
SUBJECT: Indexation of Building Permit Fees 2025

TO: Committee of the Whole

FROM: Development and Growth Management
Building

Report Number: DGM-06-25

Wards Affected: All

Date to Committee: April 7, 2025

Date to Council: April 15, 2025

Recommendation

Approve a 5.36% indexation of building permit fees for 2025; and

Approve the draft by-law substantially in the form attached as Appendix A to development and growth management report DGM-06-25, being a by-law to amend By-law 66-2019, a by-law under the Act respecting construction, demolition, change of use, occupancy, transfer of permits and inspections.

Executive Summary

It is important to regularly assess the need for permit fee adjustments to maintain service standards related to building permit processing, inspections, and compliance monitoring. Rising operational costs—driven by inflation, resources demands, and technological advancements—may necessitate periodic fee increases to sustain service levels.

By implementing modest, predictable fee increases, the organization demonstrates fiscal responsibility, maintains service quality, and ensures the long-term viability of building department services.

Purpose of report:

- To review and approve the Building Department's proposed annual fee indexation and amending by-law in accordance with the overall percentage increase for the total human resource expenditures as approved in the 2025 annual budget.

Key findings:

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- The overall percentage increase for the total human resource expenditures for the Building Department, as approved in the 2025 annual budget, is 5.36%.
- The Building Department is proposing a building permit fee indexation of 5.36% in 2025 to capture annual market and performance-based adjustments.

Implications:

- Continued viability of the “Fees for Service” model in the Building Department.
- Revenues generated by building permit fees are the sole source of funding for the Building Department.
- This fee adjustment is crucial for retaining and attracting skilled building professionals necessary for building permit administration and enforcement.

Recommendation Report

Background

In 2019, Watson & Associates Economists Ltd. performed a full review of the Building Department and provided an approach to capture costs by using an activity-based costing methodology (time-based analysis) and tied the methodology to anticipated development (PB-21-19).

In 2019 the City of Burlington Building Permit By-law 66-2019 was updated to state:

1. Compliance with Div. C, 1.9.1.2. of the *OBC*

Prior to passing a By-law to change any fees listed under Schedule “A” attached to this By-law, the *City* shall comply with the requirements set under Div. C, 1.9.1.2. of the *OBC*.

2. Indexing of *Permit Fees*

Upon passing of a By-law as set out in 6.11.1 above, the fee rates within Schedule “A” attached to this By-law are to be indexed to the overall % increase for the total Human Resource expenditures as approved in the annual budget in relation to the Building Section and are to be adjusted annually on February 1. Flat fee rates shall be rounded to the nearest dollar amount (increments of half dollar shall be rounded up). All other fees shall be rounded to the nearest cent.

Analysis

Option 1 – Approve the indexation of building permit fees in accordance with the increase (5.36%) to HR expenditures as approved in the 2025 budget.

Benefits: The Building Department can sustain its largest expenditure – staffing expenditures.

Considerations: Although the indexation results in marginally increased permit fees for customers (building permit fees equate to approximately 1% cost of construction), the increase is necessary to ensure efficient and streamlined customer experience. Permit fees are the sole source of funding for the Building Department and cover the costs of administering and enforcing the Building Code Act and Ontario Building Code.

Additional Information: With the support of the indexation, this will ensure the continued viability of the stabilization reserve fund, which in turn will ensure Building Department services are provided in line with the health and safety requirements in the Ontario Building Code.

Community Engagement and Communications: Public notice (stakeholders and public) provided as per the Building Code Act (section 7) and Ontario Building Code (Division C, 1.9.1.2.).

Option 2 – Do not support the indexation of building permit fees, in relation to the increase (5.36%) of HR expenditures as approved in the 2025 budget.

Benefits: Building permit customers will not experience increased building permit fees.

Considerations: The decision to not support the indexation could place the Building Department in a precarious position not being able to cover its operating costs (direct/indirect) and possibly continue to draw on the Building Permit Stabilization Reserve Fund.

Additional Information: Continuous significant draws from the stabilization reserve fund will deplete it over time, and potentially by 2026/27. A depleted reserve fund could result in reduced Building staffing levels, affecting legislated permit turnaround times, housing targets and ultimately impacting the overall customer experience.

Community Engagement and Communications: Not applicable.

Recommendation Details

Building Department leaderships best advice is the approval of **Option 1** supporting the proposed 5.36% indexation of building permit fees for 2025.

Key Dates & Milestones

- Public notice posted as per the Building Code Act (section 7) and Ontario Building Code (Division C, 1.9.1.2.).
 - Newly indexed fees will take effect on April 15, 2025.
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Implications

- Without the support of Option 1 the viability of the “Fees for Service” model in the Building Department is possibly compromised.
- This fee indexation is crucial in supporting a positive and efficient building permit experience (review, issuance and occupancy) and provides Burlington the ability to retain technically skilled building officials necessary for permit administration and enforcement.

- Without the noted fee indexation, staff will need to prioritize legislated building related services over innovation, technology improvements and refined reporting/data metrics.
 - Revenues generated by building permit fees are the sole source of funding for the Building Department; including plans review, building inspections/enforcement and policy/regulatory services, as required by legislation.
 - This fee adjustment will support the review of an integrated permitting solution (permit portal/digital e-reviewer) to ensure the delivery of efficient services, holistic data metrics and transparent reporting.
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References

- Report DGM-05-25 – “2024 Annual Building Permit Revenues and Expenses” (information report going to COW on April 7, 2025)
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Strategic Alignment

- ☐ Designing and delivering complete communities
 - ☒ Providing the best services and experiences
 - ☐ Protecting and improving the natural environment and taking action on climate change
 - ☒ Driving organizational performance
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Appendices:

- A. Amending By-law (Indexation) 2025
- B. Schedule 'A' to Building Permit By-law 66-2019 (fees indexed accordingly)

Draft By-laws for Approval at Council:

- Amending By-law XX-2025 to By-law 66-2019 – date to Council April 15, 2025, date of adoption April 15, 2025.

Notifications:

Burlington Housing and Development Liaison Committee (BHDLC)
BHDLC email distribution list

Hamilton Halton Construction Association (HHCA)
sue@hhca.ca

West End Home Builder's Association (WEHBA)
mikecw@westendhba.ca

Building Industry and Land Development Association (BILD):
info@bildgta.ca

Report Approval:

All reports are reviewed and approved by the Head of Corporate Affairs, Commissioner, the Chief Financial Officer, and the Commissioner of Legal Services and Legislative Services/City Solicitor.