



# **Saugeen Shores Building Department**

**2020 Activity Report**



# Table of Contents

BACKGROUND .....	3
BUILDING PERMITS 2020 .....	3
• 2020 Building Permit Types.....	5
• 2019 Building Permit Types.....	5
CONSTRUCTION VALUE COMPARISON .....	6
NEW SINGLE-FAMILY DWELLING PERMITS .....	7
• Comparison over 6 years for all permit types .....	8
AVERAGE NEW HOME COST .....	9
(Residential – Single Family Dwelling Average Cost of Construction) .....	9
NOTABLE PROJECTS 2020 .....	10
2020 REVENUE AND EXPENSES .....	12
REPORT SUMMARY .....	13

## BACKGROUND

This is the provincially legislated annual report on Building Permit Fees. As a requirement of the Building Code Act section 7(4) Report of Fees, the Municipality of Saugeen Shores must publish an annual report on fees every (12) months. This report has been generated to inform Council of the building activity in Saugeen Shores from Jan 1, 2020 to December 31, 2020.

The purpose of this report is to illustrate the comparison of building permit fees collected in Saugeen Shores over the last 5-6 years and show that we are above the five-year average for development in Saugeen Shores.

## BUILDING PERMITS 2020

2020 was a year filled with challenges, first with a Provincial hold on the issuance of permits, followed by supply chain issues in the construction industry.

Overall, our total construction value is down more than 30%. Most of that is a reduction in Commercial and Multi-unit residential construction. 2019 was the strongest year in the history of Saugeen Shores while 2020 was more of an average year.

Residential permits were still very strong and surpassed expectations. In 2020, Saugeen Shores added 125 new single-family dwellings compared to our neighboring Municipality, Kincardine, who issued 38 new houses in 2020.

Although total construction value is down from last year, the value remains well above the five-year average. In 2020, Saugeen Shores construction value was \$84,232,729 compared to the five-year average of \$76,509,226.

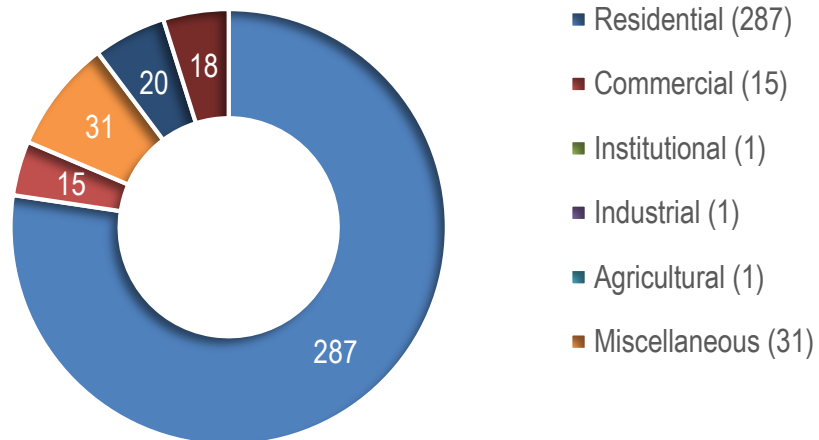
Based on building inquiries, it is anticipated that 2021 will be a strong year for construction in Saugeen Shores. The Building Department continues to work with contractors to help support construction during these trying times.

Type of Construction	Year-to-date: December 2020			Year-to-date: December 2019		
	Building Permits Issued	Total Residential Units Created	Total Permit Value	Building Permits Issued	Total Residential Units Created	Total Permit Value
<b>RESIDENTIAL</b>						
Garages, Carports, Sheds	41	0	\$ 941,100.00	31	0	\$ 805,433.00
Decks	25	0	\$ 279,200.00	22	0	\$ 214,800.00
Additions & Renovations	78	0	\$ 5,588,336.52	62	1	\$ 7,571,742.00
Single Family Dwelling	125	117	\$ 67,952,909.22	132	128	\$ 69,445,329.59
Mobile Homes	7	7	\$ 35,000.00	0	0	-
Multi Family Residential	9	16	\$ 5,990,816.00	17	36	\$ 17,576,450.00
Multi Family Residential - Additions/Renovations	2	0	\$ 454,000.00	0	0	-
<b>COMMERCIAL</b>						
New	0		\$ -	5		\$ 18,200,000.00
Renovations and additions	14		\$ 1,439,000.00	25		\$ 4,182,860.00
Accessory	1		\$ 11,000.00	0		-
<b>INSTITUTIONAL</b>						
New	0		\$ -	1		\$ 6,500,000.00
Additions & Renovations	1		\$ 20,000.00	3		\$ 2,807,000.00
Accessory	0		\$ -	0		-
<b>INDUSTRIAL</b>						
New	0		\$ -	0		-
Renovations or additions	1		\$ 250,000.00	0		-
<b>AGRICULTURAL</b>						
New	1		\$ 100,000.00	1		\$ 350,000.00
Renovations or additions	0		\$ -	1		\$ 50,000.00
Accessory	6		\$ 254,800.00	2		\$ 75,000.00
<b>MISCELLANEOUS</b>						
Plumbing	0		\$ -	2		\$ 2,500.00
Signs	10		\$ 86,468.00	20		\$ 133,285.00
Real Estate Signs	0		\$ -	9		-
WGT	0		\$ -	0		-
WBS	1		\$ 7,000.00	0		-
Tent Permits	2		\$ -	5		-
Swimming Pool Enclosures	13		\$ 358,600.00	7		\$ 162,282.00
Miscellaneous	5		\$ 170,000.00	0		-
<b>DEMOLITIONS/MOVING:</b>	20		\$ 169,500.00	15		\$ 86,100.00
<b>SEWAGE SYSTEMS</b>	18		\$ 125,000.00	28		-
<b>TOTALS</b>	<b>380</b>	<b>140</b>	<b>\$ 84,232,729.74</b>	<b>388</b>	<b>165</b>	<b>\$ 128,162,781.59</b>

Please note that the 2019 numbers do not reflect the cancellation of the Microtel Hotel permit. This permit was issued in 2019 (included in the numbers) and cancelled in 2020 after the owner decided not to proceed with the project. The 2019 number has been updated in the construction value comparison chart below.

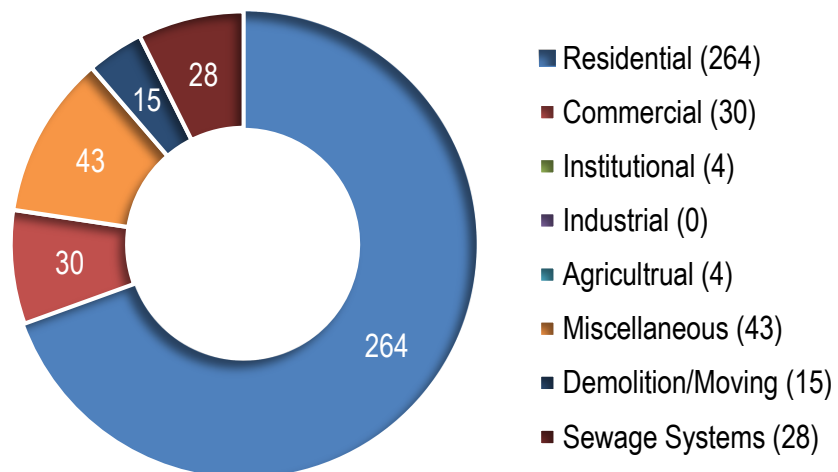
## 2020 Building Permit Types

### # of Permits by Type 2020



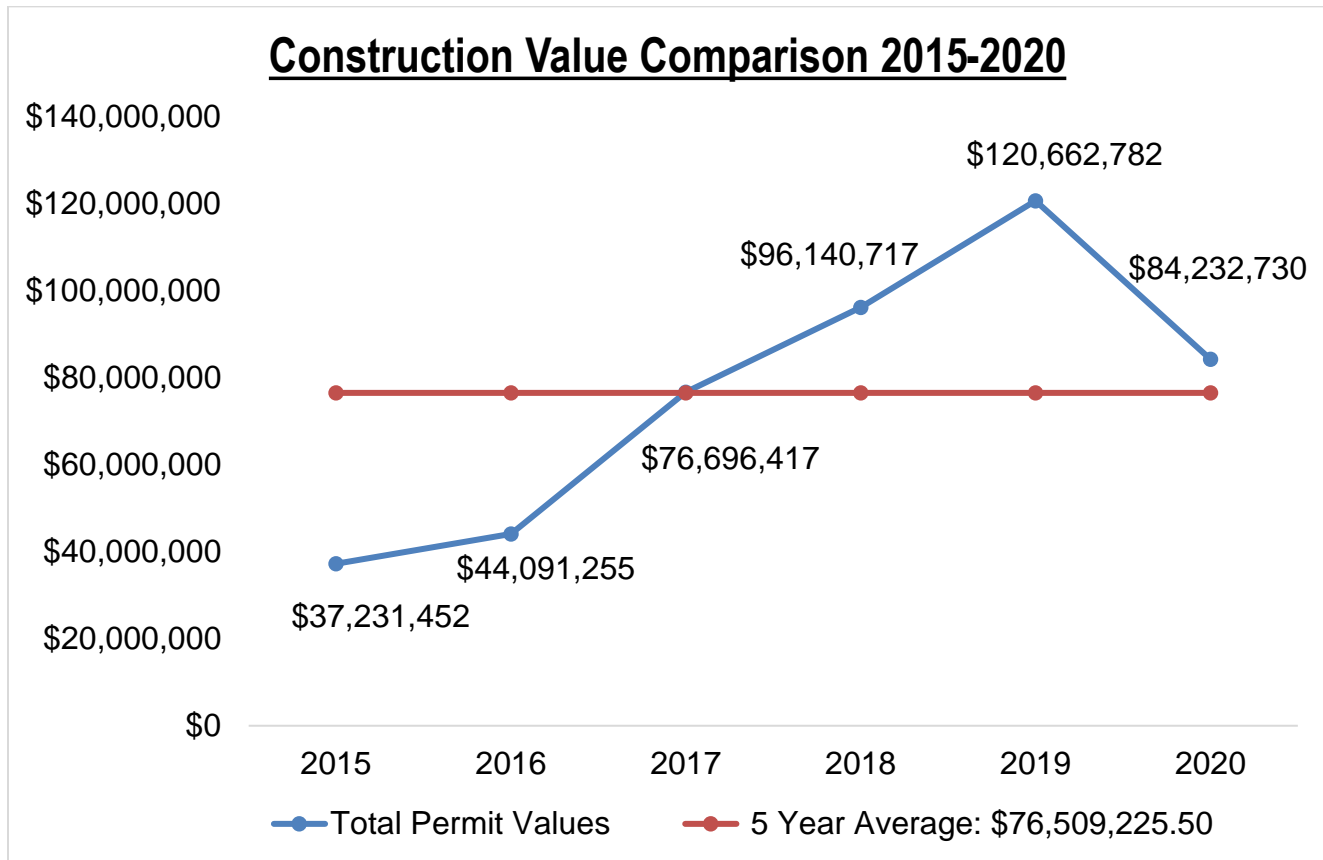
## 2019 Building Permit Types

### # of Permits by Type 2019



## CONSTRUCTION VALUE COMPARISON

From 2010 – 2016 construction values remained steady. In 2017 and 2018, Saugeen Shores saw a sharp increase in construction values. In 2019, Saugeen Shores had a record year in for construction value. Despite the complications with the Province-wide shutdowns, 2020 was a strong year for construction. 2020 construction values surpassed the **five-year average of \$76,509,226**

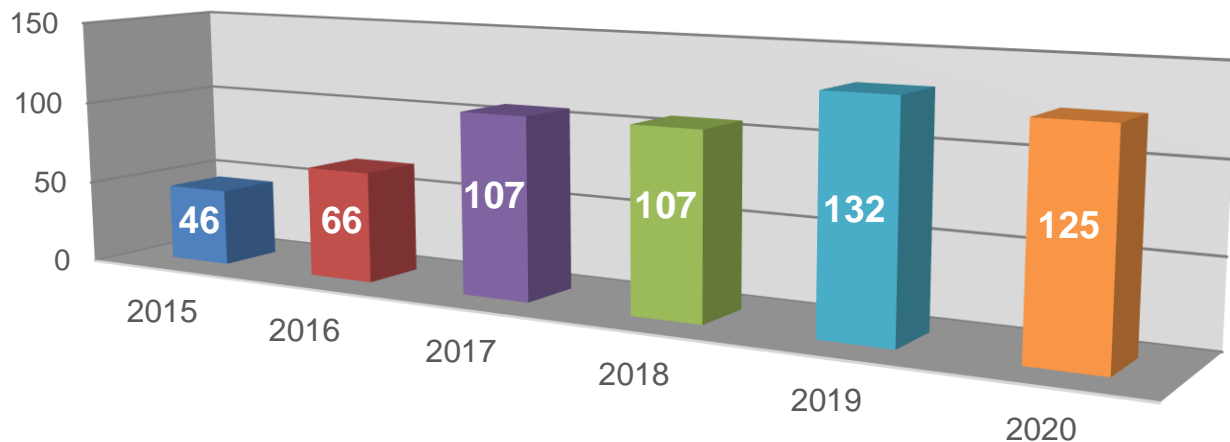




## NEW SINGLE-FAMILY DWELLING PERMITS

New single-family dwelling permit numbers remain very strong in Saugeen Shores. From 2015 to 2020, the **five-year average is 97 new home builds**. 2020 came in well above that average with 125 new house permits issued.

### New Home Builds Residential Single Family Dwellings



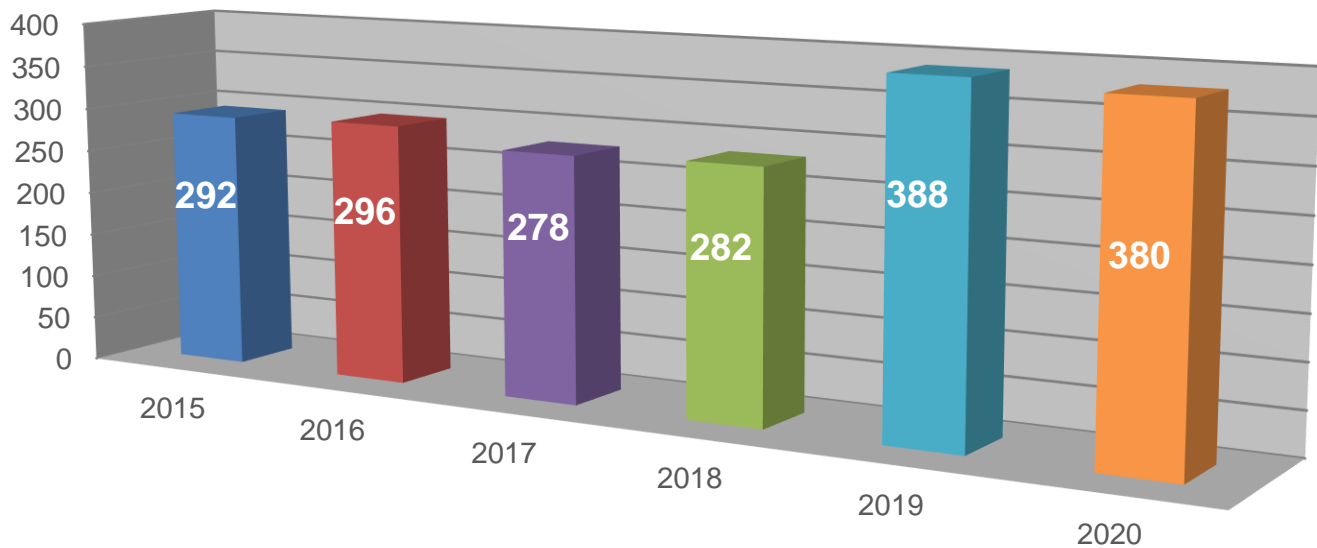
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**5 Year Average for New Home Builds - 97**

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## Comparison over 6 years for all permit types

### Total # of Permits Issued



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**5 Year Average for All Types of Permits - 319**

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## AVERAGE NEW HOME COST

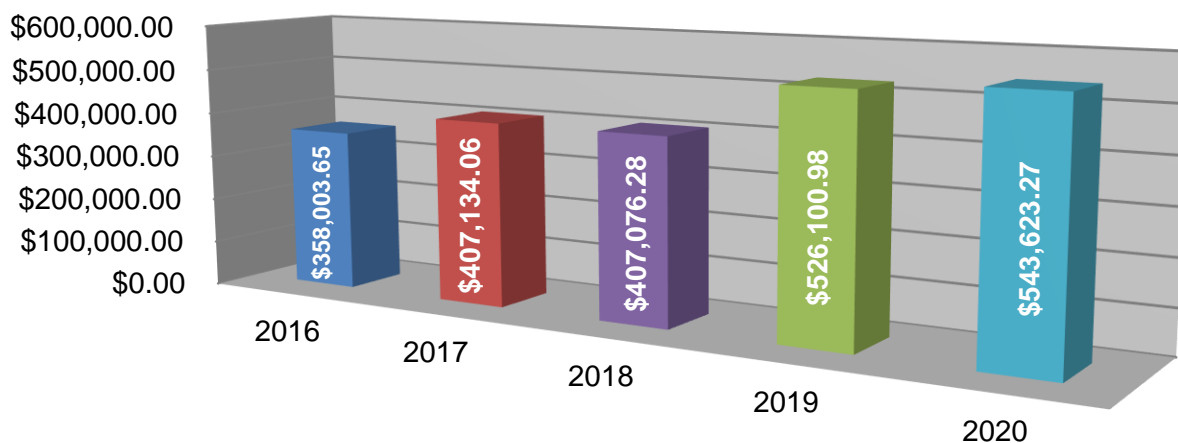
(Residential – Single Family Dwelling Average Cost of Construction)

The construction value is provided by the builders at the time of permit application and is an estimate of construction costs of the building only. It does not include the cost of land, servicing of the property, design / engineering or development fees or any other required costs to support the construction.

The average cost of construction for a single-family dwelling has increased greatly in the past 5 years. The average cost of construction has risen due to many factors. The Building Code is becoming more prescriptive on higher insulation values and more efficient heating units. In 2020, the rise of material cost and labour also significantly added to the increased costs.

In 2021, it is expected these costs will continue to rise as the market continues to adjust to the pressure introduced in 2020.

### Average New Home Costs 2016-2020



## NOTABLE PROJECTS 2020

### **WESTLINKS DEVELOPMENTS:**

A mixture of single-family dwellings and townhouse units. The developer has completed the first block of Townhouses. Many new single family dwellings are being constructed in the first phase of the development



**BLUEWATER ESTATES:** A development started by Barry's Construction. Mainly comprised of single family dwellings. This year there was a strong start on this area with more than 15 houses in various stages of construction.

**DEVONSHIRE, NORMANTON:** There were many new single-family dwellings started in this development. New phases continue to open and fill up.



**LAKE SIDE WOODS CRESCENT:** This development currently has 5 single-family dwellings started and many of the lots have sold.



**HOLIDAY INN:** This project was completed and occupied in 2020

## 2020 REVENUE AND EXPENSES

	Revenue	Expenses
<b>Total Revenue</b> (Collected from Permit fees)	<b>\$577,749.17</b>	
Salary Wages and Memberships		\$385,939.16
Corporate Administration		\$36,600.00
Supplies		\$14,671.07
Fleet Contribution		\$24,000.00
Advertising, Legal, Insurance		\$924.35
<b>Total Operating Costs</b>		<b>\$462,134.58</b>
<b>2020 Operating Surplus</b> (Transferred to Reserve)	<b>\$115,614.59</b>	

*The financial information included above is provided for your information as a reflection of the financial viability of the service provided by the Building Department. The values have not been audited at the time of reporting. Formal review of the building department finances is completed annually and reported as part of the corporate financial audit statement.*

Saugeen Shores remains competitive with surrounding municipalities with regard to the rate charged for building permit fees. In 2021 we did not increase permit fees and continued to charge rates established in 2020.

Due to the high number of permits processed annually, revenues remain adequate to fully fund the operational costs. Annual surpluses are transferred to a Building Department Reserve.

Excerpt from the Ontario Building Code Act:

*Furthermore to section 7(2) Fees – if building permits fees collected in a (12) month fiscal year exceed the expenditures to administer and enforce the Ontario Building Code, Then Municipality shall create/maintain a reserve balance. The reserve would be available to manage risks involved in a construction downturn or to fund a one-time departmental capital requirements.*



## REPORT SUMMARY

2020 was a challenging year for builders across the Province; through those challenges, Saugeen Shores still had very strong building numbers. 2020 did not surpass the record numbers of 2019; however, it did remain well above the five-year average in new single-family dwelling starts and total construction value. Saugeen Shores has solid numbers and we hope to build on those in 2021.

Over the past few years, Saugeen Shores has worked with builders to encourage new developments. With these new developments serviced and ready to build, there are many new areas for growth in Saugeen Shores. With the demand for new housing and the availability of building lots, we anticipate another strong year for residential housing.

The building department is also receiving many inquiries regarding commercial construction. We are hoping with the easing of restrictions that the commercial building projects will also rebound from last year.

