



The Corporation of the Township of King Report to Council

From: Growth Management Services – Building Division
Report Number: GMS-BLD-2026-001
Date: Monday, April 13, 2026
Title: **Building Division Year End Report 2025**

Recommendation

1. That Council receive Report GMS-BLD-2026-001 for information.

1. Report Highlights

- The *Building Code Act* requires Municipalities to report on fees and costs incurred by the Building Division on an annual basis.
- A \$110,653.83 surplus in revenue was generated through building permits and related fees in 2025 and was deposited in the Building Reserve fund at year end.
- The unaudited balance of the reserve fund is a surplus of \$746,941.87, 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, 2025, to December 31, 2025, 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 annually providing information regarding fees authorized under the Act, and costs incurred by the Building Division to enforce the Act

4. Analysis

Attached is the Detailed Table Annual Permit Activity by Type 2025 (Schedule 'A'). 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 2024 and 2025 Building Division activity:

- The total number of building permits issued in 2025 decreased by approximately 24% compared to 2024. The decrease in permits is largely due to a reduced number of single-family residential detached homes. Other permit types that had noticeable decreases was single-family residential townhouse units.

- A slight increase in fees generated (revenue) was experienced, primarily due to employment use permits for the Jane-King area.
- Although there was a decrease in overall single-family residential detached permits issued, the fees generated per permit averaged more in comparison to 2024. This is likely due to the slightly larger footprint area of the new single family detached residential homes in the King East development as well as general increased permit rates.
- The Building Division saw a 6% increase in inspections, with a total of 3,439 inspections in 2025, compared to 3,249 inspections in 2024. The increased number of inspections were a result of the individual unit inspections for the King Terraces condo, which was completed fall 2025.

The Building Permit Annual Financial Report 2025 (Schedule 'B') is attached which outlines 2025 Building Division financial information and the Reserve fund balance addressed in section 5 of this report.

For the 2026 calendar year, it is expected that building permit activity will likely match 2025 numbers as Staff anticipate that another round of building permit applications will be received for King City East subdivisions, among other developments proceeding to construction.

5. Financial Considerations

Building permit fees are established to fully recover the Township's cost of providing building permit services, including 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 are increased through indexing to recognize the cost to the Municipality for delivery of building services.

Any future changes to building permit fees will be part of the annual budget process, as with all fees within the Township. Some fees were added/removed/adjusted in the 2026 budget recommendation because of the comprehensive review/updating of the Building By-Law, which was passed by Council on November 10, 2025.

The December 31, 2025, unaudited balance of the reserve fund is a surplus of \$746,941.87 as noted in Schedule 'B' of this Report. Although a surplus of \$110,653.83 was transferred to the reserve, a draw of \$115,659.93 was taken from the reserve to support the funding of the Capital Project for permit software upgrade (CityView) implemented in 2025, primarily utilized by Growth Management Services. As a result, the total reserve decreased by \$5,006.10.

As noted in the 2021 reserve fund strategy, it is recommended to maintain a reserve balance equal to the combined total of 1 to 1.5 years of Building Services budgeted direct and indirect expenditures. This translates to a target reserve balance in the range of \$2,273,515 to \$3,410,273 based on 2025 budgeted actual amounts. Building permit revenues tend to rise

and fall with the level of development activity. In recent years, slower development linked to broader economic conditions has resulted in lower permit revenues, and the Township has used its building reserve as intended to help manage this normal revenue volatility, which has contributed to the reserve balance being below its target level.

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 Township's 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 VS 2025

Schedule 'B' – Building Permit Annual Financial Report 2025

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