

## Provincial move to pilot new technologies is positive step for housing industry

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*By Richard Lyall - RESCON*

We learned recently that the province is setting aside \$500 million over four years in a new Ontario Onwards Acceleration Fund, including \$60 million for 2020-21, for piloting new technologies that improve how people and businesses experience government services in Ontario.

This is certainly good news, as reducing barriers to development by modernizing and digitizing government services is critical to increasing the housing supply necessary to support demographic trends.

New research done for RESCON indicates that we need to step up our game and improve the development approvals process. It further bolsters the case for a streamlined e-permitting system.

## **E-permitting benefits**

As the report notes, there are many benefits associated with e-permitting systems, but Canada still has a lot of ground to make up when it comes to investing in digital development approval platforms.

While the U.K. and countries such as Australia, Singapore and South Korea have forged ahead with digitized systems, Canada still favours conservative technology solutions over innovative ones, which leads to inadequate growth in much-needed physical and digital infrastructure, according to the research.

The report, titled *Streamlining the Development Approvals System in Ontario: Modernizing, Digitizing and E-permitting*, was compiled by Kimberly Mahadeo, a McMaster university student interning at RESCON.

Her findings showed that our complex regulatory system has been deemed as one of the most prominent deterrents of foreign investors in Canadian projects, and the leading barrier to global competitiveness.

## **Redundant procedures**

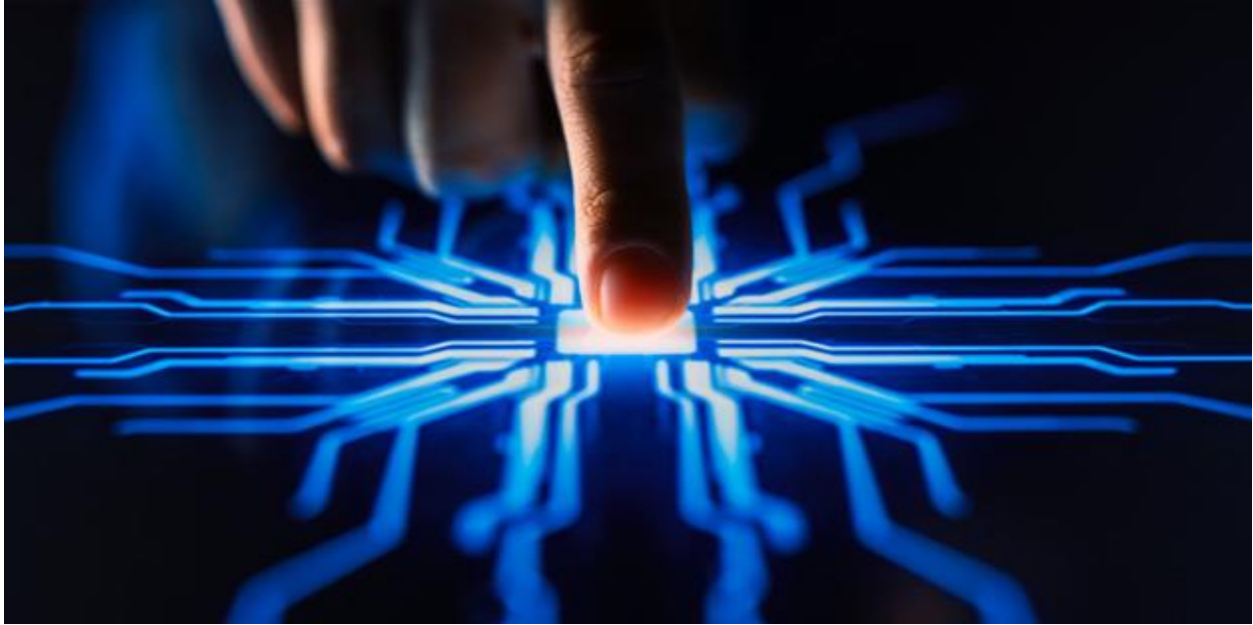
Redundant procedures and lengthy timelines also lead to unnecessary administrative burdens, ultimately resulting in an inefficient approvals system. In Ontario, obtaining a site plan approval from municipal authorities almost always exceeds the established 30-day timeline, taking up to 180 days on average.

The report found that the entire approval process takes an average of 249 days, almost 100 days more than the average in other OECD countries.

Such barriers to development significantly deter investors, lead to increasing project costs and uncertainty, as well as hindering economic growth. The antiquated approvals process in Ontario limits the development of housing supply to meet growing demand, limiting potential property tax revenues.

The bottom line here is that we need a swifter, digitized, Ontario-wide digital e-permitting system that is standardized and could be used by all 444 municipalities across the province. We are not building enough homes in Ontario to meet demands. We must build 75,000 new homes per year over the next 24 years to keep up with expected population growth, but we are short 12,000 units per year on average.

The Canadian Centre for Economic Analysis has indicated that an additional 33,100 homes could be built in Ontario above and beyond current baseline trends over the next five years if the development approval processes were reduced by six months. That would certainly help solve our problem.



## Harmonized data

RESCON has been working with industry stakeholders on an initiative called One Ontario that was launched by AECO Innovation Lab. The venture is developing guidelines for harmonized data exchange standards that will set the stage for a fully digitized and harmonized e-permitting framework that could be adopted by the municipalities in Ontario and speed-up the approvals processes.

The provincial government's investment in technology is certainly a step in the right direction. We are hoping for a speedier approvals system for new housing which will ultimately lead to more supply.



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