



Impacts of Streamlining Construction Approval Processes in Ontario A Socioeconomic Analysis

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Residential construction plays a crucial role in the Ontario economy and will play a major role in the COVID-19 economic recovery. Despite efforts over the years to streamline approval processes for the residential construction industry, it can take more than three years to pass through the construction approvals process in some municipalities. The analysis quantifies the key social and economic impacts of reduced delays in the residential construction process as well as concurrent improvements in investor confidence. Following tables are impact results for Ontario in 5 years and 20 years under different assumptions.

5 year impacts of reducing approval timelines and/or increased investment

5-year Scenario/Metric		Impacts	
Homes	Process streamlined by 6 months	33,100	1.5% more homes. 80,400 additional people able to be housed
	Increased investment by 10%	39,800	1.8% more homes. 96,500 additional people able to be housed
	Both	76,200	3.5% more homes. 184,900 additional people able to be housed
Economics with 6 months reduction and 10% increase in investment	Annual GDP	\$11.6B	Additional economic activity supports \$1.8B of private investment
	Jobs	105,000	Supported jobs provide over \$6.2B of wages annually
	Taxation revenue	\$2.7B	Federal and Ontario governments could receive \$1.5B and \$1.2B additional revenue annually

By reducing delays in the approvals process for new housing projects, and increasing investment in housing, not only can more units be brought to market sooner, but there are significant employment, GDP and taxation revenue benefits as well.

Across different regions, the increase in housing units that could be completed with a six-month reduction in delays and 10% increase in investment varies from 2.1% to 3.9% over 5 years.

20 year impacts of reducing approval timelines and/or increased investment

20-year Scenario/Metric		Impacts	
Homes	Process streamlined by 6 months	33,100	1% more homes. 80,400 people able to be housed by 2040
	Increased investment by 10%	139,200	4.4% more homes. 337,700 additional people able to be housed by 2040
	Both	175,700	5.6% more homes. 426,100 additional people able to be housed by 2040
Economics with 6 months reduction and 10% increase in investment	Annual GDP	\$17.2B	\$2.7B of additional private capital investment annually by 2040
	Jobs	145,600	Supported jobs provide over \$8.5B of wages annually by 2040
	Taxation revenue	\$4.0B	Federal and Ontario governments could receive \$2.2B and \$1.8B additional revenue annually by 2040

By 2040, these changes could result in a 3.8% to 6.7% increase in housing units completed, depending on the region.

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