

# BUILD releases new Municipal Benchmarking Study

Municipal processes and approval delays add tens of thousand of dollars in costs to new homes in the GTA

September 22, 2020

Added indirect costs because of long approval times can add between \$58,000 and \$87,000 to a typical 2,000 square foot single-family home in the GTA

Toronto, September 22, 2020 — A municipal benchmarking study compiled by Altus Group and released today by the Building Industry and Land Development Association (BILD) examined 18 different towns and cities across the GTA and found tremendous variability in planning features, benchmarked municipal fees and charges, approval times and quantified their indirect costs. The report also identifies municipal best practices.

“There is a tremendous opportunity for municipalities to help with housing affordability by looking at the efficiencies of their processes and approval times,” said Dave Wilkes, President and CEO, BILD. “Added indirect costs because of long approval times can add between \$58,000 and \$87,000 to a typical 2,000 square foot single-family home in the GTA. For high-rise apartments, the added cost can be between \$44,000 and \$66,000.”

The study found that average municipal approval times for single applications across the GTA stretched well in excess of the maximum allowable times under provincial legislation. In the case of one municipality the approval time for an application stretched 29 months longer than maximum legislated approval timeframe. The study only looked at completed applications and measured the timeframe from once the municipality deemed the application complete to municipal approval (in other words only the time required for the municipality to process the application). In addition, these timeframes were for single applications, whereas a typical home building project will require multiple types of applications, rendering the actual approval timeframe much longer. In fact, only two of the 18 municipalities examined have approval performance approaching the provincial requirements. The analysis of approval timelines only considers projects approved by the municipality and the averages presented therefore do not consider the substantial additional time required to participate in an application appealed to the LPAT.

On top of delay costs, the report also examined added municipal costs to new housing and discovered that on average, across the GTA, costs such as development charges and planning fees added \$93,700 to a typical low-rise home and \$57,800 to a typical high-rise apartment. When combined with taxes from other levels of government, including HST and LTT, the combined burden of government fees, taxes and charges accounts for almost 25 per cent of the cost of a new home in the region.

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Building Industry and Land Development Association (BILD) examined 18 different towns and cities across the GTA and found tremendous variability in planning features, benchmarked municipal fees and charges, approval times and quantified their indirect costs and municipal best practices as below:

### Overall Scorecard - Planning Features, Government Charges, Approvals Timelines

	Planning Features <i>rank (1=best)</i>	Government Charges <i>rank (1=lowest)</i>	Approvals Timelines <i>rank (1=best)</i>	Score (Average Rank) <i>lower=better</i>	Rank
Barrie	2	3	5	3.3	1
Burlington	2	6	3	3.7	2
Oakville	2	9	4	5.0	3
Clarington	7	1	9	5.7	4
Oshawa	16	5	1	7.3	5
Pickering	11	2	10	7.7	6
Innisfil	15	7	2	8.0	7
Milton	7	10	n.a	8.5	8
Whitby	16	4	7	9.0	9
Toronto	1	14	15	10.0	10
Vaughan	6	17	8	10.3	11
Mississauga	9	11	13	11.0	12
Brampton	5	15	14	11.3	13
Richmond Hill	11	13	11	11.7	14
Caledon	9	12	16	12.3	15
Aurora	11	16	12	13.0	16
BWG	14	8	17	13.0	16
Markham	18	18	6	14.0	18

Note: Government Charges based on average of low-rise and high-rise scenarios, as measured by government charges as % of housing prices

Source: Altus Group Economic Consulting

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