

Comprehensive Report: Analysis of Building Permits, Housing Starts, and Development Charges in Peterborough

Includes:

Final Report

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Comprehensive Report: Analysis of Building Permits, Housing Starts, and Development Charges in Peterborough

Background :

Over the past ten years, the property market in Peterborough, an expanding city in Ontario, has seen substantial changes. Understanding how building permits, housing starts, and development charges (DCs) interact is the main goal of this report. The purpose of development charges, which are collected by municipalities on new developments, is to finance the services and infrastructure projects that growth requires. These fees have increased by 675% in Peterborough since 2011, which is a reflection of both changing municipal requirements and inflation.

However, recent patterns indicate that housing demands are difficult to meet. For example, the predicted housing starts for 2023—just 173 units compared to the necessary 930—are much lower than the provincial goal. This disparity calls into question the city's capacity to strike a balance between infrastructure funding, affordability, and growth.

Purpose:

This project's goal is to perform a thorough examination of Peterborough's development fees, home starts, and building permits. Understanding the function of development fees in the city's financial and infrastructure planning is one of the goals of the insights gained from this investigation. Determine the obstacles to the expansion of the housing market.

Offer recommendations based on evidence to improve policy frameworks and housing development initiatives.

Research Question :

The primary question driving this study is: How do development fees affect the dynamics of the housing market and how do they support the infrastructure of the town and financial stability?

Methodologies

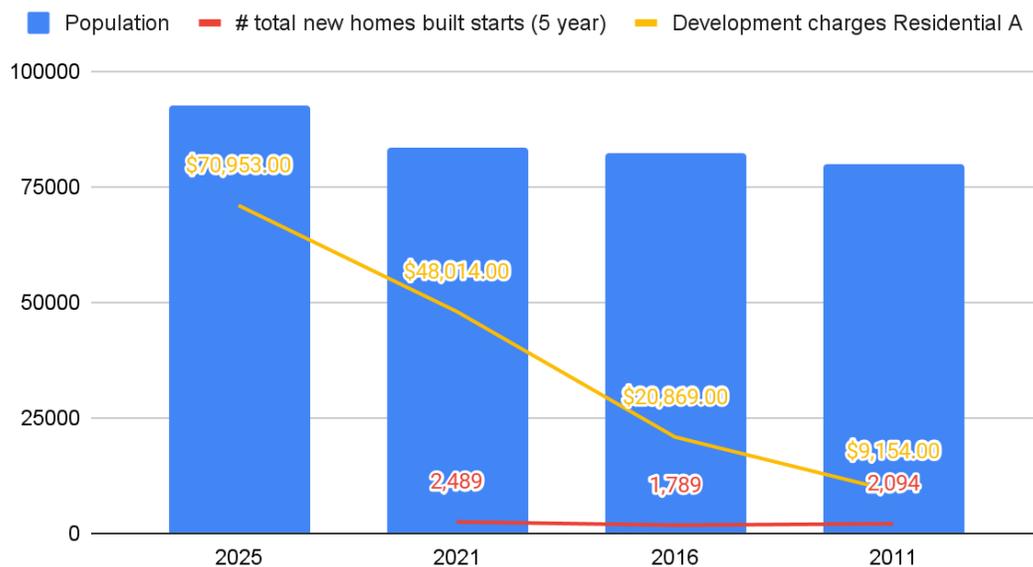
The approaches employed in this study include:

1. Literature Review: To comprehend trends, policies, and difficulties pertaining to housing markets and development fees, a thorough analysis of scholarly works, official documents, and trade journals was carried out.
2. Data Collection : The Canada Mortgage and Housing Corporation (CMHC) and Peterborough's planning department provided historical data on development costs, housing starts, and building permits.
3. Comparative Analysis : To put findings in perspective and pinpoint optimal practices, trends in Guelph and Peterborough were contrasted.
4. Data Trend Analysis: To identify connections and underlying patterns, time-series analysis was applied to investigate changes in home starts and development charges over the past ten years.

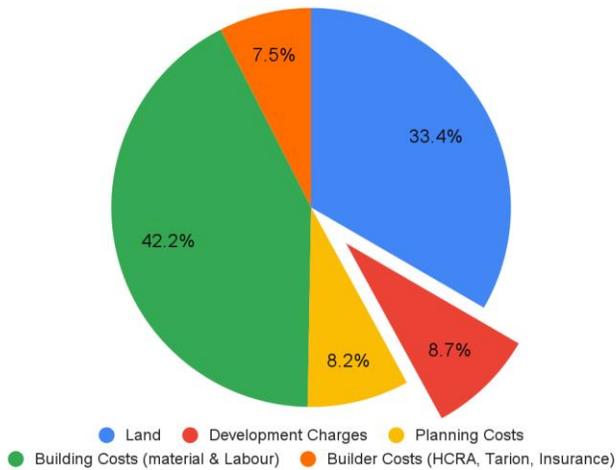
Key Findings

1. Growth Charges: There may be obstacles to growth because Peterborough's DC rates are significantly higher than Guelph's. For instance, Peterborough's 2023 single-family development fee is \$42,194, whereas Guelph's is \$29,201.
2. Housing Starts: Peterborough's housing start count has fluctuated, with a notable drop in 2023. High interest rates, unstable economies, and drawn-out development approval procedures are blamed for this downturn.
3. Comparison with Guelph: In 2023, Guelph issued over three times as many permits as Peterborough, indicating a more resilient and stable housing market. The balanced strategy of Peterborough contrasts with Guelph's emphasis on multi-family construction, which accounts for 70–90% of permits.

City Wide DCs



Building costs in the City of Peterborough \$1,048,650



Implications

The results highlight significant obstacles in the property market in Peterborough. Development fees may discourage new home developments, and the issue is made worse by approval delays. These problems have wider ramifications, such as: - decreased affordability for prospective homeowners.

The province's housing ambitions are being met more slowly. Limited new development is placing a strain on infrastructure spending.

In order to guarantee economic stability and ongoing growth, these issues must be resolved.

Recommendations

The examination leads to the following suggestions being put forth:

1. **Align Development Charges with Regional Benchmarks:** In order to entice developers, Peterborough should think about lowering DC rates to match those of similar communities like Guelph.
2. **Simplify Development Approvals:** Developer trust can be increased and activity can be stimulated by streamlining and speeding up the permission procedure.
3. **Emphasis on Multi-Family Housing:** Promoting the construction of multi-family housing can help with affordability concerns and satisfy the need for a variety of housing options.
4. **Keep an eye on and adjust to market conditions:** Policies must to be adaptable to changes in the economy, like adjustments in interest rates.

Conclusion

The complex interplay between home starts, development fees, and market dynamics in Peterborough is shown in this extensive analysis. Although development fees are essential for financing infrastructure, it is important to control their ability to obstruct expansion. Peterborough can improve its housing market, meet provincial growth goals, and encourage sustainable urban development by putting the suggested measures into practice.