

Study Shows That Building Approval Delays In Toronto Are Leading To Condo Shortages

By Devonn Chibili June 13, 2017

A report which has been released by the Residential Construction Council of Ontario and the University of Toronto's Building Tall Research Group has indicated that because of the continued delay in the process of approving buildings, there is a massive delay in Toronto for thousands of condo units.

The study, done between 2006 and 2016 examined the zoning bylaw amendment approval process and the official plan of 174 new condo projects in Toronto, was compiled in the document titled "Evaluation of Tall Building Construction Permitting Process in Toronto."

Dr. Arash Shahi, the research manager of Building Tall and a post doctoral fellow at U of T's Department of Civil Engineering said, "As Toronto's population grows, the city has no choice but to build skyward with condominiums. However, our research shows that, over time, it is taking longer to get condo projects approved within the City of Toronto's numerous policy and regulatory controls."

One of the studies most important findings is that the time taken to get done with the approval process has doubled over the past 10 years, which makes things a lot more difficult for both the prospective condo buyers and industry players.

The report also noted that, "A nine month approval target, as outlined in the Toronto Development Guide, actually took nearly 3.5 years on average in 2016. 42% of condo applications that successfully appealed to the Ontario Municipal Board (OMB) from 2006 to 2016 indicated that 'failure of the City to announce a decision' compelled an OMB appeal – adding more cost and time than a City Council decision."

An important implication of this trend is that the plenty of opportunities for boosting property tax revenue is being missed by the government. The report further explained that, "A hypothetical 50-storey condo with 500 units (with an average unit cost of \$470,000, according to Business Canada 2016 figures) would generate about \$3,200 of property tax per unit – or \$1.6 million per building in just one year. With an approvals delay of almost three years, that would represent about \$5 million is lost property tax revenue for the City."