

# Development Review Program – Proposed Fee Changes for 2024 and 2025

Appendix 3 – Highlights from the 2022 CHBA Benchmarking Study

October 2023

# CONTENTS

- 1. Introduction ..... 3
- 2. Study Highlights ..... 3
  - 2.1 Development Application Approval Timelines ..... 3
  - 2.2 Municipal Development Charges/Fees ..... 5
  - 2.3 Municipal Scorecard on Planning System Features ..... 7
- 3. Summary ..... 9
- 4. References ..... 11

# FIGURES

- Figure 2.1 – Estimated Average Approval Timelines, by Municipality, 2020 & 2022 Study ..... 4
- Figure 2.2 – Municipal Charges per Unit, Low-Rise Scenario ..... 5
- Figure 2.3 – Municipal Charges per Unit, High-Rise Scenario ..... 6
- Figure 2.4 –Ratio of Municipal Charges per Square Foot, Low-Rise vs High-Rise Scenarios ..... 7
- Figure 2.5 – Municipal Scoring, All Planning Tools and Features ..... 8
- Figure 3.1 – Combined Ranking – 2022 Municipal Benchmarking Study – CHBA ..... 9



# 1. INTRODUCTION

In early 2023, the Canadian Home Builders' Association (CHBA) released the 2<sup>nd</sup> Edition of its Municipal Benchmarking Study (Study), which examines how local development processes, approvals and charges affect housing affordability and housing supply in major housing markets across Canada. The Study, dated October 17, 2022, compares approaches of 21 Canadian municipalities in three key areas affecting the development of new home construction: (1) municipal planning approval processes, (2) municipal charges imposed on new development, and (3) municipal approval timelines. The Study highlights key features that help or hinder the process of bringing new housing to market and the cost implications for homebuyers from municipal processes, policies and taxes.<sup>1</sup>

This report summarizes the Study, highlighting the performance of the City of Saskatoon (City) compared to the other municipalities included. Potential considerations for the Development Review section (Development Review) of the City's Planning and Development Department are also identified.

## 2. STUDY HIGHLIGHTS

### 2.1 Development Application Approval Timelines

A common concern of development industry stakeholders is the lengthy timelines for obtaining municipal approval for development applications. As part of the Study, a robust database was built from the approved development applications collected, and an analysis was completed to determine the weighted average approval timelines across all application types. The Study showed significant variations in the approval timelines of municipalities, ranging from three months (Rank 1: Charlottetown) to 32 months (Rank 20: Toronto), with the weighted average across all municipalities being approximately 14 months. Saskatoon ranked second-best in the country in 2022, with a weighted average approval timeline of roughly four months. Saskatoon improved from its previous ranking of third in the 2020 study, based on an average approval timeline of six months. The following figure shows the estimated average approval timelines in months by Municipality, comparing results from the 2020 and 2022 studies (Note: #2 Saskatoon, outlined in red).<sup>2</sup>

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<sup>1</sup>[https://www.chba.ca/CHBA/News/2022\\_CHBA\\_Municipal\\_Benchmarking\\_Report.aspx#:~:text=Key%20findings%20include%3A,ranked%20in%20the%20bottom%20ten](https://www.chba.ca/CHBA/News/2022_CHBA_Municipal_Benchmarking_Report.aspx#:~:text=Key%20findings%20include%3A,ranked%20in%20the%20bottom%20ten)

<sup>2</sup> It was noted by municipal stakeholders that once an application was deemed complete and after staff were able to do their initial review and provide comments to the applicant, the resulting time spent by the applicant working on addressing comments is included in the tabulated time for the approvals in the database compiled. It was expressed that the time applicants spend reviewing and responding to comments isn't the fault of the municipality. However, in many cases, this time spent can at least be in part indirectly attributed to the often lengthy, complex and/or vague list of requirements for technical studies for development applications.

Rank	Municipality	Weighted Average - Approval Timelines		Rank		Trend in Time	Rank Trend
		2020 Study	2022 Study	2020 Study	2022 Study		
		<i>Months</i>					
1	Charlottetown	5	3	2	1	better	better
2	Saskatoon	6	4	3	2	better	better
3	Regina	4	4	1	3	worse	worse
4	Winnipeg	8	5	7	4	better	better
5	Calgary	12	5	9	5	better	better
6	Edmonton	7	7	4	6	worse	worse
7	St. John's	7	9	5	7	worse	worse
8	London	7	10	6	8	worse	worse
9	Ottawa	26	13	21	9	better	better
10	Brampton	20	13	16	10	better	better
11	Surrey	12	14	11	11	worse	no change
12	Oakville	11	14	8	12	worse	worse
13	Vancouver	13	15	12	13	worse	worse
14	Pickering	14	19	14	14	worse	no change
15	Bradford West Gwillimbury	24	20	19	15	better	better
16	Halifax	25	21	20	16	better	better
17	Burnaby	27	21	22	17	better	better
18	Hamilton	20	23	15	18	worse	worse
19	Markham	13	23	10	19	worse	worse
20	Toronto	21	32	17	20	worse	worse
<b>Average of All Municipalities</b>		14	14				

Note 1: Delta and Coquitlam included in 2020 Study, but removed for 2022 Study  
Note 2: Data for Moncton not shown as insufficient data not found, and none provided by municipality  
Source: Altus Group Economic Consulting

Figure 2.1 – Estimated Average Approval Timelines, by Municipality, 2020 & 2022 Study<sup>3</sup>

Feedback from the participating municipalities indicated adequate staffing was a key issue in improving approval timelines. Additionally, approval times for smaller applications are often as long as approval times for larger applications. Therefore, on a per-unit basis, these smaller applications can occupy a disproportionate amount of staff time, which could have serious implications for staffing requirements if smaller-scale development is being more heavily relied upon to address overall housing supply issues. Further, simple applications are becoming more complex, especially when a large amount of interest and/or concern is expressed by the public, such as neighbouring residents. This has been a trend that the City has been experiencing as of late.

One recommendation from the Study to improve the development processes is to employ service standards for application review and pair them with a flexible system that allows municipalities and developers to come to mutually agreed-upon timelines, which may be necessary to differentiate standard applications from more complex applications. Development Review has taken the approach, especially on complex projects/development files, of collaborating with developers on a feasible application review and approval timeline, working within the constraints of the official approval process of the various committees and City Council, which is often required for such projects.

<sup>3</sup> Source: Figure 35, CHBA Municipal Benchmarking Study, 2<sup>nd</sup> Edition, October 17, 2022 (pg. 46)

## 2.2 Municipal Development Charges/Fees

As part of the Study, an analysis reviewed the charges imposed by municipalities on new housing development, including Infrastructure Charges, School Charges, Planning and Approval Fees, Parkland Contributions, Land Transfer Taxes, Community Benefits Charges and Density Bonusing. The aggregate of these charges/fees were evaluated under two scenarios: (1) Low-Rise Scenario, and (2) High-Rise Scenario.<sup>4</sup>

### 2.2.1 Low-Rise

The average cost of charges levied by municipal governments on new low-rise housing development averages \$61,582/unit, or \$28 per square foot, across the country. Toronto is the highest, with charges amounting to \$189,325/unit, which is approximately \$85 per square foot. Saskatoon ranks eighth highest in the country at \$71,555/unit (approximately \$32 per square foot), which is about \$10,000, or \$4 per square foot, higher than the country average. The following figure shows the municipal charges per unit, under the Low-Rise Scenario (Note: #8 Saskatoon, outlined in red).

Rank	Municipality	Low-Rise	
		Charges per Unit \$/ Unit	Charges per SF \$/ SF
1	City of Toronto	189,325	85
2	Markham	162,348	73
3	Brampton	126,907	57
4	Oakville	113,635	51
5	Pickering	86,884	39
6	Surrey	84,678	38
7	BWG	77,527	35
8	Saskatoon	71,555	32
9	Hamilton	61,431	28
10	Vancouver	61,414	28
11	Ottawa	46,320	21
12	Calgary	42,800	19
13	London	37,163	17
14	Regina	34,370	15
15	Burnaby	29,533	13
16	Edmonton	29,359	13
17	Winnipeg	17,589	8
18	Halifax	9,629	4
19	St. John's	4,750	2
20	Moncton	3,897	2
21	Charlottetown	2,109	1
Average		61,582	28

Source: Altus Group Economic Consulting

Figure 2.2 – Municipal Charges per Unit, Low-Rise Scenario<sup>5</sup>

<sup>4</sup> To estimate the charges and fees imposed by the municipalities studied, the model is based on two development scenarios – one 'low-rise' consisting of single-detached and townhouses, and one 'high-rise' consisting of a condominium apartment building.

<sup>5</sup> Source: Figure 42, CHBA Municipal Benchmarking Study, 2<sup>nd</sup> Edition, October 17, 2022 (pg. 55)



## 2.2.2 High-Rise

The average cost of charges levied by municipal governments on new high-rise housing development is \$41,353/unit, or \$52 per square foot, across the country. Vancouver is the highest, with charges amounting to \$125,542/unit, which is approximately \$157 per square foot. Saskatoon ranks 16<sup>th</sup> highest in the country at \$6,457/unit, or approximately \$8 per square foot, which is about \$35,000, or \$44 per square foot, lower than the country average. The following figure shows the municipal charges per unit, under the High-Rise Scenario (Note: #16 Saskatoon, outlined in red).

Rank	Municipality	High-Rise	
		Charges per Unit	Charges per SF
		\$ / Unit	\$ / SF
1	Vancouver	125,542	157
2	Markham	110,892	139
3	City of Toronto	99,894	125
4	Brampton	79,645	100
5	Oakville	74,636	93
6	Pickering	64,076	80
7	BWG	53,845	67
8	Surrey	48,654	61
9	Hamilton	41,690	52
10	Ottawa	35,079	44
11	London	22,275	28
12	Burnaby	19,256	24
13	Calgary	16,990	21
14	Halifax	10,744	13
15	Edmonton	6,599	8
16	Saskatoon	6,457	8
17	Regina	3,959	5
18	Winnipeg	3,070	4
19	Moncton	2,300	3
20	St. John's	1,463	2
Average		41,353	52

Source: Altus Group Economic Consulting

Figure 2.3 – Municipal Charges per Unit, High-Rise Scenario<sup>6</sup>

## 2.2.3 Low-Rise vs. High-Rise

Municipal charges and fees imposed on new high-rise housing development are often much higher on a per square foot basis than on low-rise development. Saskatoon is only one of four municipalities in the Study whose square foot charges on new high-rise developments are equal to or less than the charges imposed on low-rise developments (i.e., Saskatoon = \$32 and \$8 per square foot, respectively).

<sup>6</sup> Source: Figure 43, CHBA Municipal Benchmarking Study, 2nd Edition, October 17, 2022 (pg. 56)

The following figure shows the ratio of the municipal charges per square foot, comparing Low-Rise to High-Rise scenarios (Note: #16 Saskatoon, outlined in red).<sup>7</sup>

Rank	Municipality	Charges per SF		Ratio of Costs
		Low-Rise \$/ Square Foot	High-Rise \$/ Square Foot	PSF HR / LR
1	Vancouver	28	157	5.7
2	Markham	73	139	1.9
3	City of Toronto	85	125	1.5
4	Brampton	57	100	1.7
5	Oakville	51	93	1.8
6	Pickering	39	80	2.0
7	BWG	35	67	1.9
8	Surrey	38	61	1.6
9	Hamilton	28	52	1.9
10	Ottawa	21	44	2.1
11	London	17	28	1.7
12	Burnaby	13	24	1.8
13	Calgary	19	21	1.1
14	Halifax	4	13	3.1
15	Edmonton	13	8	0.6
16	Saskatoon	32	8	0.3
17	Regina	15	5	0.3
18	Winnipeg	8	4	0.5
19	Moncton	2	3	1.6
20	St. John's	2	2	0.9
Average		29	52	1.8

Source: Altus Group Economic Consulting

Figure 2.4 –Ratio of Municipal Charges per Square Foot, Low-Rise vs High-Rise Scenarios<sup>8</sup>

The average cost of charges levied by the City on the Low-Rise and High-Rise categories increased by 4% and 6% when comparing the 2020 and 2022 studies, respectively. This compares to an average increase of 25% and 29% across all municipalities over the same period.

## 2.3 Municipal Scorecard on Planning System Features

According to the Study, based on a review of provincial planning systems across Canada, features of those systems have been identified which can help or hinder timely approval and construction of new housing. These features may involve legislated planning processes, mandated timelines for decisions on development applications, municipality-specific approaches to application review and the presence and structure of a planning appeals system. In total, 23 features or “elements”, organized into six “themes”, were evaluated for each municipality. For example, the Development Guidance Theme includes two elements; Development Guidance Information and Application Support Materials.

<sup>7</sup> In many cases, low-rise development is directly responsible for building and funding ‘local’ infrastructure needed to bring services from major linear infrastructure works (trunk mains, arterial roads) to housing units being constructed. These costs were not accounted for in the CHBA analysis.

<sup>8</sup> Source: Figure 44, CHBA Municipal Benchmarking Study, 2<sup>nd</sup> Edition, October 17, 2022 (pg. 57)

Each municipality was subsequently scored on each theme, ranging from Worst at 0% to Best-in-Class at 100%. A score of 0% to 60% indicates the municipality may need “significant improvement”, 60% to 79% indicates “moderate improvement” may be required, and a score of 80% to 99% indicates “minor improvement” may be needed. The following figure shows the scoring for all six themes, for each municipality (Note: #12 Saskatoon, outlined in red).<sup>9</sup>

Rank	Municipality	Overall Weighted Score	Theme 1	Theme 2	Theme 3	Theme 4	Theme 5	Theme 6
1	Edmonton	91%	88%	80%	100%	100%	100%	67%
2	Toronto	90%	100%	100%	63%	100%	88%	83%
3	London	86%	88%	80%	75%	100%	88%	83%
4	Oakville	85%	100%	80%	75%	100%	50%	83%
5	Halifax	85%	88%	80%	81%	100%	75%	75%
6	Calgary	85%	75%	80%	88%	100%	100%	67%
7	Hamilton	78%	100%	60%	69%	67%	88%	83%
8	Vancouver	76%	75%	90%	63%	100%	100%	17%
9	Surrey	76%	88%	90%	44%	100%	100%	17%
10	Ottawa	75%	100%	100%	25%	67%	88%	83%
11	Brampton	74%	100%	60%	50%	67%	88%	83%
12	Saskatoon	70%	75%	40%	81%	67%	88%	67%
13	Regina	69%	75%	60%	75%	67%	50%	75%
14	Markham	65%	50%	50%	100%	33%	100%	83%
15	Winnipeg	59%	88%	0%	56%	50%	88%	75%
16	Burnaby	59%	50%	40%	50%	100%	88%	17%
17	Pickering	53%	25%	50%	63%	50%	88%	83%
18	Bradford West Gwillimbury	50%	50%	50%	0%	67%	88%	83%
19	Charlottetown	47%	50%	20%	38%	50%	100%	42%
20	St. John's	47%	75%	0%	13%	67%	75%	50%
21	Moncton	43%	50%	0%	13%	100%	50%	33%

Source: Altus Group Economic Consulting

Figure 2.5 – Municipal Scoring, All Planning Tools and Features<sup>10</sup>

Saskatoon is roughly positioned in the “middle of the pack”, ranking 12<sup>th</sup> of the 21 municipalities in the Study. An average overall weighted score of 70% suggests that moderate improvement to the City’s planning features may be warranted. Based on an average score of 40% for Theme 2, Development Application Tracking, which includes the five elements; Active Applications, Status Indication, Historical Application Information, Map of Development Data and Development Application Supporting Records, the Study suggests the City needs significant improvement. Conversely, the City scored highest on Theme 5, the theme of Accountability, which includes the elements; Availability of Municipality Staff Directory; and Availability of Meeting Minutes, Agendas and Agenda Items. On this theme, the City received a score of 88%, indicating that only minor improvement may be needed to achieve “Best-in-Class” status, by receiving a score of 100%.

<sup>9</sup> Caveat: the ratings do not necessarily reflect individual experiences an applicant may have when they submit a development application. There are many aspects in the planning process that cannot be given a score but still influence the overall application experience.

<sup>10</sup> Source: Figure 31, CHBA Municipal Benchmarking Study, 2<sup>nd</sup> Edition, October 17, 2022 (pg. 38)



It should be noted that the City started to undertake the “Cornerstone Project” in 2019, which aims to implement a series of customer service improvements for programs delivered by the departments of Building Standards, Planning and Development, and Community Standards, via an online “ePermitting” system. The ePermitting system will include online submissions, review and communications, and application tracking for applicants; however, at the time of the Study, City staff were still developing and testing development applications in the ePermitting system; therefore, this was not captured in CHBA’s analyses and results. Most development applications are anticipated to be available to the public through ePermitting by early 2024. The City’s investment in ePermitting should hopefully yield improvements related to Theme 2.

### 3. SUMMARY

Based on a review of municipal planning processes, planning features, government charges and other elements of research undertaken into the studied municipalities, the following figure summarizes the combined ranking of all 21 municipalities included in the 2022 CHBA Municipal Benchmarking Study (Note: #7 Saskatoon, outlined in red).

Rank	Municipality	Rank by Category			Total Score
		Approval Timelines	Government Charges	Planning Features	
		<i>fastest to lowest</i>	<i>lowest to highest</i>	<i>most to least</i>	
1	Edmonton	6	6	1	4.5
2	Charlottetown	1	1	19	6.4
3	Calgary	5	10	6	6.8
4	London	8	9	3	6.8
5	Regina	3	7	13	7.2
6	Winnipeg	4	5	15	7.6
7	Saskatoon	2	11	12	7.7
8	Halifax	16	4	5	9.1
9	St. John's	7	3	20	9.7
10	Ottawa	9	12	10	10.2
11	Moncton	10	2	21	10.9
12	Vancouver	10	17	8	11.5
13	Surrey	11	15	9	11.6
14	Oakville	13	18	4	11.8
15	Hamilton	18	13	7	13.2
16	Brampton	12	19	11	13.8
17	Burnaby	17	8	16	14.0
18	Toronto	20	21	2	14.9
19	Pickering	14	16	17	15.5
20	Bradford West Gwillimbury	15	14	18	15.6
21	Markham	19	20	14	17.8
Weighting by Category		40%	30%	30%	

Source: Altus Group Economic Consulting

Figure 3.1 – Combined Ranking – 2022 Municipal Benchmarking Study – CHBA<sup>11</sup>

<sup>11</sup> Source: Figure 48, CHBA Municipal Benchmarking Study, 2<sup>nd</sup> Edition, October 17, 2022 (pg. 78)

Out of the 21 municipalities studies, Saskatoon ranks 7<sup>th</sup>, when averaged across the entire analysis performed. This indicates that there is still work to do by the City to make Saskatoon one of the most competitive and attractive municipalities for development and growth in the country.

## 4. REFERENCES

- [https://www.chba.ca/CHBA/News/2022\\_CHBA\\_Municipal\\_Benchmarking\\_Report.aspx#:~:text=Key%20findings%20include%3A,ranked%20in%20the%20bottom%20ten.](https://www.chba.ca/CHBA/News/2022_CHBA_Municipal_Benchmarking_Report.aspx#:~:text=Key%20findings%20include%3A,ranked%20in%20the%20bottom%20ten.)
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