

King is most regulated in the GTHA, study says

By Mark Pavilons

While King Township is growing quickly, this municipality is the most regulated in the Greater Golden Horseshoe in terms of new home construction.

According to The Fraser Institute's study, red tape is stifling residential development in Oakville, Oshawa, Toronto and other communities.

In this aggregate ranking of 23 municipalities (municipalities that garnered sufficient numbers of survey responses), King Township comes out as the most regulated municipality, earning low marks in construction approval times (20.2 months compared to the Greater Golden Horseshoe average of 17.5 months) and in regulatory costs and fees. The study finds that obtaining approval for construction costs a typical residential developer in King Township \$57,500 per individual dwelling unit, more than three times than in Hamilton, the community with the least costs and fees.

By comparison, Aurora ranks 20th and Caledon ranks 18th, while York Region counterparts Newmarket (8th), Whitchurch-Stouffville (6th), East Gwillimbury (4th) and Bradford/West Gwillimbury (3rd) seem to be the least regulated, with the lowest red tape.

"A growing body of research indicates that onerous regulation reduces new home construction and contributes to rising home prices," said Kenneth Green, Fraser Institute senior director of energy and natural resources. "Housing affordability continues to be a major issue right across the Greater Golden Horseshoe. Unfortunately, the results of this survey indicate that red tape at some city halls is deterring development and exacerbating the problem."

The study compared jurisdictions across the Greater Golden Horseshoe on several categories of red tape (construction approval times, density opposition, regulatory costs and fees, rezoning prevalence and the effect council and community groups have on development) based on the experiences and opinions of industry professionals.

The Towns of Oakville, located in the fast-growing Region of Halton, ranks as the second most regulated municipality, followed by Oshawa, Aurora, Halton Hills and Caledon.

"Oddly Burlington, which shares a border with Oakville, is ranked as the least regulated municipality in the Golden Horseshoe. Residents should be asking themselves why two neighbouring communities with similar land mass and populations are at opposite ends of the red-tape scale," Green said.

The City of Toronto, the region's largest city in terms of population, ranks as the seventh (out of 23) most regulated municipalities in the region. Of note, homebuilders perceive Toronto's council and community to be resistant to new development. Specifically, when asked how local council and community groups affect single-family and multiple-dwelling development, respondents ranked Toronto as the fourth worst in the Greater Golden Horseshoe.

"There's a school of thought out there that higher costs and fees are associated with greenfield development. In other words, municipal governments require more money to service the new areas of development and to build new infrastructure. We found no evidence of that in our survey," Green said. "Instead, it appears that we're seeing a form of NIMBYism where council and community opposition to residential development is strongest in municipalities with higher dwelling values. That doesn't bode well for housing affordability in the region."

The complete survey is available as free PDF download at www.fraserinstitute.org.