



## **The Corporation of the Town of Tecumseh**

Development Services

**To:** Mayor and Members of Council

**From:** Brian Hillman, Director Development Services

**Date to Council:** February 13, 2024

**Report Number:** DS-2024-04

**Subject:** 2023 Year End Permit Report

---

### **Recommendations**

It is recommended:

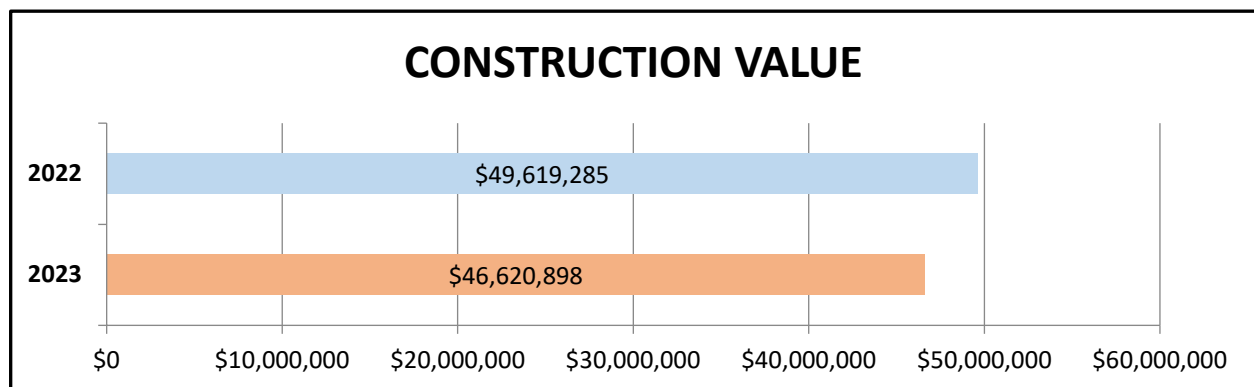
**That** Development Services Report No. DS-2024-04, “2023 Year End Permit Report”,  
**be received.**

### **Background**

The report summarizes the total permits issued for the year 2023 (January-December) and compares the values of the same period of the previous year.

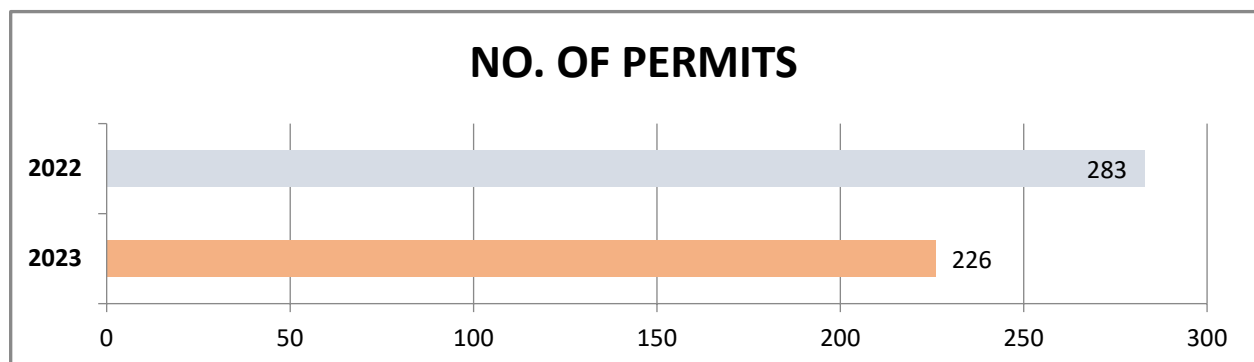
## Comments

- 1. Construction Value:** The following chart summarizes the reported construction value of permits for the year 2023. Construction value was reported at \$46,620,898, which is down from the 2022 construction value of \$49,619,285 by \$2,998,387 or 9% percent. The main factor for this decline of overall permitting is because of the broader global poor economic conditions that prevailed through the year due to historically high interest rates and inflation. This caused a significant delay of housing starts, subdivisions and several commercial/industrial developments that were projected to start building in 2023. It is also noted that several ongoing large projects carried over into 2023, with ongoing inspections. Some of the projects included are two apartment buildings, the North Shore public school, phase two of Brouillette Manor and several industrial projects.



## 2. Number of Permits:

The following chart summarizes the total number of permits issued for the period, which are down from 2022 by 57 permits or 20%.



### 3. Permit Types:

The following chart summarizes the number of permits issued by type for the period. A total of 11 new single dwelling unit permits were issued, which is slightly lower than 2022. New housing starts were lower than projected for 2023 due to the adverse economic conditions referenced earlier in this report. Approximately 68,500 square feet of industrial floor space was added across several projects in 2023.

Building Services undertook a proactive campaign of following up on old, open permit files through 2023, with a total of 1,038 open Building Permits closed and an additional 43 open Municipal Permits, which include fences, pools, grading, and signs, being finalized. The closing and finalizing of old permits will continue to be made a priority throughout 2024.

Permits		
Types of Permits	No of Permits	
	2023	2022
New Residential Buildings	11	13
Additional Residential Units - ARU	7	0
New Multi-Residential Buildings	0	96
Residential Additions and Improvements	65	5
New Non-Residential Buildings	9	49
Non-Residential Additions and Improvements	51	61
Swimming Pools	19	2
Lot Grading	6	34
Fences	36	12
Signs	8	0
Portable Signs	0	0
Demolitions	14	11
<b>Totals</b>	<b>226</b>	<b>283</b>

## Consultations

Financial Services

## Financial Implications

The total permit fee revenue for the period reported is \$269,451, which is \$669,412, or 70% lower than the budgeted amount of \$938,863. At the time the 2023 budget was prepared (late summer 2022), the severe turn in global economic conditions that was about to negatively affect development activity throughout 2023 was not apparent. Clearly, the significant development projected to take place was not realized. In response, previously approved staff hirings were delayed.

The shortfall in permit revenues, although somewhat offset by cost reductions, will result in a net deficit for the Building Services operating budget. Deficits to the annual Building Services operating budget are balanced through transfers from a dedicated Building Permit Reserve Fund ("Reserve Fund").

The Reserve Fund had a 2023 starting balance of \$0 and therefore does not have funds to offset this deficit. In the short-term, the deficit will be funded through the Town's Tax Rate Stabilization Reserve and will be repaid from future Building Services Operating budget surpluses.

Reserve Funds of this nature typically carry surplus balances, where surpluses can be used to supplement years of low permit revenue. It is not uncommon for Reserve Funds of this nature to fall into a deficit balance from time to time, however over the long-term, Reserve Funds of this nature should typically have a surplus balance. The current development outlook for the Town is favourable and it is anticipated that this deficit position will be corrected in the near term.

## Link to Strategic Priorities

Applicable	<a href="#">2023-2026 Strategic Priorities</a>
<input type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input checked="" type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

## Communications

Not applicable ☒

Website ☐ Social Media ☐ News Release ☐ Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Peter Valore, CBO  
Manager Building Services & Chief Building Official (CBO)

Reviewed by:

Tom Kitsos, CPA, CMA, BComm  
Director Financial Services & Chief Financial Officer

Reviewed by:

Brian Hillman, MA, MCIP, RPP  
Director Development Services

Reviewed by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

<b>Attachment Number</b>	<b>Attachment Name</b>
None	None