



# Town of East Gwillimbury

## DEVELOPMENT SERVICES REPORT DS2023-19

To: Committee of the Whole Council

Date: May 16, 2023

Subject: 2022 Building Activity, Year End Summary

Origin: Development Services, Building Standards Branch

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### RECOMMENDATIONS

1. **THAT** Development Services, Building Standards Branch, Report DS2023-19 dated May 16, 2023, entitled “2022 Building Activity, Year End Summary,” be received; and
2. **THAT** a copy of Development Services Report DS2023-19 be placed on the Town’s website for public information.

### PURPOSE

This report has been prepared as a requirement of Section 7(4) of the Building Code Act, S.O 1992, c.23, as amended, and for the purposes of public information and accountability. The report provides information relating to 2022 Building Standards Branch activity.

### ANALYSIS

The Building Code Act requires that the Building Branch prepare a year-end report on activity of the previous 12-month period in relation to the following:

- (a) Total fees collected in the previous 12 month period;
- (b) The direct and indirect costs of delivering services related to the administration and enforcement of the Act;
- (c) The breakdown of direct and indirect costs into the following categories:
  - direct costs of administration Building Code Enforcement reserve and enforcement of the Act, including the review of applications for permits and inspection of buildings; and
  - indirect costs of administration and enforcement of the Act, including support and overhead costs; and
- (d) The amount of the fund at the end of the 12-month period (referred to in Appendix 1).

## **Revenue**

In 2022, the Building Standards Branch started the year with \$15,816,195 in the reserve and received \$3,092,440 in revenue during the year. These revenues covered all of the operating costs of the Branch. Following direct and indirect expenses of \$1,732,677 and \$976,349, respectively, there was a \$383,414 contribution to the Building Code Enforcement reserve fund and the final balance at the end of 2022 was \$16,541,260.

It is important to note that the contribution to the reserves was partly made possible due to the significant infusion of building permit fees paid for the Woodbine 1 (Choice Eastway Industrial Centre) construction project. A total of \$1,061,076.10 in building permit fees were collected for this single project, without which a draw on the reserve would have been necessary to fund operations for the year.

Appendix 1 details revenues, expenses, reserve contributions and the continuity reserve balance as of December 31, 2022.

## **Building Branch Functions**

The Building Code Act provides the authority for the Province of Ontario to set regulations for new construction activity and renovations respecting safety of buildings with reference to public health, fire protection, accessibility, and on-site sewage systems.

This legislation requires Building Officials to provide plans examination and inspection services to the public for various construction activities.

Staff respond to daily enquiries via the telephone, e-mail, counter, etc. The queries relate to building construction, unsafe conditions, fire restoration, plumbing systems, mechanical systems, fire alarm systems, fire sprinkler systems, on-site sewage systems, land transactions, development charges, community capital contribution charges, letters of credit, zoning by-laws, Lake Simcoe and Region Conservation Authority regulations and mapping, public health issues, Statistics Canada, source water protection plans, and other related matters.

The bulk of staff's time is spent addressing construction enquiries, building permit application administration, plans examination and building inspections. Typically, processing an application for a single detached dwelling takes 1 to 2 hours of administration time, 3 to 4 hours of plans examination time and many hours of inspection time.

Sub-functions of the Branch include: responding to letters from lawyers desirous of information on properties that are about to change ownership or be refinanced, providing monthly statistical reports to Statistics Canada, the Region of York, Municipal Property Assessment Corporation, Tarion, etc., providing input into activities of other components of the Corporation around Official Plans and re-zoning applications, minor variance applications, site plan agreement applications, accessory apartment applications,

renovations to existing municipal structures, providing staff support to the Accessibility Advisory Committee, investigations related to public health matters, buildings damaged due to fire, Development Review Committee, etc.

All of these mandated and non-mandated activities persist without regard for the economy, staff availability, vacation, or weather, and must be managed by staff in a timely and professional manner. The department continues to manage its resources so as to ensure residents of East Gwillimbury have homes, businesses and public buildings that are safe, healthy and accessible.

In 2022, staff issued approximately 484 building permits with a total construction value of \$391 million. Of the 484 permits, 9.3% were non-residential. In addition, staff completed 12,073 inspections in 2022. Staff also issued a total of 606 occupancy permits, with a total of 507 occupancy permits for new residential units in 2022. The occupancy permits reflect late 2021 construction activity as well as outstanding final inspections on occupancies that were not yet final.

Over the past year the Building Standards Branch has been involved in the implementation of a capital project that enables the Branch to update the electronic building permit administration software to allow for electronic mark-up of building permit drawings. The online application portal was launched in Q1 2023. Further service improvements are expected throughout 2023.

### **Building Reserve Status**

East Gwillimbury has been distinguished as the fastest growing municipality in Canada from 2016 to 2021 for municipalities having populations greater than 5,000. This growth was supported by the permitting of over 2,600 building permits in 2016 and 2017 (it is fair to assume that building permit activity in 2021 did not significantly contribute to these numbers due to the delays between permit issuance and occupancy). From 2019 to 2021, East Gwillimbury experienced a steady and consistent increase in the number of building permits issued (Figure 1).

Market dynamics, National and Global economic changes, and the increases in the Bank of Canada interest rates have contributed to a significant slowdown in new construction starts in 2022.

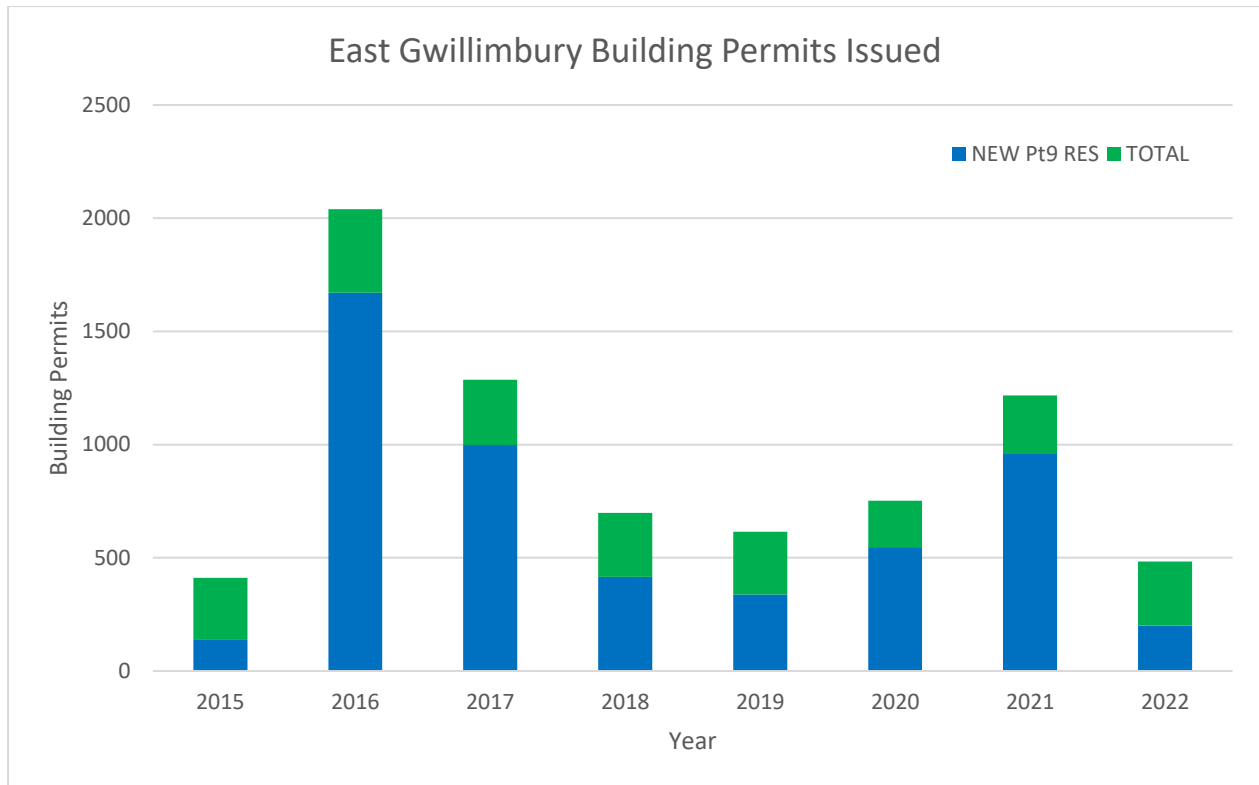


Figure 1. East Gwillimbury Building Permits Issued

Based on the input of provincial and regional staff, it is staff's understanding that it could require +/- 7 years of construction for the parallel pipe system to Duffin Creek WPCP or to UYSS to be completed. As such, after the ~3 years of allocation is exhausted, and in the absence of approved alternative servicing solutions, staff anticipate a 3 to 5 year period of reduced new construction in East Gwillimbury. The building reserve has a healthy balance of \$16,541,260 and the Building Standards Branch would be able to continue to operate during these years of low activity but, will likely have to draw significantly on the building reserve during this time. It is estimated that the draw on the reserve would be up to \$2 million per year.

### NEED FOR PUBLIC CONSULTATION

There is no requirement for public notice associated with the recommendations of this report. All agendas, reports and minutes are made available to the public through posting on the Town's website.

The regulations require public notification to persons or organizations that have requested such information. To date, the Building Branch has not received any such requests.

A copy of this report will be placed on the Development Services portion of the Town website for transparency and ease of public access.

## **FINANCIAL IMPLICATIONS**

The financial information used to calculate revenues/expenses is based on unaudited numbers and is subject to change following the review of the corporate financial statements by our external auditors. Should there be a material difference upon completion of the auditors review; a revised report may be provided. The financial content of this report has been prepared by Finance Department staff.

## **ALIGNMENT WITH THE STRATEGIC PLAN**

The recommendations of this report align with the following Strategic Priority:



Culture of  
Municipal  
Excellence

Ensure strong fiscal responsibility and program delivery

## **CONCLUSION**

By way of this report the Town of East Gwillimbury continues to fulfil its obligations under the Building Code Act in providing this summary on Building Code enforcement and administration, direct and indirect costs, along with revenues derived from permit activities, and by making the report available to the members of the public for review upon request.

## APPENDICES

### Appendix 1 – Building Code Enforcement Reserve Continuity

Prepared by:	Reviewed and Recommended by:
<i>Original signed by</i>	<i>Original signed by</i>
András Szönyi, P.Eng., BDS, CBCO Director Building Standards Branch/Chief Building Official	Margot Bégin, Ec.D.(F) General Manager, Development Services
Approved for Submission by:	
<i>Original signed by</i>	
Mark Valcic Acting Chief Administrative Officer	

## APPENDIX 1 – Building Code Enforcement Reserve Continuity

<b>Building Dept unaudited results as at Dec 31, 2022</b>	
Total Fees Collected	- 3,092,440
<b>Expenditures</b>	
Direct Operating	1,669,174
Direct Capital	63,503
Indirect*	976,349 *
Contribution to/(from) reserves	383,414
<b>Net Balance</b>	<b>-</b>
*includes \$290,249 contribution used to fund inspections performed by Emergency Services pertaining to permits issued by the building Dept	
<b>Reserve Fund</b>	
Opening Balance	15,816,195
Interest Earned	341,651
Transfer to/(from) reserve	383,414
Closing Balance Dec 31, 2022	16,541,260