

Committee of the Whole (1) Report

DATE: Tuesday, May 5, 2026

WARD(S): ALL

TITLE: BUILDING PERMIT FEES ANNUAL FINANCIAL REPORT FOR 2025

FROM:

Vince Musacchio, Deputy City Manager, Planning and Infrastructure Development

ACTION: FOR INFORMATION

Purpose

To provide Council with the Building Permit Fees Annual Financial Report for 2025, as required by the Building Code.

Report Highlights

- Building permit revenues collected in 2025 were \$10.8 million
- Direct and Indirect costs in 2025 were \$16.4 million
- An amount of \$5.6 million was transferred from the Building Standards Continuity Reserve
- Closing balance in the Building Standards Continuity Reserve is \$20.8 million

Recommendations

1. THAT the Building Permit Fees Annual Financial Report for 2025 be received for information.

Background

The Building Code requires that a financial report be prepared annually to provide information on the following matters:

- i. Total Fees Collected (12-month period);

- ii. Direct Costs of delivering services (Review of permit applications and inspections of buildings).
- iii. Indirect Costs of delivering services (Support and Overhead Costs); and
- iv. The account balance for the Building Standards Continuity Reserve as established by Council.

To comply with the Building Code, the Building Permit Fees Annual Financial Report has been prepared for 2025 and is based on unaudited information.

Previous Reports/Authority

None.

Analysis and Options

This report has been prepared in coordination with Financial Planning and Development Finance Department staff. It is based on Council's previous approvals respecting the Watson & Associates Economists Ltd. Activity Based Costing Methodology for User Fees Report, and the establishment of the Building Standards Continuity Reserve.

The Building Standards Continuity Reserve was established to stabilize fluctuations in permit revenues resulting from changes or variations in construction activity. The stabilization of permit revenues allows the Building Standards Department to meet its legislated requirements; thereby ensuring continuity of service delivery without impacting the general tax base.

To develop a sustainable financial model for the Building Standards Department, a comprehensive building permit fee study was carried out by Watson & Associates Economists Ltd. in 2017/2018 to ensure fees achieve full cost recovery of direct and indirect costs associated with the delivery of services in the Building Standards Department (building permits and inspection services). The study also benchmarked Vaughan's building permit fees with other comparable GTA municipalities to maintain market competitiveness.

In 2022 the City retained Watson & Associates Economists Ltd. to undertake a comprehensive review of the full costs of Development Planning, Development Engineering and Building Standards functions and to make fee structure recommendations to provide for reasonable full cost for the services. This study was completed in 2023 and presented to the April 18, 2023, Committee of the Whole (2) for consideration, and latter approved without amendment at the Council meeting of April 25, 2023. The Building Standards Department will monitor the effectiveness of the new

cost model resulting from this study and will work with our partners in Development Finance if further changes are necessary in the future.

Financial Impact

The Building Permit Fees Annual Financial Report shows a total revenue of \$10.8 million for building permit fees collected in 2025 and a combined total of direct and indirect costs of \$16.4 million. An amount of \$5.6 million was transferred from the Building Standards Continuity Reserve. The 2025 closing balance in the Building Standards Continuity Reserve is \$20.8 million.

Operational Impact

None.

Broader Regional Impacts/Considerations

None.

Conclusion

As required by legislation, this report provides the total fees collected by the Building Standards Department in 2025, total costs of delivering its service, and balance of the Building Standards Continuity Reserve.

For more information, please contact: Ben Pucci, Director of Building Standards, ext. 8872.

Attachments

1. 2025 Building Permit Fees Annual Financial Report

Prepared by

Ben Pucci, Director of Building Standards, ext. 8872