2020 Annual Development Report
Development Services

January 2021
Development & Compliance Services

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Development Services
2020 Annual Development Report

The Annual Development Report (ADR) provides updates and commentary on development activity in the City of London. The ADR monitors:

- residential, commercial, institutional and industrial development;
- development application statistics;
- the ‘permit ready’ lot status of subdivision applications; and
- Development Services process-based continuous improvement initiatives.

For each section, the report contains tables and brief commentary.

HIGHLIGHTS

Residential Development:

- Total new dwelling permits were up 49.7% in the City of London in 2020
- 26.6% of London new dwelling permits were single- and semi-detached dwellings
- 12.3% of London new dwelling permits were rowhouses and townhouses
- 61.1% of London new dwelling permits were apartments
- The intensification rate (new units within the Built-Area Boundary) was 38.7%

Non-Residential Development:

- Commercial growth was down 64.9% in 2020, less than 30% of the forecasted level
- Institutional growth was up 243.6% over 2019 due to new long-term care, post-secondary and school projects
- New industrial development was down 72.6% from 2019 returning to historic levels after an exceptional 2019 that was boosted by a permit being issued for a large food processing facility in the southeast

Development Application Activity:

- Development application levels in 2020 were lower than in 2019. Overall, application processing days were similar to 2019 despite new Provincial reductions to *Planning Act* statutory periods for several application types and pandemic related impacts to processing times.

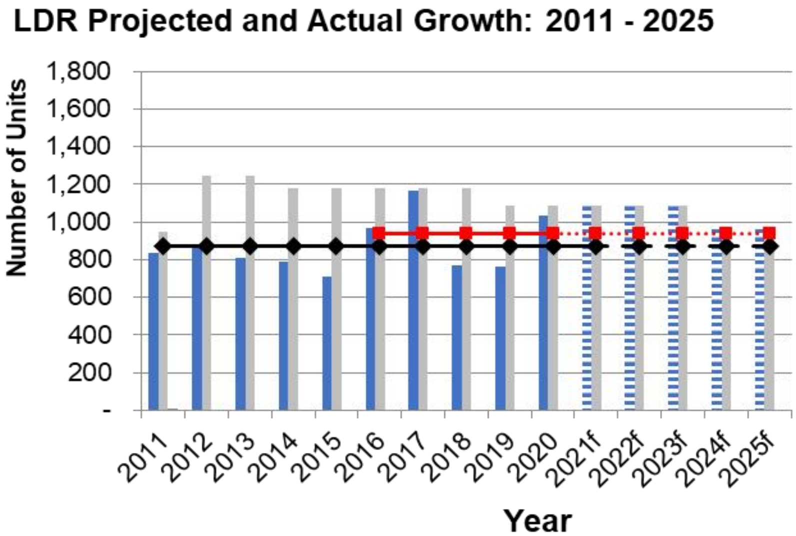
Permit Ready Lots:

- The working group has established definitions and a process to monitor current permit ready lot supply. Over 2021, the group will finalize benchmarks and actionable metrics.

Continuous Improvement Initiatives:

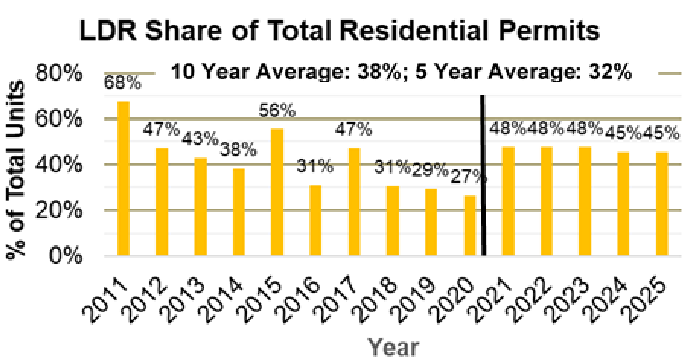
- Several continuous improvement initiatives were completed or are underway to advance the quality of development application submissions and reduce application processing times.

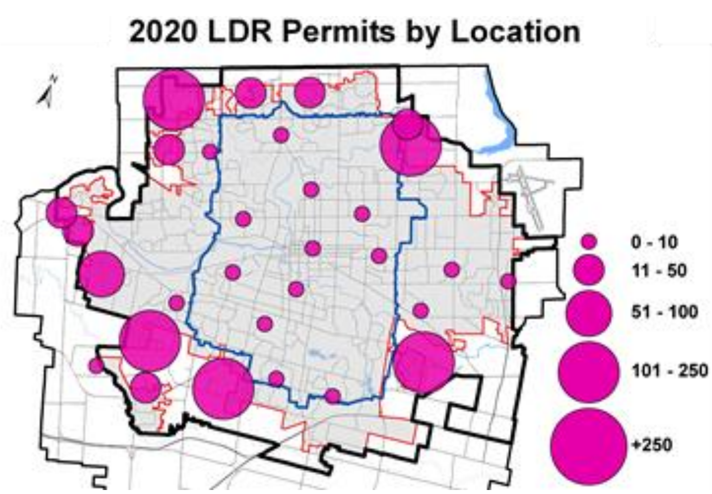
Building Permit Activity
Low Density Residential Development (LDR)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	*2020*	*2021f*	*2022f*	*2023f*	*2024f*	*2025f*
Altus/Watson Forecast	948	1,244	1,244	1,176	1,176	1,176	1,176	1,176	1,088	*1,088*	*1,088*	*1,088*	*1,088*	*961*	*961*
Actual/Forecast	838	880	809	788	711	970	1,168	768	761	*1,036*	*1,088*	*1,088*	*1,088*	*961*	*961*
10 Year Average	873														
5 Year Average	941														

Note: Totals include single detached cluster units in Vacant Land Condominiums; Building Division Report counts these as MDR Townhouse/Rowhouses.



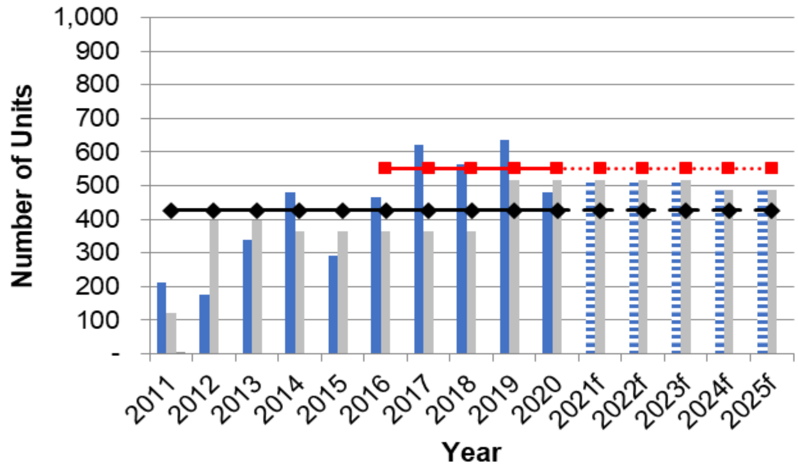


Observations:

- LDR permits increased in 2020 from 2018 and 2019.
- The number of LDR permits is forecast to be similar to 2020 levels over the near to medium term based on the anticipated pace of development and increasingly available greenfield land supply.
- While the number of LDR permits increased over 2019, its proportional share was reduced. This is attributable to a significant increase in HDR permits in 2020.
- Similar to previous years, 96% of LDR permits were located in the greenfield area outside the Built-Area Boundary in 2020.

Building Permit Activity
Medium Density Residential Development (MDR)

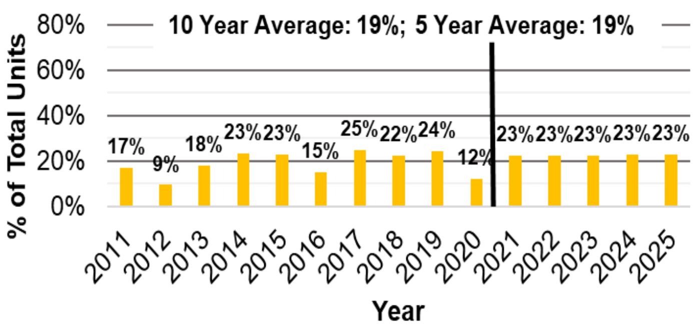
MDR Projected and Actual Growth: 2011 - 2025



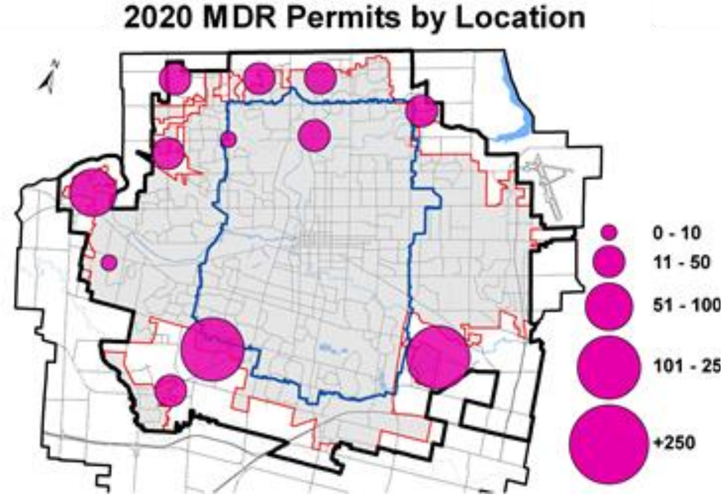
	2011	2012	2013	2014	2015	2016	2017	2018	2019	*2020*	*2021f*	*2022f*	*2023f*	*2024f*	*2025f*
Altus/Watson Forecast	340	340	340	364	364	364	364	364	517	*517*	*517*	*517*	*517*	*486*	*486*
Actual/Forecast	210	177	340	480	291	464	620	562	636	*479*	*517*	*517*	*517*	*486*	*486*
10 Year Average	426														
5 Year Average	552														

Note: Totals excludes single detached cluster units in Vacant Land Condominiums; Building Division Report counts these as MDR Townhouse/Rowhouses.

MDR Share of Total Residential Permits



2020 MDR Permits by Location

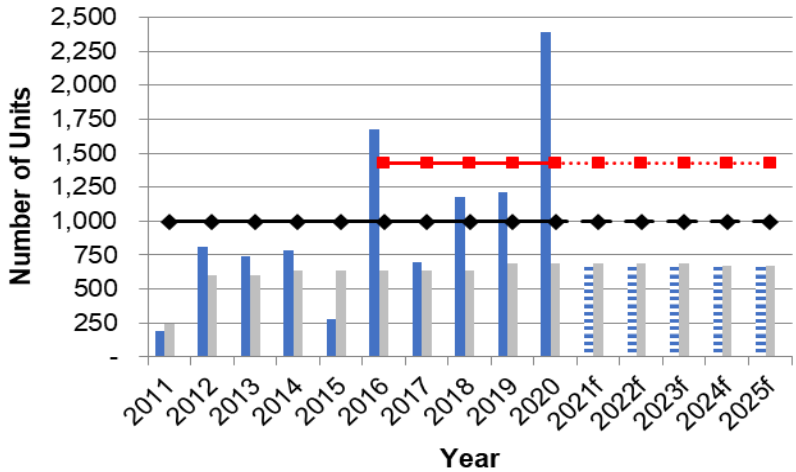


Observations:

- MDR permits decreased in 2020 from previous years and were slightly below the Watson forecast.
- The number of MDR permits are forecast to remain similar to 2020 levels over the near to medium term.
- In 2020, the proportional share of MDR permits was reduced by half. This is attributable to a significant increase in the number of HDR permits in 2020.
- MDR permits in 2020 were predominantly located in greenfield areas. 6% of MDR growth occurred within the Built-Area Boundary.

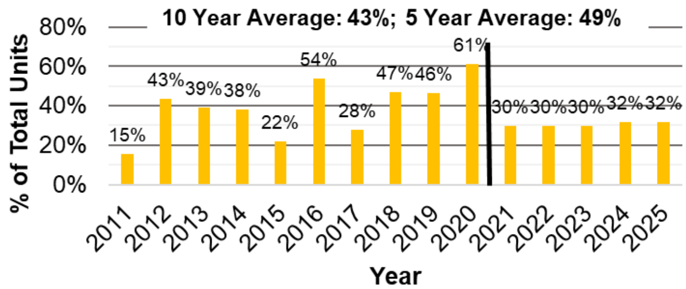
Building Permit Activity
High Density Residential Development (HDR)

HDR Projected and Actual Growth: 2011 - 2025

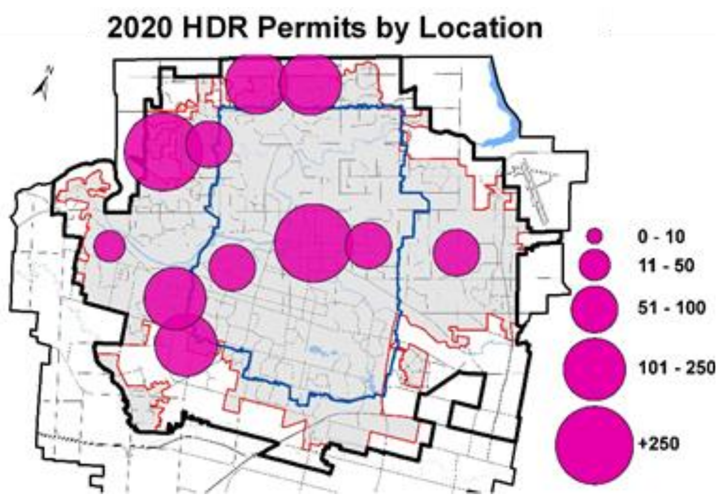


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020f	2021f	2022f	2023f	2024f	2025f
Altus/Watson Forecast	716	716	716	636	636	636	636	636	684	684	684	684	684	670	670
Actual/Forecast	190	808	738	783	278	1,671	694	1,177	1,209	2,387	684	684	684	670	670
10 Year Average	994														
5 Year Average	1,428														

HDR Share of Total Residential Permits



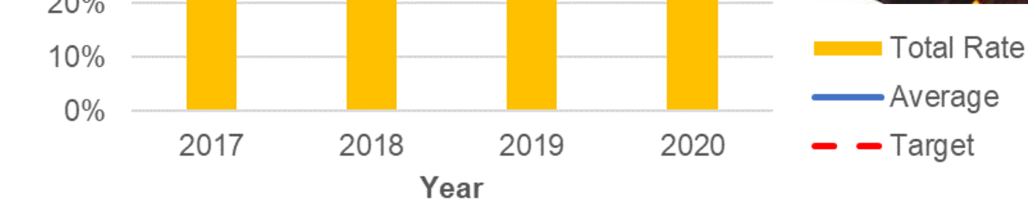
2020 HDR Permits by Location



Observations:

- HDR permits experience large fluctuations on a year over year basis. In 2020, the highest number of new HDR units over the past 10 years was recorded. Permits were issued for 17 apartment buildings ranging in size from 32 units to 652 units.
- HDR permits are forecast to decline from 2020 levels over the near to mid term as the focus shifts to constructing buildings with permits issued in 2020. Given recent HDR development application activity, the forecasts are being monitored.
- In 2020, 60% of HDR permits were within the Built-Area Boundary. However, with recent HDR greenfield approvals, this level of HDR intensification may decrease in future years.

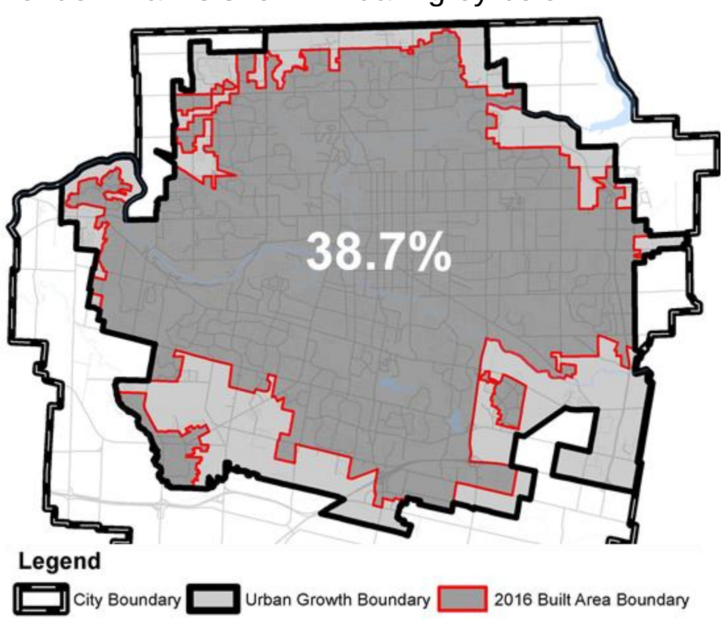
Residential Intensification Rate



Built-Area Boundary

A Built-Area Boundary is a fixed line that acts as an important land use planning tool to measure intensification and redevelopment. The London Plan provides a non-regulatory target for a minimum of 45% of all new residential units to be constructed within the 2016 Built-Area Boundary of the city, meaning the lands that were substantially built out as of 2016.

The 2016 Built-Area Boundary identified in the London Plan is shown in dark grey below:

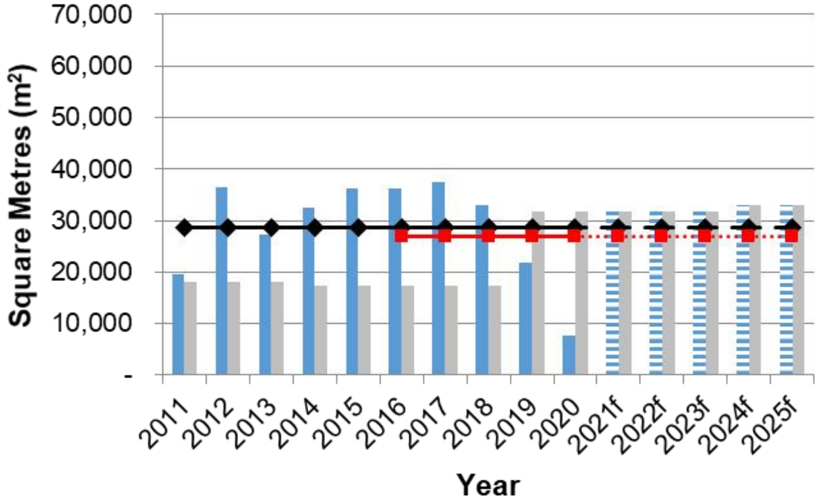


Observations:

- The intensification rate in 2020 was 38.7%. The average intensification rate since 2016 is 41.0%.
- In 2020, an increased number of new HDR permits within the Built-Area Boundary more than off-set increased LDR permits in the greenfield area. As a result, the overall intensification rate in 2020 increased from 2019.

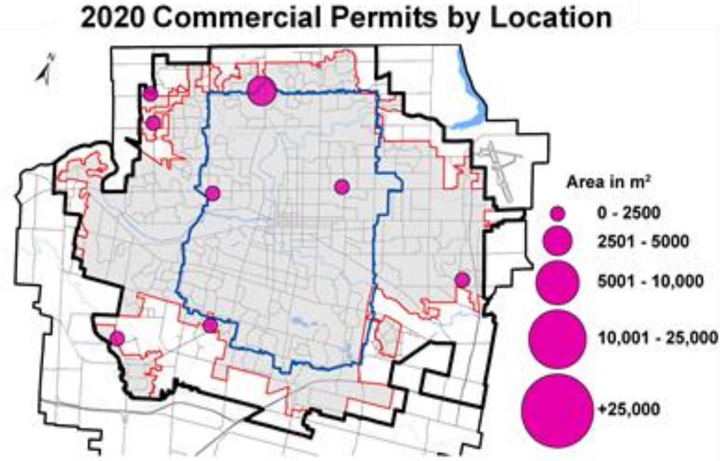
Building Permit Activity
Commercial Development

Commercial Projected and Actual Growth: 2011 - 2025



(m^2)	2011	2012	2013	2014	2015	2016	2017	2018	2019	*2020*	*2021f*	*2022f*	*2023f*	*2024f*	*2025f*
Altus/Watson Forecast	18,208	18,208	18,208	17,242	17,242	17,242	17,242	17,242	31,829	*31,829*	*31,829*	*31,829*	*31,829*	*33,051*	*33,051*
Actual/Forecast	19,566	36,353	27,253	32,612	36,104	36,125	37,430	33,059	21,846	*7,672*	*31,829*	*31,829*	*31,829*	*33,051*	*33,051*
10 Year Average	28,620														
5 Year Average	26,863														

2020 Commercial Permits by Location

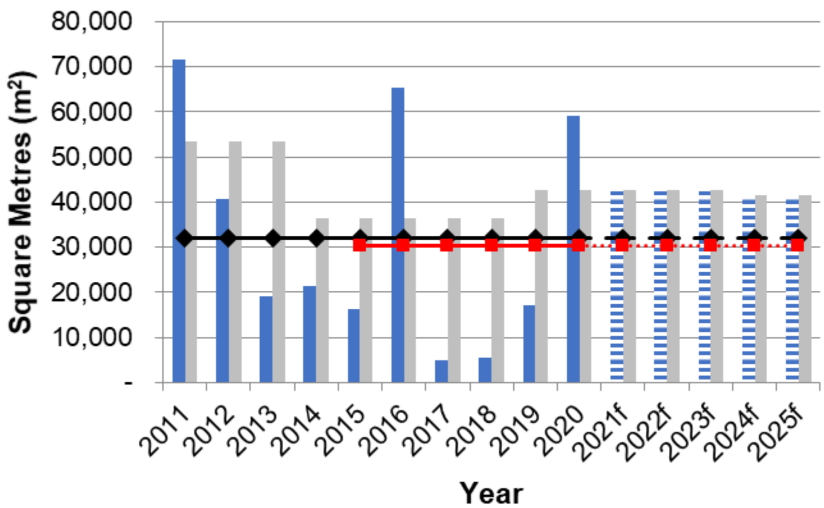


Observations:

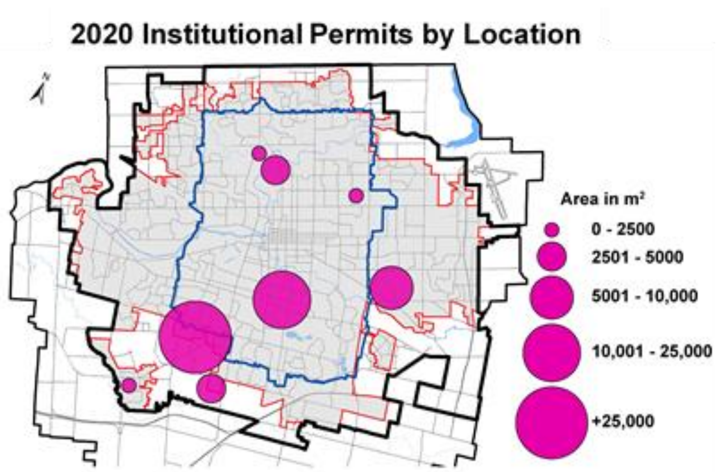
- In 2020, new commercial development (retail and office) declined 65% from 2019, less than 30% of the historic average.
- Near to medium commercial demand forecasted by Watson is anticipated to return to 5- and 10-year historical averages.
- It is anticipated that the commercial sector will be challenged over the near to medium term in relation to pandemic economic recovery.

Building Permit Activity
Institutional Development

Institutional Projected and Actual Growth: 2011 - 2025



(m^2)	2011	2012	2013	2014	2015	2016	2017	2018	2019	*2020*	*2021f*	*2022f*	*2023f*	*2024f*	*2025f*
Altus/Watson Forecast	53,325	53,325	53,325	36,491	36,491	36,491	36,491	36,491	42,512	*42,512*	*42,512*	*42,512*	*42,512*	*41,565*	*41,565*
Actual/Forecast	71,707	40,587	19,121	21,374	16,232	65,245	4,871	5,514	17,232	*59,204*	*42,512*	*42,512*	*42,512*	*41,565*	*41,565*
10 Year Average	32,005														
5 Year Average	30,205														

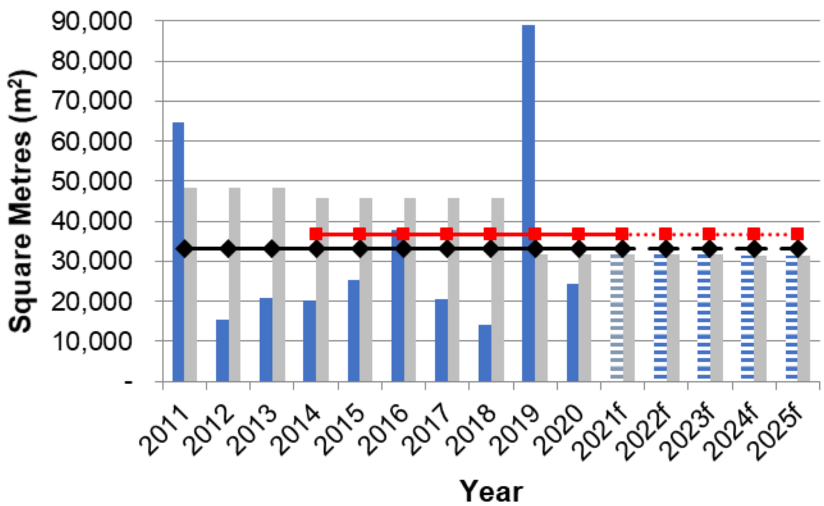


Observations:

- Institutional growth has a cyclical pattern related to funding from higher orders of government.
- There are a limited number of institutions and types of development that contribute to Institutional growth in the City.
- After three years of lower institutional construction, 2020 experienced a significant increase due to permits for new long-term care facilities, an addition to a post-secondary building and elementary school additions.
- Demand for Institutional uses is forecast to remain elevated over the near to medium term. This is dependent on investments by higher orders of government.

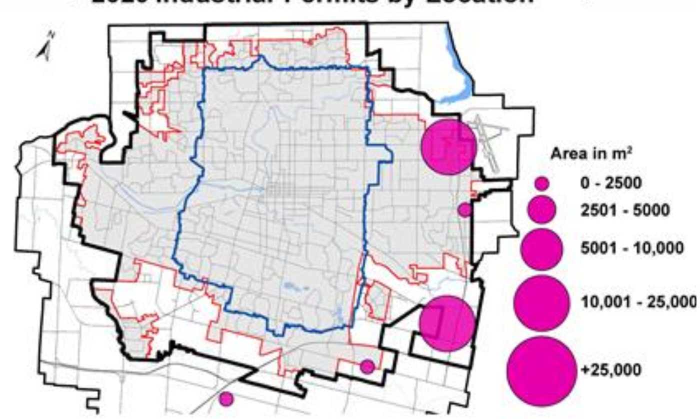
Building Permit Activity
Industrial Development

Industrial Projected and Actual Growth: 2011 - 2025



(m^2)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021f	2022f	2023f	2024f	2025f
Altus/Watson Forecast	48,308	48,308	48,308	45,855	45,855	45,855	45,855	45,855	31,894	*31,894*	*31,894*	*31,894*	*31,894*	*31,448*	*31,448*
Actual/Forecast	64,600	15,482	20,806	20,171	25,270	37,780	20,433	14,216	89,142	*24,393*	*31,894*	*31,894*	*31,894*	*31,448*	*31,448*
10 Year Average	33,048														
5 Year Average	36,830														

2020 Industrial Permits by Location



Observations:

- In 2020, Industrial development returned to historic levels after an increase in 2019 due to a permit for a large food processing facility.
- The magnitude of new industrial growth in 2019 has distorted the 5 and 10-year averages. Over the near to medium term, demand is forecasted by Watson to be similar to levels experienced prior to 2019.
- This forecast is supported by a recent increase in industrial land sales and development application activity.

Development Services
2020 Development Application Activity

2018-2020 Applications Received and Processed within Planning Act Timeframes

Application Type	2018			2019			2020		
	Applications Received	Statutory Period (Days)	%*	Applications Received	Statutory Period (Days)**	%*	Applications Received	Statutory Period (Days)	%* ***
OPA and ZBA	13	210	92%	19	210/120	89%	16	120	56%
Zoning By-law Amendment (ZBA)	31	150	74%	41	150/90	88%	27	90	56%
Temporary Use	2	150	100%	3	150/90	100%	2	90	100%
Removal of Holding Provision	36	150	72%	36	150/90	94%	31	90	58%
Draft Plan of Subdivision	6	180	83%	2	180/120	0%	3	120	33%
Draft Plan of Condominium	16	180	81%	17	180/120	88%	14	120	93%
Condominium Conversion Plans	0	180	n/a	2	180/120	100%	0	120	0%
Part Lot Control Exemption	1	n/a	n/a	7	n/a	n/a	5	n/a	n/a
Consent	56	90	36%	58	90	53%	38	90	61%
Minor Variance	158	30	30%	143	30	5%	142	30	24%
Site Plan	142	30	66%	117	30	71%	113	30	86%
TOTAL APPLICATIONS	**461**	-	-	**445**	-	-	**391**	-	-
Pre-Application Consultations	96	n/a	n/a	124	n/a	n/a	118	n/a	n/a
Site Plan Consultations	216	n/a	n/a	192	n/a	n/a	162	n/a	n/a
GRAND TOTAL	**773**	-	-	**761**	-	-	**671**	-	-

* % of applications considered by Planning and Environment Committee within Planning Act Timeframe
* % Includes applications put on hold at the request of the applicant
** Revised Bill 108 Statutory Periods came into force on September 3rd 2019
*** Planning Act timelines suspended from March 17, 2020 to June 22, 2020. As such, this period is omitted from the above timeframes

Recent and Anticipated Trends

- The total number of Official Plan (OPA) and Zoning By-law (ZBA) amendments were slightly lower than in previous years. While processing days were similar to prior years, shorter *Planning Act* statutory periods introduced in 2019 challenged the ability of these application types to meet the new statutory periods in 2020.
- Site Plan processing times have improved. From 2018 to 2020, the number of applications where conditions were released within 30 days increased from 66% to 86%.
- Subdivision applications were similar in 2020 to 2019. A total of 10 subdivision pre-application consultations were held in 2020 which indicates that there may be an increased number of subdivision applications in 2021 and beyond.
- Development Services was short staffed over 2020, however these vacancies are now being filled. Also, while there was a decrease in the number of new applications which may be the result of more flexible policies in The London Plan, more intensive proposals and increased regulatory requirements are adding complexity and additional time to address issues.
- Overall, total application activity declined in 2020 but has remained relatively stable over the past 3 years.
- *Planning Act* timeframes are measured in calendar days, but the City is limited to operating during business days. This has an impact mainly on application types with short timeframes like Site Plan and Minor Variances.
- In 2020, 48% of Minor Variance applications were heard within 40 calendar days and 66% within 50 days.
- The pandemic has caused delays as Committee of Adjustment hearings were suspended in the early part of the year, and virtual hearings pose limitations on the number of Consent and Minor Variance applications that can be considered at each meeting.

Permit Ready Lot Working Group

Since 2018, a working group, including City staff and members of the local development industry, have been engaged in defining and developing metrics related to permit-ready lot supply. Thus far the group has established consistent definitions and a process to monitor current supply. Since late 2019, the working group has been engaged in creating benchmarks and actionable measures of development progression. These are to be finalized over the upcoming year. A report was presented to PEC on June 17, 2019 that explains in detail the group's process.

Working Group Objectives:

- use current lot supply by category to anticipate near-term (1-3 year) future lot supply;
- assess Developer, Home Builder and City effectiveness in moving applications through the process, and monitor broader land supply policy/system implications;
- provide data for DS to make level of service and resource allocation decisions; and
- provide information for the development industry to make business decisions.

Working Group Categories, Timing and Definitions

Category	Subdivision Approval Process	Time in Years[1]	Definition
Unknown	No Application	4	Developable Land
Future Opportunity (FO)	Under Review	3	under review and draft approved subdivisions; site plan consultation
	Draft Approved	2.5	
On the Market (MO)	Subdivision Agreement	1	subdivision agreement and final approval without clearance; site plan application
	Final Approval Clearance not Granted	1.0 - 0.1	
Permit Ready (PRL)	Final Approval Clearance Granted	Today	Final approval granted; site plan agreement in place

Historic Permit Statistics

To understand historic trends and provide a means to assess and establish future performance measures, existing unit counts for each category have been compiled. Only *Future Opportunity*, *On the Market* and *Permit Ready* counts are provided as these categories reflect units advancing as active planning applications. The *Unknown* category is excluded as these lands have no existing planning application.

LDR Lots (Single/Detached) by Category

	2016	2017	2018	2019	2020
Future Opportunity	6,643	5,062	5,116	4,647	4,631
On The Market	630	950	965	1,013	243
Permit Ready Lot	823	1,046	803	1,043	1,364

As of January 1 for each year.

MDR Lots (Rowhouse/Townhouse) by Category

	2016	2017	2018	2019	2020
Future Opportunity	6,643	5,062	5,116	4,647	9,048
On The Market	630	950	965	1,013	1,264
Permit Ready Lot	823	1,046	803	1,043	838

As of January 1 for each year.

Permit Ready Supply Measures

Low Density Residential (LDR)

Future Opportunity - On the Market Ratio

$$\frac{\textbf{2020 FO}}{\textbf{2020 MO}} \quad \frac{\textbf{4,631}}{\textbf{243}} \quad \textbf{Measure: 19.1}$$

Market Opportunity - Permit Ready Ratio

$$\frac{\textbf{2020 MO}}{\textbf{2020 PRL}} \quad \frac{\textbf{243}}{\textbf{1,364}} \quad \textbf{Measure: 0.2}$$

Medium Density Residential (MDR)

Future Opportunity - On the Market Ratio

$$\frac{\textbf{2020 FO}}{\textbf{2020 MO}} \quad \frac{\textbf{9,048}}{\textbf{1,264}} \quad \textbf{Measure: 7.2}$$

Market Opportunity - Permit Ready Ratio

$$\frac{\textbf{2020 MO}}{\textbf{2020 PRL}} \quad \frac{\textbf{1,264}}{\textbf{838}} \quad \textbf{Measure: 1.5}$$

Process-Based Continuous Improvement Initiatives

A key principle of Council's strategic plan is to increase the efficiency and effectiveness of service delivery by promoting and strengthening continuous improvement practices. Throughout 2020, and notwithstanding challenges brought on by the COVID-19 Pandemic, Development Services was able to move forward on several continuous improvement initiatives to improve the quality of submissions and application processing times. The following are some on-going projects that are being undertaken.

Working from Home – Due to the pandemic, the majority of Development Services staff have been required to work from home. Over 2020, coordinating this change has been the primary continuous improvement initiative. Several positive outcomes include improved internal and external meeting efficiency and the acceleration of the planned transition to digital submissions. Once Development Services staff return to an office environment, it is intended that these digital process improvements be maintained.

Site Plan Continuous Improvement Initiative – Over 2020, virtual facilitation tools were implemented to improve collaboration and service delivery, and resubmission numbers and turnaround times were analyzed. Over 2021, the Site Plan process will continue to be evaluated for improvement, including a customer survey on digital submissions. The Site Plan Control By-law will also be reviewed to update current processes and standards and align requirements with The London Plan.

Consents and the Committee of Adjustment –In late 2019, a new By-law was adopted to delegate land severance (Consent) decision-making from Civic Administration to the Committee of Adjustment. This transition was completed over 2020. Benefits include improved decision transparency and the ability to consolidate the hearing of Consent applications with related Minor Variance applications as they are now heard by a single decision-making body. Throughout 2021, Staff will provide administrative support and comprehensive recommendations on applications to the Committee of Adjustment in their new function, while looking for efficiencies in processing activities and timelines.

Subdivisions Continuous Improvement Initiative – Various improvements to process and procedures were implemented including role definition between EES and DS and a transition to digital submissions for pre-consultation and applications. In addition, a formal review of the securities and compliance process was undertaken by Deloitte with recommendations to be implemented over 2021. A deep dive into process mapping across DS is also underway to prepare for a new software system identified in the Multi-Year Budget.

Rapid Housing Team – A Rapid Housing (RH) team was created in late 2020 to facilitate the rapid review of planning applications for key affordable housing sites associated with Federal funding delivery in 2021. The team has also been tasked with finding process efficiencies through concurrent Site Plan and OPA/ZBA review - and concurrent reporting to Council - and working with proponents to establish accelerated timelines. Much of the RH framework was established through the Site Plan Continuous Improvement Review.