



New Homes and Red Tape

Residential Land-Use Regulation in Ontario's Greater Golden Horseshoe

by *Kenneth P. Green, Ian Herzog, and Josef Filipowicz*

As an increasing number of Canadians move to major cities, housing prices have continued to rise. Understanding how public policy affects the supply of new homes is critical. The Fraser Institute's survey of housing developers and homebuilders provides new insight into this issue. This report is the third in a series tallying survey data to represent industry professionals' experiences and opinions of how residential development is regulated in cities across Canada. This report presents survey results for cities in Ontario's Greater Golden Horseshoe (GGH).

Estimates of typical project approval timelines in GGH cities range from 13.8 months in Burlington and 15.8 months in Brampton, to 23.8 months in Georgina and 28 months in Clarington. Toronto's estimated timeline is shorter than the regional average at 15.9 months. Timeline uncertainty's deterrent to homebuilding is strongest in Hamilton, one of the region's anchor cities.

Reported compliance costs and fees add up to a low of \$17,500 per home built in Hamilton and a high of \$57,500 per home in King Township. Reported compliance costs in Toronto average \$44,092 per unit.

The survey reports that zoning bylaws need to be changed to accommodate more than 50% percent of new residential development in 23 out of 26 cities. Estimates of rezoning's effect on approval timelines range from 3.2 additional months in Mississauga to 9.1 months in Whitby.

Council and community opposition to residential development is perceived as strongest in cities where dwelling values

are highest, raising questions about the causes and consequences of local resistance to new housing. The strongest opposition is reported in King Township, Caledon, and Oakville. This opposition is typically not perceived as a significant deterrent to building in Brampton, Oshawa, and East Gwillimbury.

While market forces tend to dominate development decisions, industry professionals also expressed a range of specific policy concerns. For example, survey respondents indicate that increasing stringency in municipal and provincial regulation limits consumer choice, and forces smaller builders out of the marketplace. The need for numerous reviews and permissions from various parties, rather than a single streamlined process, is another commonly expressed concern. Finally, local real estate professionals suggest that housing affordability may be adversely affected by provincial land-use policies in years to come. The 7,200 km² of rural land withdrawn from development by Ontario's Greenbelt can pose unique challenges to future growth in the Greater Golden Horseshoe.

EXECUTIVE SUMMARY

New Homes and Red Tape: Residential Land-Use Regulation
in Ontario's Greater Golden Horseshoe

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The publication provides a summary index of residential land-use regulation that is calculated by tallying across five key components of regulation's impact—Approval Timelines, Cost and Fees, Council and Community, Timeline Uncertainty, and Rezoning Prevalence—in the 23 cities that generated sufficient survey responses. This index ranks Burlington as the least regulated and the King Township as the most. Toronto, the GGH's core, ranks worse than average at 17th of 23 municipalities.



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Composite Index of Residential Land-Use Regulation in 23 cities in Ontario's Greater Golden Horseshoe

