



Report to: Development Services Committee

Report Date: March 18, 2025

SUBJECT: 2024 Building Permit Activity

PREPARED BY: Stephanie Di Perna, Chief Building Official, Director, Building Standards Ext. 3940

REVIEWED BY: Arvin Prasad, Commissioner of Development Services

RECOMMENDATIONS:

- 1) That the report dated March 18, 2025, entitled "2024 Building Permit Activity" be received;
- 2) AND THAT staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

The Building Permit Activity Report presents statistics that are intended to provide a clear picture of development activity within Markham during 2024 and compared to the same period in 2023. A comparison of the current statistics against five and ten-year averages (where data is available) is also being provided to give an indication of the status of the current building market.

2024 key results are:

- Building Standards issued building permits with a construction value of \$2.19 billion. This is 52% more than the 10-year average.
- Building Standards received applications for 3839 new residential dwelling units and issued building permits for 4216 new residential dwelling units.
- Growth has been robust for accessory dwelling units with 118 units issued in 2024, representing a 145% increase from pre-Bill 109 values.
- 1667 new dwelling unit occupancies were delivered to the market in 2024. This is in line with the ten year per year average.

PURPOSE:

The purpose of this report is to provide information to Council on building permit activity including;

1. Construction value
2. New dwelling unit activity
3. New dwelling unit occupancies
4. Industrial, Commercial and Institutional activity
5. Inspection activity
6. Mandated response timeframe
7. Building Code Orders and Compliance Rates
8. CMHC data comparison and Building Faster Fund update

Building construction, as measured by building permits issued, is an indicator of the continued strength and growth of the City. Building permit data is often used in population and employment growth monitoring, development charge estimations, development tracking, assessment growth, budgets and forecast.

BACKGROUND:

The Department carries out Council's responsibilities for the enforcement of the Building Code Act and the Building Code in Markham. Principally, this involves administering building permit applications, conducting technical review of design plans prepared by Architects, Engineers and other designers, issuing permits, inspecting buildings during construction, authorizing the occupancy of new buildings, and initiating enforcement and prosecutions in cases of noncompliance. In addition to these core Building Code duties, the Department also administers and interprets the City's sign and zoning by-laws and determines the applicability of other laws that may affect the issuance of building permits. The Department includes the office of the Chief Building Official and inspectors, who are qualified and registered by the Province. The Chief Building Official is appointed to these official duties by Council and inspectors are appointed by the Chief Building Official.

About half of the building permits issued are tied to the broader development process that includes development applications that eventually require building permit issuances and occupancy issuances. The Building Standards Department is part of a broader and integrated development process within the Development Services Commission to support and build communities in Markham.

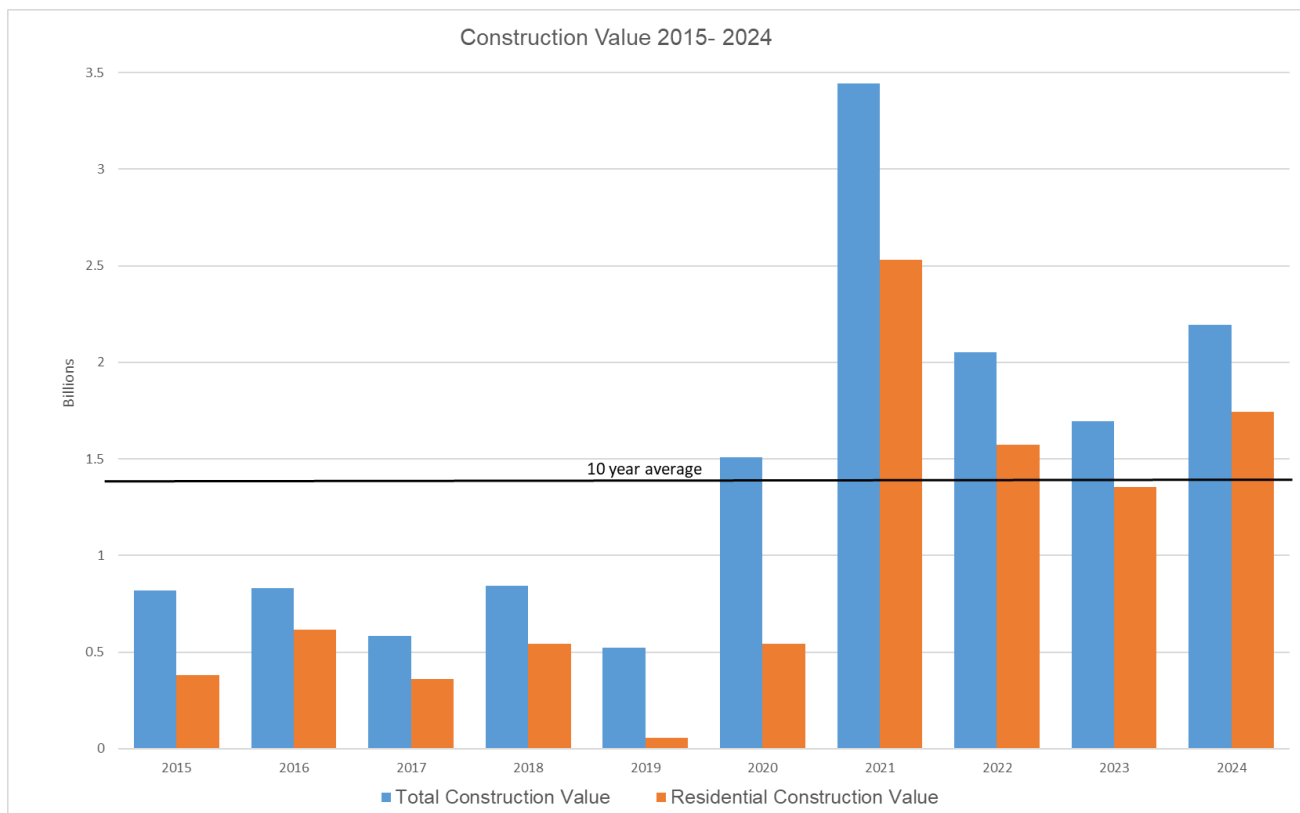
DISCUSSION:

1. Construction Value

Construction Value is the total dollar value of construction activity within a defined period and is one measure of economic activity. The Ontario Large Municipality Chief Building Officials (OLMCBO) provides construction value multipliers for each type of building permit to Building Departments within the Province. They are representative construction values for typical buildings provided for more consistent construction values reported by Building Departments across the Province. The values are updated yearly.

In 2024 Building Standards issued building permits with a construction value of \$2.19 billion. This is 52% more than the 10-year average.

Residential construction activity represents about 80% of the total construction value of 2024 with a value of \$1.74 billion. Historically residential construction represents about 62% of the total construction value. 2021 to 2024 values have remained well above historic averages and include a robust residential component.



2. New Dwelling Unit Activity

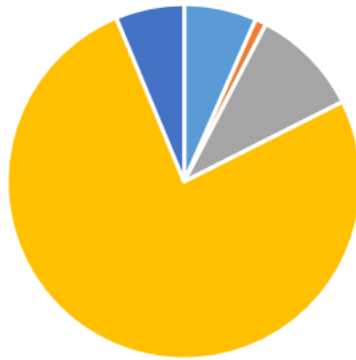
The City regularly tracks and reports on the number of building permits issued to create new residential units in the City. The City also maintains monthly reporting of this data to Statistics Canada and Canada Mortgage and Housing Corporation (CMHC).

In 2024 Building Standards received 3839 applications for new residential dwelling units and issued 4216 building permits for new residential dwelling units. Applications represent 58% increase over 2023 applications and permit issuance represent a 112% from 2023 issuance data.

New Dwelling Unit Development- Applications		
Type	2023	2024
Single Detached	149	468
Semi Detached	9	1
Townhouse Units	554	671
Apartment Units	1557	2565
Accessory Dwelling Units	160	134
Total New Dwelling Unit Applications	2429	3839
New Dwelling Unit Development- Issued		
Type	2023	2024
Single Detached	131	447
Semi Detached	20	0
Townhouse Units	197	664
Apartment Units	1508	2987
Accessory Dwelling Units	124	118
Total New Dwelling Unit Issued	1980	4216

2024 was a record year for the issuance of new dwelling units. The mix of new units was predominantly apartments and consistent for both 2023 and 2024.

Issued Dwelling Type- 2023



■ Single Detached

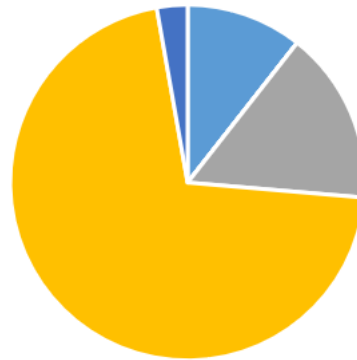
■ Semi Detached

■ Townhouse Units

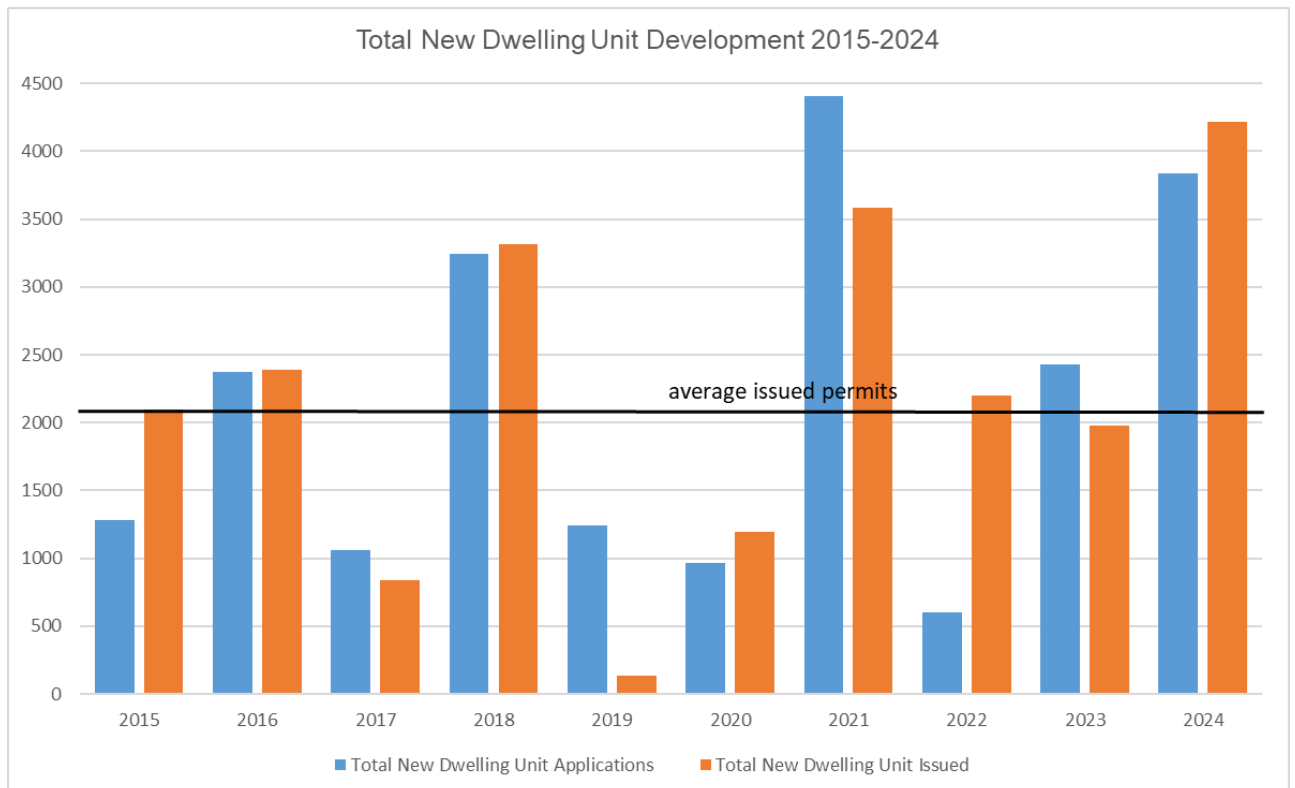
■ Apartment Units

■ Accessory Dwelling Units

Issued Dwelling Type- 2024



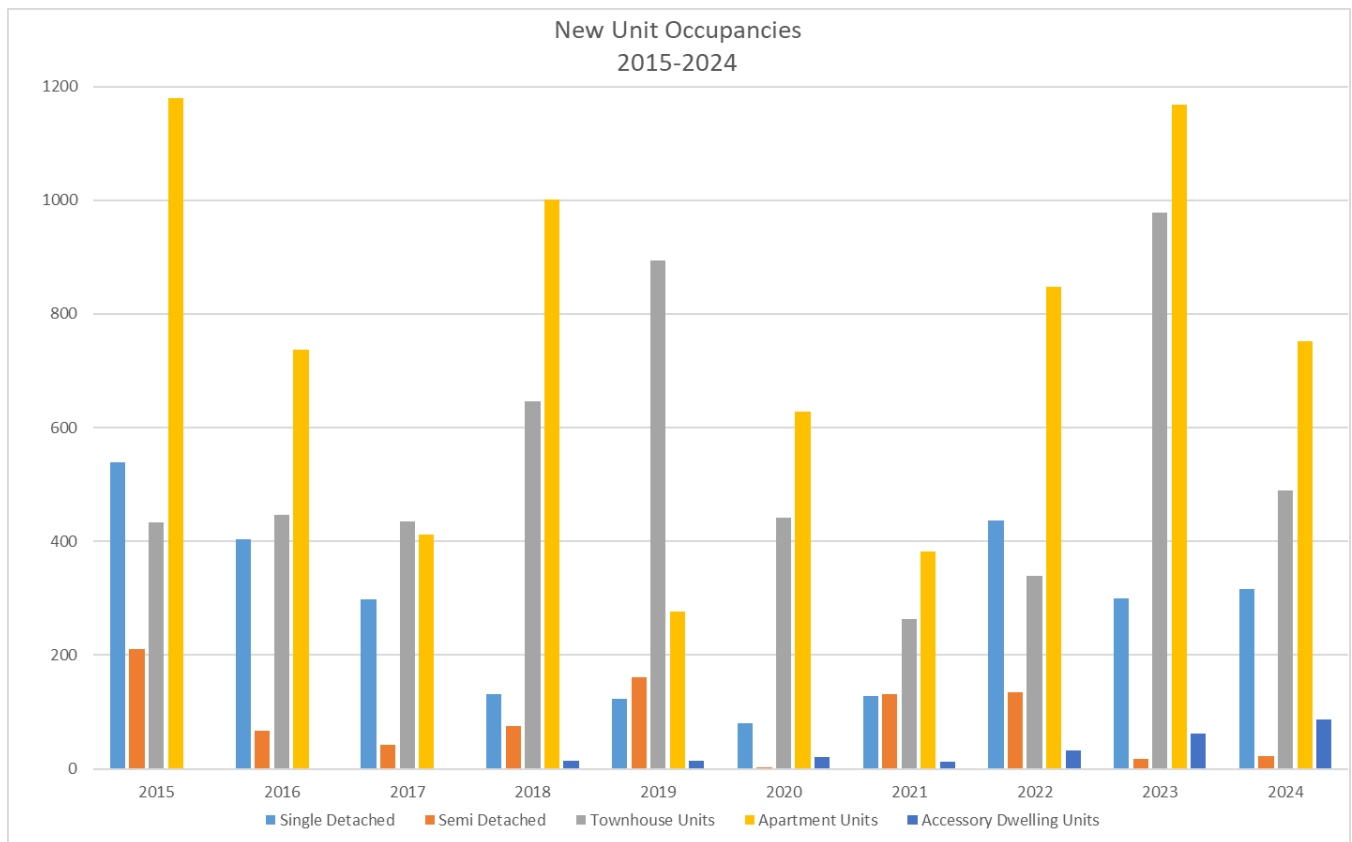
2021-2024 issued new dwelling unit activity has been at or above the ten-year average.



3. New Dwelling Unit Occupancies

Building Standards started a forecast and tracking program of occupancies for new residential units in 2014. The program assists in projecting workload and required resources along with projecting assessment growth for the City.

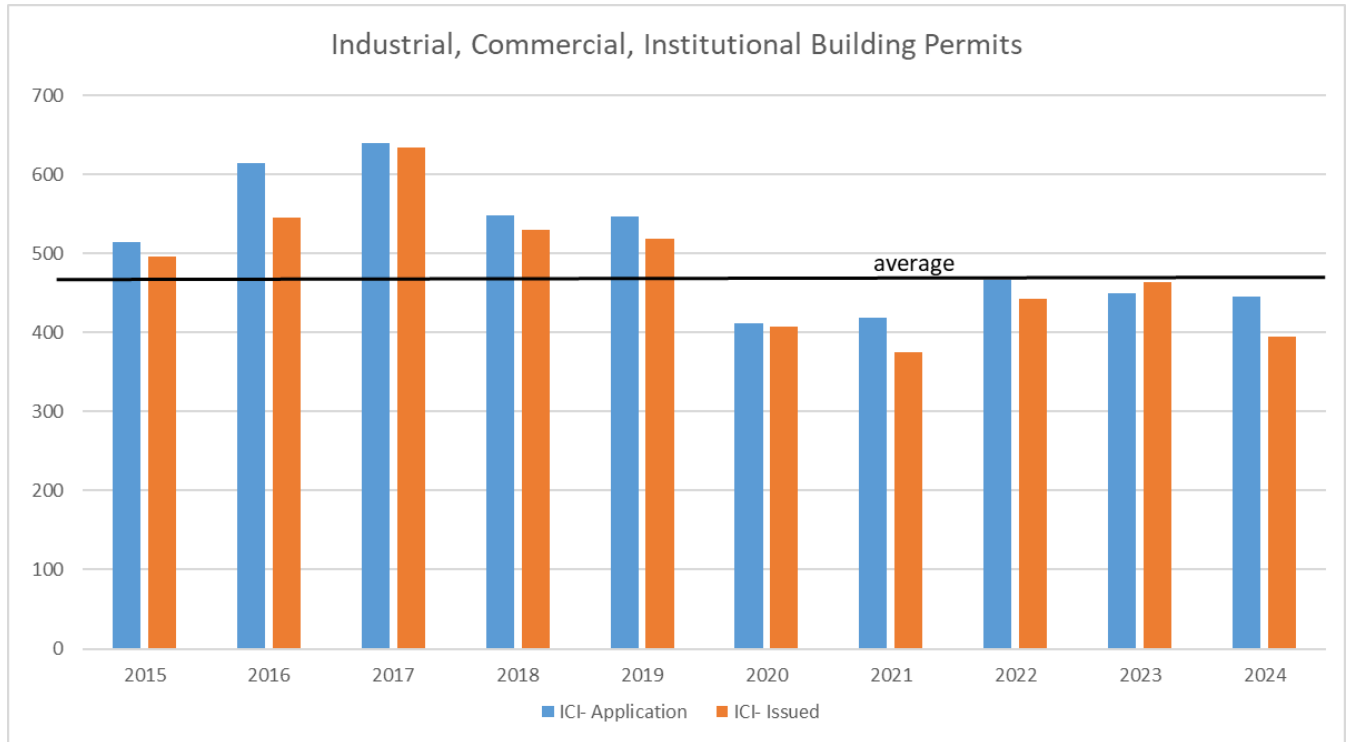
1667 new dwelling unit occupancies were delivered to the market in 2024. This is in-line with the ten year per year average (1661).



4. Industrial, Commercial and Institutional

Industrial, Commercial and Institutional (ICI) projects play an equally important role in economic growth within the City. The COVID-19 Pandemic affected ICI development with 2020 being the lowest year within a ten-year span.

ICI remains slow to return to pre-pandemic levels and is slightly less the ten-year average of 470 building permits. However, 2024 saw the issuance of many large-scale industrial projects with significant building area.



5. Inspection Activity

After permit issuance the Building Code requires Building Officials to conduct a number of inspections at various stages of construction. Building inspections are conducted at the request of the applicant, as routine status inspections of development and as investigation request. Robust building permit activity creates equally robust inspection activity.

In 2024, 31,595 building inspections were conducted.



6. Mandated Response Time

The Ontario Building Code mandates that complete building permit applications be issued or the applicant be notified that the permit is being refused and provided with the reasons within a prescribed time period based on the type of building. Building departments are required to report performance of these metrics through the Municipal Performance Measurement Program (MPMP).

From January 1 to December 31, 72% of building permit applications were received were deemed as complete. For complete applications, the following table reports on the median number of days it took for Building Standards to either issue the permit or notify the applicant why the application was being refused.

Permit Type	Legislated Timeframe Days	MPMP Number of Days 2022	MPMP Number of Days 2023	MPMP Number of Days 2024
House	10	10	10	10
Small Building	15	12	13	15
Large Building	20	10	12	12
Complex Building	30	11	16	11

7. Building Code Orders

An important part of the administration of the Building Code Act involves the investigation of potential construction activity without the benefit of a permit, construction not proceeding in accordance with the approved permit and unsafe building conditions. The department relies on construction investigation request from the public, internal and external agencies, and Building Officials.

In 2024, the department received 1023 construction investigation request. This is a 23% increase from 2023. Of the investigations conducted, 337 building violation orders were issued.

In 2024, 47 unsafe building investigations were received, and 47 unsafe building violation orders were issued.

The average year over year compliance rate of orders is 85%. Meaning only 15% of the orders proceed to Provincial Offences Court.

8. CMHC data Comparison and Building Faster Fund Update

On March 22, 2023 Council passed a resolution to accept the Housing Pledge committing to facilitate the construction of 44,000 (Markham's target) new housing units by 2031. This would contribute toward the 1.5 million homes target to be built by 2031 that was issued by the Province.

On August 21, 2023 the Province announced the Building Faster Fund (the Fund), a new three-year \$1.2 billion fund for up to \$400 million per year for municipalities that have pledged to achieve their overall 2031 housing target. Currently, eligibility of this fund relies on monthly housing starts data provided by the Canada Mortgage and Housing Corporation (CMHC), additional residential

units, and new and upgraded long-term care beds and for the City to achieve the following housing unit targets:

- 2023 – 3,227 units
- 2024 – 3,667 units
- 2025 - 4,400 units

Building Standards provides CMHC issued building permit reports monthly. CMHC conducts their own site visit to confirm the housing start. CMHC defines housing start as the stage when concrete has been poured for the whole of the footing around the structure for low density development and the completion of the underground structure to grade for high density development.

A Staff report was prepared for the October 17, 2023 Development Services Committee providing background information on the Building Faster Fund. The report recommended using Markham building permit issuance data rather than CMHC housing starts since an applicant can start construction once a permit is issued and is the nearest milestone measurable in the building permit process before construction starts. The city does not have data to confirm CMHC's data and it is outside of the City's control when construction begins.

CMHC data is lower than City of Markham permit issuance data within the same time period.

The City of Markham's funding allocation from the Building Faster Fund in each of 2023, 2024, and 2025 is \$11.733 million. Markham is required to achieve at least 80% of the housing unit starts target assigned to receive funding in each of 2023, 2024, and 2025. The funding would be prorated to the level of target achieved, with attainment beyond the target qualifying for a bonus. 80% of the 2023 target was 2,582 units as the Province confirmed Markham achieved 1,472 units for 2023 as Markham did not receive funding. Markham's 2024 housing target is 3,667 units as only the CMHC housing start data is currently available. CHMC is showing 1,825 units for the City of Markham, and as a result the City would likely not qualify for any funding even when the Province eventually includes data on additional residential units and new and upgraded long-term care beds. Markham's permit issuance data for 2024 indicates a record number of issued permits for 4,216 housing units but will not be counted by the Province.

The City consistently meets Building Code review and permit issuance timelines. Achieving the Province's housing targets is also dependent on factors outside of the City's control including building permit submissions by applicants, macro

economic factors (interest rates) and construction labour availability. The City continues to request the Province to review metrics and align those to what is within the City's control.

NEXT STEPS:

Not applicable.

FINANCIAL CONSIDERATIONS:

Any money received from the Building Faster Fund could help mitigate some of the revenue reductions due to the impacts of Bill 23 (reductions in parkland/cash-in-lieu and incentives for affordable housing). However, the Building Faster funding is limited and time-constrained, and the targets are difficult to achieve in this housing market. Therefore, it does not provide for a long-term solution to the fiscal challenges faced by municipalities due to Bill 23.

This report does not impact the Operating Budget or Life Cycle Reserve Study. For 2024, Building Standards department incurred a surplus of \$2.72M (which will be transferred to reserve) against a budgeted deficit of \$0.82M, mainly due to higher revenues including building permit fees and favourability in personnel. These financial results were reported in the [2024 Year-End Results of Operations](#) presented to General Committee on March 4, 2025.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Goal 1 - Exceptional Services by Exceptional People
Goal 3 – Safe, Sustainable and Complete Community.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance Department

RECOMMENDED BY:

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Commissioner of Development Services