

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

Includes:

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Introduction

1.1 Purpose of the Project

The trends in Peterborough, Ontario's building permits, house starts, and development charges are carefully examined in this report. The project tries to evaluate how these important elements affect the economic stability of the area and urban growth. A necessary sign of building activity and urban growth, building permits indicate the demand for new homes and businesses. Starting points for new residential building projects, housing starts offer a direct measure of supply with respect to market demand.

Development charges are fees paid by governments to fund infrastructure improvements needed by new projects, therefore influencing project profitability and urban growth rate. This study seeks to expose patterns and links among these features during the past years. This will look at how differences in building permits and housing starts could point to changes in population trends, economic situation, and policy decisions affecting the city of Peterborough.

We will assess how development charges affect Peterborough's demand as a new investment location and house affordability. The results of this study will clarify the link between urban development strategies and economic growth in Peterborough, therefore stressing the possibilities and difficulties for stakeholders including government agencies, developers, and community organizations.

1.2 Research Questions

The main research questions guiding the analysis of trends in Peterborough, Ontario, building permits, housing starts, and development charges during the previous years are outlined in this section. These questions seek to improve our knowledge of the factors influencing regional economic stability and urban growth.

1. Over the years, what has Peterborough's building permit issuing trend been?

This question seeks to investigate the variations in the categories and numbers of issued building permits. Examining these developments helps us to spot important patterns suggesting changes in municipal policy decisions, demographic growth, and economic situation.

2. What are the patterns in housing Starts, and how do they fit provincial targets?

This study focuses on examining the number of housings starts over the years and finding how these statistics match the government of Ontario's set housing targets. We can find out whether Peterborough is meeting regional growth targets and providing housing needs by matching local statistics with provincial benchmarks.

3. What impact on urban growth have development charges evolved to have?

This study examines the changes in development charges during the years and their effects on urban design and planning. Understanding how these charges affect the speed and character of building would help one to better appreciate their influence on developers' financial decisions and resulting consequences for the growth of the community and infrastructure development. Together, these research subjects aim to provide a thorough grasp of the interaction among building permits, housing starts, and development charges as well as to assess their combined impact on Peterborough's urban environment and economic vitality

1.3 Methodology

The section on the methodology describes the approach used to gather and assess information relevant to Peterborough, Ontario's building permit, housing start, and development charge trends. This all-encompassing strategy will offer a thorough examination of the problems compromising economic stability in the area and urban development.

Data collection

The first part is compiling relevant information from several credible sources. Together with data from Statistics Canada, which provides demographic and economic statistics, this includes municipal reports interpreting local development trends. Moreover, information from the Canada Mortgage and Housing Corporation (CMHC) helped to improve understanding of market conditions and housing trends during the years.

Quantitative Analysis:

Data collecting was followed by a quantitative study to precisely examine prior data trends. The dataset was searched for irregularities using statistical methods in order to identify trends

and correlations. This study provided important new perspectives on the variations in building permits and housing starts as well as the change in development charges over the decade, therefore enabling an evidence-based evaluation of urban growth.

Qualitative Evaluation

Apart from the quantitative research, a qualitative review was carried out to investigate relevant policy papers and literature on urban development. This included a study of local government policies, planning strategies, and academic literature to probe the larger background and consequences of the quantitative findings. This assessment helps one to understand the motives behind policy decisions and their likely consequences on urban planning and development methods in Peterborough.

This study used qualitative and quantitative methods to give a comprehensive analysis of the linked factors influencing urban development and economic stability in the area, therefore enabling informed decision-making for further development.

Literature Review

Emphasizing their relevance in urban growth and municipal funding, this literature review examines key issues related to building permits, housing starts, and development charges. Every component provides understanding of the interconnections of various factors within the more general framework of economic development and policy.

2.1 The Role of Building Permits in Urban Development

An indispensable component of the legislative system supervising municipal building activity is building permits. They promise that every building project follows land-use regulations, zoning laws, and safety criteria. By means of permit issuing, local governments may monitor infrastructure development and urbanization rate, so enabling efficient growth control. Studies show that changes in building permit issuances often correspond with changes in economic conditions, so they are a necessary tool for estimating future infrastructure needs and trends in urban development.

Priced at \$13,948 each from January 1, 2025, single-detached and semi-detached apartments (PTbocounty.ca)

This discrepancy shows that Peterborough's rates are roughly five times higher than those in the next county. There could be several consequences from the significant difference in development costs. Higher Peterborough fees could point to the city's dedication to significant infrastructure and services enabling urban growth. Still, they could provide challenges for builders and potential homeowners, therefore influencing the tempo of new city growth and housing affordability.

2.2 Housing Starts as an Economic Indicator

Housing starts as a leading economic indicator, reflects not just consumer confidence but also the degree of investment in residential development, thereby representing both. Usually connected with a rising economy, an increase in house starts indicates that builders are hopeful about demand for new homes and state of the market. On the other hand, a drop in housing starts could indicate uncertainty or economic stagnation, so this indicator is quite important to grasp more general economic trends. Many studies have connected periods of strong housing

construction with general economic growth, therefore stressing the need of tracking housing start trends in policy-making and economic forecasting.

2.3 Development Charges and Municipal Finance

Municipalities levy development fees to developers to assist in the covering of the expenses related to the infrastructure and services required for upcoming projects. Funding public services including roads, water supplies, and public transit helps to guarantee that expansion is sustainable. Although municipal finance depends much on development charges, they also affect the general affordability of residential buildings and house prices.

Higher development charges, according to some studies, can discourage developers from starting new projects, therefore reducing the supply of homes and maybe driving consumer prices higher.

2.4 Comparative Studies on Development Charges

Comparative analyses of development charges among other municipalities expose the difficulties in controlling urban growth. Results show that the increased financial load on developers in places with much higher development charges could cause slower rates of growth. This scenario can lead to a lower housing supply, therefore aggravating the affordability problems in the housing market.

On the other hand, towns with reduced development charges could draw more building activity, therefore augmenting the supply of houses and maybe lowering the prices. Policymakers trying to reconcile funding required infrastructure with supporting dynamic, expanding communities must first understand these dynamics.

Comparing to nearby towns like Oshawa, Whitby, Peterborough's development charges are rather low. With an eye on three main components—Upper-Tier, ASDC (Area Specific Development Charge), and Utility Charges the chart contrasts municipal residential development charges.

Driven by notable Upper-Tier and ASDC components, Whitby (2021) boasts the highest costs at around \$135,349.

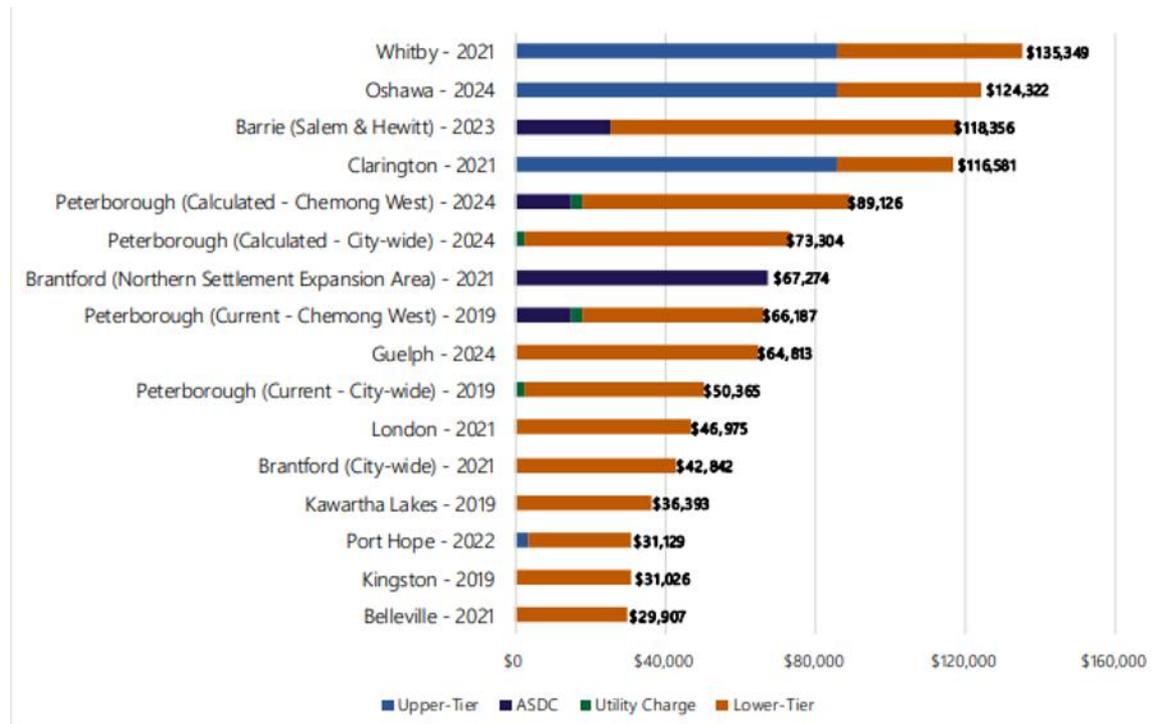
- Oshawa (2024) closely matches with charges of \$124,322 under Upper-Tier and ASDC.

- Charges beyond \$100,000 also exist in other municipalities including Clarington (2023) and Barrie (2024).

- Peterborough rates vary; \$89,126 (estimated) for the Chemong region and \$66,187 for the existing Chemong area charges.

Smaller towns like as Belleville and Kingston have the lowest rates, less than \$35,000.

Development charges compared to other Municipalities (Residential A- Singles & Semis)



The figure below shows commercial development charges for several towns, stressing variations in Upper-Tier, ASDC, and Utility Charges.

Whitby (2021) has the highest charge at \$786.34, Barrie (2024) follows with \$677.23, Oshawa (2024) comes in third at \$669.14.

- Charges in another town such as London (2021) runs approximately \$400.00

Based on area, Peterborough displays a range from \$184.23 to \$279.19

- Smaller towns such as Kingston, Port Hope, Brantford, and Belleville have far cheaper rates; Belleville at \$98.27

Development charges compared to other Municipalities (Non-Residential -Commercial)



3.0 Building Permits in Peterborough

3.1 Definition and Importance

Formal authorizations mandated by local authorities before any building, renovation, or demolition activity start are building permits. They are crucial for ensuring that all building activities follow municipal building guidelines, safety criteria, zoning laws, and land-use plans. Enforcing this process helps communities to preserve public health and safety, promote deliberate development, and prevent conflicting land uses. Good urban design depends on building permits, which let communities properly and responsibly control their growth.

Permit Procedures: Once known as the Development Permit System, Peterborough has been looking at implementing a Community Planning Permit System (CPPS). This approach combines site plan submissions, minor deviations, and zoning modifications into a cohesive application and approval process, therefore optimizing the approval process. The CPPS has become well-known in Ontario communities over the past 10 years as an alternative to traditional planning approval processes. (Peterborough.ca)

By removing administrative restrictions and accelerating approval times, Peterborough's implementing such a system might increase permit process efficiency and attractiveness to developers. This approach fits patterns in similar cities trying to balance regulatory control with development encouragement.

3.2 Trends in Building Permits

Analysis of building permit statistics between 2010 and 2024 reveals clear Peterborough development activity tendencies.

CITY OF PETERBOROUGH
HISTORICAL ANNUAL RESIDENTIAL BUILDING PERMIT

Year	Annual Building Permits			
	Singles & Semis	Rows	Apartments	Total
2010	187	83	2	272
2011	150	54	48	252
2012	118	41	118	277
2013	211	39	143	393
2014	141	40	192	373
2015	153	44	90	287
2016	153	54	121	328
2017	131	37	41	209
2018	33	75	167	275
2019	44	100	154	298
2020	64	44	380	488
2021	232	0	229	461
2022	197	1	162	360
2023	72	68	160	300
2024	34	53	233	319
Growth 2010-2024	1,920	733	2,240	4,892
5-Year Average	120	33	233	386
10-Year Average	111	48	174	333

Source: Statistics Canada, Building Permits

Note: 2024 estimated based on permits issued to May 2024.

This table shows the yearly totals for three different categories of residential building permits issued in Peterborough from 2010 to 2024. The houses included in this data are: Singles & Semis, Rows, and Apartments. There are considerable variations in the total number of licenses issued from year to year. As an example, the number of permits issued was somewhat higher in 2017 at 279 than in 2010, which was 272. On the other hand, there were years with considerable increases, such 2021, when 461 permits were reported. The rising number of apartment permits stands out in the data. Two licenses were received in 2010 for apartment building, and eight in 2013. Having said that, apartment permits saw a significant surge in subsequent years, reaching a peak of 380 in 2020 and staying pretty high thereafter. The majority of the 4,892 residential building licenses awarded between 2010 and 2024 were for apartment complexes, numbering 2,240. A growing trend toward multi-unit housing is evident from the five-year average (2019–2024) of 386 total permits issued every year, with 233 of those permits going to apartments. At 333 permits annually, the ten-year average (2014–2024)

is marginally lower. Keep in mind that the ultimate tally may differ from the 2024 estimates since they are based on licenses issued as of May.

3.3 Factors Influencing Building Permit Trends

Many significant interrelated factors define the trends in building permits issued in Peterborough, therefore affecting the local development environment. Understanding these features helps one to have important understanding of the dynamics of urban expansion in the area.

Economic Development: The main determinant of building permit trends in Peterborough and its surroundings is their economic development. Usually, rising employment rates and an expanding economy translate into increased demand for both commercial and residential construction. Demand for residential, commercial, and retail real estate rises when employment rises and pay do likewise. Therefore, a robust economy is usually connected with the rise in the building permit issuing capacity.

Building activity is largely influenced by interest rates. Low rates make borrowing more affordable for house buyers and developers alike. This kind of environment encourages investment in new businesses since lower financing costs help developers to be more profitable and enable consumer house purchase. On the other hand, high interest rates could discourage borrowing, which would reduce the issuing of building permits as developers and potential homeowners review their financial commitments.

Local and provincial government policies in public administration can significantly affect the issuing of building permits. More favourable conditions for building can be created by incentives including tax reductions, grants, or accelerated approval processes for home development. These incentives not only inspire developers to start fresh projects but also speed the permitting process, hence increasing the volume of permits approved. Zoning rules allowing mixed-use projects or more density developments could influence the type and volume of building taking place in the region.

These components taken together create a complex interaction that affects Peterborough's construction permit trends. Understanding these elements is essential for those who want to

promote sustainable development and solve future urban development challenges including legislators, developers, and urban designers.

Housing Starts in Peterborough

4.1 Definition and Importance

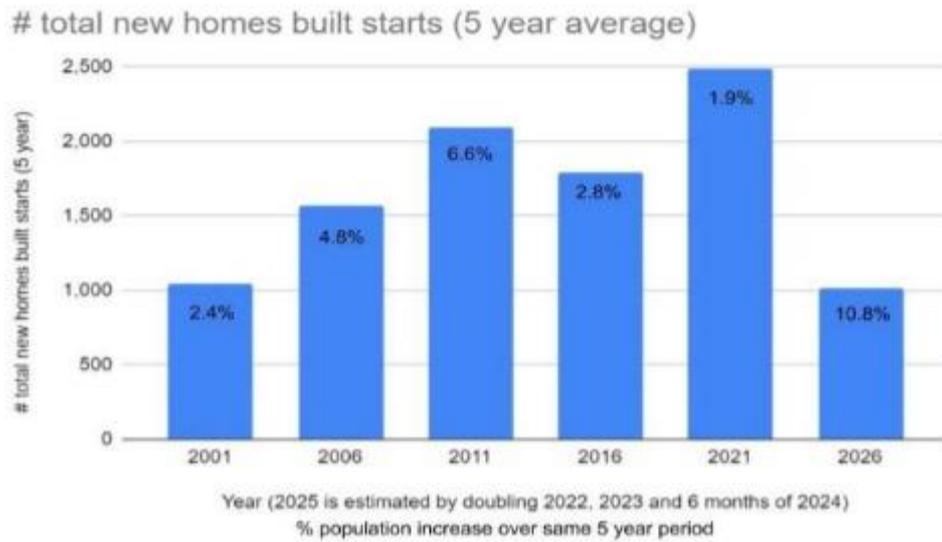
Housing starts refer to the number of newly started residential development projects within a given period, usually calculated yearly. Understanding the dynamics of the housing market depends on knowing this number since it provides information on the availability of new homes to meet population needs. Monitoring housing starts helps developers, legislators, and economists among other stakeholders to assess current market conditions, project future trends, and create plans for community housing needs.

4.2 Trends in Housing Starts

The City of Peterborough is 37th of 50 municipalities for housing starts since 2022. In 2021, the total number of new homes built in the City of Peterborough reached its peak, as shown in the chart. During this time, the five-year average of new housing starts was the highest, even though the population growth rate was the lowest recorded in the dataset at 1.9%. However, by 2026, the chart predicts a significant drop in housing starts, even though the population is expected to grow at the highest rate in the timeline, at 10.8%.

This indicates a widening gap between the supply and demand for housing, which could pose problems with affordability and urban planning.

This difference between supply and demand could make it harder for people to buy homes, put stress on infrastructure, and make city planning and development policies work harder.



4.3 Factors Affecting Housing Starts

The patterns in Peterborough's house starts are influenced by several elements.

House demand is strongly influenced by **population growth**. The demand for suitable housing choices increases along with population increase. Growing population might lead to more competition among buyers, which would force developers to start more house projects to satisfy demand.

Economic Situation: Housing starts are strongly influenced by the general state of the economy. Economic growth and job creation raise consumer confidence and income levels, thereby motivating individuals and couples looking for homes. Further driving house starts as employment rises is the capacity of future owners to make investments in new homes.

Government Policies: The housing market is highly influenced by municipal rules and province goals. Projects started by developers might be encouraged by initiatives supporting housing development like financial incentives or zoning changes. On the other hand, strict regulations or inadequate incentives could hinder growth, therefore causing differences in housing starts depending on changes in policy.

Development Charges in Peterborough

5.1 Definition and Role

Municipalities impose development charges on developers to help with the financing of necessary improvements to the infrastructure accompanying new construction. Maintaining and enhancing public services and facilities including roadways, parks, water supply, wastewater systems, and other utilities depends on these Charges.

The Development Charges Act, 1997 (DCA) and Ontario Regulation 82/98 (O. Reg. 82/98) permit communities in Ontario to recoup capital expenses connected with development from new projects.

The city is undergoing development pressure however it is a desirable site for development. The expected growth in Peterborough will elevate the demand for all City services. The City intends to establish Development Charges (DCs) to finance capital projects associated with development, ensuring that expansion is managed in a fiscally prudent way.

Development charges are justified on the idea that new projects should pay for the expenses connected to the expansion they bring about for the society. Governments can more successfully control development and maintain service levels for present residents by requiring developers to share some of the financial load for infrastructure.

5.2 Trends in Development Charges

The City of Peterborough is 27th of 58 for the highest Development Charges in Ontario. From \$48,014 to \$70,653, Peterborough's development levies for single and semi-detached residential units will rise by 48%. Effective January 1, 2025 from \$173.65 to \$268.61 per square meter, non-residential construction charges will climb by 55%. City of Peterborough, 2024a.

Development costs in Peterborough have increased by 675% since 2011, raising questions about affordability of homes (PKHBA, 2024). The city claims that these taxes are necessary to ensure that "growth finances growth," citing an expected growth from 83,000 to 125,000 people by 2051, which calls for \$2.4 billion in infrastructure spending (City of Peterborough, 2024b).

Development Charges Data for 2019–2024

December 2019 saw council adopt a \$3,000 per unit fee hike for single family homes, therefore increasing the development tax to \$26,795 each new house built in the city. Annual indexed

rises drove the DC climb to leap another \$4,000 per unit to reach \$30,477 total the following month. Indexing of the charges is one main hidden cost causing annual increases to development charges. Increasing the Development Charges by 55% on December 2nd will truly result in a 67% increase in the cost of housing on January 1st in our community during a period of crisis.

City Wide Development Charge Increases Peterborough



5.3 Impact of Development Charges

There has been debate concerning the abrupt rise in development charges. Although supporting municipal infrastructure depends on these charges, stakeholders warn that growing prices could prevent development and reduce the affordability of housing (PKHBA, 2024). Industry leaders have recommended delaying the increase and conducting economic impact studies to examine potential implications on the real estate market.

Development charges impact Peterborough's community and housing market in multiple ways, including:

Rising development costs can help to explain rising housing prices by themselves. Many times, developers pass these costs on to consumers, which makes renting or buying less fairly priced

for possible tenants and buyers. This could diminish rates of homeownership and increase reliance on rental markets.

High development charges can deter developers from launching new projects or force them to search for sites in neighbouring municipalities with reduced expenses. This can thus focus development in places with more suitable financial conditions and slow down expansion in areas with higher charges.

Development levies greatly help with support of infrastructure spending. As population increases, demand for parks, utilities, and transportation also increases. Appropriately imposed development fees ensure that communities have the wherewithal to preserve and enhance essential services, therefore fostering sustainable growth and improved quality of living for all member of the society.

Overall, governments must balance development charges to encourage growth and preserve home affordability even if funding required infrastructure depends on them. Effective urban planning depends critically on regular assessments and changes depending on community demands and state of the market.

Conclusion and Recommendation

6.1 Summary of Findings

The research conducted over the past few years has provided significant fresh insights on the events affecting the Peterborough region and the property market.

Variations in building permits: The Peterborough region clearly displays a rising trend in construction permits issued, ranging from around 350 in 2013 to a remarkable 435 in 2023. Driven by population increase, economic reasons, and a demand for varied housing options, this surge reflects an increasing interest in residential construction and development.

Changing Starting Rates for Housing: Recent data indicates that Peterborough's home starts have routinely exceeded province estimates, while their variations throughout the years based on market conditions and outside influences reveal. This inclination suggests a prospective economic recovery and a rebuilt market responding to the needs of its people by implying a more responsiveness to housing demand inside the region.

Rising Development Charges: Peterborough's development expenses have skyrocketed during the past years. While funding parks, municipal services, transit, and other essential infrastructure depends on these fees, their rise increases the cost of housing, therefore impacting first-time buyers as well as low- to moderate-income households. The demand for infrastructure improvements has to be weighed against growing concern over house prices.

6.2 Recommendation

The following strategic suggestions are meant to help Peterborough's housing market to be healthier and to properly handle the issues found in the analysis.

Peterborough's present permission system can often be slow, which results in delays discouraging developers and hindering timely production of dwellings. Defining review dates and applying digital technology will help to streamline these approval processes. By developing a more open and effective structure, the municipality may stimulate timely development suited for local housing demand.

Review Development Charge Policies: To balance Peterborough's infrastructure needs with the maintenance of housing affordability, regular review of development charges is absolutely vital. Developing a complex, tiered tax system based on building type and location could help to reduce the financial load on projects aimed at affordable housing. While ensuring funding for infrastructure development, this approach would more successfully help low- to moderate-income households.

Improve Cooperation with Developers: By means of better cooperation with developers, Peterborough's housing scarcity can be partially offset. Including developers in the planning stage helps them to contribute with relation to market needs and regulatory frameworks. Working together, cooperative projects can solve issues with zoning, land use considerations, and infrastructure requirements, therefore enabling faster project completion and better community integration.

Promote Cost-Effective Housing Initiatives: Developing plans that give the building of Peterborough's reasonably priced housing alternatives top importance. This might include giving builders who promise to include reasonably priced homes grants, tax credits, or lowered costs. Examining several strategies, including community land trusts and public-private partnerships, helps to improve the creation of easily available homes that meet the demand of diverse population in the area.

Implementing these concepts will need local government officials, community stakeholders, developers, and residents working together. Working together among these agencies will help Peterborough to have a thriving, reasonably priced housing market, therefore improving the general vitality, inclusiveness, and sustainability of the city. Improving the quality of life for every Peterborough resident as well as promoting sustainable economic development in the area depend on maintaining affordable and accessible housing for all.

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