Open for Business

Canada's 2026 Municipal Report Card

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Executive summary

As the level of government with the greatest impact on the day-to-day operations of small businesses, municipalities play a vital role in fostering a robust local economic climate. However, small business owners express lower levels of confidence in their municipal governments than any other level of government, with only 22% believing that their municipal government is looking out for their interests.[1]

CFIB's Municipal Report Card compares 66 municipalities across Canada with the aim of identifying the most effective municipality at attracting and supporting small business growth. This report relies on 11 indicators grouped into **three core categories**, each representing a distinct aspect of the business environment: **cost burden, regulatory burden,** and **small business friendliness.**

In this first edition of the CFIB Municipal Report Card, the highest score awarded to any municipality is 7.33, corresponding to a grade of C+. The lowest overall score is 2.57, which translates to a grade of F. Across all 66 municipalities evaluated, the mean score is 4.79 and the median score is 4.82 (i.e., a grade of F), indicating that most municipalities fall near the midpoint of the grading distribution and are failing.

Of the 66 municipalities evaluated, 39 received a grade of F, indicating that their performance is unsatisfactory. An additional 18 municipalities received a grade of D, reflecting performance that is below satisfactory. Five municipalities earned a grade of C-, three received a C, and only one earned a C+, which represent municipalities with satisfactory performance (see Appendix A for an explanation of the grading system used).

Overall, 59% of the municipalities evaluated in the report card failed at fostering local conditions that attract new entrepreneurs and help existing businesses thrive. We strongly encourage every municipality to take concrete action to create a better environment for businesses, regardless of the grade received.

[1] CFIB, Your Voice Survey, April 2026, n = 1,576. https://www.cfib-fcei.ca/en/research-economic-analysis/your-voice-omnibus-survey-on-small-business-issues

Report highlights

Table 1
Top 10 scores, overall

	Municipality	Cost Burden	Regulatory Burden	Small Business Friendliness	Total Score	Grade
1	Red Deer (AB)	5.6	9.5	6.5	**7.33**	**C+**
2	Saskatoon (SK)	8.7	5.5	6.5	**7.00**	**C**
3	Strathcona County (AB)	6.2	7.0	6.5	**6.59**	**C**
4	Toronto (ON)	8.1	5.0	6.7	**6.57**	**C**
5	Ottawa (ON)	8.4	5.0	5.7	**6.51**	**C-**
6	Oshawa (ON)	8.0	5.0	6.5	**6.50**	**C-**
7	Brampton (ON)	7.0	5.5	6.5	**6.29**	**C-**
8	Markham (ON)	8.1	4.0	6.5	**6.13**	**C-**
9	Waterloo (ON)	5.9	6.0	6.5	**6.07**	**C-**
10	Kitchener (ON)	5.9	5.5	6.5	**5.85**	**D**

Note: Each section is scored out of 10, where 10 is the highest score and 0 is the lowest score.

This year, of the 66 municipalities evaluated, 39 received a grade of F, indicating that their performance is unsatisfactory in the outlined categories (see Appendix A for the full Overall Ranking List). This means that more than half of the municipalities evaluated in the report card failed at fostering local conditions that attract new entrepreneurs and help existing businesses thrive.

Canada's most competitive municipality for attracting and supporting business growth is Red Deer, followed by Saskatoon and Strathcona County in second and third place. While only achieving a grade of C+, Red Deer stood out from the other municipalities studied in this report thanks to its above-average tax fairness ratio, a low permitting burden—reflected in the small number of permits required to start, operate, and maintain a business—and, notably, a red tape feedback portal, a feature only two municipalities in the country offer.

Introduction

No level of government has a greater impact on the day-to-day operations of a small business than municipal governments. From property taxes and licensing to broader regulatory conditions, municipal governments have a role to play in creating a landscape for businesses to thrive, not just survive.

Small and medium-sized enterprises (SMEs) are facing one of the most challenging business environments in decades. Unfairly high property tax rates when compared with residential properties, burdensome permitting processes, and poorly designed business resources are all contributing to Canada's entrepreneurial drought, defined as a four-quarter period where the average number of business closures exceeds the average number of business start-ups, resulting in a sustained net loss of entrepreneurial strength.[2]

Reversing this trend is paramount, as fewer business owners feel confident about the state of entrepreneurship in Canada.[3] Over half (55%) of business owners do not recommend starting a business.[4] The state of SMEs' optimism reflects the broader pressure Canada is facing, where new business creation has slowed and more entrepreneurs are questioning whether the environment is supportive enough to succeed. It underscores the need to better understand how municipal governments can foster local conditions that attract new entrepreneurs and help existing businesses thrive.

"Municipal governments should encourage and support business rather than having a 'you can't do that' attitude."

– Small business, BC

Between 2008 and 2018, CFIB released an annual report that looked at cities across the nation, identifying the most competitive municipality in Canada for attracting and supporting business growth. CFIB's municipal report returns in 2026 in the form of a report card grading 66 municipalities across the country, evaluating how effectively they create the conditions for entrepreneurial success.

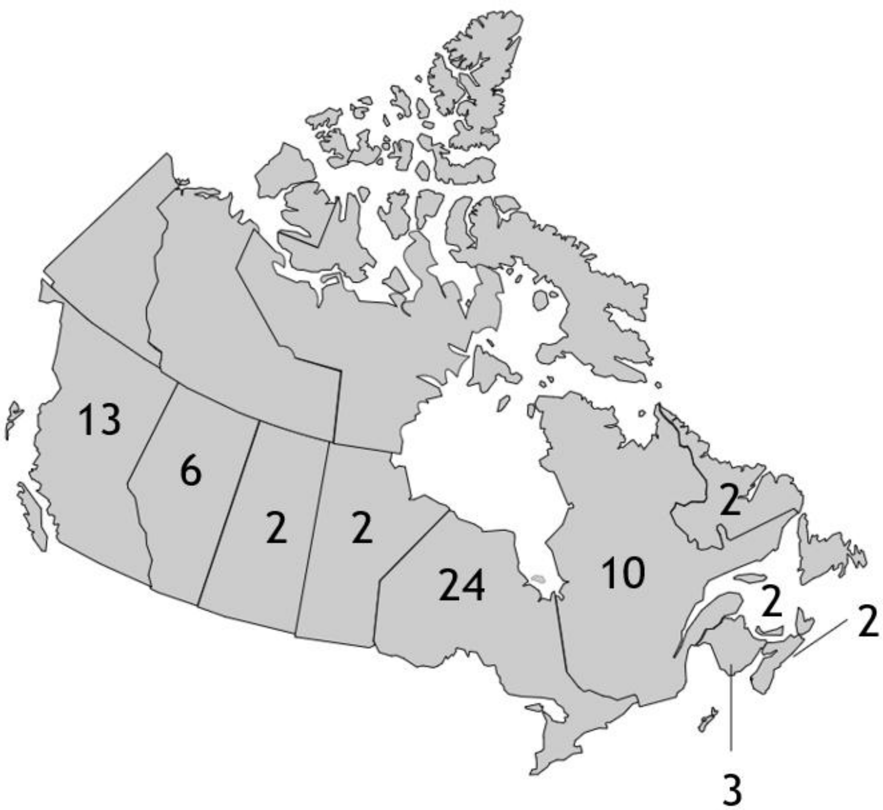
[2] For more info: https://www.cfib-fcei.ca/en/site/canadas-entrepreneurial-drought
[3] CFIB, Monthly Business Barometer®. https://www.cfib-fcei.ca/en/research-economic-analysis/business-barometer
[4] CFIB, Your Voice Survey, October 2025, n = 2,548. https://www.cfib-fcei.ca/en/research-economic-analysis/your-voice-omnibus-survey-on-small-business-issues

Our approach

Municipalities

For this report card, we selected indicators based on the entrepreneurial characteristics of 66 Canadian municipalities in 2025 (data collected up to December 31, 2025). Municipalities were chosen based on their status as a census metropolitan area (CMA) in Statistics Canada’s dataset (Figure 1). To ensure geographic representation, the second-biggest municipality in provinces with only one CMA was also included. In the case of Prince Edward Island, which has no CMAs, the two largest cities were selected. Finally, when a CMA was composed of multiple municipalities, only those with more than 5% of the CMA’s total population were included. The full rationale can be found in Appendix C.

Figure 1
Map of the selected municipalities



Categories and indicators: High-level overview

To assess the overall entrepreneurial friendliness of municipalities, this report relies on three core categories, each representing a distinct aspect of the business environment:

40%	40%	20%
Cost Burden	Regulatory Burden	Small Business Friendliness

Each category was weighted according to its relative impact on SMEs based on CFIB data, reflecting both the direct and indirect costs that municipal policies and practices can have on business operations. Each category was further broken down into indicators to analyze how municipalities were working towards improving the small business environment, specifically within each core category. Each indicator was also weighted according to its importance for small businesses (see Table 2 and Appendix C). To determine these weights, we analyzed five different CFIB municipal surveys.[5,6,7,8,9]

The weighting of the categories and indicators is grounded in survey evidence showing that property taxation is the most significant municipal issue affecting businesses, followed by regulatory burden. Across all regions surveyed, a clear majority of businesses identified property taxes as their top concern, with results ranging from 58 to 73%, while a substantial share (34–62%) pointed to red tape as a major challenge. This strong and consistent pattern justifies assigning the greatest weight to the tax fairness ratio (50% of its category), supported by complementary measures such as property tax relief and operating spending growth. Similarly, components related to red tape are weighted to reflect both its importance and its multidimensional nature, with particular emphasis on permitting burden as the most direct and impactful constraint on business activity.

In contrast, construction mitigation and broader business support measures receive more moderate weighting, reflecting their comparatively lower prioritization in the survey data. Although still significant, fewer respondents identified construction disruptions as a top concern. This likely reflects the fact that, unlike property taxes, construction does not affect all businesses simultaneously. However, its impact can be considerable. Supporting elements such as business-focused municipal websites and budget transparency are included to capture enabling conditions for business success, especially given evidence that many businesses

[5] CFIB, Quebec Municipal Field Survey – September 2025, n = 793.
[6] CFIB, Atlantic Municipal Survey – June 2025, n = 185.
[7] CFIB, Atlantic Municipal Issues Survey – July 2024, n = 238.
[8] CFIB, Ontario Municipal Elections Flash Survey – October 2022, n = 1,309.
[9] CFIB, Alberta Municipal Survey – June 2021, n = 839.

struggle to access municipal information. Overall, the weighting approach ensures that indicators align closely with business priorities by emphasizing issues with the greatest demonstrated impact, while still preserving a balanced evaluation of municipal performance.

Table 2
Overview of the categories and indicators

Cost Burden (40%)		
Tax fairness ratio (50%)	Property tax relief measures (25%)	Operating spending growth (25%)

Regulatory Burden (40%)				
Digital permitting (20%)	Permitting burden (30%)	Publicly available permit timelines (20%)	Dedicated red tape feedback portal (25%)	Updated BizPaL (5%)

Small Business Friendliness (20%)		
Construction mitigation measures (50%)	Business-focused municipal website (25%)	Budget transparency (25%)

A full explanation of how municipalities, categories, indicators, and weighting were determined can be found in Appendix C.

Finally, in attempting to access data that should be readily available and easy for business owners to use, we encountered significant red tape barriers:

- Inconsistent systems for accessing resources (e.g., provinces and municipalities each using different formats and approaches for sharing information, making it difficult to navigate and access resources);
- Confusing websites (e.g., key information buried deep within pages, lack of a search function, or unclear navigation);
- Out-of-date information (e.g., property assessment data in some municipalities not being up to date);
- Paywalled data (e.g., when accessing property assessment data in some provinces);
- Lack of publicly available staff or project contacts (e.g., no contact information on the website); and,
- Lengthy response times from municipal staff.

When our initial outreach to municipal staff went unanswered, we followed up and provided a clear deadline for submitting the requested information. If the deadline was not met, the municipality was assigned a score of 0 for that indicator, reflecting the lack of verifiable data.

Section 1: Cost burden

Municipal costs are a significant, recurring expense for businesses, and particularly for SMEs who have less financial capacity to absorb year-to-year increases. Local tax and spending decisions influence operating costs, investment, hiring, and the ability to remain competitive relative to neighbouring jurisdictions. Comparing the cost burden across municipalities helps business owners understand where local governments' decisions are more likely to translate into predictable, proportionate, and sustainable cost pressures over time.

The cost burden category measures how municipal choices impact the affordability of conducting business locally. It is a composite category built from three indicators (tax fairness, property tax relief measures for small businesses, and operating spending growth) that reflect complementary dimensions of municipal cost pressures on business taxpayers.

Table 3

Top 10 scores, cost burden

	Municipality	Tax Fairness	Property Tax Relief Measures	Operating Spending Growth	Section Score
1	Mount Pearl (NL)	10	5	10	**8.8**
2	Saskatoon (SK)	7.5	10	10	**8.7**
3	Ottawa (ON)	6.9	10	10	**8.4**
4	Toronto (ON)*	6.2	10	10	**8.1**
5	Markham (ON)*	8.7	5	10	**8.1**
6	Oshawa (ON)	8.5	5	10	**8.0**
7	Windsor (ON)	7.1	5	10	**7.3**
8	London (ON)	6.7	5	10	**7.1**
9	Brampton (ON)*	8.9	0	10	**7.0**
10	Brandon (MB)*	6.5	5	10	**7.0**

Note: In the case of a tie, rankings are determined based on the municipality's overall score in the report (Appendix A), with the higher-ranked municipality shown first. Municipalities with equal numerical total scores remain tied.

Overall, the cost burden results point to a clear pattern: municipalities that create a more affordable environment for businesses tend to combine a balanced tax structure, measures to provide property tax relief to small businesses, and stronger spending discipline. While broad-based tax reductions can improve affordability, the findings suggest that sustained performance on cost burden is less about a one-time action and more about a consistent approach. This includes rebalancing the tax burden where it is out of line with assessment, setting clear and trackable commitments to provide property tax relief, and keeping government spending in line with population growth and inflation.

Tax fairness ratio indicator

This indicator measures the difference between what business properties are assessed at versus the share of property taxes that business properties pay.

For this indicator, scores range from 0 to 10 and are assigned using a normalized distribution, allowing municipalities to be compared relative to one another on a consistent scale. Higher scores indicate a more balanced distribution of property taxes, comparing businesses' share of total municipal property tax revenue with their share of assessed property value. Lower scores indicate an unfair tax burden, where businesses are paying more than their fair share. For the methodology, refer to Appendix C.

Tax fairness scores vary significantly across Canada[10], with Ontario emerging as the strongest province overall, as most municipalities score between 7 and 9. Saskatchewan also performs well, while Alberta shows greater variation. Quebec and Nova Scotia stand out as the weakest provinces, with most municipalities scoring below 5 and several recording scores below 1. British Columbia generally ranks in the middle to lower end of the distribution, although a few municipalities perform well. The Atlantic provinces display mixed results. Overall, large metropolitan centres tend to have lower tax fairness scores, while smaller, suburban, or mid-sized cities offer more favourable environments.

> *"I purchased the unit my business is in, to reduce my overhead, but my property taxes are triple what my home property taxes are."*
>
> – Health and education business, BC

Our report highlights that 40 municipalities fall within the 1:1 category (i.e., ratios between 1.0 and 1.99), showing various degrees of relatively moderate tax imbalances, with businesses paying a larger share of property taxes than their share of property assessment. A smaller but still significant share of 22 municipalities falls into the 2:1 category, suggesting significantly higher taxation on commercial properties in relation to their share of property value. Three municipalities (Montréal, Halifax, and Cape Breton Regional Municipality) reach the 3:1 range, a disproportionately heavy property tax burden, with businesses paying a much larger share of property taxes than their share of property assessment. Finally, one municipality (Mount Pearl) had a ratio below 1:1, indicating a more than fair distribution of property taxes for businesses.

[10] Note: In several Canadian provinces (e.g., Quebec, Ontario, Alberta), municipalities are permitted to set different property tax rates across property classes (e.g., residential and non-residential). However, this flexibility is typically governed by provincial frameworks that establish allowable ranges or thresholds for these ratios. While municipalities may adjust rates to address local priorities, these adjustments must remain within provincially defined limits designed to ensure a measure of balance and consistency in tax burden across classes.

Property tax relief measures indicator

The property tax relief measures indicator captures the extent to which municipalities use targeted tax tools to mitigate the relative burden of property taxes on small businesses within a system where property taxes represent a primary source of municipal revenues. Rather than capturing overall tax levels, it takes a broad approach that includes, but is not limited to, the following elements:

- presence of a small business tax subclass;
- reduced tax rates based on property value;
- phased-in taxation or temporary relief to smooth significant assessment increases;
- exemptions tied to location, redevelopment status, or business type;
- time-limited tax exemptions or abatements to support revitalization, redevelopment, or investment (e.g., revitalization tax exemption programs);
- relief programs targeting properties impacted by development potential, zoning changes, or assessment pressures; and
- area-based relief measures (e.g., downtown or commercial district programs, heritage property tax relief programs).

Scores were determined by reviewing publicly available municipal documents and datasets. A score of 10 indicates that the municipality has a comprehensive and broad-based small business property tax relief measure that benefits a larger majority of small businesses (e.g., a small business tax subclass; reduced tax rates based on property value; or phased-in taxation when new property assessments are done). A score of 5 indicates that the municipality offers at least one other form of property tax relief that benefits some, but not all, small businesses. Examples include exemptions tied to location, redevelopment status, or business type; time-limited tax exemptions to support revitalization; relief programs for properties impacted by development potential; or area-based relief measures. A score of 0 indicates that no property tax relief measure is available for small businesses.

The availability of property tax relief measures for small businesses varies considerably across Canadian municipalities. Of the 66 municipalities reviewed, only eight offer comprehensive and broad-based small business property tax relief measures. These municipalities are concentrated in Ontario (Toronto and Ottawa), Quebec (Montréal, Sherbrooke, Trois-Rivières, and Drummondville), Saskatchewan (Saskatoon), and Nova Scotia (Halifax). A further 18 municipalities get a score of 5, reflecting the existence of more targeted relief measures benefiting only some small businesses. However, the majority of municipalities (40) offer no type of property tax relief measures for small businesses.

Operating spending growth indicator

The operating spending growth indicator measures how well government spending remains in line with local inflation and population growth. When municipal spending grows faster than inflation and population growth over time, it may signal weak financial management or a lack of fiscal restraint. This indicator helps assess whether a municipality is keeping spending growth grounded in discipline or spending beyond its means.

Scores for this indicator were calculated by comparing spending growth over a five-year period (2019 to 2024) to the combined effect of inflation and population growth over the same period (not all 2025 data was available at the time). A score of 10 indicates that spending growth did not exceed the benchmark and a score of 0 indicates that it did.

Most municipalities have kept operating spending growth in line with inflation and population growth over the designated period, reflecting overall fiscal discipline. Strong performance is evident across much of Ontario, the Prairies, Atlantic Canada, and several major cities in Quebec. In contrast, weaker results are more concentrated in British Columbia and some municipalities in Quebec. Overall, the findings suggest that while many municipalities have exercised spending restraint, others may be increasing cost pressures that ultimately affect municipal taxpayers, including small businesses.

Section 2: Regulatory burden

Alongside taxes, excessive regulatory challenges consistently rank as one of the largest barriers to business growth.[11] While regulations play a vital role in ensuring consumer, workplace, and environmental safety, it is also true that unnecessary, duplicative, and onerous regulations create red tape and stifle entrepreneurship. Despite recent initiatives to cut the cost of red tape, such as the reduction of patio permit fees in Halifax, Montréal, and St. John's, the overall regulatory burden remains far too high in many municipalities. In 2024, CFIB's *Red Tape Report* calculated that small business owners spent approximately 32 days on red tape annually.[12] As a result, small business owners spend more time on paperwork and less time focused on their business's growth and innovation. By simplifying and removing unnecessary forms and permits, municipal governments can help boost productivity and investment within their local economy.

This section of the report card not only evaluates municipalities on the current levels of red tape within their municipal systems but also recognizes those making strides towards reducing the unnecessary paperwork burden.

Table 4

Top 10 scores, regulatory burden

	Municipality	Digital Permitting	Permitting Burden	Permit Timelines	Dedicated Red Tape Feedback Portal	Updated BizPaL	Section Score
1	Red Deer (AB)	10	10	10	10	0	**9.5**
2	Strathcona County (AB)	10	10	10	0	0	**7.0**
3	Waterloo (ON)	10	5	10	0	10	**6.0**
4	Saskatoon (SK)*	10	5	10	0	0	**5.5**
5	Brampton (ON)*	10	3	10	0	10	**5.5**
6	Kitchener (ON)*	10	3	10	0	10	**5.5**
7	Sherbrooke (QC)*	10	5	10	0	0	**5.5**
8	Abbotsford (BC)*	10	5	10	0	0	**5.5**
9	Kelowna (BC)*	10	3	10	0	10	**5.5**
10	Québec (QC)*	10	5	10	0	0	**5.5**

Note: In the case of a tie, rankings are determined based on the municipality's overall score in the report (Appendix A), with the higher-ranked municipality shown first. Municipalities with equal numerical total scores remain tied.

[11] CFIB, Our Members' Opinions Survey. https://www.cfib-fcei.ca/en/research-economic-analysis/our-members-opinions
[12] BOMAL, Laure-Anna and Marvin CRUZ (2025), Canada's Red Tape Report, 7th Edition, CFIB. https://www.cfib-fcei.ca/en/research-economic-analysis/canadas-red-tape-report

Minimizing the number of permits required to own and operate a business helped propel Red Deer and Strathcona County into first and second place in this category. However, many of the top-scoring municipalities still have room to lessen their permitting burden and implement tools to reduce red tape. For example, only two municipalities in the report (Red Deer and Toronto) have dedicated red tape feedback portals and a number of municipalities have failed to keep their BizPaL pages updated.

It should be noted that building, renovation, and development permits were not included in the scoring methodology for this section due to their inconsistent frameworks across municipalities. Previous CFIB reports on building permits[13] highlight the significant time and financial costs associated with them. Building and development permits are often highly complicated and may require a consultant or lawyer to complete, costing business owners additional dollars before a project even begins. Slow turnaround times on government reviews make it difficult to plan, and high application costs and strict regulations on builders mean more costs passed along to the business owner.

While some level of regulation is understandable, particularly when it comes to public safety, the cost of red tape within municipal permitting and licensing is extreme in many cities. For example, five permits and licences are required to run a restaurant in Toronto, including a nearly $1,000 "Municipal Clearance for Liquor Sales" permit, despite businesses already possessing a provincial liquor licence. Duplicative permits are a theme in nearly every province, and a fourth level of government (regional) further exacerbates this problem in some municipalities. The requirement for an annual Food Service Permit in Metro Vancouver after already receiving a FoodSafe BC certificate from the province is just another example of businesses being drowned in overregulation and too often seen as a convenient revenue source for governments.

Digital permitting indicator

The digital permitting indicator evaluates municipalities based on the ability for a business owner to apply and pay for business licences online. With owners often being the jack or jill of all trades for their business, any time spent away can heavily disrupt day-to-day operations. Digital permitting offers a simple way to cut red tape and save business owners time from travelling and waiting in line at city hall to apply for permits in person.

Municipalities that offered the ability to both apply and pay for licences online received 10 points, those that only offered the ability to apply online but not pay online received 5 points, and municipalities that required businesses to apply and pay in person received 0 points. The method of virtual application and payment (portal, email, other system) did not affect grading.

[13] BASTA, Francesca, NICOLAŸ, Juliette, ROBERTSON, Duncan, and SANTINI, Christina (2024), Flushing out the nonsense: An analysis of municipal renovation permitting across Canada, CFIB. https://www.cfib-fcei.ca/hubfs/research/reports/2024/2024-01-Permitting-Flushing-out-the-nonsense.pdf

It should be noted that the majority of municipalities allowed building/development permit applications to be submitted virtually but did not extend this option to business licences. We encourage all municipalities to adopt an online submission system for all business licences. However, municipalities should also continue offering the opportunity for in-person applications, as providing flexible options is always supported by business owners.

> *"Business licensing has become much more stringent, regulated, and carries additional costs."*
>
> - Info. arts & rec. business, ON

Permitting burden indicator

The permitting burden indicator grades municipalities based on the number of permits required to start, manage, and maintain regular services for three different types of businesses: a health and personal care store (retail); a home-office construction company (construction); and a sit-down restaurant (hospitality). The three business scenarios were chosen to reflect some of CFIB's larger membership sectors in 2025 (retail, construction, and hospitality). Municipalities were analyzed individually for each of the three scenarios, with their permitting burden weighed against the median number of permits (two permits for a personal care store, one permit for a home-office construction company, and three permits for a restaurant) for all municipalities. For the full methodology, see Appendix C.

Municipalities requiring fewer permits than the median scored 10 points, those requiring an equal number of permits to the median scored 5 points, and those requiring more than the median received 0 points. The score each municipality received for each scenario was then averaged for the final indicator score. For example, St. John's, NL, was *equally* burdensome compared to the median for operating a restaurant (5 points), but *less* burdensome than the median for operating a retail personal care store (10 points) and *more* burdensome than the median for operating a construction company (0 points). After averaging the scores for each scenario, the final score would be a 5.

The permitting process was found to be costly and time-consuming across nearly every municipality. Frequent duplications for permits and licences at provincial and municipal levels, such as the requirement for general business licences at both levels, created unnecessary paperwork and financial constraints for new businesses. Sign permits (sometimes both permanent and portable) were required in nearly every municipality. Lastly, home-office permits were an occasional requirement for journeymen who did not have a business location and performed any administrative tasks out of their home, demonstrating the lengths that some municipal governments go to overregulate entrepreneurship.

"Sought a minor expansion to our banquet space for around $300,000, drowned in red tape and extra permitting/expenses costing an extra $500,000."

- Sports & recreation business, AB

Publicly available permit timelines indicator

This indicator determines the existence of publicly available timelines for various types of business licences and permits. Clear timelines for permit approvals are essential for effective business planning and operations. Knowing when permits will be approved is crucial for certain business activities, such as ordering new inventory. A standout example of publicly available permit timelines is the City of Halifax's new Planning & Development Dashboard,[14] which provides daily updates on permit timelines based on volume so applicants can calculate the exact date when their permit would be processed. Some municipalities provided status updates on the progress of licences and permits once an application was submitted. While helpful for those who have already applied, this is not useful for business owners who are planning on applying in the future, as they cannot estimate timelines until they have spent time gathering the required documents and paid their application fee. Privately displayed timelines also allow municipalities to avoid accountability for delivering within a set public service timeline.

Municipalities that had publicly listed timelines on their municipal website received the full 10 points, and those that did not received 0 points. Municipalities that published timelines for some, but not all, business licences received 5 points.

As was the case for the digital permitting indicator, many municipalities only offer timelines for building/development permits and not business licences. CFIB encourages these municipalities to expand transparency to all business licences to receive full points on this indicator and to improve the ability of business owners to effectively plan. Additionally, even among those that did publicly list timelines, approvals for business licences or one-off permits sometimes took up to three months. To further reduce red tape, municipalities should look

[14] City of Halifax (2026), Planning and Development Dashboard, City of Halifax. https://www.halifax.ca/home-property/building-development-permits/planning-development-dashboard

towards implementing automatic approval systems or introduce permit exemptions for low-risk permits and licences, as seen in Winnipeg's newly reformed "Permits Online" platform.[15]

Dedicated red tape feedback portal indicator

This indicator determines if municipalities had created a dedicated resource for business owners to report their red tape concerns. Red tape feedback portals are one of the best ways for municipalities to identify red tape within their systems. They allow business owners to report real-time examples of overregulation and work directly alongside municipal staff to create solutions.

Municipalities that featured a dedicated red tape feedback portal for businesses received 10 points and those that did not received 0 points.

Many municipalities offer feedback forms as a way for businesses and residents to report their satisfaction with services like garbage collection or snow removal. While this is a good measure for general feedback, businesses need dedicated channels to communicate directly with municipal staff to find and report duplicative and onerous processes. Portals should be permanent mechanisms to allow business owners and municipalities to continuously collaborate to find and reduce red tape within their systems.

Updated BizPaL indicator

This indicator evaluates how recently municipalities updated their BizPaL licensing pages. BizPaL serves as an invaluable tool for new business owners, as they can easily determine permit and licensing requirements at all levels of government to start, manage, and operate their business based on their industry.

Scores for this indicator were based on whether municipal BizPaL pages had been updated since January 1, 2025. Municipalities that had updated their licensing and permitting pages for all permits required to start, manage, and operate a business received 10 points. Municipalities that updated some, but not all, licences and permits on their page received 5 points. Those that had not, received 0 points.

Effective use of BizPaL relies not solely on *up-to-date* information, but also *accurate* information. Municipalities frequently excluded patio permits from their BizPaL pages, which were only discovered through a deeper search of their municipal website. Failing to include the full list of required permits for certain industries could cause BizPaL to do more harm to businesses than good. Such is the case when business owners rely on outdated or inaccurate information on BizPaL to ensure they are fully certified and compliant and end up facing penalties when they are found to be non-compliant.

[15] CFIB (2026), Golden Scissors Awards, CFIB. https://www.cfib-fcei.ca/en/golden-scissors-award

Section 3: Small business friendliness

The small business friendliness category assesses the extent to which selected municipal policies, practices, and communication tools create a supportive and enabling environment for small businesses. Out of the three categories evaluated, small business friendliness is the one where municipalities have achieved the highest scores.

Table 5

Top 10 scores, small business friendliness

	Municipality	Construction Mitigation Measures	Business-Focused Municipal Website	Budget Transparency	Section Score
1	Montréal (QC)	10	10	10	**10**
2	Guelph (ON)*	5	10	10	**7.5**
3	Québec (QC)*	10	10	0	**7.5**
4	Lévis (QC)*	10	10	0	**7.5**
5	Calgary (AB)*	5	10	10	**7.5**
6	Toronto (ON)	5	7	10	**6.7**
7	Red Deer (AB)*	3	10	10	**6.5**
8	Saskatoon (SK)*	3	10	10	**6.5**
9	Strathcona County (AB)*	3	10	10	**6.5**
10	Oshawa (ON)*	3	10	10	**6.5**

Note: In the case of a tie, rankings are determined based on the municipality’s overall score in the report (Appendix A), with the higher-ranked municipality shown first. Municipalities with equal numerical total scores remain tied.

Our research highlights that only three municipalities in Canada offer financial compensation to offset financial losses small businesses experience during major, disruptive construction activities. Furthermore, those municipalities are all in Quebec: Montréal, Québec, and Lévis. It is important to note that municipalities located in British Columbia (except for the City of Vancouver[16]), Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador, and Prince Edward Island cannot offer financial assistance to businesses affected by construction activities due to provincial legislation. However, that does not prevent them from adopting business-friendly policies to mitigate construction project impacts.

[16] The City of Vancouver is regulated under the Vancouver Charter, a provincial statute. Under the Charter, City Council has the authority to pass bylaws to regulate such things as noise and land use, buy and sell property, collect certain taxes, give grants, etc.

Our research also highlights that a majority of municipalities received a score of 10 in the business-focused municipal website indicator, meaning that their website provides easily accessible business-related information. Finally, only four municipalities, all of them located in Quebec, did not have a public consultation mechanism for residents and businesses to provide input on the municipal budget.

Construction mitigation measures indicator

This indicator evaluates the measures municipalities implement to reduce the adverse financial and operational impacts of construction and infrastructure projects on small businesses. Scores for this indicator were determined through a systematic review of municipal websites, with a specific focus on the policy and regulatory sections. Any publicly available documentation referencing construction mitigation measures, support programs, interactive maps of construction work, or related initiatives was considered in the assessment.

> *"Construction disruption is very harmful and should be compensated."*
>
> – Retail business, NS

Municipalities that have adopted a comprehensive construction mitigation policy aimed at offsetting or alleviating financial losses experienced by small businesses during construction activities by implementing construction financial assistance funds, received a score of 10 points. Municipalities that have adopted business-friendly construction mitigation policies without financial assistance received a score of 5 points. Such policies include, but are not limited to, consultation protocols, a business support plan, planned construction activities, and clear project timelines and schedules. Municipalities that have implemented some mechanisms to inform citizens and business owners about upcoming construction work, project progress, and expected completion timelines received a score of 3 points. Municipalities with no formal mechanisms to address construction-related disruptions affecting small businesses received a score of 0 points.

Given the significant disruption that prolonged or frequent construction can create, such as reduced customer access, increased operating costs, revenue losses,[17] and even closures, there is overwhelming support among small business owners for municipal governments to adopt coherent construction mitigation policies, including compensation for revenue losses.

[17] OULTON, Alex and BOSTON, Emily (2024), Hard hats and hard times: Public construction impacts on small businesses, CFIB. https://www.cfib-fcei.ca/en/research-economic-analysis/hard-hats-and-hard-times-public-construction-impacts-on-small-businesses

Only three municipalities received a perfect score of 10 for this indicator: Montréal, Québec, and Lévis. These are the only municipalities providing direct financial assistance for businesses impacted by construction activities. Calgary, Toronto, and Guelph each received a score of 5, reflecting the implementation of construction mitigation policies aimed at supporting small businesses. In contrast, Summerside, Cape Breton Regional Municipality, and Chilliwack are the only municipalities that received 0 points, as they do not currently offer measures addressing this indicator.

Business-focused municipal website indicator

The municipal website indicator evaluates whether essential business-related information is centralized, clearly presented, and easily accessible. Considering that municipal websites are often the primary point of contact for entrepreneurs, it is essential for municipalities to maintain user-friendly websites where information can be accessed easily and quickly.

> *"Government services offices are difficult to access in person or online, and online sites are difficult to navigate and produce any kind of meaningful outcome."*
>
> – Retail business, ON

For this indicator, three criteria were evaluated on each municipality's official website, focusing on the availability and accessibility of key information relevant to SMEs.

First, does the municipality have a webpage that clearly highlights municipal resources for SMEs, including—but not limited to—information on licences, permits, and inspections, economic data, grants, and business support programs? This webpage should function as a comprehensive small business resource hub, providing small business owners with easy access to all relevant municipal information.

Second, does the municipal website clearly present property tax rates? An easily accessible page describing property taxes was not considered sufficient. The applicable annual tax rates had to be easily accessible, without requiring users to locate or interpret separate bylaw documents.

Finally, does the municipality have a webpage dedicated to business licensing? This page was required to present consolidated information on licensing requirements, including how to apply for, pay for, and renew a business licence, as well as applicable fees. To meet the criterion, this information needed to be accessible in a single, clearly organized location.

Each criterion represents one-third of the total score for this indicator, meaning that full compliance with all three criteria resulted in a maximum score of 10. When only part of the requirements was met, the score was reduced proportionally. Specifically, municipalities that met two of the three criteria earned two-thirds of the maximum score (7), those meeting only one criterion earned one-third of the maximum score (3), and the municipalities that did not meet any of the criteria received a score of 0 points. This approach ensures that the final grade directly reflects the number of criteria satisfied. All scores were rounded.

Overall, municipalities performed strongly on the business-focused municipal website indicator. A total of 48 municipalities achieved the maximum score of 10 points, while an additional 16 municipalities received 7 points, indicating generally high performance across the board. One municipality scored as low as three points, and only one municipality received a score of 0—the City of Charlottetown—highlighting that very few jurisdictions are significantly lagging in this area.

In the future, CFIB could refine this indicator by way of a survey to better capture the experience of business owners with municipal websites. In addition, CFIB could increase the weight to reflect its importance in supporting a business-friendly environment.

Budget transparency indicator

The budget transparency indicator measures how actively municipalities involve the public and the business community in budget decision making. Transparent budget practices enable small businesses to better understand municipal fiscal priorities, anticipate future policy directions, provide a business-specific perspective on municipal priorities, and assess how public spending decisions may affect the local economic environment. To evaluate this, CFIB examined the public consultation mechanisms they use. This analysis evaluates whether municipalities offer formal opportunities for residents and businesses to provide input on the municipal budget. These may include in-person meetings, online or in-person consultations, surveys, email submissions, or dedicated feedback platforms.

Municipalities received a score of 10 if they conducted public budget consultations, either in person or online, or provided meaningful opportunities for public and business participation. Municipalities that did not demonstrate any form of public consultation related to the municipal budget received a score of 0.

Only four municipalities—Québec, Saguenay, Gatineau, and Lévis—lack a public consultation mechanism that enables residents and businesses to provide input on the municipal budget. In contrast, the remaining 62 municipalities evaluated achieved the full score of 10 on this indicator, demonstrating that the vast majority have implemented formal channels for stakeholder engagement in the budgeting process.

Final scores

Overall findings

This year, of the 66 municipalities evaluated, 39 received a grade of F, indicating that their performance is unsatisfactory in the outlined categories (see Appendix A for the full Overall Ranking List). This means that 59% of the municipalities evaluated in the report card failed at fostering local conditions that attract new entrepreneurs and help existing businesses thrive. We strongly encourage every municipality to take concrete action to create a better environment for businesses regardless of its grade.

An additional 18 municipalities received a grade of D, reflecting performance that is below satisfactory. Five municipalities earned a grade of C-, three received a grade of C, and only one earned a grade of C+, which represent municipalities that have satisfactory performance but room for improvement.

Canada’s most competitive municipality for attracting and supporting business growth is Red Deer, followed by Saskatoon and Strathcona County in second and third place. Red Deer stood out from the other municipalities studied in this report thanks to its above-average tax fairness ratio, a low permitting burden—reflected in the small number of permits required to start, operate, and maintain a business—and, notably, a red tape feedback portal, a feature only two municipalities in the country offer.

Based on report findings, the municipality of Mount Pearl has the fairest cost burden on small businesses, while Laval has the heaviest. In terms of regulatory burden, Red Deer stands out as the municipality where permitting processes and red tape pose the least difficulty for entrepreneurs, compared with the City of Brandon, where administrative requirements for SMEs are the most cumbersome. When it comes to overall small business friendliness, Montréal ranks first, whereas Saguenay places last.

Cost burden

- Overall, Ontario municipalities perform well in reducing cost burden, taking seven of the top 10 spots (Ottawa, Toronto, Markham, Oshawa, Windsor, London, and Brampton). The Prairies also stand out with Saskatoon and Brandon both landing in the top 10. Mount Pearl gets the first place on the podium.
- Results vary considerably on the tax fairness ratio indicator, but Ontario and New Brunswick are the places where businesses have the fairest tax burden in relation to their share of property value.
- Only eight municipalities out of 66 offer comprehensive and broad-based property tax relief measures for small businesses, including large cities like Toronto, Ottawa, Montréal, and Halifax. A further 18 municipalities offer more targeted relief measures benefiting only some small businesses but not all of them. All of the other municipalities

do not provide any form of property tax relief measure, indicating there is still work to be done on this indicator.

- Most municipalities scored full points on the operating spending growth indicator, meaning that operating spending grew no faster than inflation and population growth from 2019 to 2024. While this may indicate relatively strong fiscal discipline in most cities, it should be noted that strong population growth driven by immigration and exceptionally high inflation set a generous bar during this period, meaning even fiscally undisciplined municipalities could pass this indicator without having exercised any real spending restraint. The strong pass rate likely reflects the underlying economic conditions rather than genuine fiscal discipline.

Regulatory burden

- While most municipalities have adopted digital permitting systems, the overall permitting process often remains unnecessary, duplicative, and costly. The lack of publicly available processing timelines, particularly for business licences, undermines business owners' ability to plan.
- Only two municipalities—Toronto and Red Deer—have a dedicated red tape feedback portal for businesses to voice their regulatory concerns directly to municipal officials.
- While municipalities in Alberta, the Prairies, and Ontario generally have kept their BizPaL pages up to date, British Columbia and Quebec municipalities often feature outdated pages.

Small business friendliness

- Only three municipalities in Canada, all located in Quebec (Montréal, Québec, Lévis), offer direct financial assistance programs for businesses affected by construction activities. Calgary, Toronto, and Guelph are the only three municipalities that have implemented construction mitigation policies aimed at supporting small businesses. Such policies include, but are not limited to, consultation protocols, a business support plan, planned construction activities, and clear project timelines and schedules.
- Overall, 63 out of 66 municipalities provide an online interactive map on their website, allowing residents and business owners to track the progress of construction projects in their community.
- Nearly all municipalities evaluated have a public consultation process to involve residents and the business community in municipal budget decision making. The only exceptions are municipalities located in Quebec, which do not use public consultations for budget development.

Recommendations

Cost burden

Tax fairness ratio

- Municipalities must work towards improving property tax fairness. In many cities across Canada, businesses pay a disproportionate amount of municipal and provincial property taxes.[18] Most notably, Cape Breton Regional Municipality has a tax fairness ratio of 3.56, and 29% of municipal revenues come from non-residential properties, despite them accounting for only 8% of the total property assessment.[19] Striving for a balanced tax fairness ratio or a more than fair ratio (as seen in the City of Mount Pearl, where the ratio is below 1:1) would incentivize investment and lower the overall cost burden. CFIB data shows that two in five SMEs chose not to expand their business because of rising property tax bills—the second most common response to higher property tax bills, after raising the prices of their goods or services.[20] Governments should be encouraging SMEs to grow, not making policy choices that restrict growth.

Property tax relief measures

- Implement broad-based property tax relief measures for small businesses, such as a small business property tax subclass or reduced tax rates based on property value. These measures provide the greatest level of support by benefiting a larger majority of small businesses. Where comprehensive measures are not feasible, adopt targeted property tax relief measures aimed at specific categories of businesses, including small businesses, as these can still help to reduce tax burdens and improve local business competitiveness. Examples include exemptions tied to location, redevelopment status, or business type; time-limited tax exemptions to support revitalization; relief programs for properties impacted by development potential; or area-based relief measures. With more than half (51%) of SMEs identifying business property tax reduction as a priority,[21] implementing tax relief would improve affordability, support competitiveness, and help sustain local business communities.

Operating spending growth

- Align spending growth to an average of recent population growth and inflation to help ensure taxation on small businesses remains reasonable, affordable, and predictable—especially during uncertain economic times.

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[18] Altus Group, Altus Group report reveals commercial tax rate in major Canadian cities reaching more than three times the residential rate, 2023. https://www.altusgroup.com/press-releases/altus-group-announces-release-of-canadian-property-tax-rate-benchmark-report-2023/

[19] Tax fairness ratios are calculated using unrounded values and may therefore differ slightly from calculations using the rounded percentages shown.

[20] CFIB, Your Voice Survey, June 2024, n = 2,035. https://www.cfib-fcei.ca/en/research-economic-analysis/your-voice-omnibus-survey-on-small-business-issues

[21] CFIB, Your Voice Survey, October 2024, n = 2,682. https://www.cfib-fcei.ca/en/research-economic-analysis/your-voice-omnibus-survey-on-small-business-issues

Regulatory burden

Permitting (digital permitting, permitting burden, and publicly available permitting timelines)

- Create service standards and publicly list permit timelines for all municipal permits and licences. This process provides business owners with the ability to properly plan, especially during expansion projects, while also ensuring permits are approved in a timely manner.
- Ensure the availability to both apply and pay for all types of business licences online.
- Reduce the number of permits required to start a business, manage, and maintain regular services.

Dedicated red tape feedback portal

- Establish an easy-to-use online portal or app where business owners can submit suggestions to reduce municipal red tape. This low-cost initiative would provide the municipality with direct, real-time insights into administrative burdens faced by the small business community. By giving entrepreneurs a simple channel to flag unnecessary processes or delays, the municipality can identify quick solutions, improve service efficiency, and make a meaningful difference in the day-to-day operations of local businesses. According to CFIB's data, small business owners spend the equivalent of 32 business days every year navigating unnecessary paperwork.[22]

BizPaL

- Ensure BizPaL pages are regularly updated so they provide both *accurate* and *up-to-date* information. Municipalities should also ensure only the necessary permits are displayed for each sector (e.g., a food handling permit should not be listed as a requirement to start a construction business).

Additional recommendations

- Appoint a Red Tape Reduction Commissioner/Head of Red Tape Reduction to lead a dedicated Red Tape Reduction Department with reallocated staff.
- Undergo a comprehensive review/count of all municipal bylaws, policies, and forms (e.g., for permits and licensing across all sectors) to establish a regulatory burden baseline, and carefully review them to identify unnecessary, excessive, and duplicative requirements. CFIB recently recognized the Ontario government for using its AI tool, REGi,[23] in a similar process. Municipalities can adopt this approach in their efforts to streamline regulatory red tape.

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[22] CRUZ, Marvin, and BOMAL, Laure-Anna (2025), Canada's Red Tape Report, 7th edition, CFIB. Canadas-Red-Tape-Report-2025.pdf
[23] CFIB (2026), Golden Scissors Awards, CFIB. https://www.cfib-fcei.ca/en/golden-scissors-award

- Once a count baseline has been established, municipalities should provide an annual burden reduction report to demonstrate red tape reduction efforts across all municipal departments and improve accountability and transparency based on portal submissions. These reports should demonstrate municipalities’ responsiveness to the concerns of small business owners, including through the consideration and implementation of feedback received via the portal.
- Legislate a “two-for-one” rule mandating that for every new regulatory requirement introduced, at least two existing requirements must be repealed, thereby ensuring a net reduction in regulatory burden. Alternatively, governments can set reduction targets for the overall regulatory burden (i.e., removing X% of regulatory requirements by a specific date).

Small business friendliness

Construction mitigation measures

- Adopt a comprehensive small business friendly financial construction mitigation policy that addresses the disruption to SMEs. In addition, municipalities should adopt end-to-end ownership of a construction mitigation policy toolkit that includes ongoing business consultations, designating a business liaison officer with decision-making power, temporary parking and signage plans, and an interactive, up-to-date online construction map. These measures would help business owners plan for potential impacts.
    a) In municipalities where provincial legislation does not need to be amended, a formal compensation program should be established where extensive construction projects result in a moderate to major impact on revenues and businesses. It should be easy to understand and access, involve significant and timely monetary compensation (e.g., a property tax break, or direct compensation based on gross profit declines or revenue losses), and be financed by factoring costs into each project’s budget. It should also specify which levels of government are involved and outline their roles.
    b) Municipalities that cannot provide direct financial compensation for construction activities impacting businesses should adopt end-to-end ownership of a construction mitigation toolkit and policy, as outlined above. Additionally, municipalities can advocate to the provincial government for amendments to the relevant legislation to enable the ability to provide direct financial compensation.

Business-focused municipal website

- Ensure that municipal websites present all essential business information in a clear, centralized, and easy-to-navigate format. By organizing key content—such as permits, licensing, tax rates, and support programs—in a business-friendly structure, municipalities can help entrepreneurs quickly find what they need and reduce administrative barriers.

a) Additionally, include a dedicated small business procurement portal that clearly lists available contracting opportunities, tenders, and bids, with simplified access and guidance tailored to small businesses. This portal should improve transparency, streamline the bidding process, and make it easier for local entrepreneurs to identify and compete for municipal contracts.

Budget transparency

- Municipalities should continue to implement a mix of consultation channels, such as online surveys, public meetings, and dedicated feedback platforms, to ensure that residents and small businesses can meaningfully contribute their perspectives.
    a) To improve consistency in budget transparency across municipalities, those that currently lack formal consultation mechanisms (Québec, Saguenay, Gatineau, and Lévis) should prioritize the adoption of accessible and structured public engagement processes within their budget cycles.

Appendix A: Overall ranking list

Table 6

Letter grades and numerical scoring, 2026

Letter Grade	Numerical Score
A	9.0+
A-	8.65 - 8.99
B+	8.25 - 8.64
B	7.75 - 8.24
B-	7.45 - 7.74
C+	7.05 - 7.44
C	6.55 - 7.04
C-	5.95 - 6.54
D	4.95 - 5.94
F	0 - 4.94

Table 7

Municipalities entrepreneurial index, 2026

Note: Municipalities with a tied numerical total score are indicated with a "T"

	Municipality	Cost Burden 0-10	Regulatory Burden 0-10	Small Business Friendliness 0-10	Total Score 0-10	Grade
1	Red Deer (AB)	5.6	9.5	6.5	7.33	C+
2	Saskatoon (SK)	8.7	5.5	6.5	7.00	C
3	Strathcona County (AB)	6.2	7.0	6.5	6.59	C
4	Toronto (ON)	8.1	5.0	6.7	6.57	C
5	Ottawa (ON)	8.4	5.0	5.7	6.51	C-
6	Oshawa (ON)	8.0	5.0	6.5	6.50	C-
7	Brampton (ON)	7.0	5.5	6.5	6.29	C-
8	Markham (ON)	8.1	4.0	6.5	6.13	C-

Municipalities entrepreneurial index, 2026 (continued)

9	Waterloo (ON)	5.9	6.0	6.5	**6.07**	**C-**
10	Kitchener (ON)	5.9	5.5	6.5	**5.85**	**D**
11	Mount Pearl (NL)	8.8	2.5	6.5	**5.80**	**D**
12	Regina (SK)	6.5	5.0	5.7	**5.73**	**D**
13	Vaughan (ON)	6.9	4.0	6.5	**5.68**	**D**
14	Richmond (BC)	5.9	5.0	6.5	**5.65**	**D**
15	London (ON)	7.1	3.5	6.5	**5.55**	**D**
16	Montréal (QC)	5.2	3.5	10.0	**5.47**	**D**
17	Brantford (ON)	6.4	4.0	6.5	**5.44**	**D**
18	Edmonton (AB)	5.7	4.5	6.5	**5.38**	**D**
19	Sherbrooke (QC)	4.7	5.5	6.5	**5.37**	**D**
20	Abbotsford (BC)	4.5	5.5	6.5	**5.28**	**D**
21	Niagara Falls (ON)	6.4	3.5	6.5	**5.26**	**D**
22	Hamilton (ON)	5.8	4.0	6.5	**5.23**	**D**
23	Barrie (ON)	6.7	3.0	6.5	**5.18**	**D**
24	Moncton (NB)	6.2	3.5	6.5	**5.17**	**D**
25	Kelowna (BC)	4.6	5.5	5.7	**5.16**	**D**
26	Thunder Bay (ON)	5.9	3.5	6.5	**5.06**	**D**
27	Guelph (ON)	3.6	5.0	7.5	**4.95**	**D**
T-28	Peterborough (ON)	5.4	3.5	6.5	**4.88**	**F**
T-28	Québec (QC)	3,0	5.5	7.5	**4.88**	**F**
T-30	Airdrie (AB)	5.4	3.5	6.5	**4.87**	**F**
T-30	Fredericton (NB)	6.4	2.5	6.5	**4.87**	**F**
T-30	Kamloops (BC)	3.9	5.0	6.5	**4.87**	**F**
33	Winnipeg (MB)	6.8	2.5	5.7	**4.84**	**F**
34	Belleville (ON)	3.7	5.5	5.7	**4.80**	**F**

Municipalities Entrepreneurial Index, 2026 (continued)

35	Greater Sudbury (ON)	6.1	3.0	5.7	**4.78**	**F**
36	Kingston (ON)	4.6	4.0	6.5	**4.75**	**F**
37	Lethbridge (AB)	5.0	3.5	6.5	**4.71**	**F**
38	Halifax (NS)[24]	5.0	3.5	6.5	**4.70**	**F**
T-39	Surrey (BC)	5.3	3.0	6.5	**4.63**	**F**
T-39	Windsor (ON)	7.3	1.0	6.5	**4.63**	**F**
41	St. Catharines (ON)	6.3	2.0	6.5	**4.61**	**F**
42	Trois-Rivières (QC)	4.8	3.5	6.5	**4.60**	**F**
43	Vancouver (BC)	5.4	2.5	6.5	**4.46**	**F**
44	Drummondville (QC)	4.8	3.5	5.7	**4.45**	**F**
T-45	Lévis (QC)	1.4	5.5	7.5	**4.26**	**F**
T-45	Quinte West (ON)	3.9	3.5	6.5	**4.26**	**F**
47	Mississauga (ON)	4.2	3.5	5.7	**4.20**	**F**
48	Township of Langley (BC)	4.5	2.5	6.5	**4.10**	**F**
49	Saint John (NB)	6.3	1.0	5.7	**4.05**	**F**
50	Chilliwack (BC)	5.0	2.5	5.0	**4.01**	**F**
51	Calgary (AB)	1.5	4.8	7.5	**3.99**	**F**
52	Charlottetown (PE)	4.9	3.0	4.0	**3.97**	**F**
T-53	Brandon (MB)	7.0	0.0	5.7	**3.93**	**F**
T-53	Cape Breton Regional Municipality (NS)	3.8	4.0	4.2	**3.93**	**F**

[24] Lethbridge ranks ahead of Halifax because, although both cities received the same score in the *Cost Burden* category (5), they did not receive the same scores on the underlying indicators that make up this category. Specifically, the *Tax Fairness Ratio* and *Property Tax Relief Measures*, which are weighted at 50% and 25% respectively, resulted in a higher overall weighted performance for Lethbridge.

Municipalities entrepreneurial index, 2026 (continued)

55	Longueuil (QC)	3.5	3.5	5.7	**3.92**	**F**
56	Cambridge (ON)	3.5	3.0	6.5	**3.91**	**F**
57	Victoria (BC)	3.0	3.5	6.5	**3.90**	**F**
58	Summerside (PE)	3.2	3.5	4.2	**3.49**	**F**
59	St. John’s (NL)	4.5	0.5	6.5	**3.31**	**F**
60	Burnaby (BC)	1.9	3.0	6.5	**3.27**	**F**
61	Gatineau (QC)	3.0	3.5	3.2	**3.22**	**F**
62	Nanaimo (BC)	1.5	3.0	6.5	**3.09**	**F**
63	Laval (QC)	0.5	3.5	6.5	**2.89**	**F**
64	Coquitlam (BC)	0.8	3.0	6.5	**2.81**	**F**
65	Saguenay (QC)	1.8	3.5	2.3	**2.60**	**F**
66	Mission (BC)	0.6	3.0	5.7	**2.57**	**F**

Appendix B: Provincial summaries

Table 8

British Columbia municipalities entrepreneurial index, 2026

	Municipality	Cost Burden 0-10	Regulatory Burden 0-10	Small Business Friendliness 0-10	Total Score 0-10	Grade	Overall Ranking
1	Richmond	5.9	5.0	6.5	5.65	**D**	**14**
2	Abbotsford	4.5	5.5	6.5	5.28	**D**	**20**
3	Kelowna	4.6	5.5	5.7	5.16	**D**	**25**
4	Kamloops	3.9	5.0	6.5	4.87	**F**	**T-30**
5	Surrey	5.3	3.0	6.5	4.63	**F**	**T-39**
6	Vancouver	5.4	2.5	6.5	4.46	**F**	**43**
7	Township of Langley	4.5	2.5	6.5	4.10	**F**	**48**
8	Chilliwack	5.0	2.5	5.0	4.01	**F**	**50**
9	Victoria	3.0	3.5	6.5	3.90	**F**	**57**
10	Burnaby	1.9	3.0	6.5	3.27	**F**	**60**
11	Nanaimo	1.5	3.0	6.5	3.09	**F**	**62**
12	Coquitlam	0.8	3.0	6.5	2.81	**F**	**64**
13	Mission	0.6	3.0	5.7	2.57	**F**	**66**

Table 9
Alberta municipalities entrepreneurial index, 2026

	Municipality	Cost Burden 0-10	Regulatory Burden 0-10	Small Business Friendliness 0-10	Total Score 0-10	Grade	Overall Ranking
1	Red Deer	5.6	9.5	6.5	7.33	**C+**	**1**
2	Strathcona County	6.2	7.0	6.5	6.59	**C**	**3**
3	Edmonton	5.7	4.5	6.5	5.38	**D**	**18**
4	Airdrie	5.4	3.5	6.5	4.87	**F**	**31**
5	Lethbridge	5.0	3.5	6.5	4.71	**F**	**37**
6	Calgary	1.5	4.8	7.5	3.99	**F**	**51**

Table 10

Saskatchewan municipalities entrepreneurial index, 2026

	Municipality	Cost Burden 0-10	Regulatory Burden 0-10	Small Business Friendliness 0-10	Total Score 0-10	Grade	Overall Ranking
1	Saskatoon	8.7	5.5	6.5	7.00	**C**	**2**
2	Regina	6.5	5.0	5.7	5.73	**D**	**12**

Table 11

Manitoba municipalities entrepreneurial index, 2026

	Municipality	Cost Burden 0-10	Regulatory Burden 0-10	Small Business Friendliness 0-10	Total Score 0-10	Grade	Overall Ranking
1	Winnipeg	6.8	2.5	5.7	4.84	**F**	**33**
2	Brandon	7.0	0.0	5.7	3.93	**F**	**54**

Table 12

Ontario municipalities entrepreneurial index, 2026

	Municipality	Cost Burden 0-10	Regulatory Burden 0-10	Small Business Friendliness 0-10	Total Score 0-10	Grade	Overall Ranking
1	Toronto	8.1	5.0	6.7	6.57	**C**	**4**
2	Ottawa	8.4	5.0	5.7	6.51	**C-**	**5**
3	Oshawa	8.0	5.0	6.5	6.50	**C-**	**6**
4	Brampton	7.0	5.5	6.5	6.29	**C-**	**7**
5	Markham	8.1	4.0	6.5	6.13	**C-**	**8**
6	Waterloo	5.9	6.0	6.5	6.07	**C-**	**9**
7	Kitchener	5.9	5.5	6.5	5.85	**D**	**10**
8	Vaughan	6.9	4.0	6.5	5.68	**D**	**13**
9	London	7.1	3.5	6.5	5.55	**D**	**15**
10	Brantford	6.4	4.0	6.5	5.44	**D**	**17**
11	Niagara Falls	6.4	3.5	6.5	5.26	**D**	**21**
12	Hamilton	5.8	4.0	6.5	5.23	**D**	**22**
13	Barrie	6.7	3.0	6.5	5.18	**D**	**23**
14	Thunder Bay	5.9	3.5	6.5	5.06	**D**	**26**
15	Guelph	3.6	5.0	7.5	4.95	**D**	**27**
16	Peterborough	5.4	3.5	6.5	4.88	**D**	**T-28**
17	Belleville	3.7	5.5	5.7	4.80	**F**	**34**
18	Greater Sudbury	6.1	3.0	5.7	4.78	**F**	**35**
19	Kingston	4.6	4.0	6.5	4.75	**F**	**36**
20	Windsor	7.3	1.0	6.5	4.63	**F**	**T-39**
21	St. Catharines	6.3	2.0	6.5	4.61	**F**	**41**
22	Quinte West	3.9	3.5	6.5	4.26	**F**	**T-45**
23	Mississauga	4.2	3.5	5.7	4.20	**F**	**47**
24	Cambridge	3.5	3.0	6.5	3.91	**F**	**56**

Table 13

Quebec municipalities entrepreneurial index, 2026

	Municipality	Cost Burden 0-10	Regulatory Burden 0-10	Small Business Friendliness 0-10	Total Score 0-10	Grade	Overall Ranking
1	Montréal	5.2	3.5	10.0	5.47	**D**	**16**
2	Sherbrooke	4.7	5.5	6.5	5.37	**D**	**19**
3	Québec	3.0	5.5	7.5	4.88	**F**	**28**
4	Trois-Rivières	4.8	3.5	6.5	4.60	**F**	**42**
5	Drummondville	4.8	3.5	5.7	4.45	**F**	**44**
6	Lévis	1.4	5.5	7.5	4.26	**F**	**T-45**
7	Longueuil	3.5	3.5	5.7	3.92	**F**	**55**
8	Gatineau	3.0	3.5	3.2	3.22	**F**	**61**
9	Laval	0.5	3.5	6.5	2.89	**F**	**63**
10	Saguenay	1.8	3.5	2.3	2.60	**F**	**65**

Table 14

New Brunswick municipalities entrepreneurial index, 2026

	Municipality	Cost Burden 0-10	Regulatory Burden 0-10	Small Business Friendliness 0-10	Total Score 0-10	Grade	Overall Ranking
1	Moncton	6.2	3.5	6.5	5.17	**D**	**24**
2	Fredericton	6.4	2.5	6.5	4.87	**F**	**T-30**
3	Saint John	6.3	1.0	5.7	4.05	**F**	**49**

Table 15
Nova Scotia municipalities entrepreneurial index, 2026

	Municipality	Cost Burden 0-10	Regulatory Burden 0-10	Small Business Friendliness 0-10	Total Score 0-10	Grade	Overall Ranking
1	Halifax	5.0	3.5	6.5	4.70	**F**	**38**
2	Cape Breton Regional Municipality	3.8	4.0	4.2	3.93	**F**	**T-53**

Table 16

Prince Edward Island municipalities entrepreneurial index, 2026

	Municipality	Cost Burden 0-10	Regulatory Burden 0-10	Small Business Friendliness 0-10	Total Score 0-10	Grade	Overall Ranking
1	Charlottetown	4.9	3.0	4.0	3.97	**F**	**52**
2	Summerside	3.2	3.5	4.2	3.49	**F**	**58**

Table 17
Newfoundland and Labrador municipalities entrepreneurial index, 2026

	Municipality	Cost Burden 0-10	Regulatory Burden 0-10	Small Business Friendliness 0-10	Total Score 0-10	Grade	Overall Ranking
1	Mount Pearl	8.8	2.5	6.5	5.80	**D**	**11**
2	St. John's	4.5	0.5	6.5	3.31	**F**	**59**

Appendix C: Full methodology rationale

The 2026 edition of Open for Business: Canada's Municipal Report Card uses an index approach to measure and rank the conditions for entrepreneurial success of 66 municipalities across Canada based on three priority categories, which encompass 11 indicators. These indicators represent either a composite of multiple scores, or a stand-alone value. The categories and their respective indicators are:

Cost burden category (3 indicators)

1. Tax fairness ratio *(stand-alone score)*
2. Property tax relief measures *(stand-alone score)*
3. Operating spending growth *(stand-alone score)*

Regulatory burden category (5 indicators)

1. Digital permitting *(composite score)*
2. Permitting burden *(composite score)*
3. Publicly available business licence timeline *(stand-alone score)*
4. Dedicated red tape feedback portal *(stand-alone score)*
5. Updated BizPaL *(stand-alone score)*

Small business friendliness category (3 indicators)

1. Construction mitigation measures *(stand-alone score)*
2. Business-focused municipal website *(composite score)*
3. Budget transparency *(stand-alone score)*

Census Metropolitan Areas (CMAs) vs. Census Agglomerations (CAs)

This report focuses on CMAs, which Statistics Canada qualifies as being formed by one or more adjacent municipalities centred on a population centre, having a total population of at least 100,000, with 50,000 or more residing in the core. CAs contain a core population of only 10,000.

CMAs composed of multiple municipalities, particularly those including surrounding or peripheral areas, were disaggregated for the purposes of this analysis. Only municipalities representing more than 5% of a CMA's total population were included. For example, the Greater Vancouver area has a population of over 3.1 million residents. Therefore, only municipalities with more than 155,000 residents were considered in the report.

CMAs comprising two municipalities, such as Abbotsford-Mission, Belleville-Quinte West, or Ottawa-Gatineau, were separated into two municipalities.

To ensure geographic representation, CAs were only analyzed in the provinces that did not include two CMAs.

Data collection

To build the report card ranking, we conducted a systematic review of each municipality's official website. Our data collection process involved examining every section relevant to business operations, with a particular focus on policy, regulatory, and financial information. This included direct outreach to municipal staff, reviewing bylaws, permitting procedures, public consultation processes, online service portals, taxation details, and any tools designed to support local businesses. Since the report card evaluates the most competitive municipality in which to do business in 2025, we used data from 2025 available for each of our indicators. When the data from 2025 was not available on public websites, we used the most readily available data from before 2025.[25]

All municipalities were assessed using the same standardized framework to ensure comparability and methodological consistency across regions.

Where information was not publicly available or required clarification, CFIB contacted municipalities directly from the fall of 2025 through to mid-January 2026. These outreach efforts ensured that missing or ambiguous data could be verified and that municipalities had the opportunity to confirm whether they met the criteria for full points on specific indicators. When our initial outreach efforts did not receive a response, we followed up with municipal officials and provided a clear deadline for submitting the requested information. If the deadline was not met, the municipality was assigned a score of 0 for that indicator, reflecting the absence of verifiable data.

Report card grading scale and weighting

Each category received a score on a standardized scale ranging from 0 (lowest performance) to 10 (highest performance). Category-level scores were calculated by averaging the scores of their respective indicators, ensuring that each indicator contributed proportionally to the overall category score.

The resulting category scores were then averaged across all three categories to produce a composite numerical score for each municipality, also expressed on a scale from 0 to 10. This composite score reflects overall municipal performance.

Each indicator was also weighted according to its importance for small businesses. To determine these weights, we analyzed CFIB's municipal survey results. Based on this analysis, we found that the cost of doing business is the number one issue for small business owners.

Cost burden (40% of overall score)

1. Tax fairness ratio (50% of category score)

[25] Data from 2022 was used once in the report to calculate Hamilton's Tax Fairness Ratio, as more recent tax data was not available.

2. Property tax relief measures (25% of category score)
3. Operating spending growth (25% of category score)

Property taxation emerges as the single most important issue affecting businesses across all regions. In Atlantic Canada, 58–59% of businesses identified property taxes as having the greatest impact on their operations, far exceeding any other factor.[26,27] Similarly, 67% of respondents in Quebec identified reducing municipal taxes as the top priority for municipal officials.[28] This trend is reinforced in Ontario[29] and Alberta,[30] where 69% and 73% of businesses respectively called for lower or more controlled property taxes.

Given this overwhelming and consistent evidence, the tax fairness ratio is assigned the largest weight (50%) within its category, reflecting its central importance to business competitiveness. Operating spending growth (25%) and property tax relief measures (25%) reflect additional dimensions of the cost burden carried by business owners. While these indicators are important, they were assigned a lower weight because their impact is generally less prominent in CFIB’s municipal survey results compared to property taxes.

Regulatory burden (40% of overall score)

1. Digital permitting (20% of category score)
2. Permitting burden (30% of category score)
3. Publicly available business licence timeline (20% of category score)
4. Dedicated red tape feedback portal (25% of category score)
5. Updated BizPaL (5% of category score)

We assessed the regulatory burden through two components: permitting and red tape. The permitting component accounts for 70% of the regulatory burden category, while red tape reduction efforts represent the remaining 30%.

Red tape is consistently identified as the second most important issue. In Atlantic Canada, 34-35% of businesses identified red tape as their primary concern.[31,32] This concern is even more pronounced in Ontario[33] (61%) and Alberta[34] (62%), where a majority of respondents called for reductions in regulatory burden.

Digital permitting was weighted at 20% because enabling online business licence applications, payments, and renewals is one of the most effective ways for a municipality to simplify processes and make it easier to do business. The number of permits required was weighted at 30%. As the only indicator that directly captures the administrative burden faced by business

[26] CFIB, Atlantic Municipal Survey – June 2025, n = 185.
[27] CFIB, Atlantic Municipal Issues Survey – July 2024, n = 238.
[28] CFIB, Quebec Municipal Field Survey – September 2025, n = 793.
[29] CFIB, Ontario Municipal Elections Flash Survey – October 2022, n = 1,309.
[30] CFIB, Alberta Municipal Survey – June 2021, n = 839.
[31] CFIB, Atlantic Municipal Survey – June 2025, n = 185.
[32] CFIB, Atlantic Municipal Issues Survey – July 2024, n = 238.
[33] CFIB, Ontario Municipal Elections Flash Survey – October 2022, n = 1,309.
[34] CFIB, Alberta Municipal Survey – June 2021, n = 839.

owners when starting and operating a business, it was assigned a higher weight within this category. The availability of publicly posted business licence timelines was weighted at 20%. After offering digital licensing, reducing the number of permits required to operate and providing clear, accessible timelines are among the best ways municipalities can reduce the regulatory burden and help small business owners plan.

The dedicated red tape feedback portal was weighted at 25% to encourage municipalities to adopt this tool. It is a low-cost measure that can generate meaningful improvements for SMEs by allowing them to report regulatory issues directly. Finally, the updated BizPaL indicator was weighted at 5%. As almost every municipality had an up-to-date BizPaL system in place, it received a lower weight.

Small business friendliness (20% of overall score)

1. Construction mitigation measures (50% of category score)
2. Business-focused municipal website (25% of category score)
3. Budget transparency (25% of category score)

Survey data show that construction-related disruptions are a comparatively lower priority. In Alberta,[35] only 27% of respondents identified construction mitigation as a key area for improvement, compared to much higher shares for taxes and red tape. Similarly, in Ontario,[36] 37% supported compensation programs for construction-related impacts.

Construction mitigation measures were weighted at 50% given the significant impact that prolonged or frequent construction can create for SMEs, such as reduced customer access, increased operating costs, revenue losses,[37] and even closures. A business-focused municipal website and budget transparency were both weighted at 25%. While these are important components of a small business friendly environment, they tend to have less direct impact on the day-to-day operations of small business owners.

Permitting burden

To determine the number of permits required for each business, it was necessary to create a standardized "default" business for each of the three scenarios: a health/personal care store (retail), a home-based construction company (construction), and a full-service restaurant (restaurant & hospitality). The default business for each industry is as follows:

Health/personal care store: A retail location selling nutrition supplements. The location has a sign attached to the building, as well as an A-frame sign for the sidewalk.

[35] CFIB, Alberta Municipal Survey – June 2021, n = 839.

[36] CFIB, Ontario Municipal Elections Flash Survey – October 2022, n = 1,309.

[37] OULTON, Alex and BOSTON, Emily (2024), Hard hats and hard times: Public construction impacts on small businesses, CFIB. https://www.cfib-fcei.ca/en/research-economic-analysis/hard-hats-and-hard-times-public-construction-impacts-on-small-businesses

Home construction: General contractor operating out of a commercial vehicle with a home-based office. No specific trade was used, though in some municipalities that may be relevant to the number of permits required to operate a business.

Full-service restaurant: The restaurant operates year-round and serves alcohol. It has a sign attached to the building, an A-frame sign for the sidewalk, and seasonal sidewalk patio seating in the summer. There is an awning over the patio.

Based on these scenarios, the number of municipal permits and licences was determined according to the listed BizPaL requirements and was confirmed by matching findings with municipal websites.

Tax fairness ratio

The tax fairness indicator is not like other indicators in the report. Scores for tax fairness were calculated using the following method, based on four steps:

1. Computation of the business share of assessment and the business share of tax revenues
Using:

- **Business share of assessment (%)**
  = (Business assessment ÷ Total assessment) × 100
- **Business share of tax revenue (%)**
  = (Revenue from businesses ÷ Total revenues) × 100

These values were taken directly from municipal financial data.[38]

2. Computation of the tax fairness ratio (FI)

This is the core ratio: $$FI = \frac{\text{Business share of tax revenue}}{\text{Business share of assessment}}$$

FI tells you how much businesses *pay* relative to their *share of property wealth*:

- **FI > 1** → Businesses pay *more* than their fair share
- **FI = 1** → Balanced / neutral
- **FI < 1** → Businesses pay *less* than their share

The score is constructed asymmetrically to reflect a normative preference for tax structures that do not place an excessive burden on businesses. Any municipality with a fiscal neutrality

[38] In Quebec, business and industrial properties are classified as separate assessment categories. However, because assessment data were available only on a combined basis, these categories have been analyzed jointly for Quebec municipalities in this report. Corresponding tax revenues were also aggregated.

index less than or equal to 1 receives the maximum score, while values greater than 1 are penalized proportionally.

3. Checking the maximum deviation from fairness across all municipalities

We calculated a normalization constant:

$$\text{Max} = \max(|\min(FI) - 1|, \ |\max(FI) - 1|)$$

This gives us the *largest distance from 1* (perfect fairness) observed anywhere.

In the table, Max ≈ **2.07**.

This Max value is used to scale all FI values onto a 0–10 range.

4. Computation of the final score

Our scoring formula is as follows:

$$\text{Score} = 10 \times \left(1 - \frac{|FI - 1|}{\text{Max}}\right)$$

Interpretation:

- If FI = 1 → Score = 10
- If FI deviates slightly from 1 → Score close to 10
- If FI deviates strongly from 1 → Score decreases

Municipalities with the lowest tax fairness ratio received the highest points. Higher scores indicate a more balanced distribution of property taxes, comparing businesses' share of total municipal property tax revenue with their share of assessed property value, while lower scores indicate an unfair tax burden, where businesses are paying a larger share of property taxes than their share of property assessment.

About CFIB

CFIB is a non-partisan organization exclusively representing the interests of over 103,000 small and medium-sized businesses in Canada. CFIB's research capacity is second-to-none because it is able to gather timely and concrete information from members about business issues that affect their day-to-day operation and bottom line. In this capacity, CFIB is an excellent source of up-to-date information for governments to consider when developing policies impacting Canada's small business community.

To learn more, visit cfib.ca.

Additional resources

Questions or data requests

research@cfib.ca

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Report Lead: Angela Drennan (Vice-President, Legislative Affairs, Ontario)

Working Group: Frédéric Gionet (Director, Atlantic Canada), Jonathan Galgay (Director, Newfoundland & Labrador), Alchad Alegbeh (Senior Research Analyst), Bradlee Whidden (Western Economist)

Design: Steve Trappe (Senior Manager, Graphic Design and Video Production)

Communications: Dariya Baiguzhiyeva (Senior Public Affairs Specialist)

Digital: Sheelagh Black (Director, Business Partners and Agile Lead)

Translation: Elite Communication and CFIB Translation Department

Reviewers: Corinne Pohlmann (Executive Vice-President, Advocacy), Simon Gaudreault (Chief Economist & Vice-President, Research), Ryan Mallough (Vice-President, Communications), Marvin Cruz (Senior Director, Research)

Authors

Vincent Pâquet
Senior Policy Analyst, Quebec

Joseph Falzata
Policy Analyst, Ontario

Illona Sevré
Policy Analyst, Quebec

Molly MacCormack
Policy Analyst

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