

Semi-Annual Report – Builder and Developer Lot Supply – 2020 Mid-Year

ISSUE

Inventory levels and building activity in Saskatoon are of interest to the land development and builder community. Having an adequate and optimal supply of residential and industrial land available for development provides assurance to the industry that development is not hindered or the market is not overextended.

BACKGROUND

This semi-annual report identifies single-family and multi-family inventory held by homebuilders and land developers, as well as projected single-family lot availability by neighbourhood for 2020 from major land developers in Saskatoon. In addition, this report also identifies industrial inventory held by Saskatoon Land and recent purchasers of industrial land in the City of Saskatoon's (City) industrial growth areas.

As infill development is a key element of the City's Growth Plan, information regarding this type of development is also provided within this report.

CURRENT STATUS

Land developers in Saskatoon have 670 residential lots in inventory, and builders have an inventory of 715 residential lots.

Land developers and builders have approximately 127 acres of multi-family land in inventory, which can potentially accommodate about 2,211 dwelling units. Mid-year building permits have been issued for 522 total new dwelling units and have resulted in an 89% suburban to 11% infill split. A healthy supply of vacant industrial land is being held by recent industrial land purchasers and Saskatoon Land.

The COVID-19 pandemic had a significant impact on demand levels for serviced land inventory at its outset in March. However, after an initial pause, there are positive signs that demand levels are returning to pre-pandemic levels. Throughout May, June and July, Saskatoon Land realized 78 single-family lot sales. Building permit activity for single-family dwellings has remained steady with year to date new starts being slightly ahead of last year.

DISCUSSION/ANALYSIS

2020 Single-Family Inventory

Table 1 identifies single-family lot inventory held by homebuilders and land developers as of July 1, 2020. All lots held by developers are ready for home construction and are available for immediate purchase. Unreleased developer inventory consists of lots that are serviced but have not yet been released for purchase.

Table 1: Single-Family Inventory, July 1, 2020

Neighbourhood	Builder Inventory	Developer Inventory		Unreleased Developer Inventory		Totals
		Saskatoon Land	Private	Saskatoon Land	Private	
Arbor Creek	1	0	0	0	0	1
Aspen Ridge	159	165	0	0	0	324
Briarwood	5	0	0	0	0	5
Brighton	310	0	7	0	0	317
Evergreen	34	4	0	0	0	38
Hampton Village	3	1	0	0	0	4
Kensington	163	209	0	63	0	435
Parkridge	1	136	0	0	0	137
Rosewood	22	0	85	0	0	107
Stonebridge	11	0	0	0	0	11
Willowgrove	2	0	0	0	0	2
The Willows	4	0	0	0	0	4
Totals	715	515	92	63	0	1,385

As Table 1 indicates, as of July 1, 2020, a total of 715 single-family lots were held by builders and 607 single-family lots were held by developers. The developer inventory consisted of 515 single-family lots developed by Saskatoon Land, and 92 single-family lots developed by private developers. In addition to the 607 single-family lots held by developers, it should be noted that Saskatoon Land has 63 additional single-family lots in the Kensington neighbourhood, which have been completely serviced but not yet released to market. Servicing on the Kensington lots was completed in 2016; however, market release has been delayed until existing single-family inventory has been absorbed.

This results in a total of 1,385 serviced single-family lots being held in inventory by Saskatoon land developers and builders, which is a decrease of 225 lots from what was reported at the year-end of 2019.

2020 Projected Single-Family Lot Availability

Developers have indicated that few new single-family lots are being planned and released for 2020. Table 2 identifies new single-family lot availability projected for 2020.

Table 2: Projected New Residential Lot Availability, 2020

Neighbourhood	City		Dream		Other Developers		Totals	
	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec
Aspen Ridge	0	0	0	0	0	0	0	0
Brighton	0	0	0	139	0	0	0	139
Kensington	0	0	0	0	0	0	0	0
Rosewood	0	0	0	0	0	81	0	81
The Willows	0	0	0	0	0	0	0	0
Totals	0	0	0	139	0	81	0	220
Total	220							

Saskatoon Land does not have any planned new lot releases in 2020. Dream Development has indicated that 139 new lots will be released in the Brighton neighbourhood. Private developers in Rosewood have indicated that 81 new lots will be released in 2020, as noted in Table 2.

Figure 1 (Appendix 1) shows historical single-family inventory levels held by builders and developers since 2011. Single-family lot inventory held by builders and developers both decreased in 2020.

2020 Multi-Family Inventory

Table 3 identifies the multi-family inventory held by homebuilders and land developers as of July 1, 2020.

Table 3: Multi-Family Inventory, July 1, 2020

Neighbourhood	Builder Inventory		Developer Inventory				Totals	
			City		Private			
	Acres	Possible Dwelling Units	Acres	Possible Dwelling Units	Acres	Possible Dwelling Units	Acres	Possible Dwelling Units
Aspen Ridge	0	0	13.36	200	3.86	58	17.22	258
Blairmore S.C.	0	0	4.84	194	0	0	4.84	194
Brighton	9.08	140	0	0	23.51	357	32.59	497
Evergreen	2.57	39	31.29	486	0	0	33.86	525
Hampton Village	0.99	40	0	0	0	0	0.99	40
Kensington	4.65	83	12.94	215	0	0	17.59	298
Lakewood S.C.	3.81	152	0	0	0	0	3.81	152
Rosewood	11.80	177	0	0	0	0	11.80	177
Stonebridge	4.66	70	0	0	0	0	4.66	70
Totals	37.56	701	62.43	1,095	27.37	415	127.36	2,211

Note: The average density of development indicated in Table 3 is approximately 19 units per acre. This ranges from 15 units per acre for most group townhouse sites to 40 units per acre for three-storey buildings.

Figure 2 (Appendix 1) shows multi-family inventory levels held by builders and developers since 2011. Inventory levels of multi-family land for developers has remained relatively constant in supply, and builders have experienced a decrease.

2020 Building Permit Activity

The Monthly Building Permit Report (produced by the Building Standards Division) indicates that as of mid-year 2020, building permits were issued for 257 single-family dwelling units, 18 two-family dwelling units, and 247 residential units on multi-family sites. By comparison, in 2019, building permits were issued for 248 single-family dwelling units, 48 two-family dwelling units, and 285 residential units on multi-family sites. Year-over-year, this is an increase of approximately 4% in new single-family dwelling units, a decrease of approximately 62% in two-family dwelling units, and a decrease of approximately 15% in multi-family dwelling unit permits in the city. Figure 3 (Appendix 1) shows permits issued for new single-family, two-family, and multi-family dwelling units per year from 2002 to July 1, 2020.

Infill Development

Of the 522 permits for new-dwelling units that have been issued year-to-date, 465 were issued in suburban neighbourhoods and 57 were issued in infill neighbourhoods, as shown in Table 4. For the purpose of this analysis, housing starts were classified as suburban and infill in accordance with the Planning and Development Division's Infill Neighbourhoods Map (Appendix 2).

Table 4: New-Dwelling Unit Locations – January 1, 2020 to July 1, 2020

Housing Form	Suburban	Infill	Total	Suburban	Infill
Single-Family	207	50	257	81%	19%
Two-Family Dwelling	18	0	18	100%	0%
Multi-Family	240	7	247	97%	3%
Totals	465	57	522	89%	11%

A number of infill opportunities are currently in the building or exploratory stages within the City Centre area and adjacent neighbourhoods. These development plans could potentially add 821 units within the next five years and include both rental and ownership opportunities for a wide range of incomes and population segments.

The City's Growth Plan Summary Report, presented to City Council at its April 25, 2016 meeting, identifies a variety of growth scenarios based on future corridor growth and the development of strategic infill areas. Under the high-density corridor growth scenario, the balance of growth could shift to 50% suburban and 50% infill over the next 30 years.

2020 Industrial Land Inventory

Table 5 identifies industrial land inventory held by Saskatoon Land and recent purchasers in the Marquis and South West Industrial areas as of July 1, 2020.

Table 5: Industrial Inventory, January 1, 2020 to July 1, 2020

Neighbourhood		Vacant Sites (Sold/Optioned)		Unsold Sites (Inventory)		Total
		IL	IH	IL	IH	
Marquis Industrial	No. of sites	35	39	12	7	93
	Area (ac)	69.74	94.90	19.76	24.37	208.77
South West Industrial	No. of sites	13	0	7	0	20
	Area (ac)	15.10	0	17.32	0	32.42
Total No. of Vacant Sites						113
Total Area (ac)						241.19

Note: IL denotes Light Industrial Zoning District; IH denotes Heavy Industrial Zoning District.

As indicated in Table 5, there are approximately 241 acres of industrial land held by developers or recent purchasers.

Year-to-date, permits have been issued for one parcel in the Marquis Industrial area, totalling approximately 1.63 acres. New development permits have also been issued for one parcel in the South West Industrial area, totaling approximately 0.91 acres.

OTHER IMPLICATIONS

There are no financial, privacy, legal, social, or environmental implications identified.

NEXT STEPS

No further action regarding this report is required.

APPENDICES

1. Report Figures – 2020 Mid-Year
2. Infill Neighbourhoods Map – 2020 Mid-Year

REPORT APPROVAL

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