
Subject: 2019 End Of Year Growth Report

Report to: Regional Council

Report date: Thursday, April 23, 2020

Recommendations

1. That Report PDS 19-2020 **BE RECEIVED** for information; and
2. That a copy of Report PDS 19-2020 **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 inform Planning and Economic Development Services Committee and Council about growth trends over the past 5 years.
- Niagara Region's population has increased by over 25,000 people since 2015, reaching an estimated total of 479,183 as of July 1, 2019.
- Housing Starts, Completions and Building Permits have all increased since 2015 and show a growing diversification of housing types being built.
- The average sale price of a home in Niagara Region increased 56% from 2015 to 2019, reaching \$444,500 in 2019.
- Over \$5 Billion in building permits were issued since 2015, with 2019 alone reaching nearly \$1.5 Billion.

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 2017. Previous iterations of this report have focused on year-to-year trends throughout the Region. This report focuses on the past 5 years collectively to provide a more comprehensive analysis on growth metrics. This is possible since the Region has been collecting more detailed data over the past 5 years.

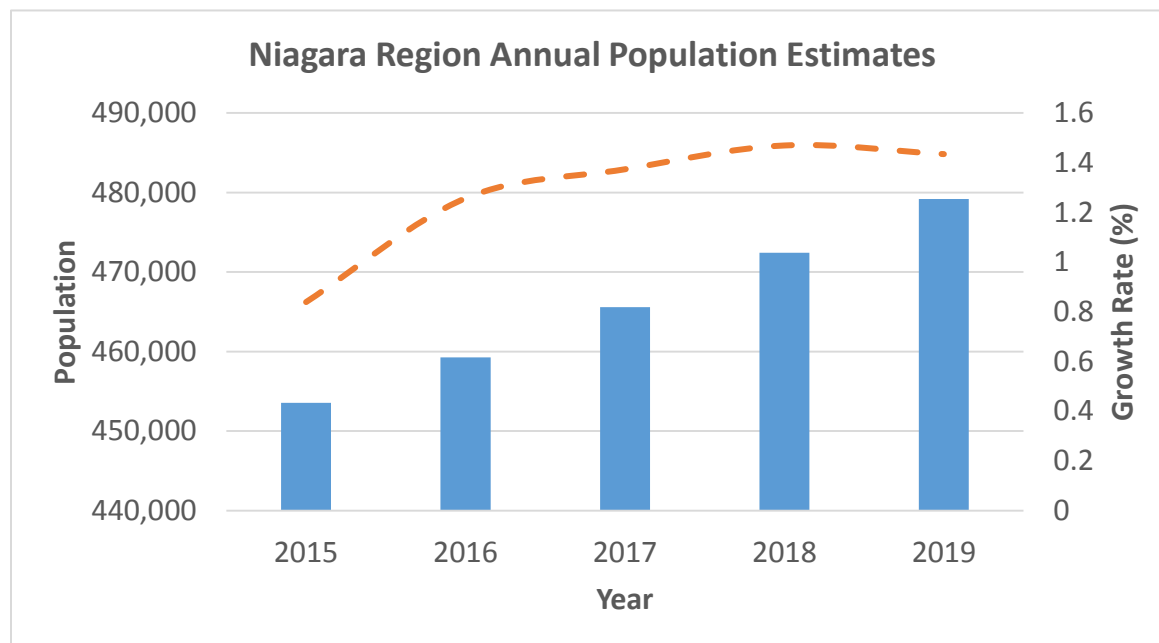
The Region has experienced significant growth across all areas set out in this report. This information is being presented as a means to update Regional Council on how growth has evolved over the last half decade and feeds directly into numerous Council Strategic Priorities.

Population

Pace of Population Growth

Both population and the pace of growth have increased significantly for Niagara since 2016. On average, the Region's population has increased by nearly 6,500 people per year since 2016, nearly double the pace of growth experienced previously between 2011 and 2016. Figure 1 provides a summary of population growth per year since 2015.

Figure 1: Niagara Region Annual Population Estimates



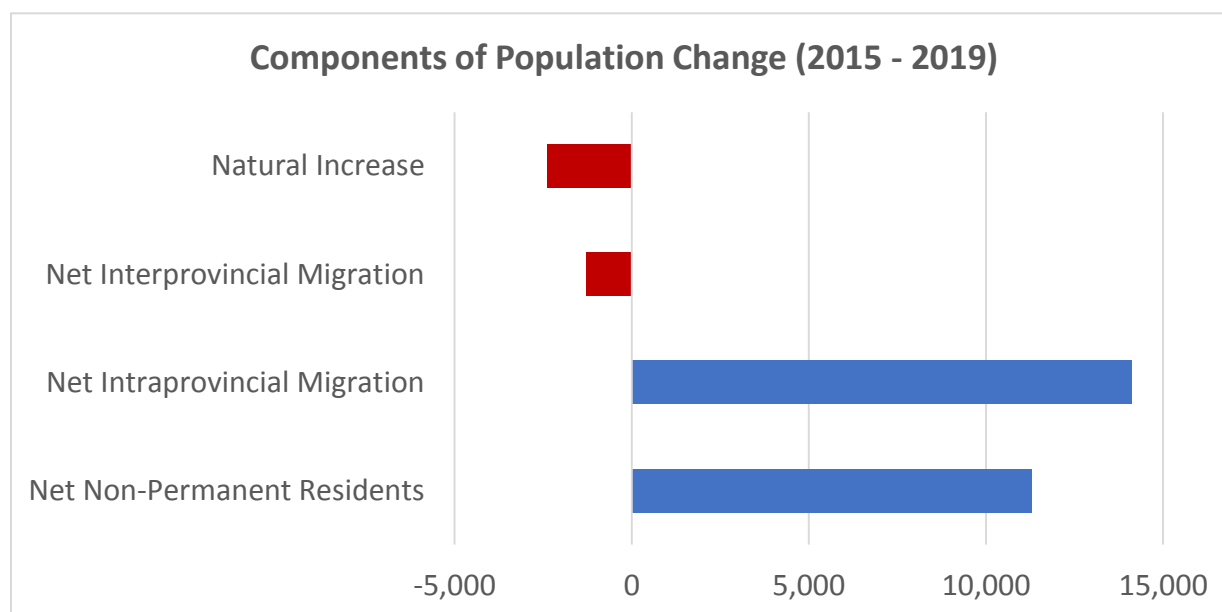
Source: Statistics Canada, Table 17-10-0140-01

While the pace of population growth may seem substantial, it is only within the last 5 years that the Niagara Region has started to match the pace contemplated in the Provincial population forecasts provided in *A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019*. This is a noteworthy development as the Region must plan to achieve the forecasts set out in the *Growth Plan* and base infrastructure and development charges on the same forecasts.

Components of Population Growth

Niagara's population growth continues to be driven entirely by international and intraprovincial migration (highlighted in figure 2).

Figure 2: Components of Population Change (2015 - 2019)



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

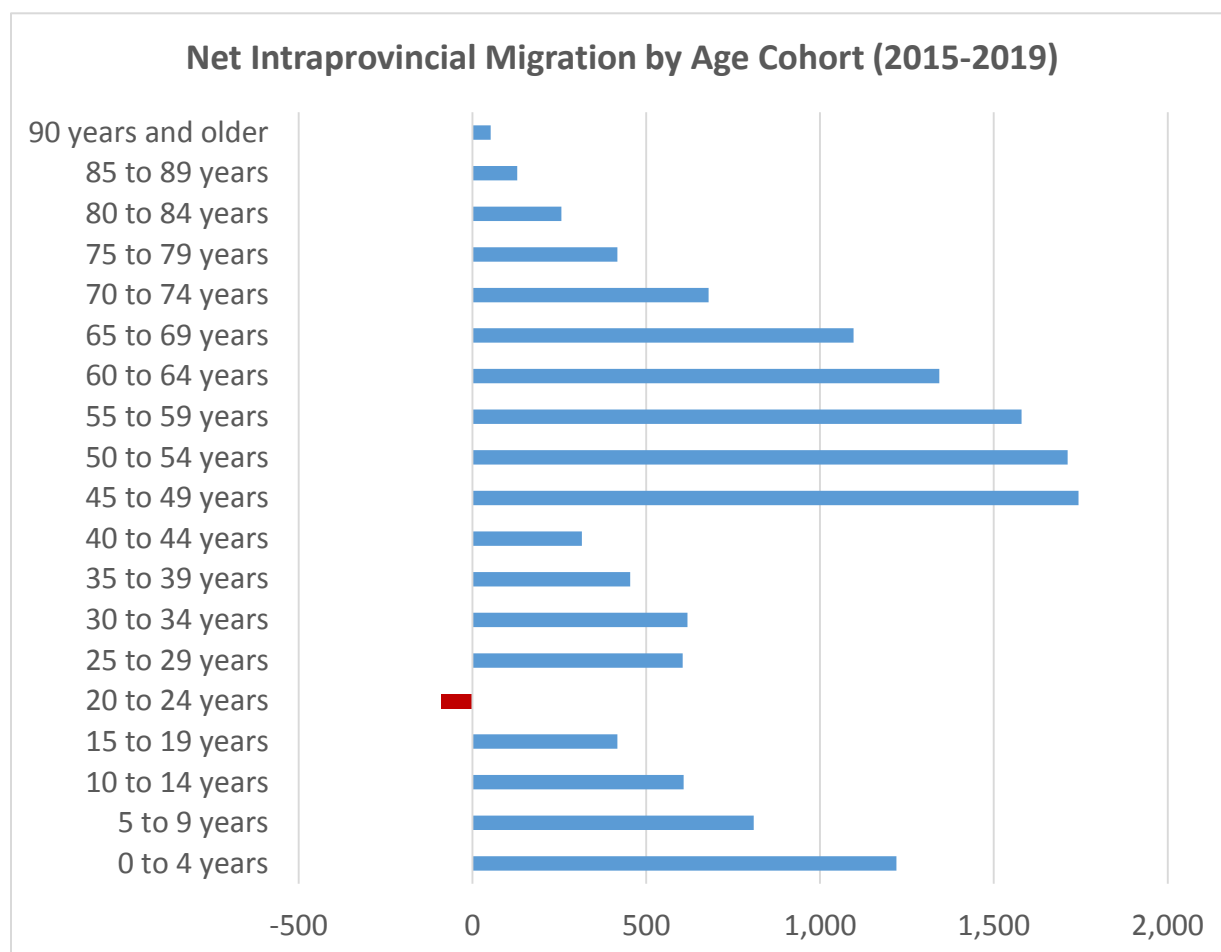
Ontario, in general, has seen a significant increase in international students over the past decade and municipalities with post-secondary institutions have received the greatest share of this growth. Since Niagara Region is home to Brock University and Niagara College, the Region has been able to capitalize on this influx.

From an intraprovincial perspective, there has been an outflow of population from Toronto and Peel Region to more affordable regions in Ontario.¹

Of the population growth Niagara received through intraprovincial migration, the vast majority have been above 44 years of age. As highlighted in PDS 21-2019, the influx of a population that is generally older than the Region's current median age of 45.6 will contribute to an already aging population. Figure 3 provides a breakdown of intraprovincial migration into Niagara Region by age cohort.

¹ Toronto CMA Losing Existing Population of All Ages to More Affordable Regions in Ontario (link): <https://www.ryerson.ca/cur/Blog/blogentry46/>

Figure 3: Net Intraprovincial Migration by Age Cohort (2015 - 2019)



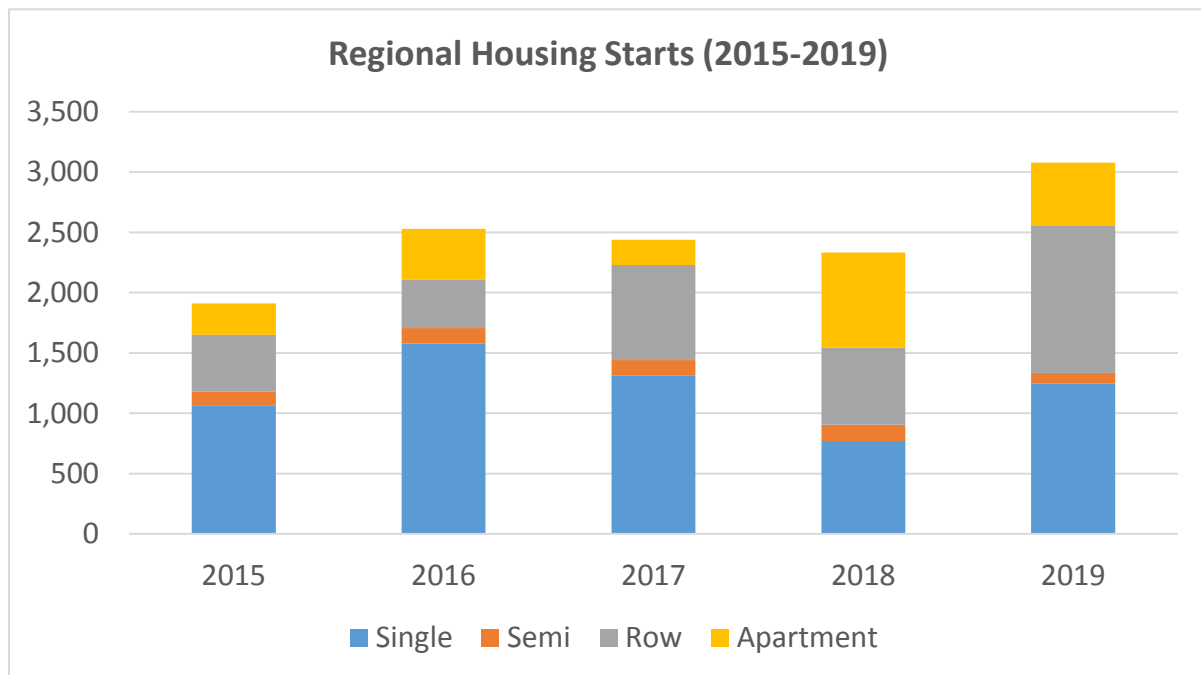
Source: Statistics Canada, Table 17-10-0140-01

Housing Developments

Housing Starts have steadily risen over the last 5 years. In 2015, there were 1,911 starts; in 2019, there were 3,077 starts (a 61% increase). 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 2 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.

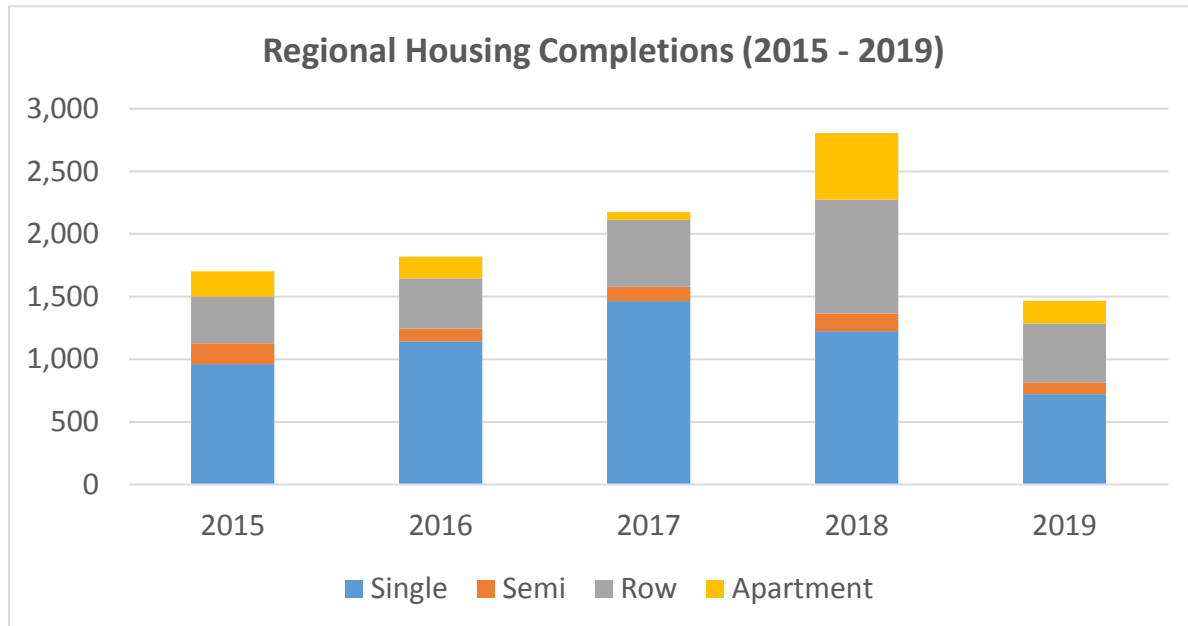
Figure 4: Regional Housing Starts (2015 - 2019)



Source: CMHC, Housing Market Information Portal

Housing completions steadily increased from 2015 to 2018 before dropping over 50% in 2019. The decline in housing completions is linked to the changing mix of housing starts as apartment developments take considerable more time to complete than single-detached and row/townhouse developments. It is anticipated that housing completions rebound in 2020 as starts that are currently under construction are complete. Figure 5 provides an overview of housing completions between 2015 and 2019.

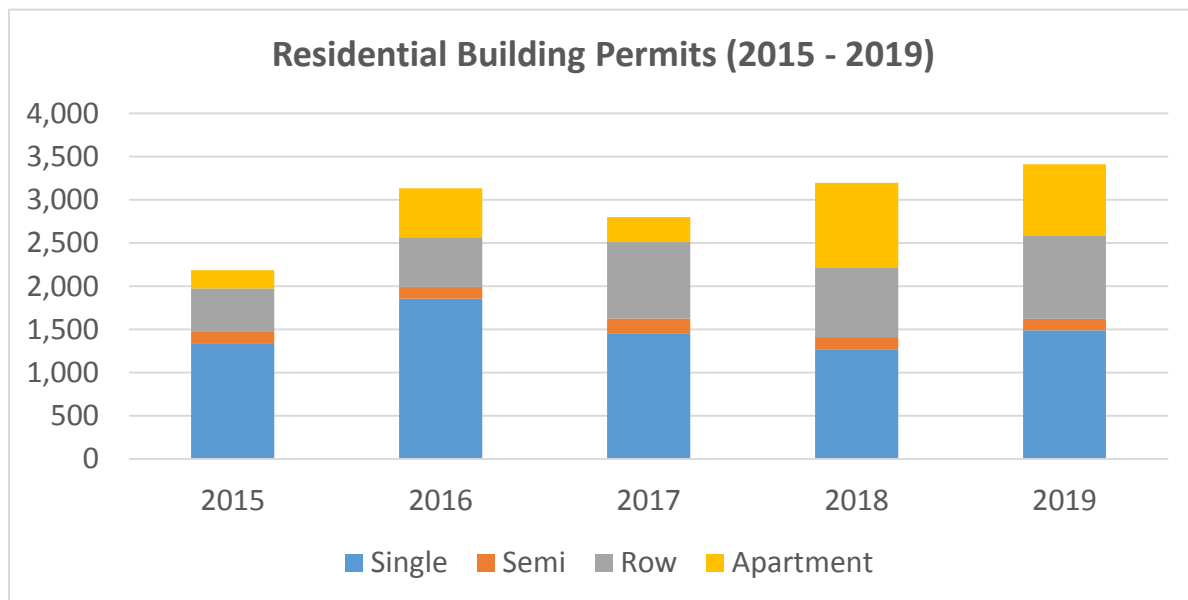
Figure 5: Regional Housing Completions (2015 - 2019)



Source: CMHC, Housing Market Information Portal

New housing units, issued by building permit, also grew consistently over the previous half decade, reaching 3,415 units in 2019. Figure 6 provides an overview of building permits (housing units) since 2015.

Figure 6: Residential Building Permits (2015 - 2019)

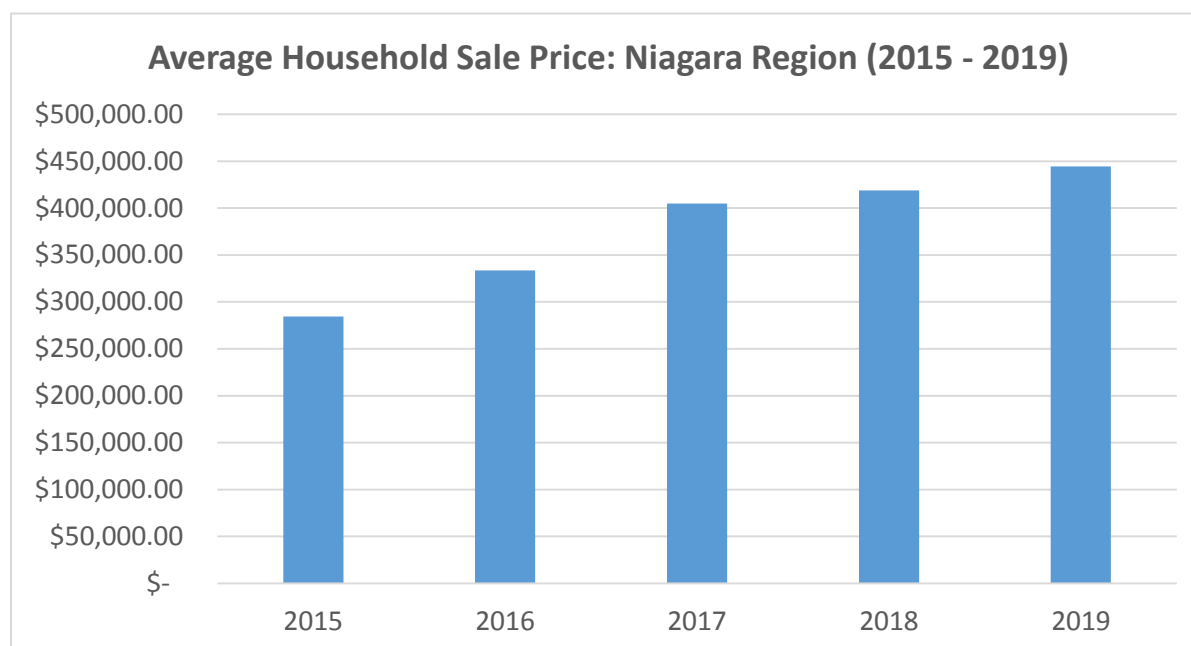


Source: Niagara Region Planning and Development Services

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%, from \$284,000 to \$405,000. Average sale price has continued to increase in 2018 and 2019 but at a lower rate of 4% and 6% respectfully. Overall, the average sale price for a home in Niagara increased 56% from 2015 to 2019.² Figure 7 provides a breakdown of average sale price by year.

Figure 7: Average Household Sale Price (2015 – 2019)



Source: Niagara Association of Realtors and Realtors Association of Hamilton-Burlington

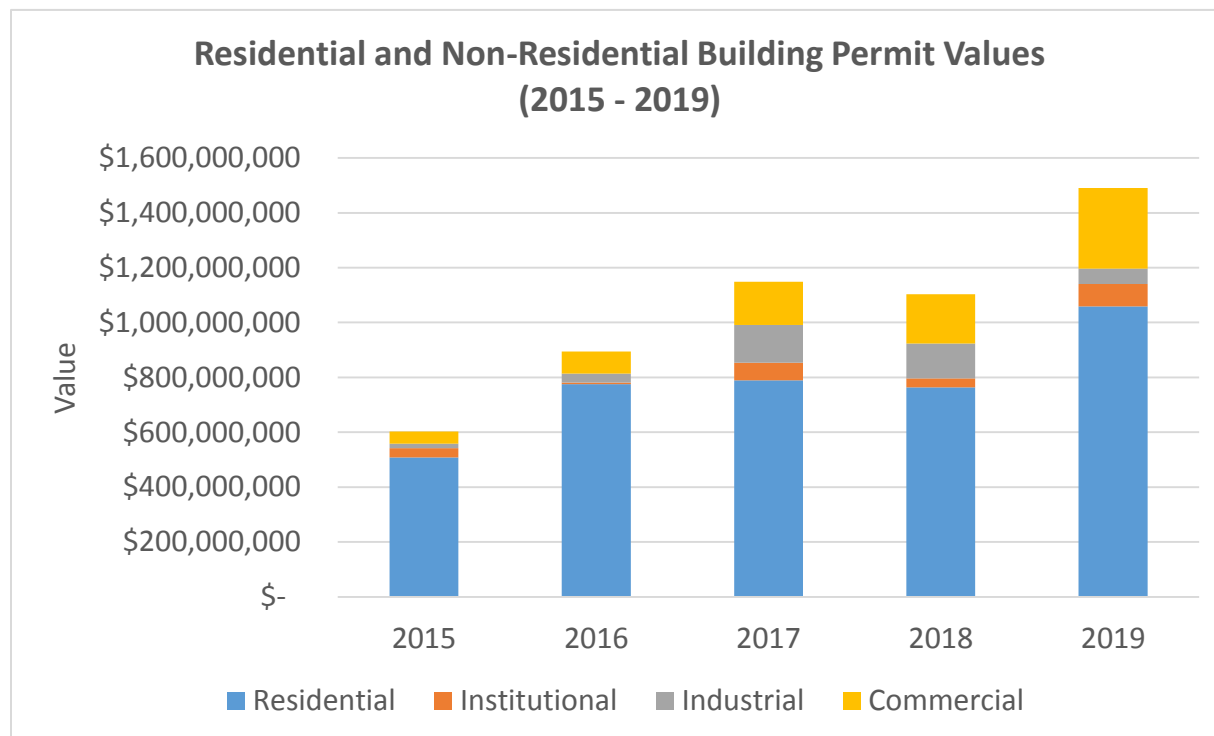
Building Permit Values

Building permit values, just like population and housing development, increased over the past 5 years, growing from \$600 million in 2015 and reaching nearly \$1.5 billion in 2019. The increased diversity of permits is particularly notable; non-residential permits

² Average sale price for 2019 is based on the data from January 2019 to June 2019. In July 2019, the Niagara Association of Realtors changed how sale price is reported on their website, opting for an HPI Benchmark value rather than the previous reporting of average sale price.

grew from 15% in 2015 and 2016 to 30% in 2017, 2018 and 2019. The increased ratio of non-residential building permit values is more inline with the Region's Development Charges Background Study. Figure 8 provides an overview of building permit values from 2015 to 2019.

Figure 8: Residential and Non-Residential Building Permit Values (2015 - 2019)



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

Alternatives Reviewed

The scope and detail of annual growth reports will be revisited following the adoption of the forthcoming new Regional Official Plan. Future iterations of the report will provide additional metrics and commentary on the implementation of the Regional Official Plan and achievement of policy objectives and targets.

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

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