

2026 Budget Notes

Toronto Building

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Description

Toronto Building enforces provincial and municipal building regulations and bylaws, where Toronto Building's primary responsibilities are established through the *Building Code Act*, such as reviewing and issuing building permits and conducting mandatory inspections of construction/demolition to verify that work is in compliance with the Building Code and building permits. To align with the legislated *Building Code Act* reporting requirements, additional information on Toronto Building's 2026 Operating Budget and Building Permit Fees can be found in the 2026 Operating Budget Briefing Note: Toronto Building – Building Permit Fees.

In addition to the roles and responsibilities prescribed by the *Building Code Act*, the Program administers and enforces the City of Toronto Sign Bylaw and other applicable law. Applicable law is a term used to describe all of the regulations and municipal bylaws, which a project must comply with in order for a permit to be issued.

Why We Do It

Buildings in Toronto are constructed to be safe, accessible, and sustainable through compliance with the Ontario Building Code.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

For further information about Toronto Building, please visit: <https://www.toronto.ca/city-government/accountability-operations-customer-service/city-administration/staff-directory-divisions-and-customer-service/toronto-building/>

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What Service We Provide

Building Permission & Information

Who We Serve: Agent, Applicant, Architect / Firm, Builder and Organization, Business, Complainant, Consultant, Contravener, Designer Firm/Professional, Developer, Engineer, Lawyer, Licensee, Mayor & City Council, Government Agencies, Operator, Owner's Agent, Police, Property Owner, Ratepayers, Sign Owner, Staff - City Divisions, Surveyor, Tenant.

What We Deliver: Preliminary Plan Review, Building Permit Issuance, Building Record Information Provision.

Resources (2026 gross operating budget): \$53.2 million

Building Compliance

Who We Serve: Building User or Occupant, Property Owner, Agent, Contractor, Design Professional, Sign Owner, Developer, City Divisions, Mayor & City Council.

What We Deliver: Building Inspection, Building Enforcement.

Resources (2026 gross operating budget): \$48.9 million

Budget at a Glance

2026 OPERATING BUDGET

In \$ Millions	2026	2027	2028
Revenues	\$117.5	\$123.1	\$125.8
Gross Expenditures	\$102.1	\$107.7	\$110.4
Net Expenditures	(\$15.4)	(\$15.4)	(\$15.4)
Approved Positions	643.0	657.0	657.0

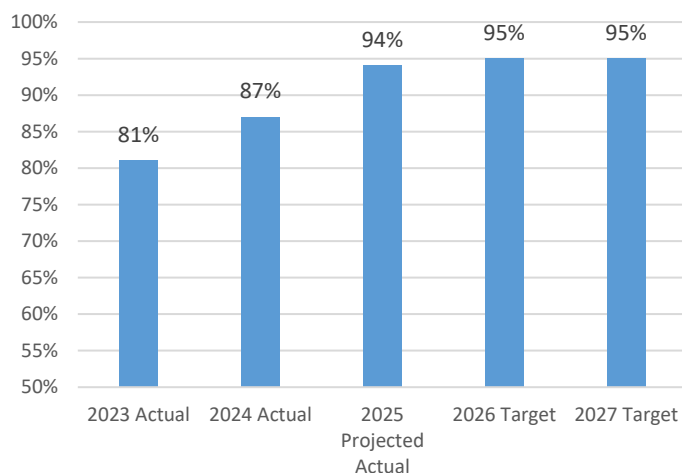
2026-2035 10-YEAR CAPITAL PLAN

In \$ Millions	2026	2027-2035	Total
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Toronto Building does not have a 10-Year Capital Budget and Plan.

How Well We Are Doing – Behind the Numbers

% complete permit applications reviewed within time frames

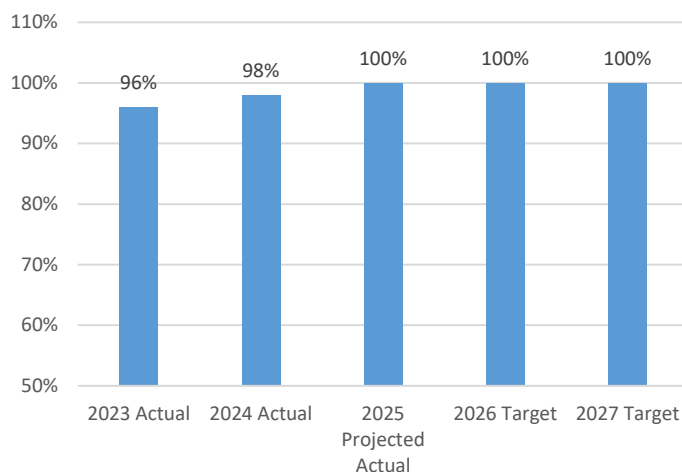


Toronto Building has faced challenges in meeting its target mostly attributed to:

- **Increasing application volumes and application complexity.** The complexity of buildings and building sites has also been increasing, compounding the workload impacts of high application volumes.
- **Staff Turnover and Hiring** – Continued implementation of new positions and hiring strategies, however turnover and vacancy rates in core areas presents challenges in meeting time frames.

Organizational Transformation – Additional staff resources and new service delivery model are expected to yield further improvements in meeting service demands. Express services program has led to more efficient review of complete applications within program scope.

% of Emergency requests responded to within 24 hours



The Division has improved its ability to respond to emergency complaints and take immediate action where appropriate if an unsafe order is required. The recent addition of new resources has led to faster response times. The division further aims to address the following to maintain 100% response time:

- **Modernizing technology systems** – Response times and performance can be maintained and improved further by modernizing core technology platforms and reducing the administrative workload to free up additional inspector capacity.
- **Staff Turnover and Hiring** – Staff turnover and challenges filling vacant inspector positions continues to impact response times in all service areas.
- **Organizational Transformation** – Additional staff resources and new service delivery model expected to yield improvements in meeting service demands.

How Well We Are Doing

Service	Service Measure	2024 Actual	2025 Target	2025 Projection	2026 Target	2027 Target
Outcome Measures						
Building Permission and Information	% complete permit applications reviewed within legislated time frames (10 days - 30 days)	87%	95%	94%	95%	95%
Building Permission and Information	# building permits issued	36,887	40,000	38,000	37,000	38,000
Building Compliance	% reports of construction w/o permit responded to within 2 days	85%	88%	90%	95%	95%
Building Compliance	# reports of construction w/o permit responded	3,438	3,300	3,300	3,300	3,300
Building Compliance	% of emergency requests responded to within 24 hours	98%	100%	100%	100%	100%
Building Compliance	# of emergency requests responded to	41	75	60	75	75

Service	Service Measure	2024 Actual	2025 Target	2025 Projection	2026 Target	2027 Target
Service Level Measures						
Building Permission and Information	Express Services: Number of residential permits reviewed within 3 days*	90%	90%	95%	95%	95%
Building Permission and Information	Express Services: Number of commercial permits reviewed within 3 days*	91%	90%	95%	95%	95%
Building Permission and Information	Express Services: # of sign permits completed within 3 days*	92%	90%	95%	95%	95%
Building Permission and Information	% preliminary zoning reviews completed within service standard (10 days to 30 days)	79%	85%	87%	90%	90%
Building Permission and Information	# preliminary zoning reviews completed	4,459	4,000	4,000	4,000	4,000
Building Compliance	% building inspections conducted within 2 days	92%	94%	95%	95%	95%
Building Compliance	# building inspections conducted	167,642	160,000	160,000	162,000	165,000

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Accelerated approvals through the new client-focused organizational structure and service delivery model that streamlined processes and improved efficiency.
- Expansion of the Reliance on Professional Engineer's Seal Program for houses and small residential projects has improved efficiency, reduced average permit review times by six days (a 60 percent improvement) and supported faster housing delivery across the City.
- Introduced pre-approved building plans for garden and laneway suites, available at no cost, helping applicants save time and reduce design costs while speeding up housing delivery in existing neighborhoods.
- Enhanced online services to enable self-service submissions for building permit applications, including secondary suites, multiplexes, and laneway and garden suites, reducing manual handling and allowing reviews to start sooner.
- Launched the Rental Renovation Licence program to address renovictions, protect tenants from bad faith evictions, preserve affordable rental housing, and ensure a fair process for landlords to complete necessary work while respecting tenant rights.
- Between 2022 and 2025, efforts to identify savings have resulted in approximately \$3.399 million in cumulative savings, efficiencies and cost-avoidance.

Key Challenges and Risks

- **Organizational Transformation** - Insufficient organizational capacity, operational flexibility, and resilience to accelerate permit reviews and approvals may hinder the advancement of housing initiatives and Council-directed priorities, such as affordable housing and Expanding Housing Options in Neighbourhoods (EHON).
- **Recruitment and Retention** - Inadequate attention to assessing staff resources and implementing strategic recruitment and retention initiatives could compromise workforce stability. Insufficient capacity may result in delays meeting service demands, sustaining existing programs, and supporting new initiatives.
- **Training and Development** – Lack of attention to succession planning and enhanced training programs focused on mandatory qualifications and continuous professional growth may lead to decreased workforce engagement and expertise. This could result in skill gaps, reduced organizational capacity, and challenges in maintaining compliance and service quality over time.
- **Fiscal Responsibility** – Unstable economic conditions and slowdown in large-scale construction activity presents challenges that could negatively impact financial resilience.
- **Modernization** - Delays in technology modernization efforts may limit operational efficiency, hinder service delivery, and reduce the Division's ability to meet evolving client and industry expectations.

Priority Actions

- **Organizational Transformation** - Strengthen organizational capacity, operational flexibility, and resiliency to accelerate permit reviews and approvals. These actions will advance housing initiatives and Council-directed priorities such as affordable housing and Expanding Housing Options in Neighbourhoods (EHON), including garden suites, laneway houses, and multiplexes.
- **Recruitment and Retention** - Support long-term workforce stability by continuously assessing staffing needs to meet service demands and sustain existing and emerging programs. Implement strategic recruitment and retention initiatives to address current vacancies and future resource requirements.
- **Training and Development** - Enhance workforce engagement and expertise through succession planning and expanded training programs focused on mandatory qualifications and continuous professional development.
- **Fiscal Responsibility** - Proactively manage market risks, control costs, and apply mitigation strategies such as using established reserve funds as a contingency measure. These actions will maintain full-cost recovery during economic slowdowns and ensure financial resilience and long-term service continuity.
- **Modernization** - Accelerate implementation of technology improvements and replace aging systems to achieve operational efficiencies and improve service delivery. Modernization is critical to meeting client expectations and supporting the Division's evolving needs.

CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2026 Operating Budget for Toronto Building of \$102.112 million gross, \$117.474 million revenue and (\$15.362) million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Building Permission and Information	53,233.6	63,352.2	(10,118.6)
Building Compliance	48,878.5	54,122.3	(5,243.8)
Total Program Budget	102,112.1	117,474.5	(15,362.4)

- The 2026 staff complement for Toronto Building comprised of 643.0 operating positions.

**2026
OPERATING BUDGET**

2026 OPERATING BUDGET OVERVIEW

Table 1: 2026 Operating Budget by Service

(In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Base Budget	2026 New/Enhanced	2026 Budget	Change vs. 2025 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Building Permission & Information	54,779.8	57,783.3	51,564.2	63,352.2		63,352.2	5,568.9	9.6%
Building Compliance	44,607.4	49,653.5	43,746.2	54,122.3		54,122.3	4,468.8	9.0%
Total Revenues	99,387.2	107,436.8	95,310.4	117,474.5		117,474.5	10,037.7	9.3%
Gross Expenditures								
Building Permission & Information	36,274.6	50,056.7	60,478.2	53,233.6		53,233.6	3,176.9	6.3%
Building Compliance	31,008.9	41,613.7	19,065.7	48,878.5		48,878.5	7,264.8	17.5%
Total Gross Expenditures	67,283.4	91,670.4	79,544.0	102,112.1		102,112.1	10,441.7	11.4%
Net Expenditures	(32,103.8)	(15,766.4)	(15,766.4)	(15,362.4)		(15,362.4)	404.0	(2.6%)
Approved Positions**	572.0	641.0	N/A	643.0		643.0	2.0	0.3%

*2025 Projection based on 9-Month Variance

**Year-over-year comparison based on approved positions

KEY DRIVERS

Total 2026 Budget expenditures of \$102.112 million gross reflect an increase of \$10.442 million in spending above the 2025 Budget, predominantly arising from:

- Salary and benefits adjustments for existing positions that contribute to the following improvements:
 - Streamline processes, accelerate approvals, and support faster housing delivery through client centric organizational structure, service delivery to yield improvements in meeting service demands, and support expanded Reliance on Professional Engineer's Seal Program for houses and small residential projects.
 - Strengthen resubmissions and permit revisions services and expand the Pre-Approved Plans Program to include four-plex and six-plex homes, building on existing pre-approved designs for garden and laneway suites.
- Operating costs associated with technology investments to support innovation and modernization through Artificial Intelligence, Enhanced Online Services and Integrated Business Management System upgrade projects.

EQUITY IMPACTS OF BUDGET CHANGES

Medium positive equity impacts: The changes in Toronto Building's 2026 Operating Budget is medium positive. The budget maintains funding to support Indigenous, Black, and other equity-deserving communities through strengthening engagement with community organizations, enhancing outreach, and improving accessibility by providing information in multiple languages.

Toronto Building continues to lead a public education campaign about tenant supports and landlord obligations under the Rental Renovation Licence Bylaw. Renovictions disproportionately affect low-income and marginalized residents, particularly those from equity-deserving communities who face greater challenges securing stable, affordable housing.

2026 OPERATING BUDGET KEY COST DRIVERS

The 2026 Net Operating Budget for Toronto Building of (\$15.362) million is \$0.404 million, 2.6% lower than the 2025 Net Budget. Table 2 below summarizes the key cost drivers for the 2026 Budget.

Table 2: 2026 Key Cost Drivers

(In \$000s)	2026				2027 Annualized Impact (Net)
	Revenues	Gross Expenditures	Net Expenditures	Positions**	
2025 Projection*	95,310.4	79,544.0	(15,766.4)	N/A	N/A
2025 Budget	107,436.8	91,670.4	(15,766.4)	641.0	N/A
Key Cost Drivers:					
Salaries and Benefits					
Salaries and Benefits Changes		9,250.8	9,250.8		3,686.8
Revenue Changes					
Toronto Building Fiscal Strategy	6,503.2		(6,503.2)		
Permit Fees - Inflation Adjustment (4.0%)	3,078.5		(3,078.5)		(3,986.2)
Rental Renovation License Fee (half year impact)	56.0		(56.0)		
Other Changes					
Inter-Divisional Charges (Including IBMS License Costs)		568.1	568.1		18.5
Additional IT Expenses (Including ePlan License Costs)		425.1	425.1		
Insurance Contribution Adjustment		14.5	14.5		
Building Code Compliant Design Services	400.0	400.0			
Organizational Transformation - Advancing Housing Targets		(16.8)	(16.8)	2.0	280.9
Rental Renovation License Program - Communication		(200.0)	(200.0)		
Sub Total Key Cost Drivers	10,037.7	10,441.7	404.0	2.0	0.0
Affordability Measures					
Total 2026 Base Budget	117,474.5	102,112.1	(15,362.4)	643.0	0.0
2026 New/Enhanced					
2026 Budget	117,474.5	102,112.1	(15,362.4)	643.0	0.0
Change from 2025 Budget (\$)	10,037.7	10,441.7	404.0	2.0	N/A
Change from 2025 Budget (%)	9.3%	11.4%	(2.6%)	0.3%	N/A

*Based on 9-Month Variance

**Year-over-year comparison based on approved positions

Key Base Drivers:**Salaries and Benefits:**

- Salaries and benefits adjustment of \$9.251 million net which includes inflationary increases due to contractual obligations and annualization impacts of 55 new positions as part of the Council approved 2025 operating budget for client-centric organizational transformation, and 14 positions for the Rental Renovation Licence Bylaw program approved by City Council ([PH16.4](#)) added in 2025 Budget process.

Revenue Changes:

- Increase in draw from the Building Code Service Improvement Reserve Fund (XR1305) for existing reserve-funded positions and service improvements implemented as part of the new client-centric organizational structure and service delivery model.
- Inflationary adjustments to permit fees to maintain full cost recovery for resources required to deliver services.
- Incremental use fee revenues associated with the administration and enforcement of the Rental Renovation License program.

Other Changes:

- Operating costs for software licenses for Amanda 7.0 and ePlanSoft markup tool, required as part of the Integrated Business Management System (IBMS) upgrade undertaken through the Community Development and Regulatory Licensing (CDRL) System Modernization Capital Project.
- Increases in contribution to corporate insurance reserve required as a contingency for liability, property, and other insured risks.
- Engaging architectural design services to develop high-quality, code-compliant plans for four-unit and six-unit homes. These designs will support permit applications under the Building Code Act, making it easier and faster to add new housing in established neighborhoods and removing barriers for small-scale developers and residents.
- Addition of two net new positions to support service levels increases and expedited permit approvals for the recently expanded Reliance on Professional Engineer's Seal Program for houses and small residential projects, fully recovered from user fees and permits.
- Reduction in education and communication strategy costs related to Rental Renovation Licence Bylaw program approved by City Council ([PH16.4](#)).

2027 AND 2028 OUTLOOK**Table 5: 2027 and 2028 Outlook**

(In \$000s)	2026 Budget	2027 Incremental Outlook	2028 Incremental Outlook
Revenues			
Revenue Changes		3,986.2	2,605.0
Organization Transformation		2,000.0	144.7
Building Code Compliant Design Services		(400.0)	
Total Revenues	117,474.5	5,586.2	2,749.7
Gross Expenditures			
Salaries and Benefits Changes		3,686.8	2,591.9
Organization Transformation		2,280.9	144.7
Inter-Divisional Charges		18.5	13.1
Building Code Compliant Design Services		(400.0)	
Total Gross Expenditures	102,112.1	5,586.2	2,749.7
Net Expenditures	(15,362.4)		
Approved Positions	643.0	14.0	0.0

Key Outlook Drivers

The 2027 Outlook with total gross expenditures of \$107.698 million reflects an anticipated \$5.586 million or 5.2% increase in gross expenditures above the 2026 Operating Budget. The 2028 Outlook expects a further increase of \$2.750 million or 2.6% above the 2027 Outlook.

These changes arise from the following:

- **Salaries and Benefits:** Inflationary increases and an additional 14 new positions in 2027 as part of the ongoing organizational transformation to realize service improvements.
- **Revenue Changes:** Inflationary increase to building permit revenues to fully offset increases in salaries and benefits to maintain full cost recovery.
- **Building Code Compliant Design Services:** Reduced gross expenditure and revenue due to the reversal of one-time building code compliant design service budget added in 2026.

APPENDICES

Appendix 1

2026 Operating Budget by Category

Category (In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Budget	2026 Change from 2025 Budget	
	\$	\$	\$	\$	\$	%
User Fees and Donations	81,771.6	80,778.2	73,815.8	84,738.1	3,959.8	4.9%
Contribution From Reserves/Reserve Funds	16,689.3	23,248.7	20,032.1	29,421.9	6,173.1	26.6%
Sundry and Other Revenues	926.3	3,409.8	1,462.4	3,314.5	(95.3)	(2.8%)
Total Revenues	99,387.2	107,436.8	95,310.4	117,474.5	10,037.7	9.3%
Salaries and Benefits	64,437.0	84,625.9	74,327.7	93,859.9	9,234.0	10.9%
Materials and Supplies	77.3	128.1	53.5	128.1		
Equipment	209.4	1,170.4	339.0	1,552.6	382.3	32.7%
Service and Rent	935.0	2,527.1	1,604.8	2,770.0	242.8	9.6%
Contribution To Reserves/Reserve Funds	980.6	1,050.3	1,050.3	1,064.8	14.5	1.4%
Other Expenditures	644.1	665.8	665.8	665.8		
Inter-Divisional Charges		1,502.8	1,502.8	2,070.9	568.1	37.8%
Total Gross Expenditures	67,283.4	91,670.4	79,544.0	102,112.1	10,441.7	11.4%
Net Expenditures	(32,103.8)	(15,766.4)	(15,766.4)	(15,362.4)	404.0	(2.6%)

*Projection based on 9-Month Variance

Appendix 2

Summary of 2026 Service Changes

N/A

Appendix 3

Summary of 2026 New/Enhanced Requests Included in Budget

N/A

Appendix 4a

Operating Program Provincial/Federal Funding Streams by Program

N/A

Appendix 4b

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 5

2026 Capital Budget; 2027-2035 Capital Plan Including Carry Forward

N/A

Appendix 5a

2026 Cash Flow and Future Year Commitments Including Carry Forward

N/A

Appendix 5b

2027-2035 Capital Plan Including Carry Forward

N/A

Appendix 6

Capacity to Deliver Review

N/A

Appendix 7

Summary of Capital Delivery Constraints

N/A

Appendix 8

Inflows and Outflows to/from Reserves and Reserve Funds

2026 Operating Budget

Program Specific Reserve/Reserve Funds

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
XR1305 (\$000)	Building Code Act RF	Opening Balance	228,611.9	198,619.5	166,896.1
		*Contributions (+)			
		Total Contributions	0.0	0.0	0.0
		*Withdrawals (-)			
		Operating Budget			
		<i>Policy, Planning, Finance & Administration</i>	<i>-250.0</i>	<i>-250.0</i>	<i>-250.0</i>
		<i>Technology Services</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
		<i>Toronto Building</i>	<i>-29,421.9</i>	<i>-31,021.9</i>	<i>-31,166.6</i>
		Sub-Total Operating Withdrawals	-29,671.9	-31,271.9	-31,416.6
		Capital Budget and Plan			
		<i>Technology Services</i>	<i>-2,446.0</i>	<i>-2,270.0</i>	<i>0.0</i>
		Sub-Total Capital Budget and Plan Withdrawals	-2,446.0	-2,270.0	0.0
		Total Withdrawals	-32,117.9	-33,541.9	-31,416.6
		<i>Interest Income</i>	<i>2,125.5</i>	<i>1,818.5</i>	<i>1,511.9</i>
		Closing Balance	198,619.5	166,896.1	136,991.4

Appendix 9

Glossary

Approved Position: Permanent or temporary position that support the delivery of City services and service levels in annual budget.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Deliver Ability to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget and Plan: A Capital Budget and Plan is the City's 10-year strategy to acquire/build assets or extend the useful lives of existing assets. The Capital Budget is the first year of approved cash flows and future year's commitments and the remaining nine years include project estimates.

Capital Delivery Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency has the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New/Enhanced Service Priorities: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provide services.

Operating Impact of Completed Capital Projects: The Operating Budget Impact of Capital is the change in operating expenditure and/or revenue, which is projected to occur during the implementation of a capital project and/or when a capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.

Rate-Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority.

Salary and Benefit Adjustments: General increases related to contractual obligations, such as cost of living, step increases, pay for performance and progression pay.

State of Good Repair (SOGR): The cost of maintaining assets to ensure that they can support the delivery of City services and meet service outcomes.

Tax-Supported Budget: Budget funded by property taxes.

User Fees: Includes all program-generated fees and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).