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Planning approval process creating long delays and reducing housing supply: report

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A joint report released Wednesday from Ryerson University and Ontario builders paints a dim picture of the planning approval process that it says leads to delays as long as 28 months for some condominium projects.

The report, prepared with the Residential Construction Council of Ontario, cites a World Bank study which ranks Canada, using Toronto as a proxy, as 57th in the world when it comes to the building approval permit process out of 190 jurisdictions. Site plan approval delays are the major factor in the low ranking.

“Our target is to be among the Top 10 jurisdictions in the world,” said Michael de Lint, director of building regulatory reform and technical standards with RESCON.

The report calls for speeding up site plan and control and other upstream approvals through a better and more transparent process, enhancing the role of professionals in design compliance to speed up building innovation and accelerating municipal use of online e-permitting to speed up reviews and reduce paperwork.

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According to the joint study, the World Bank ranking was based on approval times to build a warehouse in an area zoned for warehouses — normally considered a simple and benign zoning request. But requests for those buildings can take as long as six months in Toronto.

“This (study) represents buildings in general but because we represent residential builders we are more focused on the residential building sector, high-rise, low-rise. But this affects all buildings,” said de Lint.

The development industry in Canada, in particular in Toronto and Vancouver, has long complained about a supply side problem for the soaring prices for homes in those cities. The

report out Wednesday quotes a Fraser Institute study which suggest for every six-month delay in approvals, the growth of new housing is reduced by 3.7 per cent.

“What happens is builders, who have a few projects, they have the simple ones which take a long time to process and the more difficult ones they may just abandon because the process is so long and uncertain,” said de Lint.

While the report was Ontario-focused, he said there is no indication that jurisdictions outside of Toronto are any more efficient.