

# BUILDING PERMITS AND INSPECTIONS

## VALUE STATEMENT

*I expect my municipality to ensure the safety of buildings in accordance with legislative requirements.*

*As an applicant, I expect my municipality to provide clear information about building code requirements and ensure the application process is convenient, timely, and affordable.*

# BUILDING PERMITS AND INSPECTIONS

## What is this Service?

Building Permits and Inspections Services are governed under provincial legislation, with the goal to protect the public.

## Objectives May Include:

- Ensuring buildings and structures are constructed, renovated or demolished in a safe and orderly manner.
- Undertaking reviews and inspections to verify whether new construction or renovation has incorporated the minimum building standards for health, life safety, accessibility, structural sufficiency, environmental integrity and energy efficiency.
- Issuing building permits and enforcing provincial building code legislation and applicable law.

## Influencing Factors:

- **Permit Requirements:** Municipal policy for what type of construction requires a permit and the phasing of permits (separate permits for foundation, plumbing, structure, etc. versus one that covers all phases of construction) will vary among jurisdictions.
- **Complexity:** Size and technical complexity of permit applications requiring varying amounts of review time and inspections.
- **Construction Type:** The types of construction work being done and the volumes of inspection work that results from this will vary among municipalities.
- **Inspection Services:** The complexity of the inspection process varies by project, and by municipality.
- **Application Mix:** Generally, Industrial, High Rise Residential, Institutional and Commercial permit applications offer more unique circumstances, and are more complex than low rise residential permit applications. The former will elevate total construction value if it dominates the construction activity in any one year, while residential construction tends to require more inspections and attention but generates lower values as compared to high rise and ICI construction.
- **Staffing levels and Service Standards Established:** These will vary by municipality.
- **Technology:** The formal processes used to track the information needed to calculate this measure will vary between jurisdictions.
- **Geographic Territory:** The size of geographic area covered by the inspectors impacts service delivery cost efficiencies. Some municipalities have vast geographic areas with construction activity throughout. This results in more travel time, less inspections that can be booked per day and higher operating costs.

- **Legislative Changes:** Administering new requirements of several Acts, such as a new Building Code Statute Law Amendment Act, Environment Protection Act and other defined applicable laws, adds to the process for review and inspection and varies among jurisdictions.
- **Construction Value:** Acceptable methods of establishing construction values vary across the municipalities.
- **Financial Cost:** FIR (Financial Information Return) or other reported costs may not fully capture costs associated with servicing building permit and the enforcement of the Building Code Act and Code as per legislation or may include costs not directly related to the permit and inspection process.

### Extenuating Circumstances:

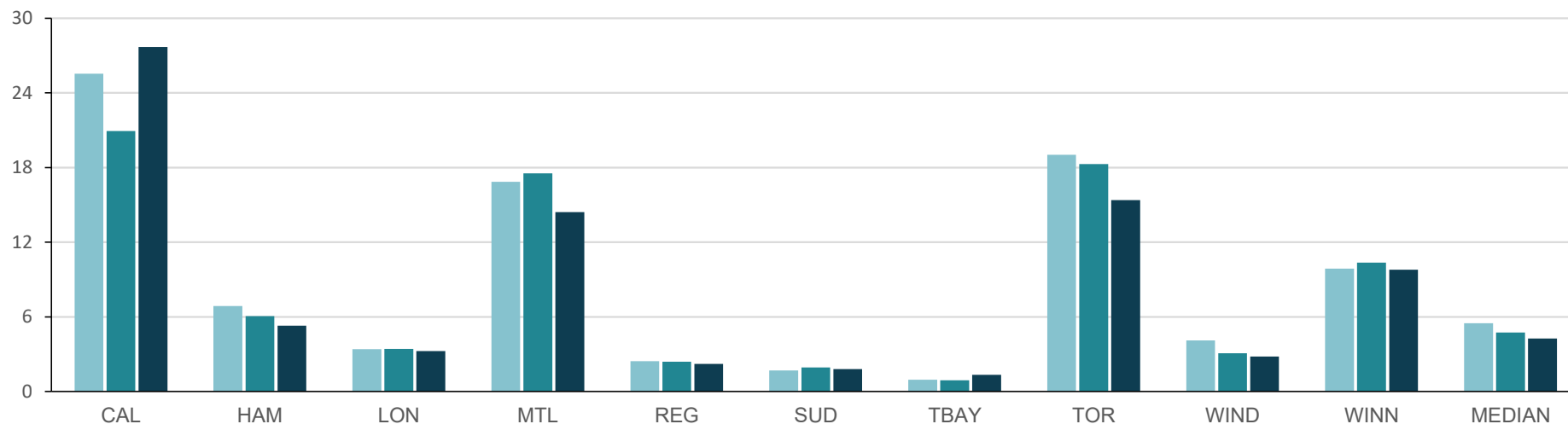
- **COVID-19 Pandemic:** As a result of COVID-19, many municipal staff were required to work from home. Municipalities transitioned to digital processes to maintain service delivery and meet customer service needs (e.g., permit application submissions, virtual inspections, online payments). In Ontario, provincial emergency orders restricting some types of construction resulted in fewer ICI commercial building applications/permits. In addition, a general increase in cost of materials impacted on many construction timelines.

## Building Permits and Inspections

**Figure 2.1 Number of Residential and ICI (Industrial, Commercial and Institutional) Building Permits Issued in the Fiscal Year**

Building Permits are defined as “permits required for construction” and are subject to the respective Building Code Act of each province. Results in 2020 may vary from previous years due to ICI building restrictions in response to COVID.

(In Thousands)



2018	25,536	6,863	3,412	16,862	2,426	1,680	941	19,028	4,106	9,879	5,485
2019	20,931	6,052	3,427	17,546	2,402	1,926	910	18,285	3,063	10,350	4,740
2020	27,703	5,283	3,246	14,428	2,206	1,805	1,337	15,380	2,809	9,792	4,265

Source: BLDG801 (Statistic)

**Calgary:** In 2018, Calgary received a significant number of multi-residential applications. In 2020, despite the pandemic there were high numbers of renovations and alterations. Permits for residential secondary suites were up substantially as a result of recent policy changes allowing for administrative approval of applications within many land use districts. Calgary has a high number of permits relative to population.

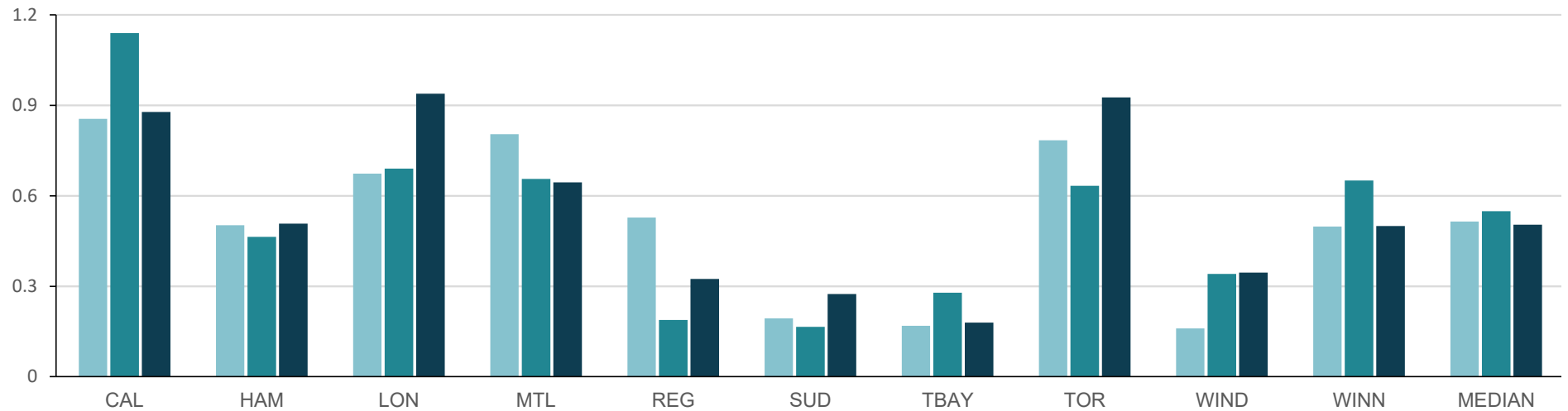
**Thunder Bay:** There was an increase in permits in residential plumbing in 2020.

## Building Permits and Inspections

**Figure 2.2 New Residential Units Created per 100,000 Population**

This is an economic indicator that highlights development trends in a municipality in response to local needs. Typically, there is a correlation between the number of new residential dwelling units, population growth and the overall economic growth of a municipality. In addition, this indicator is highly influenced by housing type, with high-density, multi-residential projects (e.g., apartments, condominiums) yielding a higher number of units compared to low-density development (i.e. single households).

(In Thousands)



2018	855	502	674	804	528	193	169	784	160	498	515
2019	1,140	464	690	656	188	165	279	633	341	651	549
2020	878	508	939	645	324	274	179	926	345	500	504

Source: BLDG221 (Service Level)

## Building Permits and Inspections

**Figure 2.3 Operating Cost of Building Permits and Inspection Services per \$1,000 of Residential and ICI (Industrial, Commercial and Institutional) Construction Value**

This measure represents the operating costs associated with the provision of building permits and inspection services. The fluctuation in year over year results is impacted by the value of residential and ICI construction activity. Results in 2020 may be impacted by a downturn in ICI construction activity as a result of COVID-19.



Source: BLDG325 (Efficiency)

**Calgary:** For 2020 in terms of cost, the corporation had a hiring freeze, vacancies as well as process efficiencies. Considering Calgary's growth-related permit activity, the relative costs of servicing those permits has declined over time.

**Montréal:** Does not track.

**Regina:** Reduction in permit values of approximately 19.5%. Higher service levels resulted in decreased average review time, 69% (residential) and 54% (commercial). A portion of development permit staff costs is included in this measure and will be removed next year for consistency with other municipalities.

**Windsor:** The favourable increase in construction value in 2019 provided a larger base over which to spread operating costs. Operating costs for 2019 were comparable to prior years.