



**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Building Division**

<b>TO:</b>	Chair and Members Planning Committee
<b>COMMITTEE DATE:</b>	January 14, 2025
<b>SUBJECT/REPORT NO:</b>	Increase to Building Permit Fees (PED25026) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Jorge M. Caetano (905) 546-2424 Ext. 3931
<b>SUBMITTED BY:</b>	Robert Lalli Director, Building and Chief Building Official Planning and Economic Development Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That the By-law, attached as Appendix “A” to Report PED25026 to amend City of Hamilton By-law No. 15-058, the Building By-law, which has been prepared in a form satisfactory to the City Solicitor, be enacted.

**EXECUTIVE SUMMARY**

On May 18, 2010, (Report PED10050(a)), Council directed the Building Division to adjust permit fees in January of every year to reflect budgetary increases. This Report explains the rationale for increasing the permit fees to cover the reasonable and necessary cost increases associated with budgetary increases expected in 2025. Based on projected expenses, the Building Division is proposing an increase of 3% for all permit fees.

**Alternatives for Consideration – See Page 3**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: Approval of the revised Building Permit Fees will ensure that all direct and indirect costs associated with delivering services related to the administration and enforcement of the *Building Code Act, 1992* are fully recovered.

Staffing: Not Applicable.

Legal: The recommendations have no legal implications.

**HISTORICAL BACKGROUND**

On May 18, 2010, (Report PED10050(a)), Council directed the Building Division to adjust permit fees in January of every year to reflect budgetary increases.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Ontario Building Code and *Building Code Act, 1992*.

**RELEVANT CONSULTATION**

Legal Services Division has been consulted.

Financial Planning, Administration and Policy Division has been consulted.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Table 1 below provides a summary of the budgeted expenses under the Building Enterprise Model associated with the administration and enforcement of the *Building Code Act, 1992* for 2025.

**TABLE 1**  
**Building Division**  
**Statement of Expenses for the Building Enterprise Model**  
**(Budget)**

	<b>2024 Budget</b>	<b>2025 Draft Budget</b>
Expenses		
Direct Costs	\$14,855,203	\$15,954,618
Indirect Costs	<u>\$ 2,266,486</u>	<u>\$ 2,504,066</u>
<b>Total Expenses</b>	<b><u>\$17,121,689</u></b>	<b><u>\$18,458,684</u></b>

Based on budget figures, the Building Division’s expenditures for 2025 are expected to increase to \$18.4 million from the 2024 budget expenditures of \$17.1 million. This increase is mainly due to inflationary/cost of living increases from labour and administrative costs including pension and other employee benefits which the Division will incur in 2025. Based on the figures noted in Table 1, the Division’s projected increase in expenses from 2024 to 2025 is 7.8%. Under the Ontario Building Code the Division’s permit fees should cover the reasonable and necessary costs associated with the administration and enforcement of the *Building Code Act, 1992*, so that no reliance is placed on the general levy for the Division’s operation. However, staff feel that a 7.8%

---

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

increase during the current housing affordability crisis may cause undue hardship to the construction industry. To address this concern staff are recommending that the Building Division at least cover the Collective Agreement general wage increase of 3% which comes into effect on January 1, 2025. Accordingly, the Building Division is proposing to increase permit fees by 3% (see Appendix “B”) in order to cover our Division’s Collective Agreement general wage increase in 2025.

Please note that, in order to simplify fees, the proposed 3% permit fee increase shown on the attached Appendices have been rounded off to the nearest full cent for all fees under \$100 and to the nearest full dollar for all fees over \$100.

As additional information, staff undertook a survey of the current permit fees of six Ontario Municipalities for several different classifications of permits as shown in Appendix “C.” The proposed 2025 permit fees for the City of Hamilton in these classifications, are all below or a few cents above the average of the sampled Municipalities. For clarification, the permit fees provided for the six municipalities are based on their current 2024 rates and do not reflect any proposed fee increase for 2025. All our current 2024 permit fees are below the 2024 average of the six municipalities surveyed.

Increasing the permit fees to cover the reasonable and necessary costs associated with the expected rise in expenses in 2025 will ensure these costs, associated with the administration and enforcement of the *Building Code Act, 1992*, are covered by the users of the system with no reliance placed on the general levy for its operation.

### **ALTERNATIVES FOR CONSIDERATION**

The alternative would be to maintain the current fees; however, this could result in having to transfer additional funds from the Building Stabilization Fund which would go against the Building Division’s mandate of administering and enforcing the *Building Code Act, 1992* as a fully cost-recovered and self-funded program within the City. Maintaining the current fees would also go against Council’s direction given on May 18, 2010, (Report PED10050(a)) to the Building Division to adjust permit fees in January of every year to reflect budgetary increases in the cost of operations.

### **APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report 25026 - Proposed Building By-law Amendment  
Appendix “B” to Report 25026 – Existing and Proposed Fees for 2025  
Appendix “C” to Report 25026 – Permit Fee Comparison

JMC:II