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## CITY OF KELOWNA

# MEMORANDUM

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**Date:** January 31, 2006  
**File No.:** 0655-20  
**To:** City Manager  
**From:** Planning and Corporate Services Department  
**Subject:** 2005 Development Statistics  
Report prepared by Trevor J. Parkes

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### RECOMMENDATION:

THAT Council receive the January 31, 2006 Planning and Corporate Services report regarding 2005 building activity.

### DISCUSSION:

The attached Development Statistics report summarizes the number and location of residential, commercial, industrial and institutional building permits issued during 2005. For comparison, the report also provides similar information for the previous decade.

The Planning and Corporate Services Department has been preparing the Development Statistics report since 1987. The following is a summary of recent activity:

- Residential building permits have been issued for 3055 new units during 2005 (includes single detached, semi-detached, secondary suite, mobile home, and multiple housing units). Over the last five years (2000-2004), an average of 1200 units have been issued annually.
- The highest percentage of new residential development this year was concentrated in the Glenmore/ Dilworth sector with 806 units (26%) and the South Pandosy/ KLO sector with 718 units (24%). The City's remaining development appears balanced amongst the Rutland sector with 441 units (14%), the Central City sector with 348 units (11%), the Southwest Mission sector with 281 units (9%) and the Highway 97 sector with 193 units (6%).

- Of the 2204 multiple housing permits issued this year, 30% (664 units) were in the Glenmore/ Dilworth sector, 29% (629 units) were in the South Pandosy/ KLO sector, 17% (375 units) were in the Rutland sector and 13% (291 units) were in the Central City sector. Of the 851 single/semi detached housing permits issued (including duplexes and suites) 32% (273 units) were in the Southwest Mission sector, 17% (142 units) were in the Glenmore/ Dilworth sector, 10% (89 units) were in the Belgo/ Black Mountain sector and 10% (87 units) were in the South Pandosy/ KLO sector.
- The OCP states that the City will support a gradual increase in new multiple residential development toward a 53% multiple unit / 47% single unit share by 2020 (starting with a 45% / 55% share in the Official Community Plan's first five year period). The yearly average over the past five years (2000-2004) has been 47% multiple housing units and 53% single/semi detached units, very close to OCP projections. However, 2005 saw a significant increase in multi-unit buildings. In 2005, the split was 72% multiple unit / 28% single unit share.
- Residential building permits have been issued within Urban Centres for 1061 new units this year or 35% of the approved total units. During all of 2004 26% of the new units approved were in an Urban Centre while in 2003, 37% and 2002, 42% were approved in an Urban Centre.
- Since 2001 residential development within the City of Kelowna has averaged 74% of all housing construction completed in the Regional District of Central Okanagan. There has been a noticeable trend whereby the City's share of the region's housing development has been increasing from 68% in 2002 to 71% in 2003 and 78% in 2004. In 2005 the portion of development was 77%, representing a leveling off of this trend.
- Building permits issued for commercial development this year totaled 416,621 square feet. This development was focused primarily in the City Centre sector representing 68% (285,234 square feet) and the Glenmore Dilworth sector where 16% (16,182 square feet) of all new commercial space was approved. Over the last five years (2000-2004), an average of 340,433 square feet of commercial development has been approved each year.
- Commercial development approved for sites within the Urban Centres totalled 245,735 square feet or 59% of the total commercial square footage approved since January. In comparison, 84% of the new commercial developments approved in 2004 were in an Urban Centre, while in 2003 and 2002, 66% and 72% respectively were approved within an Urban Centre.
- Building permits issued for industrial development totalled 487,201 square feet. This new industrial construction occurred primarily in the Highway 97 sector where permits represented 82% (397,807 square feet) of new development. Over the previous five years (2000-2004), an average of 164,924 square feet of industrial development has been approved each year.
- The OCP states that the City will focus future industrial development in the Highway 97 corridor, the North End and the Beaver Lake areas. Since 2001, 98% of the approved industrial developments have occurred within these areas.

- Building permits issued for institutional development in 2005 totalled 439,728 square feet. The highest percentage of new institutional development this year was concentrated in the Central City sector with 188,516 square feet (43%) and the Highway 97 sector with 181,098 (41%). Over the last five years (2000-2004), an average of 197,401 square feet of institutional development has been approved each year.
- Institutional development approved within the Urban Centres this year equaled 72,196 square feet accounting for all of 2005 Urban Centre institutional square footage. This represents 16% of all institutional space approved in 2005. In comparison, 30% of the new institutional space approved in all of 2004 was in an Urban Centre, while in 2003 and 2002, 12% and 13% respectively were within an Urban Centre. (The relatively low volume of total institutional development in 2004 makes the 30% Urban Centre total somewhat less significant. Additionally, it should be noted that the Kelowna General Hospital parkade represents 24% of the overall 2005 institutional inventory. The Urban Centre total of 72,196 would represent 22% of all institutional space if the parkade were to be excluded from the calculation.)
- The OCP states that, within Urban Centres, the City will encourage commercial, institutional and higher density forms of residential development. Since 2001, an average of 68% of the approved commercial developments, 12% of the approved institutional developments and 50% of the approved multiple unit residential developments have occurred within these areas. Focused development of the former Central Park golf course has bolstered the overall Urban Centre portion of commercial development within the City in recent years. This area has represented 24% of all commercial development completed since 2000. If this inventory had been added outside an Urban Centre then Urban Centres would have represented only 44% of all commercial growth since 2000 in contrast to the 68% they actually represented for that time period. As the majority of this development is now completed it is expected that the percentage of commercial development occurring within Urban Centres will diminish.

In summary, it can be stated that this year's residential, commercial, industrial and institutional building activity are all significantly higher than the most recent five-year averages. Development within Urban Centres is consistent with rates of recent years in all construction classes with the exception of commercial where construction has been occurring slightly below historical levels.

It should be noted that in 2005 the percentage share of multiple units was the highest ever recorded (72%) dramatically surpassing the previous record, last year's 55% multiple unit share. Special note should be made that this year's residential unit total surpasses any previous single year's development total for residential construction and, in the case of multiple units, exceeds OCP growth projections. It is possible that the record number of multi-family permit issuances in 2005 was related to the DCC rate increase that came into effect on January 1, 2006. There is some indication that this may be the case. 1094 units were issued permits in November/ December 2005. Those units represented 36% of the year's activity – higher than would be expected (in the previous year November/December activity represented only 11% of the years total). In the absence of the DCC increase, it is possible that some of the 2005 units would have been pushed into 2006.

It is not unusual for building permit issuances to increase or decrease by up to 30% from one year to the next. The OCP takes these types of fluctuations into account and projects on the basis of averages. As such, in any given year, building permit issuances may vary quite a bit from the average figure cited in the OCP. It is for this reason that the OCP projects in five year, rather than one year increments. Recent multi-family building activity has, admittedly, exceeded even the OCP five year projections. The extra multi-family units have primarily been built within the City's Urban Centres. Suburban growth has occurred at almost exactly the pace projected in the OCP. Staff will continue to closely monitor building activity to ensure that growth projections remain reasonable given recent development activity.

The attached Development Statistics summary provides further details on the 2004 building activity and will be posted on the city's web page for public information.

Signe Bagh, MCIP  
Manager, Policy, Research and Strategic Planning

Approved for inclusion

R.L. (Ron) Mattiussi, ACP, MCIP  
Director of Planning & Corporate Services

TJP/  
Attach.

