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To: ["Direct to Mayor and Council"](#)
Date: 3/14/2025 8:56:27 AM
Subject: Council Prep Package: Emergent Issue CHBA Benchmarking Study (PDS & DBL) (March 14, 2025)
Attachments: 2025-02 Council Memo - 3331 Program Update.pdf

Dear Mayor & Council,

Staff have identified that the Canadian Home Builder's Association's Municipal Benchmarking Study is emergent in the media and gaining significant interest across outlets. In response, staff have prepared a brief package with key messages, key facts and relevant Q&As that may be helpful to you in media interviews or conversations with stakeholders and constituents.

Issue in brief

- On March 4, 2025, the Canadian Home Builder's Association (CHBA) released its Municipal Benchmarking Study. The study examines market trends and planning-related factors that may be hindering the supply of housing and contributing to housing affordability issues in 23 municipalities across Canada.
- Despite improvements in permitting timelines and zoning changes to streamline the development process, the City of Vancouver's ranking dropped from 12th in 2022 to 17th in 2024. Vancouver also ranked lower than Surrey and Burnaby, the two other B.C. municipalities included in the study, which ranked 10th and 16th respectively.

Communications approach in brief

The City will be responding to media inquiries reactively. At this time, we have not received any media inquiries.

Key messages

- The City of Vancouver appreciates the work CHBA does in developing the Municipal Benchmarking Study. We will be taking a closer look at the report's findings and assess how we can apply key insights to further support housing affordability in Vancouver.
- We know that housing supply and affordability go hand in hand. While the City does not control whether a project gets constructed and how quickly, we have been working hard to overhaul our permitting and development processes to make it easier and faster to build new housing in Vancouver.
- We recognize that there's a lot more work to do both for the City and across all levels of government to meet housing needs, and we remain committed to working together to accelerate housing delivery.

Key facts

Key findings from the report:

- Average permitting wait time in Vancouver is 50% less than the average of all 23 municipalities studied.
- Permitting wait times in Vancouver averaged 7.7 months, down from 11.2 months compared to the 2022 report and below the 15.2-month average across all 23 municipalities.
- The City had the highest indirect cost for high-rise development, averaging \$6,855 per month of an application process, per unit. This includes property taxes, financing costs, escalation in cost of construction materials and labour due to inflation.
- Fees on residential development in Vancouver, which includes DCLs, ACCs and application fees, are on the higher end, averaging \$104,300 per low-rise unit and \$30,900 per high-rise unit. The study did not account for DCL waivers.
- Vancouver, along with other major cities such as Toronto and Peel, experienced increased out-migration with more young people choosing smaller cities, such as Calgary, Edmonton and Durham.
- The report included a new Housing Outcomes Index, which measured affordability and availability of housing, noting that cities that ranked lower in the benchmark study had worst housing outcomes. However, despite Vancouver's lower ranking in the benchmark study, the City ranked eighth in CHBA's Housing Outcome Index.
- Nation-wide, housing affordability continues to worsen, and housing starts in comparison to population growth have been the lowest since

- 1972. This is especially pronounced in low-rise developments.

Questions & Answers

Why is the indirect costs of building so high?

Despite Vancouver's average permitting processing times being nearly 50% faster than the average across the 23 municipalities in the report, the high cost of construction—driven by factors like rising material prices, labour shortages, and land constraints—continues to make building in the city expensive. While these market forces are out of the City's control, we continue to streamline permitting and modernize our regulations to make it simpler and faster for developments to go from plans to construction.

What has the City done to improve permitting in Vancouver?

The City has been working hard to improve the permitting experience in Vancouver, including through new digital tools that help applicants understand and explore requirements, and check them against their plans. This includes:

- Project Requirements Exploration Tool (PRET): Launched to assist applicants in understanding all regulations and requirements associated with their projects, PRET enables users to determine project feasibility before submission. The initial rollout focuses on laneway homes in R1-1 zones, allowing users to explore and understand regulations and requirements for sites throughout Vancouver.
- eComply: Currently in pilot testing, eComply allows applicants to upload their designs and drawings to verify compliance with city regulations. This allows applicants to identify potential issues early, reducing revisions and expediting the approval process.

Additionally, Vancouver's is undergoing systemic changes to how planning and development works, including policy streamlining, rezoning process improvements, more predictable and economically tested Amenity Cost Charges and city-initiated rezoning. The February 10, 2025 Permitting Improvement Program Update memo to Council contains a fulsome inventory of recent and anticipated near-term permitting and licensing improvements, with associated data (attached here for easy reference).

Why are DCLs and CACs in Vancouver so high according to the report?

It is important to note that the study did not take into account DCL waivers. To encourage more market rental and social housing, these types of developments are eligible for DCL waivers, exemptions and instream protection, helping to support the creation of more affordable and diverse housing options.

Why are DCLs and CACs necessary?

New developments create additional demand for public infrastructure like roads, utilities, parks, and community spaces. CACs and DCLs ensure that growth is supported by the necessary infrastructure and service investments. These contributions help create complete, livable neighbourhoods by ensuring that new development benefits the broader community.

What is the City doing to address DCL and CAC costs?

Given the current market conditions, the City of Vancouver is looking to lessen the impact of development charged. This includes potentially allowing developers to defer DCL payments until a later stage reduces upfront costs, allowing developers to allocate more capital toward construction.

Related links

[CHBA Municipal Benchmarking Study](#)

[Vancouver leads nation in high-rise development charges, says think tank](#)

[Canada Is Building Fewer Homes To Accommodate Population Growth Than Ever Before](#)

[CHBA study reveals housing affordability worsened because of municipal delays](#)

Given this is an evolving issue, we will provide a follow up note if context or messaging requires updates. If you have any questions about the foregoing, please reach out to Angela at angela.mackenzie@vancouver.ca. You are welcome to direct any media inquiries to media@vancouver.ca.

Thanks,

Karen

Karen Levitt, Deputy City Manager
karen.levitt@vancouver.ca

The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x m k y m/Musqueam, S wx\u817_wú7mesh/Squamish and s lilw ta /Tsleil-Waututh nations

MEMORANDUM

February 10, 2025

TO: Mayor and Council

CC: Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Sandra Singh, Deputy City Manager
Katrina Leckovic, City Clerk
Maria Pontikis, Chief Communications Officer, CEC
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Director of Policy, Mayor's Office
Trevor Ford, Chief of Staff, Mayor's Office
Corrie Okell, General Manager, Development, Buildings & Licensing
Josh White, General Manager, Planning, Urban Design and Sustainability
Lon LaClaire, General Manager, Engineering Services

FROM: Paul Mochrie, City Manager

SUBJECT: Permitting Improvement Program Update

RTS #: N/A

This memo provides an update on achievements to date and work underway to improve the City's permitting and licensing processes and customer experience. This memo focuses on activities and achievements since the last Council update on this topic in July 2024.

A. 3-3-3-1 PERMIT APPLICATION PROCESSING TARGETS

The work described in this memo will ultimately advance progress toward Council's June 2023 3-3-3-1 Permit Approval Framework, with the following permit approval time targets:

Target A – Home renovations. Three days to approve home renovation permits (including renovations to accommodate mobility and accessibility-related challenges)

Target B – Detached homes. Three weeks to approve detached homes

Target C – Multi-family and mid-rise projects. Three months to approve permits for professionally designed multi-family and mid-rise projects where existing zoning is already in place

Target D – Highrise and largescale projects. One year to approve permits for high rise and large-scale projects

Appendix 1 of this memo lays out what specific development types are included in each of the target categories. It is noted that in measuring progress against the 3-3-3-1 targets, for Targets A and B, subsets of “simple application” permits are used – comprised of those applications that require relatively straightforward reviews. For Targets C and D, all permit applications currently require more involved reviews, and thus there is no simple permit subset for these. It is intended that as work to improve permitting advances, more permit applications will fall into the “simple application” category.

B. APPLICANT FEEDBACK

Recent feedback from applicants concerning the work the City has done to improve permitting has been extremely positive, and permit processing time trends are showing a downward trajectory. Below is a sample of the feedback the City has recently received concerning permitting improvements.

“I wanted to take a moment to express my gratitude. During a recent pre-production meeting, I was pleasantly surprised by the significant improvement in turnaround time for our permit submission from the city. I know this improvement is the result of significant effort from multiple individuals along with the city's staff. I felt it was important to provide this feedback and extend my gratitude to everyone involved.

– Jake Fry, Smallworks

“...My family and I left Vancouver in 2015 due to the challenges we encountered in acquiring land and navigating the permitting process. At that time, the system was slow, opaque, and burdensome, which created real barriers to growth and development. However, when you and your team came into power, you promised change, and it's clear to us that you have delivered on that promise.

In 2023, we made the decision to return to Vancouver, and we have been truly impressed with the tangible progress your team has made. The permitting process is now far more efficient and transparent, with faster timelines, pro active approach to development, and clearer communication. It is evident that the work your team has done is not only making it easier to develop and invest in the city, but it is also helping Vancouver move toward a more balanced and sustainable housing market.”

– Steve Di Fruscia, Dura

“I just wanted thank you both for coming to the FSABC [Fire Sprinkler Association of British Columbia] meeting yesterday, talking with the contractors afterwards it made a hugely positive impression and there's finally some excitement around Vancouver permits. We'd be happy to have you both, or anyone else from City of Vancouver, at future meetings.”

– Scott Rattray, Introba

C. 2024 PERMITTING TRENDS

Target A: Home renovations (target = 3 days)

Residential Renovation Fast Track

- In 2024 (January to November), a total of 42% of home renovation permits were issued through the Residential Renovation Fast Track stream, with 56% of these processed within 3 days, from application completeness check to permit issuance (this figure excludes applicant response processing time).

All home renovations

- In 2024 (January to November), home renovation permits were issued 57% faster, compared to the same period in 2022.
- Over this time period, median time from application submission to issuance decreased from 51 days to 22 days.
- The above references all home renovation permit applications, including Residential Renovation Fast Track permits.

Target B: Detached homes (target = 3 weeks)

All detached homes

- In 2024 (January to November), detached home permits were issued 38% faster, compared to the same period in 2022.
- Over this time period, median processing time has decreased from 34 weeks to 21 weeks (these figures include both City and applicant processing time).
- The above references both simple and complex permit applications, which are all combined development/building permits.

Standalone laneway homes

- In 2024 (January to November), permits for standalone laneway homes were issued 55% faster, compared to the same period in 2022.
- Over this time period, median processing time from application submission to issuance has decreased from 32 weeks to 13 weeks (these figures include both City and applicant processing time).
- The above references applications that are for standalone laneway homes only, e.g., not applications for a main house and a laneway house combined. All standalone laneway home permits are combined development/building permits.

Target C: Multi-family and mid-rise projects (target = 3 months)

Multi-family and mid-rise projects

- In 2024 (January to November), permits for multi-family and mid-rise developments were issued 22% faster, compared to the same period in 2023.
- Over this time period, median processing time decreased from 18.9 months to 14.7 months (these figures include development permit processing time only, and exclude rezoning and building permit application processing times).
- The above references all multi-family and mid-rise permit applications (including multiplex developments), noting at this time there is no “simple application” subset of this group.

Multiplex development subset

- In 2024 (January to November), 27% of the permits issued within Target C were for multiplex developments.
- For this subset of Target C applications, median processing time was 7.5 months. (figure includes City processing time only, and excludes applicant processing times).

Target D: Highrise and largescale projects (target = one year)

- In 2024, the median negotiation time for Community Amenity Contribution (CAC) agreements were 25% lower, as compared to 2022.
- In 2024 the median negotiating time was 6.0 months, as compared to 8.1 months in 2022.
- The above references all highrise and largescale permit applications, noting at this time there is no “simple application” subset of this group.

D. KEY ACHIEVEMENTS OVER THE PAST SIX MONTHS

Target A: Home renovations

- *Higher trigger for required upgrades.* Over the past twelve months, the City increased the construction value that triggers required upgrades from \$95,000 to \$250,000.
 - This change was made for energy efficiency upgrades, sprinkler upgrades, sewer connection upgrades, and water metering/connection upgrades.
 - This higher trigger threshold means that applicants with smaller projects will avoid the potentially substantial costs of these upgrades, and also that the permit processing times for these projects will be shorter, as fewer review groups are involved.

- An annual inflationary adjustment to upgrade triggers is now in place. For 2025, the trigger will be increased to \$255,000, and will increase annually according to an inflation index each year thereafter.

Target B: Detached homes

- *Faster Engineering Services reviews.* In Q3-2024, new service level agreements were established for building permit reviews undertaken by the Engineering Services department, that articulate maximum time to be taken on each review.
 - Engineering Services currently processes approximately 900 detached home building permits per year.
 - Initial data associated with the first 600 permits applications reviewed with these new standards in place indicate a 60% reduction in Engineering Services' review times.
 - This approach using standard time-bound review targets will be replicated in permit application review groups across other City departments.

Target C: Multi-family and mid-rise projects

- *Better data.* Starting in November 2024, and as a result of a number of system changes, the City now has in place robust data and data analysis systems that can be use to identify and resolve permitting delays in real time. This is a substantial improvement over the data available and data analysis systems in place to date to inform management decisions and troubleshooting.
 - It is estimated this will reduce overall permitting times for multi-family and mid-rise development applications 10% in 2025.

Target D: Highrise and largescale projects

- *Streamlined Form of Development approvals.* The Form of Development approvals have been delegated from City Council to the Director of Planning, and as a result, the City will now be able to issue development permits at least two weeks more quickly.

E. ANTICIPATED ACHIEVEMENTS OVER THE NEXT SIX MONTHS

Target A: Home renovations

- *Streamlined storage space renovations.* Staff will be seeking Council approval to amend the Zoning and Development Bylaw to allow storage spaces in multi-unit residential units to be renovated without requiring the applicant to seek approval from the Board of Variance (noting this work will still require a building permit).
 - If approved, this change will make more permits eligible for processing in three days, and allow the reassignment of two full-time employees to other permit-processing tasks. [Target implementation Q1-2025]

Target B: Detached homes

- *Consolidated application deficiency communications.* The creation of a single deficiency letter and consolidating communication channels for each building permit will mean that applicants will no longer be required to navigate multiple City departments to address application deficiencies.
 - The City issues a “deficiency letter” to a building permit applicant that outlines all aspects of their application that is not yet complete/needs correcting, and must be addressed before the City can process the application.
 - Historical practice has been that an applicant receives a deficiency letter from each review group involved, which means that in the course of addressing these deficiencies, often the applicant is managing several communication channels concurrently.
 - This change will result in a better, more efficient applicant experience, and will also improve the quality of the City’s application tracking data. [Target implementation Q2-2025]
- *Consolidated permits for building demolitions.* The currently sequential (a) salvage and abatement and (b) demolition permits are to be combined into a single permit.
 - A demolition permit is required to take down a building, and a salvage and abatement permit is required to ensure that all demolition activities are undertaken in a safe, responsible and sustainable manner, and that non-hazardous building materials are be recycled or salvaged for reuse, when this option is available.
 - Consolidating these two permits will improve the customer experience by streamlining the application process. [Target implementation Q3-2025]
- *Simplifying height calculations.* Later in 2025 staff will bring forward a referral report to Council recommending changes to height calculations in Vancouver’s R1-1 zones. This change will allow the City to digitize and automate height calculations. [Target implementation Q3-2025]
 - It is estimated that these changes will save approximately 45 minutes of staff time per application across 800 applications, equating to 600 person-hours per year.

Target C: Multi-family and mid-rise projects

- *Streamlined multiplex permitting.* Staff are creating a new purpose-specific permitting stream for multiplex applications, combining development permits and building permits into a single permit application. [Target implementation Q1-2025]
 - It is anticipated that this new permit stream will reduce end-to-end multiplex permit application processing times by up to 50%.
 - This change will be phased in, with approximately one third of multiplex applications eligible for this permit stream at the outset, and more applications eligible over time.

- *Permit application online portal.* The Permit Requirements Exploration Tool (PRET) will soon be launched for multiplex permit applicants. [Target implementation Q2-2025]
 - PRET is a user-friendly online tool that allows applicants to understand their submission requirements, apply for their permit online, and communicate with City staff concerning their application through the portal.
 - In addition to a significantly improved applicant experience, it is anticipated that PRET will improve the quality of permit applications, which ultimately means fewer review cycles and back-and-forth communications between the City and the applicant, resulting in significantly faster application processing times, and less staff time spent on each permit application review.

Target D: Highrise and largescale projects

- *Enabling pre-zoning.* The implementation of the recent changes to the Vancouver Charter that are the result of new provincial regulations will allow for more pre-zoning, in most cases eliminating the need for rezonings where they are currently required. [Implementation will take 24-36 months, with work initiating in the first half of 2025]
 - Currently, a rezoning application is required when (a) a new zoning district is created to allow for certain uses and forms of development on specific sites (termed a CD-1 district), (b) a site's or an area's zoning is changed from one district to another, or (c) a minor change is made to an existing zoning regulation.
 - In 2023, the Province announced several pieces of legislation concerning land development aimed at building more homes faster, shaping growth around transit hubs, and reducing permit processing times. These changes will allow the City to move to pre-zoning, meaning the proactive establishment of wholesale zoning rules for certain areas. This will allow applicants to apply for development permits directly, without needing to go through an individual rezoning process.
 - Because many of the City's policy requirements are currently secured through rezoning requirements, the move to pre-zoning will mean that in the future, these requirements will have to be secured via development permits.
 - The elimination of rezoning application will result in more complex development permit application processes, but at the same time, result in reduced end-to-end application processes.

F. BUSINESS LICENSING IMPROVEMENTS

In June 2023, staff launched a digital business license application portal which has replaced the legacy system of pdf application forms and manual information processing. This new system has empowered customers to submit, pay, track progress, and interact with staff online – greatly increasing both the efficiency and transparency of the application process.

This change has resulted in very substantial improvements to both the customer experience and the overall efficiency of the City's business licensing system. Key achievements include:

1. *Much faster application processing.* 86% of license renewals are now processed online, and median processing times have decreased by 90%.
2. *Simplified regulatory framework.* Reduced the number of business license categories from nearly 600 to under 100, resulting in a more simplified review process.
3. *More business licenses.* Increased the number of issued licenses by nearly 10%.
4. *A better applicant experience.* Achieved an 80% customer satisfaction rate in a survey of recent business license applicants.

G. NEXT STEPS

With the 3-3-3-1 permitting targets as an organising framework, over the past two years staff have made some substantial progress in responding to Council's direction to improve land use permitting.

Improving and in places transforming the City's land use permitting application process is complex, difficult work – the issues to be addressed have multiple root causes, and there are many interdependencies and connections among various elements of the overall system.

In many cases, substantial foundational work must be done before the public sees any change to service levels. For example, building digital systems, digitizing regulations, improving datasets, reviewing and amending policies and regulations, training staff, and shifting workplace culture. As laid out in this memo, with some of this foundational work now completed for 3-3-3-1 Targets A and B (home renovations and detached homes), we are now seeing substantial permit processing time reductions, and work will continue to further reduce processing times for these permit streams.

Foundational work underlying progress against Targets C and D (multi-family/mid-rise developments and highrise/largescale developments) is now well underway. As these permit streams are more complex, so too is the required work to speed up/simplify them. This work is well underway, and staff will report back to Council mid-2025 with another progress update.

Paul Mochrie
City Manager

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APPENDIX 1
DEVELOPMENT TYPES INCLUDED IN EACH OF THE
3-3-3-1 PERMIT APPLICATION PROCESSING TARGETS

Target A – Home renovations

- Definition: Includes all home renovation permit applications, as well as new accessory buildings
- Housing Types: All housing types
- Application types included in performance tracking against 3-3-3-1 targets: “Simple applications,” defined as home renovation permits that meet the criteria for the Residential Renovation Fast Track Stream

Target B - Detached homes

- Definition: Includes new buildings below three storeys, with a maximum of two principal dwelling units
- Housing Types: Duplex, Infill, Infill Duplex, Infill Single Detached House, Infill Two Family Dwelling, Single House Detached, Laneway House, Lock OP Unit, Secondary Suite, Principal Dwelling Unit with Lock-Off Unit, Single Detached House with Secondary Suite
- Application types included in performance tracking against 3-3-3-1 targets: Standalone laneway houses, noting that other forms of detached houses will be added on the near horizon

Target C. Multi-family and mid-rise projects

- Definition: Includes new buildings between 3 and 12 storeys, up to 485,000 sq ft floor area or 2 acres site area, with three or more principal dwelling units
- Housing Types: Triplex, Multiplex, Rooming house, Freehold Rowhouse, Town house, Apartment, Short-Term Modular Housing, Infill Multiple Dwelling, Multiple Dwelling, Mixed Use Residential Building (previously called Dwelling Unit with Other Use), Dwelling Unit, Residential Unit Associated with an Artist Studio, Seniors Supportive/ Assisted Housing, Micro Dwelling
- Application types included in performance tracking against 3-3-3-1 targets: All application types

Target D. Highrise and largescale projects

- Definition: Includes new buildings above twelve storeys, or larger than 485,000 sq ft floor area
- Housing Types: Roaming House, Freehold Rowhouse, Townhouse, Apartment, Multiple Dwelling, Mixed-Use Residential Building (previously called Dwelling Unit with Other Use), Dwelling Unit, Residential Unit Associated with an Artist Studio, Senior Supportive/ Assisted Housing
- Application types included in performance tracking against 3-3-3-1 targets: All application types