

## **Condo shortage in Toronto exacerbated by building approval delays - study**

Home News

by Ephraim Vecina 07 Jun 2017

Thousands of condo units in Toronto are facing massive delays with the continued sluggishness of the building approvals process, according to a recently released study by the University of Toronto's Building Tall Research Group and the Residential Construction Council of Ontario (RESCON).

The document titled "Evaluation of Tall Building Construction Permitting Process in Toronto" assessed the Official Plan and/or zoning bylaw amendment approval process of 174 new condo projects in the city between 2006 and 2016.

"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," according to Dr. Arash Shahi, research manager of Building Tall and a post-doctoral fellow at U of T's Department of Civil Engineering.

Among the study's most crucial findings is that the time to complete the approvals process has more than doubled in the past 10 years, making things more difficult for industry players and prospective condo buyers alike.

"A nine-month approvals target, as outlined in the Toronto Development Guide, actually took nearly 3.5 years on average in 2016," the report noted. "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."

A significant implication of this trend is that the government misses plenty of opportunities for boosting its property tax revenue.

"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 in lost property tax revenue for the City," the report explained.

The full study can be viewed [here](#).