



The Corporation of the Township of King Report to Council

From: Growth Management Services - Building Division

Report Number: GMS-BLD-2025-001

Date: Monday, April 14, 2025

Title: **Building Division 2024 Year End Report**

Recommendation

1. That Council receive Report GMS-BLD-2025-001 for information.

1. Report Highlights

- The *Building Code Act* requires Municipalities to report on fees and costs incurred by the Building Division.
- A \$166,008.78 surplus was generated through Building Permits and related fees in 2024 and deposited in the Building Reserve fund at year end.
- The unaudited balance of the reserve fund is a surplus of \$751,947.97 as noted in Schedule B of this Report.

2. Purpose

This Report is to update Council on building permit activity for the period of January 1, 2024 to December 31, 2024, and to provide the requisite Building Permit Annual Financial Report.

3. Background

In accordance with section 7(4) of the *Ontario Building Code Act*, 1992, as amended (the Act), the Building Division is required to provide a report every 12 months providing information regarding fees authorized under the Act and costs incurred by the Building Division to enforce the Act

4. Analysis

Attached is the *Annual Permit Activity by Type (Schedule 'A')* summary for 2024 and 2023. The attachment shows the type of building permit, number of permits issued, permit fees and work (construction) value. Based on an analysis of Schedule A, the following are the observations of the differences between 2023 and 2024 Building Division activity:

- The total number of building permits issued in 2024 decreased by approximately 15% compared to 2023. The decrease in permits is largely due to a reduced number of sewer connection and septic decommissioning permits for the Phase 2, Contract 3 Nobleton Sewer Connection program. Other permit types that had noticeable

decreases were Residential Demolitions and New Residential Accessories (i.e., cabanas, decks, and detached garages). There was also a decrease in non-residential permits (i.e., Institutional, Industrial, Commercial, and Agricultural) from 39 permits in 2023 to 24 permits in 2024.

- Despite the reduced number of total permits, there was a noticeable increase in new permits for Residential Dwellings, as the King City East and Sunny Community (Schomberg) developments commenced.
- A slight increase in fees generated (revenue) was experienced, primarily due to an increased number of Single Residential and Townhouse permits for the King City East developments.
- The Building Division saw a 17% increase in conducted inspections, with a total of 3249 inspections in 2024, compared to 2685 inspections in 2023.
- For the 2025 calendar year, it is expected that building permit activity will likely match 2024 numbers as it is anticipated that another round of building permit applications will be received for King City East subdivisions, among other anticipated developments proceeding to construction.

The *Building Permit Annual Financial Report 2024 (Schedule 'B')* is attached which outlines 2024 Building Division financial information and the Reserve fund balance addressed in section 5 of this report.

5. Financial Considerations

Building permit fees are established to fully recover the Township's cost of providing building permit services, including an allocation of administrative overhead / indirect costs. These indirect costs include those related to human resources, finance, information technology, and facility space use. Any surplus or deficit is either transferred to or from the reserve fund to ensure that there is no surplus or deficit for the Building Division, on an annual basis.

Building permit fees were increased through indexing to recognize the cost to the Municipality for delivery of building services.

The December 31, 2024, unaudited balance of the reserve fund is a surplus of \$751,947.97 as noted in Schedule 'B' of this Report. No funds were deducted from the reserve and an additional \$166,008.78 surplus was transferred to the reserve fund at year-end.

Any future changes to building permit fees will be part of the annual budget process, as with all fees within the Township. Some fees may be added/removed/adjusted in the 2026 budget recommendation as a comprehensive review and updating of the Building By-Law is planned for 2025. As noted in the 2021 reserve fund strategy it is recommended to maintain a reserve balance equal to 1 to 1.5 years of costs related to Building Services budget in the reserve. Over the next few years staff will review the balance in the reserve to ensure it meets this objective.

6. Alignment to Strategic Plan

The 2023-2026 Corporate Strategic Plan (CSP) was adopted by Council on June 12, 2023. The CSP reflects the priorities of upmost importance to the community and defines the obligations and commitments of the Township of King to its citizens and to the public. The CSP is aligned with the Townships long-term vision defined in the “Our King” Official Plan. The CSP also aims to ensure that staff initiatives focus on and work towards supporting King’s Vision, Mission and Values.

This report is in alignment with the CSP’s Priority Area(s), and/or associated Objective(s) and/or Key Results(s):

Priority Area: Complete Communities

Objective: Enrich community well-being and make King the ideal place to live, work and play.

Key Result: Represent King’s interest in major developments within the Township.

7. Conclusion

The purpose of this Report is to provide information to Council on building permit activity, the Provincially mandated Building Permit Fee Financial Report and of the in-progress Building By-law and fee review. Building Division Staff and Finance Department Staff continue to monitor and review information and revenues and will report back as necessary. It is respectfully recommended that Council support the comments outlined herein and receive the Report for information.

8. Attachments

Schedule ‘A’ – Detailed Table ‘Annual Permit Activity by Type - 2024/2023

Schedule ‘B’ – Building Permit Annual Financial Report 2024

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