

## Building Approval Delays Result in Slowdown in Supply of New Condo Units in Toronto

A recently released report, [\*Evaluation of Tall Building Construction Permitting Process in Toronto\*](#), indicates that significant and increasing delays in the municipal and provincial approval process for the construction of high-rise buildings (over 12 stories) in the City of Toronto (the “City”) has contributed to a slowdown in the supply of new condominium units in the market.

The report was prepared by the University of Toronto Building Tall Research Centre and the Residential Construction Council of Ontario after examining the permitting and approval process of 174 towers in the City over a ten-year period from 2006 to 2016.

Most proposals for new high-rise residential buildings require an Official Plan or zoning by-law amendment. According to the City of Toronto Development Guide, the City has nine months to review rezoning applications. If the application is refused or no decision has been provided, then the applicant has the right to seek rezoning from the Ontario Municipal Board (the “OMB”).

The research indicated that the time it takes to process rezoning amendments has increased substantially over the last decade, despite the nine-month target. In 2006 the average time for a rezoning approval was less than a year, but this increased to over three years in 2016. The research indicated that to a great extent the delays were a product of processing inefficiencies: feedback on re-zoning applications from various City departments was often inconsistent and sometimes, with contradictory recommendations. As a result, an increasing number of rezoning applications were being heard and decided upon by the OMB.

The report concluded that delays in obtaining the approvals needed before construction can begin, has resulted in thousands of dollars being added to the cost of building each condominium unit. In addition, these delays have also resulted in lost tax revenues for the City, which was estimated at about \$5 million dollars for each tower delayed for three years.

A few weeks before the release of the report, the Government of Ontario announced that it is [introducing legislation](#) that will replace the Ontario Municipal Board with a Local Planning Appeal Tribunal. This new tribunal will have less power than the OMB had to overturn City decisions and substitute its own decision. In addition to creating a more level playing field between developers and local communities, a number of changes are being proposed that are intended to speed up land use planning appeals.