



Town of Huntsville Staff Report

Meeting Date: March 25, 2026

To: General Committee

Report Number: DEV-2026-30

Confidential: No

Author(s): Christopher Nagy, Chief Building Official

Subject: 2025 Annual Building Department Review

Report Highlights

This report provides an overview of the Town of Huntsville's Building Permit Program in 2025.

Recommendation

For Information Only.

Background

Section 7(4) of the Building Code Act (BCA), 1992, as amended, requires municipalities to prepare an annual report on the total building permit fees collected, the direct and indirect costs of the administration and enforcement of the Building Code Act, as well as the balance of the Building Permit Program Stabilization Reserve Fund.

The BCA provides municipalities with the authority to collect fees to recover the cost of administration and enforcement of the Act and the Ontario Building Code (OBC). Article 1.9.1.1 of Division C outlines applicable direct and indirect costs, as well as provisions for a reserve fund. Section 7(2) of the Act also stipulates that the fees must not exceed the anticipated reasonable administration and enforcement costs.

Table 1 below, outlines the types of direct and indirect costs of administering and enforcing the Act that the Building Department has attempted to balance against the revenues received through permit fees.

Direct Cost		
Salaries, Wages & Benefits	\$935,221	
Materials & supplies/Professional Development	\$44,176	
Contracted Services	\$105,650	
Merchant Fees	\$9,659	

		\$1,094,706
Indirect Cost		
Allocation of Civic Centre	\$38,737	
Internal Labour Charged/Recovery	\$205,798	
Internal Insurance Charged/Recovery	\$287,454	
Internal Equipment Lease	\$41,099	
Internal Charge/Recovery - IT	\$24,940	
		\$598,027
Reserve Transfers		
Information Technology	\$4,165	
		\$4,165
Amortization		
Amortization Expense	\$3,350	
		\$3,350
	Total:	\$1,700,248

These costs correspond to the current level of service which would accommodate a minor fluctuation in workload from one year to another. As can be seen in the table above, the greatest expense in the administration of the Building Permit Program is the Salary, Wages and Benefits line. However, it must also be noted that BCA/OBC enforcement continues to be a highly technical profession, and staff must complete extensive training to meet qualifications, and maintain their designations, as required by legislation. Insurance premiums continue to rise for the municipality, and over the years the building department continues to offset a large portion of the cost. Building Staff have implemented a program to reduce the number of open building permits. The CBO also sits on a OBOA sub-committee which has been tasked to come up with a provincial standard in dealing with Dormant Building Permits which can be adopted by the municipality. This committee was established in response to the recent court ruling *Huether v McMurrich Monteith (Township)* and the final standard will be backed by a Solicitor's review and will help mitigate future claims against the municipality.

Discussion

2025 Construction Activity

Permit numbers continue to stabilize from 2019-2021 peak years and 2025 saw the submission of 638 applications with 585 applications issued. These projects include multiple commercial buildings such as the Daiken Expansion, and several School upgrades by TLDSB. The residential market continues to see significant expansion with 72 new homes being built in the rural and urban areas.

Table 2 below provides a comparison of the number of building permits received over the last 5 years (between 2021 and 2025) as well as the total construction value for each year. As noted above, the number of permits appear to be settling around the 700 per year mark and the construction value from 2025 supported an increase to the 5 year average from \$139,140,529 to \$142,713,814.

TABLE 2

2019 – 2025 Building Permits and Construction Value

Year	Total Building Permits	Total Construction Value
2021	891	\$196,102,033

2022	757	\$129,796,777
2023	687	\$195,562,173
2024	698	\$110,374,053
2025	638	\$81,077,648
5 year Average	721	\$142,713,814

2025 Permit Construction Value

Appendix I contains a summary of building permit program revenue, as well as direct and indirect costs of the administration and enforcement of the Building Code Act.

As can be seen in 2025, the revenue generated was \$760,003 (unaudited), which is a decrease of roughly \$330,000 from 2024 revenues. 2025 saw a decrease in both revenue and permit numbers compared to previous years, largely due to the economy with the industry. In addition to the new commercial and residential permits received, staff continue to inspect the "new Fairvern building" as well as close off open building permits. In review of planning applications approved in 2025 it appears that there is still a healthy application base that supports residential subdivisions, anticipated to start in 2026 through new subdivisions and multi-residential buildings. This has been confirmed through current 2025 permit applications received that support development within newly created subdivisions.

Building Permit Program Stabilization Reserve Fund and Policy

Although some municipalities rely upon the tax levy to supplement BCA enforcement, most municipalities try to ensure that building permit fees are sufficient to recover the costs associated with the administration and enforcement of the BCA. This is to ensure that the tax levy is not used to pay for any costs that should be borne by the building industry.

During years of heightened growth, a building permit program can generate a revenue surplus. Prior to 2006, these funds could be used corporately, however, legislative updates in 2006 required that any surplus revenue be transferred into a Building Permit Program Stabilization Reserve Fund. In 2017, Council approved the creation of such a reserve fund, along with a related policy which identifies that this reserve fund may only be used to support the building permit program during periods of economic decline, or with funding one-time capital projects to avoid fluctuations in fees.

Although the department had to draw from the Building Stabilization Fund in 2025, the balance of the Building Permit Program Stabilization Reserve Fund remaining is \$185,000 (unaudited). To ensure that this stabilization fund does not get depleted over time, Staff have created a phased approach to increasing user fees which will help offset departmental costs in the future. In 2028, permit fees will be increased from the \$11/\$1000 construction value to \$12/\$1000, as outlined in the 2023 user fee report [CORP-2023-65](#).

Affordable Housing Program

It has been noted by both staff and Council that this program has been underutilized by developers. Staff continue to review and adapt this program to ensure that it can be an effective incentive.

Building Permit Finalization

Through our online permitting software, closing building permits has become easier as the system has built in reminders for applicants to close off building permits. That said, as 2025 saw a number of staffing changes, and due to the high volume of building inspections, there was less focus on closing off existing building permits. Staff were able to finalize a total of 662 permits throughout the year. The closing of old files by senior staff will continue in 2026. The CBO will continue discussions with the Town Solicitor to determine what options are available to the Town in closing older permits. Any further recommendations regarding this matter will be brought to Council for consideration prior to implementation.

Property Standards

With the onboarding of our Property Standards/STRA enforcement officer staff are happy to report that of the 81 property standards complaints received, 63 properties were brought into conformance with the by-law. Of the remaining 28 complaints, 15 have been escalated to a building permit and the projects are moving towards compliance. The remaining are continuing to be monitored to ensure compliance.

2026 Initiatives

To ensure a safe community and mitigate liability to the municipality, building staff will be focused on creating programs to help support the closing of Dormant building permits and the Septic Reinspection program for systems deemed as high risk under the policy. Prior to the implementation of these program staff will be bring reports forward to ensure that the principal of these programs fall inline with councils direction.

Accounting Treatment of Permit Revenue

Starting in 2024, an update to the accounting standard, PS 3400, modified how building permit revenue is recorded. Building permit revenue can only be recorded after the Town has completed the work, such as reviewing building plans or conducting inspections. Because of this accounting rule, revenue collected for building permits may increase or decrease depending on how many permit applications we receive, the size and type of projects, and when the review or inspection work is completed. If permit fees are paid but the work is not yet done, the revenue must be deferred until later, when the work is done. This timing difference has resulted in an overall decrease of \$171,000 in the revenues recorded in 2025 (and building reserve contributions). The overall decrease of \$171,000 has been recorded as deferred revenue and will be recognized as revenue and available reserve funds in future years when the work has been completed.

Capital

N/A

Operational

N/A

Relevant Policies / Legislation / Resolutions

Building Code Act

Council Strategic Direction

- Corporate Value - Transparency: We value pro-active, open, and honest communication with the community and coworkers.
- Corporate Value - Responsibility: We value taking ownership of our actions and exercise good judgement in decision making.

Attachments

[Appendix 1](#)

Respectfully Submitted:

Christopher Nagy, Chief Building Official

Manager Approval (if required):

Director Approval:

Kirstin Maxwell, Director of Development Services

CAO Approval:

Denise Corry, Chief Administrative Officer

Appendix 1
2025 Building Revenues and Expenses
(Unaudited)

Revenue			
Federal Grant	\$2,408		
Building Permits	\$613,991		
File Maintenance	\$9,665		
Dormant Files	\$11,888		
Septic System Permits	\$48,288		
Administrative Revenue	\$10,536		
Compliance Fees – Building and Septic	\$28,985		
Inspection Fee- Special	\$1,325		
Miscellaneous Revenue	\$0		
Permit Fee - Pool	\$500		
Permit Fee - Revisions	\$1,250		
Recovery	\$0		
Sign Fees	\$1,633		
			\$760,003
Direct Cost			
Salaries, Wages & Benefits		\$935,420	
Materials & supplies/TCM		\$44,176	
Contractors Service		\$105,650	
Merchant Fee		\$9,659	
			\$1,094,706
Indirect Cost			
Allocation of Civic centre		\$38,737	
Internal Labour Charged/recovered		\$205,798	
Internal Insurance Charge/recovered		\$287,454	
Internal equipment lease		\$41,099	
			\$598,027
		Revenue Surplus:	\$-932,730