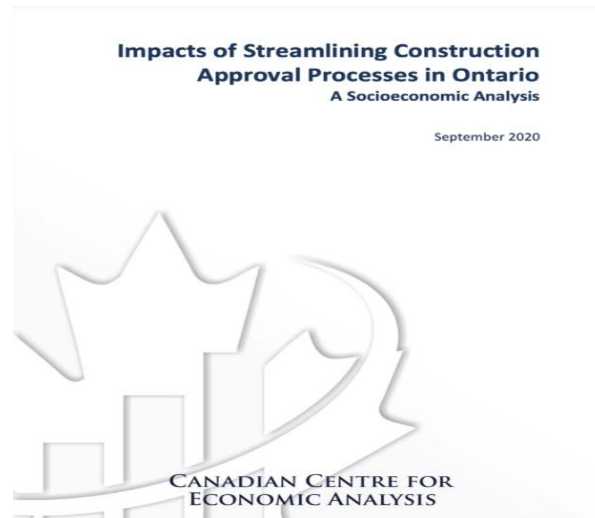


Digitized e-permitting process would help alleviate housing shortage and kick-start economy

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A new report prepared for the [Residential Construction Council of Ontario \(RESCON\)](#) bolsters the case for adoption of a harmonized and digitized e-permitting system that would help municipalities speed-up the approval processes for new housing builds in the province.

The report found 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. A six-month reduction in the approvals processes could also result in an additional contribution of \$4.5 billion to Ontario's economy annually by 2025 and support 40,500 jobs.

If investment in housing construction was increased by just 10 per cent in addition to the six-month reduction, the report indicates it would result in 76,200 more units and 105,000 additional annual jobs over five years, along with \$11.6 billion in additional GDP annually. Over a 20-year period under the same scenario, the report shows it would result in 175,700 more units, 145,600 additional annual jobs by 2040, and \$17.2 billion in additional annual GDP in Ontario.

Table 1 Five-year impacts of reducing approval timelines and/or increased investment

5-year Scenario/Metric		Impacts	
Homes	Process streamlined by 6 months	33,100	More homes. 80,400 additional people able to be housed
	Increased investment by 10%	39,800	More homes. 96,500 additional people able to be housed
	Both	76,200	More homes. 184,900 additional people able to be housed
Economics with 6 months reduction and 10% increase in investment	Annual GDP	\$11.6B	Additional economic activity supports \$1.8B of private investment
	Jobs	105,000	Supported jobs provide over \$6.2B of wages annually
	Taxation revenue	\$2.7B	Federal and Ontario governments could receive \$1.5B and \$1.2B additional revenue annually

The report, called [Impacts of Streamlining Construction Approvals Processes in Ontario: A Socioeconomic Analysis](#), was prepared by the [Canadian Centre for Economic Analysis](#). Purpose of the report was to better understand the risks and rewards associated with streamlining construction approval processes in Ontario and evaluate the economic and social impacts of reducing delays.

“This report demonstrates the need for a province-wide digital e-permitting system to be used by all municipalities as a means of speeding-up approvals,” says RESCON president Richard Lyall.

“Construction will play a major role in our recovery from the COVID-19 pandemic and adopting a more streamlined system that reduces the development and approval processes will result in significantly more homes being brought to market sooner and provide a substantial boost to the economy.”

Other countries have embraced such policies. Germany has allocated \$56 billion for modernizing and digitizing industries. In Ontario, a few municipalities, such as Windsor, have made headway in modernizing the approvals process but the practice of fully digitizing the system is not well understood.

The provincial government indicated in the More Homes, More Choice Act, 2019, that digitization is the way to go. A [research report](#) done by RESCON in 2018 also recommended that Ontario’s 444 municipalities move out of the world of pen and paper and adopt an interconnected, digital e-permitting platform.

With an expanding population and many regions beset with a chronic and worsening housing crisis, the report notes that the need to increase the supply of housing has never been greater.

Yet, the inability to manage approvals efficiently dissuades investment and hampers economic recovery and growth.

“The report provides a barometer of what could happen and supports the case for building a province-wide e-permitting system and digitized platform to speed-up and facilitate a more efficient approvals process,” says Lyall. “By modernizing operations and creating a harmonized system in Ontario, we would be better equipped to keep up with the increasing demand for housing.”