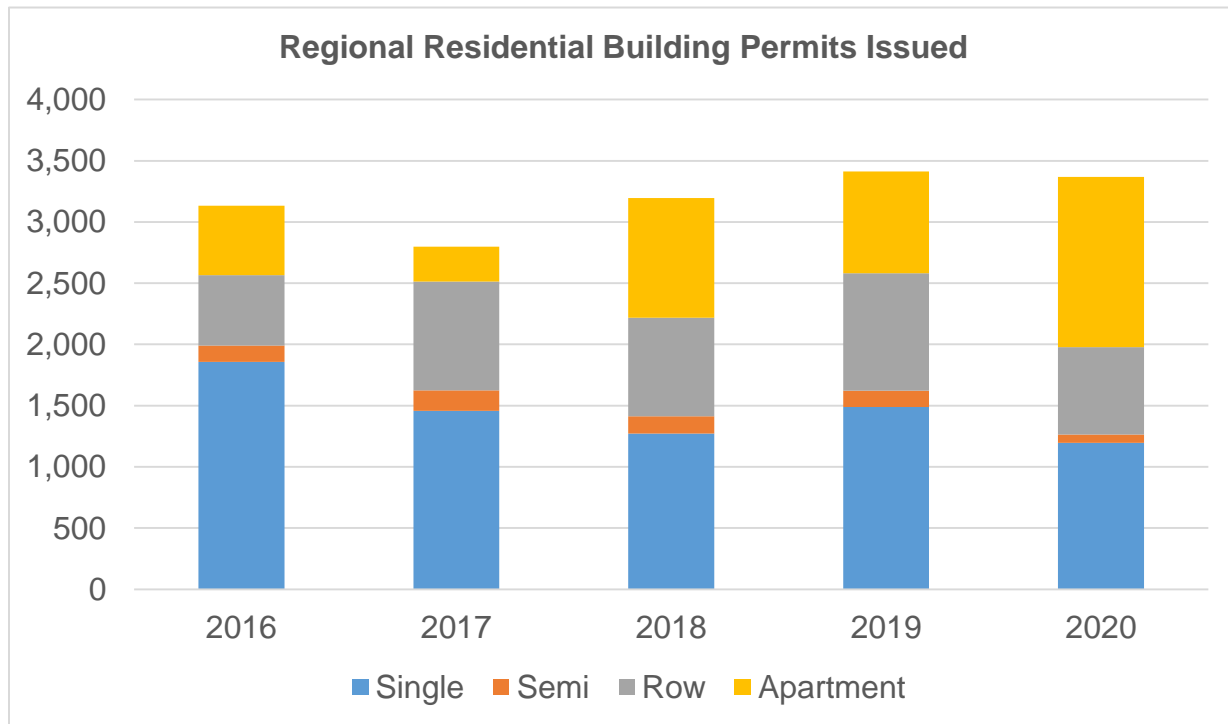
Source: CMHC, Housing Market Information Portal

New housing units, issued by building permit, also grew consistently over the previous half decade, reaching nearly 3,400 for the second consecutive year.

Similar to housing starts and completions, medium and higher density forms of housing are becoming more prevalent compared to low density. Specifically, apartment units reached nearly 1,400 units in 2020 - the highest annual volume for building permits on record at the Region.

Figure 7 provides an overview of building permits (housing units) since 2016.

Figure 7: Residential Building Permits (2016 - 2020)



Source: Niagara Region Planning and Development Services

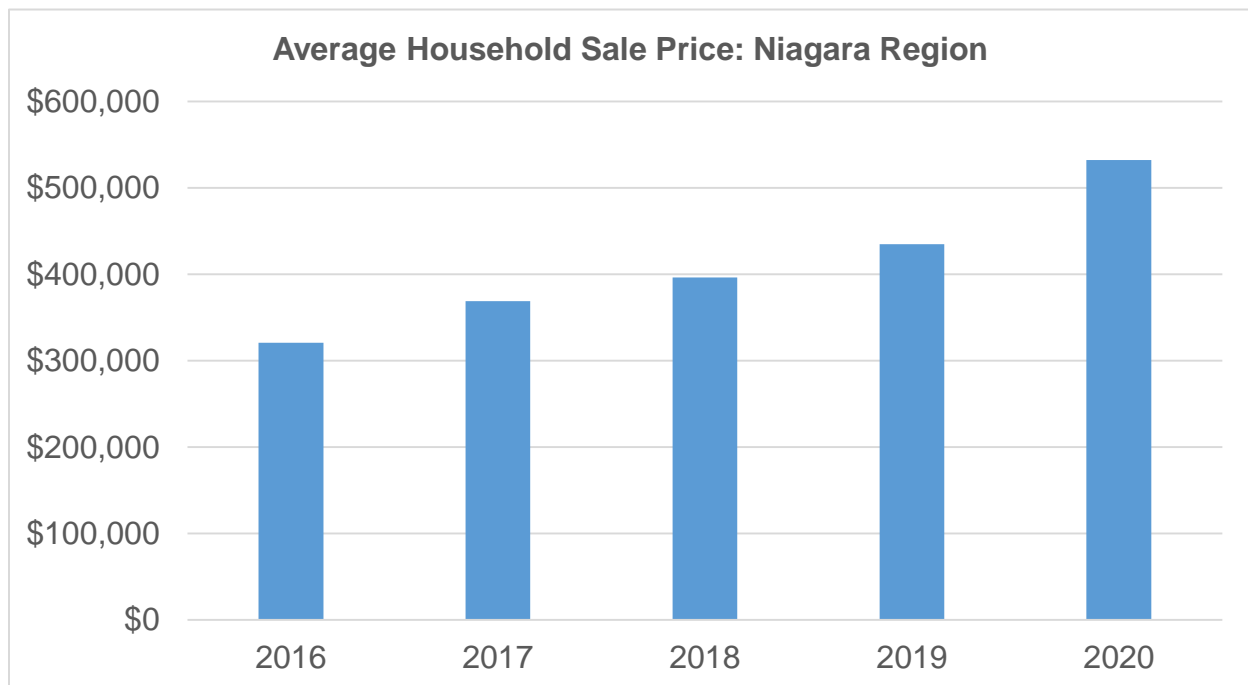
Housing Market

The housing market in Niagara has been on the rise since 2015 with significant increases to average sale price in 2016 and 2017. Between 2015 and 2017, the average sale price of a home in Niagara increased nearly 40%. Average sale price has continued to increase in 2018 and 2019 but at a lower rate of 7% and 10% respectively. The average sale price increased significantly, again, between 2019 and 2020 by 22% reaching an average sale price of \$532,400.

Overall, the average sale price for a home in Niagara increased 66% from 2016 to 2020.¹ Figure 8 provides a breakdown of average sale price by year.

¹ Average sale prices are based on information from CREA and the Niagara Realty Association.

Figure 8: Average Household Sale Price (2016 – 2020)



Source: Niagara Association of Realtors

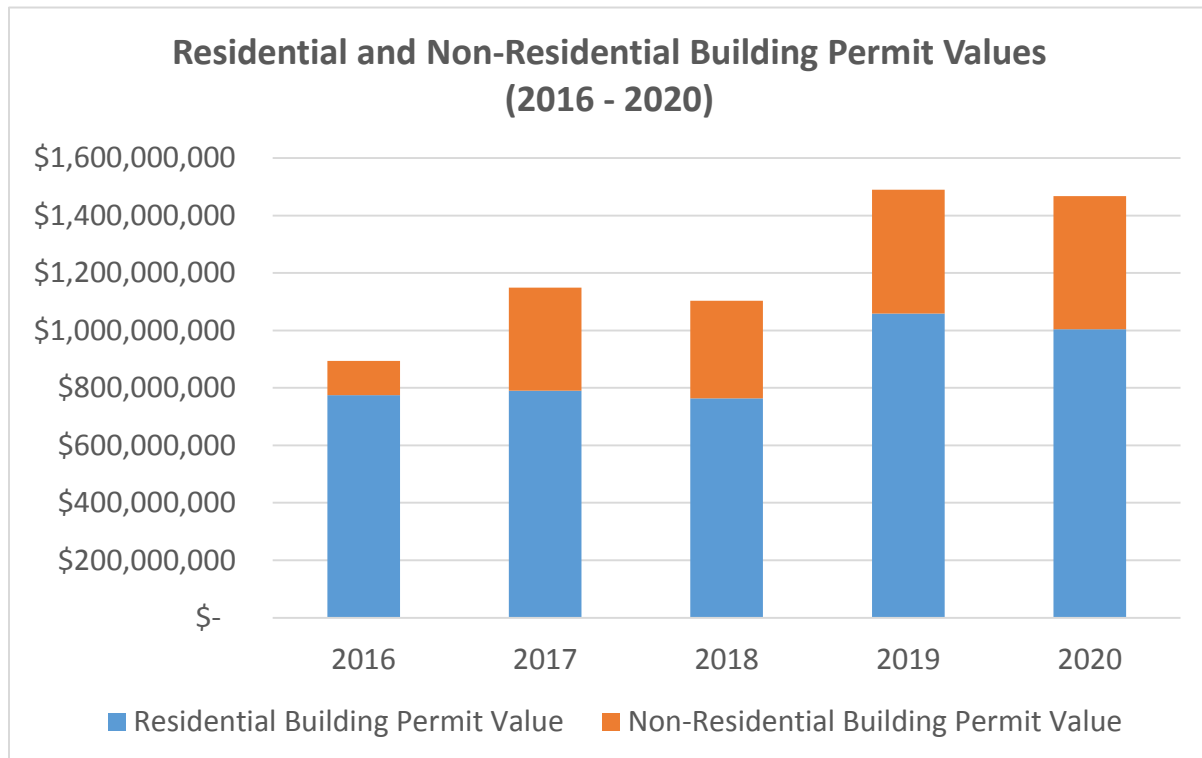
Building Permit Values

Building permit values, just like population and housing development, have increased over the past 5 years, growing from \$858 million in 2016 and reaching nearly \$1.5 billion in 2019 and 2020, respectively.

Similar to housing starts and completions, it appears the Covid-19 pandemic did not have a significant impact on building permit investment in 2020, relative to the previous four years.

The increased diversity of permits is particularly notable; non-residential permits grew from 15% in 2015 and 2016 to 30% from 2017 to 2020. The increased ratio of non-residential building permit values is more inline with the Region's Development Charges Background Study. Figure 9 provides an overview of building permit values from 2016 to 2020.

Figure 9: Residential and Non-Residential Building Permit Values (2016 - 2020)



Source: Statistics Canada Building Permit Values and Niagara Region Planning and Development Services

Conclusion

The scope and detail of annual growth reports will be revisited following the adoption of the forthcoming Niagara Official Plan. Future iterations of the report will provide additional metrics related to monitoring the Plan's implementation and commentary on the achievement of policy objectives and targets.

Alternatives Reviewed

No alternatives are provided. This report is prepared for information.

Relationship to Council Strategic Priorities

- Supporting Businesses and Economic Growth

- This report discusses trends in population, housing and building permit values over the past 5 years. This information is important for Regional Council to have as they make decisions that impact the Regional economy.
- **Healthy and Vibrant Community**
 - This report highlights trends in housing sale prices that relate directly to housing affordability in Niagara.
- **Responsible Growth and Infrastructure Planning**
 - The population increase over the past 5 years will be a critical component in advancing Regional Transit and GO Rail Service. A greater population, as well as increased densities around proposed GO Station areas, will support development and provide greater use of the service.
 - Tracking and reporting upon residential and economic growth provides direction on maintaining existing infrastructure and assists in asset management.

Other Pertinent Reports

- PDS 9-2017: Niagara Region Annual Growth Report
- PDS 25-2018: Niagara Region End of Year Growth Report 2017
- PDS 21-2019: Niagara Region End of Year Growth Report 2018
- PDS 19-2020: Niagara Region End of Year Growth Report 2019

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