RESIDENTIAL BUILDER

A PUBLICATION OF THE RESIDENTIAL CONSTRUCTION COUNCIL OF ONTARIO

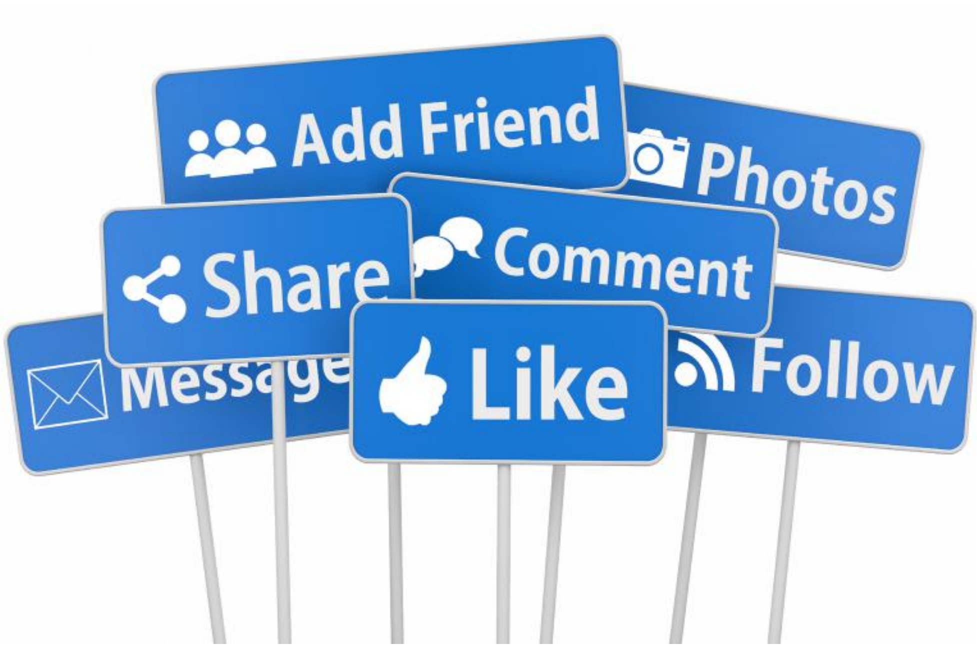
RESCON®

MAY 2026

TIME FOR A REVOLUTION

PAGE 10

RESCON SOCIAL MEDIA



www.rescon.com

LINKEDIN

@_rescon

Instagram

25 North Rivermede Road
Unit 13
Vaughan, Ont.
L4K 5V4

1-905-760-7777
1-866-531-1608

media@rescon.com

RESIDENTIAL BUILDER

Official publication of the Residential Construction Council of Ontario

RESCON® RESIDENTIAL CONSTRUCTION COUNCIL OF ONTARIO

Published under the direction of:

Richard Lyall
RESCON President
lyall@rescon.com

Grant Cameron
RESCON senior director of public affairs
cameron@rescon.com

Residential Builder is published 12 times a year by RESCON

25 North Rivermede Rd.
Unit 13
Vaughan, Ontario
L4K 5V4
+1 905-760-7777

Advertising
For advertising information:
media@rescon.com

Subscriptions
Subscribe at:
www.rescon.com

CONTENTS

NEWSLETTER

p.12

p.16

p.20

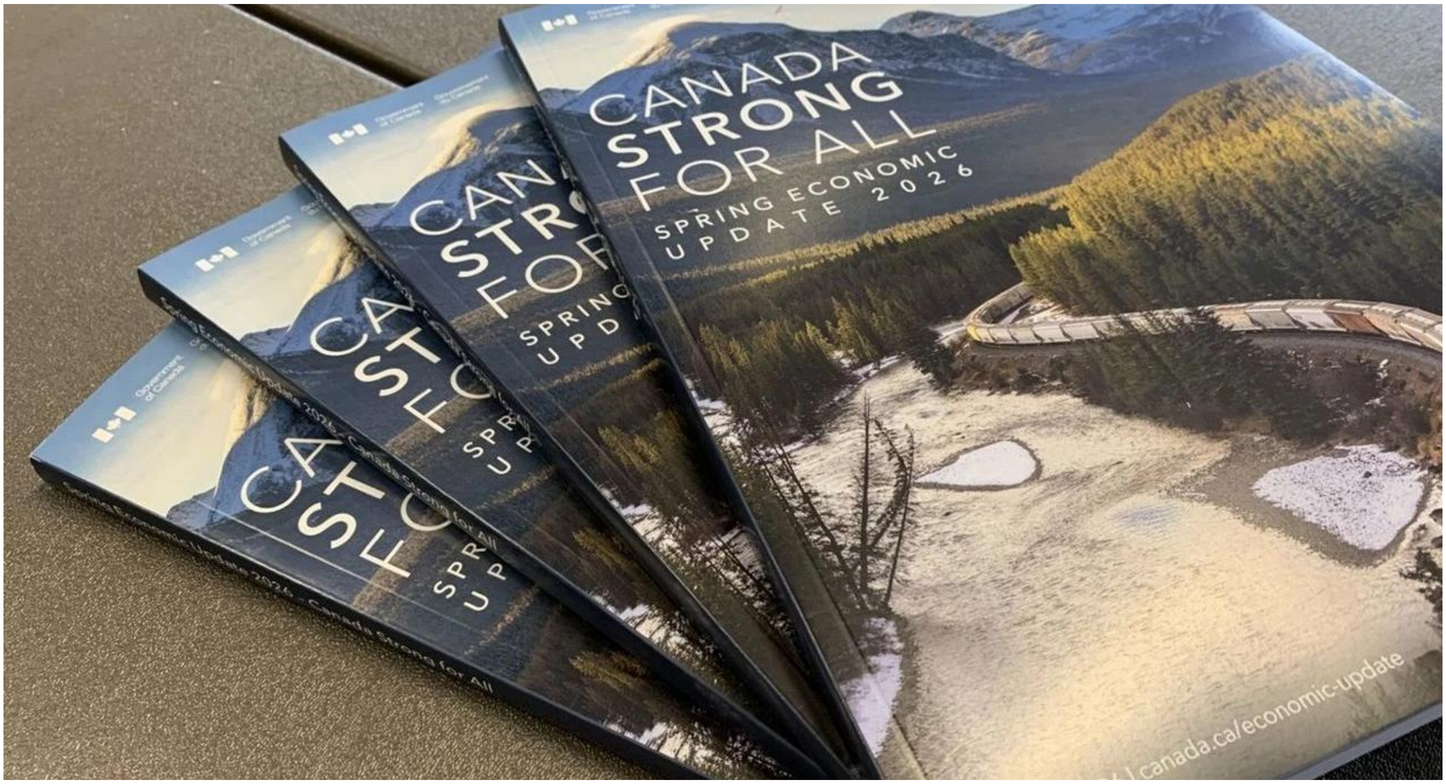
p.28

Columns

News

Builder Briefs

Economic update released by federal government



On April 28, the federal government released its 2026 Spring Economic Update: Canada Strong for All.

The update contained information on a number of initiatives, several of which have already been announced, to accelerate the construction of new homes and recruit, train and hire more skilled trades.

The measures are somewhat underwhelming. It would be nice to have the HST rebate regulations out and an actual plan on development charges. Kudos to Vaughan for temporarily reducing them on residential developments to zero.

To get more homes built, the government says it will be reducing development charges and providing targeted GST relief for homebuyers.

Through the Improving Housing Supply Act, $1.7 billion will go to provinces and territories to remove barriers and accelerate homebuilding, including reducing development fees and levies on new home construction.

Rules will be streamlined and building codes will be modernized to make it easier to construct new homes, including factory built and modular housing.

The government will be investing in new building technologies to help reduce costs and speed up construction and accelerate over $7 billion in low-cost financing to the CMHC so it can help builders move projects forward sooner.

Meanwhile, the government wants to hire 80,000 to 100,000 new skilled trade workers by 2030-31, so it has the talent needed to build more homes and major projects at speed and scale.

Canada will need more than 1.4 million additional trades workers by 2033. In 2024, more than 100,000 new apprentices registered, but only 34,000 completed their training. If nothing changes, Canada will face a persistent gap of more than 20,000 skilled trades per year.

The government plans to modernize and increase apprenticeship and Red Seal training capacity, work with unions, employers, provinces and territories, and national institutions to shorten timelines and improve outcomes.

It also plans to remove financial barriers during training and provide apprentices with a weekly income top up of $400 per week while they are attending mandatory in-class technical training for a total payment of up to $16,000 per apprentice, paid in addition to EI.

To increase apprenticeship completion rates, the government plans to provide a one-time $5,000 bonus to apprentices obtaining certification in a Red Seal trade, and provide income supports for those between training and work.

Click here to read the government news release.

Click here to read a backgrounder on the initiatives.

Builder Briefs

2026 FIFA World Cup road restrictions have been revised

Over the course of the past few weeks, RESCON and our partners have managed to secure a number of changes to FIFA World Cup restrictions the City of Toronto had put forward several weeks ago.

One change related to delivery times for sites. Outside of the three-day periods when games are being played, the city had planned to restrict deliveries between 9 a.m. and 4 p.m. We have now been notified that, "deliveries can occur as they normally do unless a different delivery window has been provided by the work zone co-ordinator at a particular site."

Another win was reducing the restriction period on the front end to May 15 instead of the original May 1, and allowing restoration on July 20 (instead of 24) with assurances that this date will be further reviewed during the World Cup period for potential further restriction reductions.

Following are some of the other restrictions.

Updating the work restriction mapping & dates

This map is an updated version that allows for some work to continue in the work restriction area between May 1 and 15. Work may continue during this period for all roadways except for the area closer to the Toronto Stadium and Fan Festival shown in the expanded section of the map as "no work permitted May 1 to July 31, 2026."

Work may resume after July 20, 2026 (revised from July 24), for all roadways except for the area closer to the Toronto Stadium and Fan Festival shown in the expanded section of the map as "no work permitted May 1 to July 31, 2026." In this area, work may resume after July 31, 2026.

We are currently reviewing the dates that work may start back up in July and will communicate further on this. Work on local streets and laneways can be discussed through the escalation process. If approved, there will be a restriction for no work on match days.

Construction deliveries for approved construction staging areas

Restrictions include pausing construction deliveries during the three-day window around match days (match day -1, match day, match day +1). This applies to all vehicles with greater than two axles.

For days that fall outside the three-day window around match days, there were requests to expand the delivery window beyond the standard window of 9 a.m. to 4 p.m. daily. On these days, deliveries can occur based on what has been worked out with the work zone co-ordinator for each individual site (**amended as noted earlier**).

There has been a request for an exemption for construction waste removal, crane and hoist servicing, and solid waste removal that is essential from a healthy and safety perspective. These services can continue with the exception that none of these deliveries occur on match days.

Escalation & exemption process

Discuss with work zone co-ordinator and supervisor.

FIFA Secretariat Office – TransFWC26@toronto.ca.

RESCON VP attends Day of Mourning event at Queen's Park

On the Day of Mourning, RESCON VP Andrew Pariser attended the unveiling of the design for a new Workers' Memorial at Queen's Park. Premier Doug Ford and MLITSD David Piccini spoke at the event. The monument is dedicated to honouring construction workers who have died, been injured, or suffered illness on the job.

BUILDERS STILL WAITING FOR GUIDANCE ON HOW REBATES WILL WORK

Richard Lyall
President

Without those rules, agreements of purchase and sale are being drafted in a fog.

The past several months have produced an extraordinary volume of housing policy announcements from both Ottawa and Queen's Park.

On paper, the residential construction industry should be encouraged. In practice, we have been watching announcement after announcement land on our desks while the cranes remain still, the sales centres stay quiet, and the pipeline of new housing supply continues to shrink rather than grow.

The story of 2026 so far is not a shortage of intent; it is a shortage of implementation.

Consider the file as it is today. Bill C-4, the federal First-Time Home Buyer GST Rebate, received royal assent in February. Ontario had joined this initiative on Oct. 28 for first-time buyers. Then, on March 26, 2026, both the federal and provincial governments announced a sales tax rebate for one year for all new buyers.

These are consequential reforms that RESCON has long advocated for, and the HST rebate has increased some sales centre traffic and tire-kicking. However, the results have yet to be tabulated.

Meantime, builders, lawyers and buyers are still waiting for the regulations and administrative guidance that will tell us, in operational terms, how the rebate is to be applied, claimed, reconciled, and audited.

Without those rules, agreements of purchase and sale are being drafted in a fog, and the very buyers the program is meant to help cannot make confident decisions.

The first step in terms of federal enabling legislation, Bill C-26, remains stalled at first reading, the very beginning of the legislative process.

The March 30 federal-provincial agreement to reduce municipal development charges by up to 50 per cent for three years is, on its face, exactly the kind of bold action the sector has been urging. But the announcement was light on the specifics that matter most: which charges, in which municipalities, effective when, with what backstop for municipal infrastructure budgets, and applying to which projects already in the approvals queue.

Until those questions are answered with precision, pro formas cannot be re-run and stalled projects cannot be unstuck.

Bill 98, the Building Homes and Improving Transportation Infrastructure Act, is similarly promising but remains in the legislative process. The government has moved it to "time allocation," which could mean passage soon. We are hopeful this will occur. The provisions on minimum lot areas, upper-tier planning roles, and standardization of approvals are sound directions, but they are directions, not yet rules.

The pattern repeats. The push to streamline and digitize the approvals process - a reform first called for as far back as 2014 and reaffirmed in countless reports since - remains stuck at the survey and engagement stage.

We do not need another round of discovery. We know what works. OneOntario and similar digital-first initiatives should be in deployment, not in diagnosis. Meanwhile, the statutory 10-year Greenbelt review is now more than a year overdue, leaving long-term land-supply planning in limbo at precisely the moment certainty is most needed.

The cumulative effect is a chilling one. Every reform announced but not fully implemented becomes a reason to wait. Buyers wait for clarity on rebates. Lenders wait for clarity on charges. Municipalities wait for regulations. Builders wait for all of the above.

The market has stalled, starts are falling, and the supply response that these reforms were designed to trigger is being delayed by the very process meant to deliver it.

Two things must change.

First, the alignment of housing policy across federal, provincial and municipal governments must improve - not in communiqués, but in synchronized regulations, timelines and transitional rules that builders can actually plan against.

Second, housing policy must be modelled in concert with the files it cannot be separated from: immigration, health care, education, and economic development. Population growth is not a housing problem alone, and housing targets without integrated plans for the systems that surround them are targets in name only.

RESCON's message to all orders of government is straightforward. Set the targets, yes - but back them with meaningful plans, firm timelines, and the regulatory follow-through that turns announcements into shovels in the ground. The industry is ready. The reforms are written. What is missing is the execution.

DESIGN CONCEPT FOR NEW MEMORIAL UNVEILED AT QUEEN'S PARK

Andrew Pariser
Vice President

Safety is an everyday task, for every worker, and needs to be part of everyday discussions on every jobsite in Ontario.

On April 28, the construction industry came together under the leadership of Premier Doug Ford and Labour, Immigration, Training and Skills Development Minister David Piccini to commemorate the National Day of Mourning.

Every April 28, the construction industry remembers the workers we have lost and commits to do better. Simply put, everyone who goes to works needs to come home from work.

This April 28 was a bit different as the event was held at Queen's Park and included the unveiling of the design concept for a new memorial to honour the contributions and sacrifice of construction workers.

The monument and memorial, which will be located on the grounds of Queen's Park, will provide a dedicated space for reflection and remembrance and remind all Ontario citizens and employers of the shared responsibility to protect workers.

Safety is an everyday task, for every worker, and needs to be part of everyday discussions on every jobsite in Ontario. This is because the consequence of letting your guard down can lead to accidents, critical injuries or death.

In addition to remembering fallen workers, we need to also remember and support their families.

Construction is a family-based industry dominated by small companies and owners and workers who share close connections and relations.

In unionized settings, members are referred to as brothers and sisters and when someone dies, we all feel the loss and need to access the mental health and supportive services that are available when tragedy strikes.

In this month's column, I will share resources for those who have lost a loved one to a workplace accident and focus on safety and health week.

Threads of Life

Threads of Life is a charity dedicated to supporting families after a workplace fatality, life-altering injury or occupational disease.

It connects families who have lost someone to a workplace accident to support volunteers who have also lost someone to a workplace-related accident. It is the best charity you hope you never need.

The volunteers provide assistance during a family's darkest hours and the organization has become a focal point of the Day of Mourning.

Please consider supporting this charity and the incredibly important support it provides.

Click here for more information.

Safety and Health Week

Safety and Health Week has gained recognition and popularity over the last 13 years in Ontario. It is a great opportunity to focus on safety and safety related activities.

This year, it runs from May 4 to 9.

Safety resources and ideas include, but are not limited to toolbox talks, conferences, site-specific training, and a general recommitment to and focus on safety.

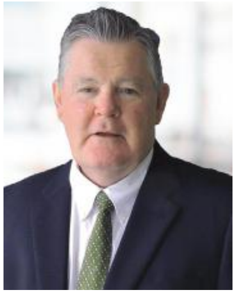
While safety is front of mind on all sites, it is important to take time regularly to fight complacency and recommit to safety as individuals, employers, associations, and as a sector.

In order to learn more about this year's safety events and find resources, check out safety partners including the IHSA, WSIB, Ministry of Labour (prevention office), and charities including Steps to Life.

While safety is an everyday task, it is important to take the time needed to fight complacency and recommit to the safety of all workers.

We are stronger when we work together and an increased focus on safety will benefit all employers, workers and their families.

Stay safe.



ANNOUNCEMENTS HAVE BEEN MADE BUT REGULATIONS ARE NEEDED

Grant Cameron
Senior Director of Public Affairs

We are still waiting for accompanying regulations to be drafted. Hopefully this will happen soon.

"Hurry up and wait." That idiom seems to sum up the situation with the residential construction industry these days.

A flurry of activity took place at the end of March, with the announcement by the federal and provincial governments of temporary tax breaks on new housing as well as inking a landmark deal to support the reduction of development charges (DCs).

Meanwhile, the Ontario government has also tabled legislation to streamline approvals and reduce barriers to homebuilding.

However, we are still waiting for accompanying regulations to be drafted. Hopefully this will happen soon. The longer it takes, the longer uncertainty looms over the market.

We noted in a column in Storeys that there is a growing recognition across Canada that the housing crisis demands urgent action. The column pointed out that the senior levels of government have begun to respond but they still amount to nibbling at the edges of a much deeper problem, namely the escalating burden of government-imposed costs on new housing.

In a Toronto Sun column, we also highlighted that, while the Ontario and federal governments have taken meaningful action to reduce costs, some municipalities - such as Clarington - are undermining the whole process by dramatically hiking planning and development fees.

In the 2026 Spring Economic Update, we learned that the feds will be providing provinces and territories with $1.7 billion through the Improving Housing Supply Act, to remove barriers and accelerate homebuilding, including reducing development fees and levies on new home construction.

Development charges

RESCON has been calling for DC fee cuts, so it was welcome news that the feds and province had inked a deal to cut them.

We noted in an article in Ontario Construction News that DCs have been on a trajectory that is unsustainable and economically counterproductive.

In a column in Canadian Real Estate Wealth, we explained that DC charges on housing are a systemic, self-inflicted wound and must be addressed.

In Real Estate Magazine, RESCON president Richard Lyall said in a column that governments agreed to spend a total of $8 billion over the next 10 years to help cover infrastructure costs for municipalities that lower DCs and it is now up to municipalities to do their part and support those reductions.

Effect on economy

In a Canadian Contractor column, we highlighted that homebuilding is our economic engine, and in a column in Canadian Forest Industries we examined the effects of the housing downturn on the forestry and wood products industries.

RESCON president Richard Lyall was on a podcast with Brian Crombie that delved into what it will take to fix the housing crisis.

What's happening in Alberta

In a Daily Commercial News column, we looked at what Alberta is doing right on the housing front and how Ontario can tap into what's been done there.

The Western province seems to have found the right formula.

ConTech & PropTech

We examined the benefits of ConTech & PropTech in a column in On-Site magazine. Presently, we have a system stuck in the past and must adapt with tools and technology as a foundational strategy for the future of the industry.

Women in the trades

With more than 20 per cent of the workforce expected to retire by 2032, we wrote in a column in Senso magazine that recruiting and retaining women is not optional - it is essential.

World Cup restrictions

RESCON wrote a letter to Toronto Mayor Olivia Chow about restrictions being implemented by the City of Toronto during FIFA World Cup events.

RESCON managed to secure a number of important changes to these restrictions to lessen the impact on construction.

New report

Meanwhile, a new report done for RESCON by the Missing Middle Initiative indicates that housing starts decreased dramatically in 34 municipalities studied across the province in 2025, while job losses in the industry continue to grow.

ARE WE IN NEED OF A CONTEMPORARY LORD BEAVERBROOK?

Michael Giles
Director of Government Relations

We simply don't have the luxury of time when we face a crisis that we haven't seen in generations.

On May 25, 1879, William Maxwell Aitken was born in Maple, Ont. His birthplace remains on the original site at Keele Street and Major Mackenzie Drive West. He would later become known as Lord Beaverbrook.

He moved to England in 1910, eventually emerging as a famous and well-known press baron, owning, among other publications, the Daily Express. He was influential in British political circles and was a well-placed member of the English aristocracy.

While his pre-war sympathies were questioned, as was the case with many members of the British aristocracy, his strong patriotic sentiments came forward once war was declared on Germany in 1939.

So, what would Beaverbrook's relevance be to current events?

It centres on his role as minister of aircraft production to which he was appointed by Prime Minister Winston Churchill in 1940.

Churchill's decision to appoint Beaverbrook to this critical position was founded upon his belief that he needed to have in place someone who could essentially "get things done," as the United Kingdom faced down Germany with odds that were not looking good.

At the time, British war production was halting, burdened with bureaucracy and characterized by what we today call "turf wars." Churchill quickly, and correctly, surmised that the very outcome of the war in those initial days required a "damn the torpedoes" approach that focused on producing the planes and other materials required to allow the country to resist the German onslaughts in 1940.

While some would question the comparison of the early days of World War II to where we are today in Canada, it's actually something worth considering.

At a time when we face unprecedented economic pressures and seemingly insurmountable challenges related to affordability and national advancement, looking at how Beaverbrook did things is worth considering.

The realities of the housing affordability and supply crisis is one area, among others, where a "wartime" mindset is, quite frankly, required.

We've seen many announcements by various levels of government, but implementation has been characterized by seemingly endless process challenges and lack of measurable drive to simply get things done.

Witness the first-time homebuyers rebate which was announced on March 20, 2025. It was not until February 2026 that the actual legislation finally became law. And even now, the full implementation of the FTHB remains unenacted at the provincial level as the government indicates it is awaiting the final regulations federally which may not arrive until June.

Similarly, the newly announced enhanced sales tax rebate was introduced with fanfare on March 26, 2026, with an effective date of April 1, 2026, until March 31, 2027. It was a joint federal/provincial announcement. The preliminary legislation at the federal level to activate the rebate was introduced that day in the form of Bill 26. However, as of press time, it remains only at first reading.

The result of this situation is that many potential homebuyers are reluctant to enter into home purchases without the documentation, forms and processes in place to secure their rebate.

Homebuilders are equally concerned, as they are unsure of the specifics of the program in the absence of governmental direction associated with a fully approved and implemented piece of legislation.

Intense advocacy has been underway by RESCON to get government to advance the required legislation and regulations, but it leaves one wondering whether we are simply in need of a contemporary Beaverbrook who can crash through bureaucratic walls and unnecessary delays and simply "get things done" faster with the program information and documentation required to get the thing in place.

It may be that such a Beaverbrook is not practical in these times, but whether it's with regard to housing or a host of other contemporary issues, we simply don't have the luxury of time when we face crises that we haven't seen in generations. We need to act.

> **"Intense advocacy has been underway by RESCON to get government to advance the required legislation and regulations.**

TIME FOR A REVOLUTION

By Richard Lyall
for On-Site Magazine
April 24, 2026

The time has come for a full-scale revolution here in Canada. Don't worry, I'm not proposing we overthrow the government. I'm merely suggesting that we embrace ConTech and PropTech.

Let me explain.

Presently, we have a system stuck in the past.

Our planning approvals process is still largely paper-driven, siloed and opaque. The system remains uneven and fragmented. Developers routinely face multi-year delays navigating through multiple layers of municipal review. Presently, Canada ranks second last among OECD nations for approval timelines - ahead of only the Slovak Republic. We can and must do better.

Jurisdictions that outperform us have fully digitized approvals, standardized designs, integrated Building Information Modeling (BIM) and implemented real-time data tracking.

Ontario is years behind, which is embarrassing - and economically damaging. Other industries have automated and digitized. Banking, manufacturing and logistics operate in real time. There is no reason that development approvals should remain stuck in the dark ages.

PropTech, or property technology, is transforming how land is identified, evaluated, approved and managed around the world. ConTech, or construction technology, is reshaping how building projects are designed and delivered, from digital modelling to robotics and automation.

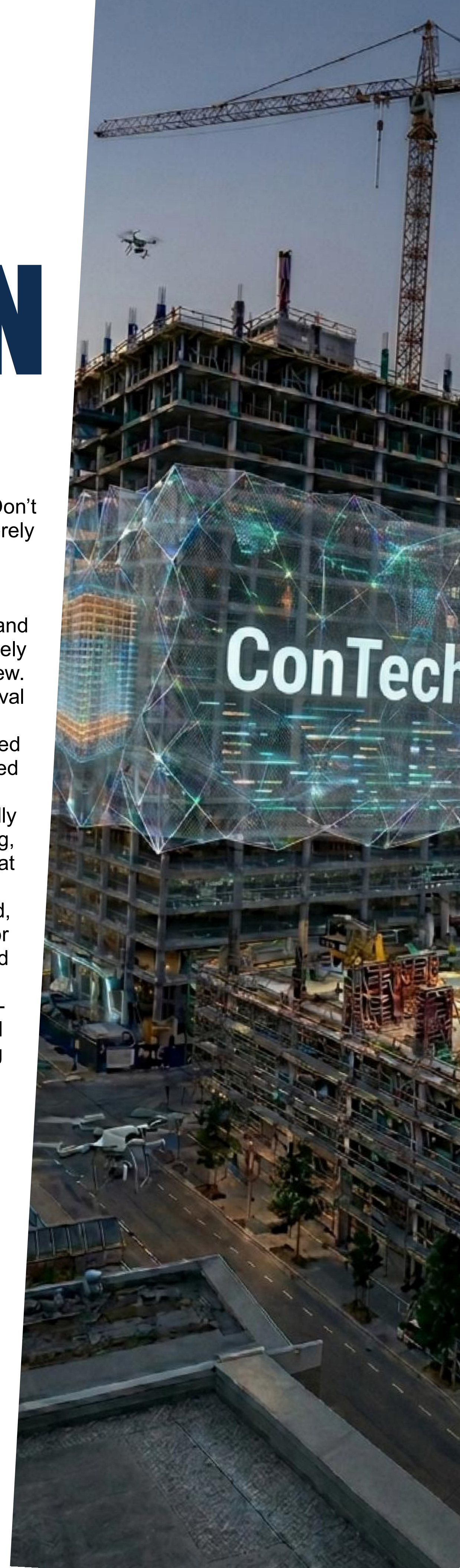
PropTech offers a clear path forward. Digital permitting platforms, real-time application tracking dashboards, integrated data systems and artificial intelligence tools can dramatically reduce timelines while increasing transparency and accountability. Instead of applicants submitting duplicative reports to multiple departments, unified platforms can allow simultaneous review, automated compliance checks and standardized data submission.

Platforms such as LandLogic demonstrate what is possible. By using a data fusion engine to consolidate zoning, planning and property information, it removes much of the guesswork from site selection. Developers can quickly assess feasibility, identify risks and reduce speculative costs before purchasing land.

Similarly, DEVNEX leverages digital tools to guide projects from acquisition to completion, surfacing regulatory and environmental risks early in the process.

These are not futuristic concepts - they are operational tools that can unlock stranded land and accelerate redevelopment within existing urban boundaries. Yet adoption is voluntary and inconsistent. Some municipalities have modernized. Others lag badly.

To address the lag, a province-wide digitization strategy should be developed, including:



- Standardized digital permitting systems across all municipalities;
- Common data architecture and submission requirements;
- Public-facing dashboards to track approval timelines;
- Integration of BIM into planning review;
- Expanded as-of-right zoning supported by digital compliance tools.

Provincial leadership is essential in all of this. Without coordination, we will continue to see isolated pilots rather than systemic transformation.

If PropTech accelerates approvals, ConTech transforms what happens after a shovel hits the ground.

While manufacturing, logistics and finance have automated and digitized, construction has often remained manual and fragmented.

It is changing - but not nearly fast enough.

A recent KPMG survey found that 90 per cent of Canadian construction leaders believe advanced digital tools - including AI, analytics and BIM - improve efficiency and labour effectiveness. Already, major construction firms such as Pomerleau and PCL Construction are integrating drones, robotics and digital twins into their projects.

Drone programs now conduct hundreds of flights annually to capture high-resolution progress data, improve surveying accuracy and enhance safety by reducing the need for workers to climb scaffolding. Robotics are beginning to handle repetitive tasks. Digital twins allow project teams to simulate construction sequencing before materials arrive onsite.

BIM is becoming the backbone of co-ordinated design. Instead of disconnected drawings, BIM creates a 3D data-rich environment where architects, engineers and contractors collaborate in real time, identifying conflicts before they become costly change orders.

These technologies reduce waste, improve safety and compress schedules - precisely what Ontario needs.

ConTech also underpins the shift toward off-site and modular construction.

Recently, RESCON staff and board members toured the H+ME Technology plant in Etobicoke recently with federal Housing and Infrastructure Minister Gregor Robertson. The plant showcases how digital design integrates with factory production. Floor and wall panels are engineered in controlled environments and delivered just in time to jobsites.

We have innovative firms like this ready to scale, but barriers remain: high upfront capital costs, fragmented municipal regulations and uncertain demand.

Government can help by offering targeted innovation grants, tax incentives tied to productivity gains and bulk procurement programs that create predictable demand for tech-enabled housing systems.

This isn't about modernization for modernization's sake.

Housing starts have cratered. Sales have plummeted. Job losses are mounting. Ontario could see a GDP reduction of up to 2.5 per cent in 2026 tied to the residential construction slowdown.

At the same time, Canada Mortgage and Housing Corporation estimates between 430,000 and 480,000 homes must be built annually over the next decade to restore affordability nationwide.

PropTech and ConTech are not silver bullets, but they can certainly help. If Ontario wants to build more homes, protect jobs and restore affordability, it must fully embrace the PropTech and ConTech revolution - not as an experiment, but as a foundational strategy for the future of the industry.

ECONOMY

HOMEBUILDING IS OUR ECONOMIC ENGINE

When it stalls, the consequences ripple far beyond the construction site.

By Richard Lyall
for Canadian Contractor
April 16, 2026

Amid the political noise and intensifying frustration around the housing crisis, one critical point seems to be missed: housing affordability isn't just a social issue, it's an economic one as well.

For years, the debate has been framed primarily in social terms - fairness, accessibility, and quality of life. Those matter. But focusing only on those dimensions misses a larger, more urgent reality.

Housing is one of the most powerful economic engines in the country, and when it stalls, the consequences ripple far beyond the construction site.

A growing body of research is now making that case clearly. A study from Concordia University's John Molson School of Business reframes housing policy as economic policy. The report, Build and Benefit: How Homebuilding Incentives Can Pay Off for Cities, Homeowners and Local Economies, found that boosting housing supply and improving affordability can deliver immediate and sustained economic benefits.

The report found that investment in homebuilding, including streamlined approval processes and reduced input costs, can quickly translate into more affordable housing and wider economic benefits.

That observation cuts to the heart of the issue. When housing becomes unaffordable, households are forced to divert more of their income toward shelter, leaving less to spend in the broader economy. Local businesses suffer. Investment slows. Labour mobility declines as workers are priced out of key markets. Municipal revenues weaken. The economic drag is real.

The Concordia study also quantifies what it would take to meaningfully improve affordability. Canada would need to more than double its housing construction rate to between 3.5 and 4.1 per cent of existing supply annually. That translates into tens of thousands of additional homes each year in major cities - roughly 96,000 in Toronto alone.

The good news is that relatively straightforward policy changes could help. The study finds that cutting approval delays by just 20 per cent could improve affordability by 17 per cent. That is not a marginal gain - it is transformative. Faster approvals, lower input costs and more efficient development processes would not only increase supply but also stimulate local economies as

households regain spending power.

But if the upside is significant, the downside of inaction is even more alarming.

A report by the Canadian Centre for Economic Analysis suggests that, without policy intervention, about 35,000 Ontario residential construction workers could potentially be displaced, on average, over the next 10 years, while 390,000 fewer Ontarians would be housed.

These are not abstract projections. They represent real economic dislocation - fewer jobs, weaker growth and a diminished standard of living.

The economic effects could be devastating. Ontario could face a 1.5 to 2.5 per cent reduction in GDP as early as 2026–27 tied directly to a collapse in residential construction. That is not a typical cyclical downturn - it is a structural weakening of one of the economy's core sectors.

The damage would not stop there. A prolonged slowdown would erode the construction workforce, disrupt apprenticeship pipelines, and lead to a loss of knowledge that could take years to rebuild. Supply chains would contract. The housing ecosystem would become more fragile.

All of this is happening against the backdrop of a long-term affordability crisis that has been building for decades.

Twenty-five years ago, a typical home in Ontario cost roughly three to four times the average household income - a level widely considered affordable. Today, that ratio has ballooned to seven to nine times income in many markets, and even higher at the peak of the pandemic housing surge.

While higher interest rates have cooled prices somewhat, affordability remains deeply out of reach for many households. By most measures, home prices are still 35 to 40 per cent higher relative to incomes than they were a decade ago.

Improving the affordability of new housing must be treated as an economic priority. We need policies that reduce development costs, streamline approvals, and expand the supply of land.

The benefits extend far beyond the housing market.

More construction means more jobs. More affordable homes mean more disposable income. Stronger local economies generate higher tax revenues.

Building more homes - and making them more affordable - is one of the most effective economic strategies available. The alternative is a very slow and painful erosion of our economy.

A POLICY TUG OF WAR

FEDERAL & PROVINCIAL LEADERS

By Richard Lyall
for The Toronto Sun
April 10, 2026

Governments in Canada are finally starting to grasp the urgency of the housing crisis. After years of inertia, there are signs of meaningful action - particularly when it comes to reducing the tax burden on new homebuyers.

But, just as progress begins to take shape, it is being undermined elsewhere.

The result?

A frustrating and counterproductive pattern. It's a classic case of one hand giving and the other talking away.

At the federal level, passage of Bill C-4 marked a significant step forward. The legislation eliminated the five-per-cent GST for first-time buyers on new homes priced up to $1 million - and reduced it on homes up to $1.5 million.

The move was more than symbolic. It was a tangible effort to improve affordability and stimulate supply.

This is smart policy. It acknowledges that taxes on new housing directly inflate prices and suppress demand. Reducing them is one of the most immediate ways governments can improve affordability.

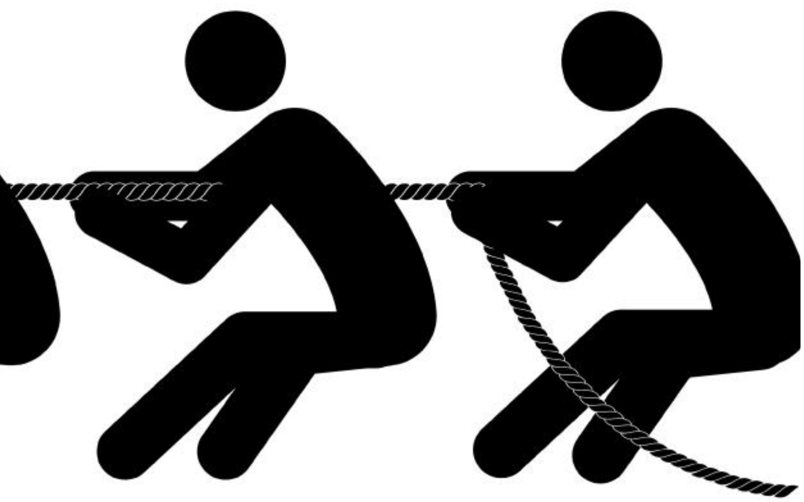
But while senior levels of government are moving in the right direction, some municipalities appear to be heading the other way.

Take Clarington, for example. On the heels of a 40-per-cent increase in development charges in late 2025, the municipality is now proposing dramatic hikes to planning and development fees - some as high as 187 per cent. Even after adjustments, the increases remain steep: a 136-per-cent jump for major official plan amendments and a 62-per-cent increase for zoning bylaw amendments.

Municipal officials argue these hikes are necessary to achieve full cost recovery. In other words, they want growth to pay for itself rather than be subsidized by existing taxpayers. On paper, that may sound reasonable. In practice, it is deeply problematic.

These costs don't vanish - they are passed directly

While federal and provincial leaders are working to reduce costs and encourage building, municipal policies are too often pulling in the opposite direction



MUNICIPAL LEADERS

onto the price of new homes. At a time when affordability is already stretched to the breaking point, piling on additional fees only exacerbates the problem. It raises the cost of building, discourages new supply, and ultimately prices more buyers out of the market.

This is precisely the wrong time to be introducing such increases.

The disconnect doesn't end there. In Markham, efforts to enable more missing middle housing - such as fourplexes in established neighbourhoods - have been effectively shut down.

Despite a narrow council vote in favour of allowing up to four units on most residential lots, the decision was vetoed using strong mayor powers.

The rationale? Concerns about infrastructure, parking, and neighbourhood character.

These are legitimate considerations. But they are not insurmountable - and they certainly should not be used to block gentle density outright.

Increasing housing supply requires precisely this kind of incremental intensification. Without it, cities will struggle to meet demand, no matter how many high-rise units are approved elsewhere.

Worse still, decisions like this risk jeopardizing federal funding tied to housing supply targets. That is not just a missed opportunity - it is a self-inflicted setback.

The broader issue here is a lack of alignment across all levels of government.

While federal and provincial leaders are working to reduce costs and encourage building, municipal policies are too often pulling in the opposite direction. The result is a policy tug-of-war that ultimately leaves homebuyers and builders caught in the middle.

This misalignment is costly.

A recent survey by the Ontario Real Estate Association noted that 71 per cent of respondents believe development charges make housing less affordable. And only a small minority expect conditions to improve in the years ahead.

The public understands what policymakers sometimes overlook: government-imposed costs are a major driver of housing prices.

As far back as 2011, research done for RESCON by Will Dunning Inc. warned that government-imposed costs were already accounting for up to 30 per cent of the price of new homes. Those costs have increased since then. Today, they account for 36 per cent of the cost of a new home.

The consequences are predictable - reduced demand, slower construction, and a drag on economic growth.

Residential construction has historically been a major contributor to Ontario's GDP and job creation. When housing activity slows, the ripple effects are felt across the economy - from manufacturing and forestry to skilled trades and professional services.

Policies that add cost and complexity to homebuilding are counterproductive and economically reckless.

There is a better path forward. It starts with co-ordination.

Governments at all levels must align around a shared objective, making it easier and more affordable to build new housing. That means reducing taxes, fees, and levies - not increasing them.

It means streamlining approvals, not layering on additional costs. And it means embracing sensible density, not blocking it.

Municipalities, in particular, need to rethink how they fund infrastructure. Relying heavily on upfront development charges may be convenient, but it places an outsized burden on new homebuyers. Alternative models, such as financing infrastructure over time or sharing costs more broadly, deserve serious consideration.

The federal and Ontario governments have already signalled their willingness to lead. Now municipalities must do their part.

That means keeping a lid on development charges and planning and development fees and making it easier to build new homes. We cannot afford to keep taking one step forward and two steps back.

LESSONS TO BE LEARNED

By Richard Lyall
for Daily Commercial News
April 17, 2026

To tackle Ontario's housing supply and affordability crisis, we don't have to reinvent the wheel. We just need to look at what's working in jurisdictions like Alberta and follow their lead.

The Western province appears to have found the magic formula as it had 54,858 housing starts in 2025, a record high, compared to 47,827 in 2024. That's a hefty 15-per-cent increase.

Ontario, on the other hand, is headed in the wrong direction. According to CMHC, housing starts in the province dropped to 65,376 in 2025, compared to 74,573 in 2024, a decrease of more than 12 per cent. The government expects starts to fall to 64,800 units in Ontario this year.

What's Alberta doing right?

At RESCON's last housing summit, we heard that the mindset of the government is to implement decisive action to eliminate burdensome regulatory protocols and excessive fees on housing.

In other words, housing is a priority of the Alberta government. The province takes the situation seriously and is taking steps to bring more supply on stream. The province has set rules that municipalities must follow to get homes built faster and more affordably and is prepared to step in if need be.

The approach has included collaborating with the industry on solutions and adopting a can-do mindset. The result has been lower municipal fees on builders, faster approvals by city hall for new housing projects, and relaxed rules regarding what can be built and where in the province.

Mind you, it helps that Alberta has no provincial sales tax on housing. In Ontario, meanwhile, 36 per cent of the cost of a new home is due to taxes.

Development charges (DCs) are a big part of the problem in Ontario. A recent study found that DCs in the City of Toronto over the past 25 years have increased by 5,186 per cent.

Recently, the federal and Ontario governments announced steps to lower costs for a year by eliminating the HST on new homes priced under $1 million and providing reduced rebates for homes above that threshold. First-time homebuyers get

To tackle Ontario's housing supply and affordability crisis, we don't have to reinvent the wheel; we just need to look at what's working in jurisdictions like Alberta and follow their lead.

the break for a few additional years.

The governments also joined forces to support the vital reduction of development charges, agreeing to spend $8 billion over the next decade to fund infrastructure for municipalities that lower DCs.

These measures will help. But affordability is still an issue. And there is much more to be done to right the ship.

Over the last 25 years, the typical house pricetoincome ratio in Ontario has roughly doubled, moving from about three times a middleincome household's annual pretax income in 2000 to 6.5 to 7.5 times today, with a peak of nine times in 2021-2022 in the pandemic.

Under currentpace building, CMHC estimates Toronto house prices will rise by 60 per cent by 2035, versus 50 per cent in the rest of Ontario. And, if incomes grow by 13 per cent over that time period, the scenario implies significantly higher pricetoincome ratios, especially in Toronto.

Lack of housing has resulted in people - especially young families - leaving Toronto and Ontario to go to Alberta, Nova Scotia and south of the border in search of affordable home ownership.

Taxes and DCs are too high. They are a self-inflicted wound. Governments must keep the ball rolling.

The tax burden must be reduced further. We also need to speed up homebuilding via digitizing the planning approvals processes and adopting technology to make the process more transparent and predictable, provide financial support for new approaches to homebuilding such as offsite methods of construction, and incentivize private market residential construction.

Digitization of the planning approvals processes is critical. It is also crucial that the Ontario government encourage, support, finance and implement advanced modern planning approvals processes and approve standard designs and more expansive as-of-right building modalities.

Approval timelines in Ontario are among the slowest anywhere in the world. It is not unusual for builders to experience multi-year delays in securing approvals for homebuilding projects as they deal with multiple layers of planning approvals processes characterized by red tape, unnecessary bureaucracy and a lack of transparency which has resulted in reduced accountability.

Ontario must also engage with leading innovative homebuilders that specialize in off-site construction methods, and address issues of sustainable funding and streamlining regulations.

Emerging PropTech and ConTech technologies can also be used to accelerate potential residential development by identifying suitable land and eliminating long and unnecessary planning approvals processes and zoning practices that have significantly impacted homebuilding.

Meanwhile, both provincial and municipal land transfer taxes, which are regressive and impact housing costs, should be suspended for three years for new and never-occupied homes.

Jurisdictions like Alberta have upped their game. Yet the residential construction sector in Ontario remains stalled at a time when homebuilding is needed most. We must continue to press for solutions.

TAX CUTS

A WIN FOR AFFORDABILITY

Development charges have been on a trajectory that is unsustainable and economically counterproductive.

By Robin MacLennan
Ontario Construction News
April 1, 2026

The Residential Construction Council of Ontario (RESCON) is praising a landmark federal-provincial agreement aimed at cutting development charges (DCs) and speeding up home construction, calling it a "critical" step toward more affordable housing.

"RESCON commends Prime Minister Mark Carney and Premier Doug Ford for working together on these vital initiatives as they will boost the residential construction sector and make new homes more affordable," said RESCON president Richard Lyall.

The federal and Ontario governments announced Monday that each will invest $4.4 billion over the next 10 years in housing-related infrastructure.

In addition, development charges levied by municipalities—which can add up to $200,000 to the cost of a home - will be cut in half for three years. The move is designed to reduce the tax burden on new homeowners and stimulate stalled projects.

A report prepared for RESCON shows that taxes, fees, and levies now account for 36 per cent of the purchase price of a new home. In the Greater Toronto Area, DCs alone can add over $150,000 to the cost of a typical family home. Over the past 25 years, DCs in Toronto have risen more than 5,000 per cent, far outpacing inflation.

"Development charges have been on a trajectory that is unsustainable and economically counterproductive," Lyall said.

"They significantly hike the price of a new home. Middle-income families are increasingly priced out of home ownership. The measures taken today by the province and the feds will help move the needle."

The new federal-provincial deal also includes support for major transit and rail projects, including the Waterfront East Transit line in Toronto, expansion of GO Transit service through freight-owned corridors in the Greater Golden Horseshoe, and planning for the Alto high-speed rail initiative connecting Toronto and Quebec City. Priority projects in the Greater Toronto and Hamilton Area, such as the Ontario Line, Eglinton Crosstown West Extension, Scarborough Subway Extension, Yonge North Subway Extension, and Hamilton LRT, will also receive federal contribution agreements.

"They significantly hike the price of a new home. Middle-income families are increasingly priced out of home ownership. The measures taken today by the province and the feds will help move the needle.

Alongside the funding announcement, Ontario introduced the [Building Homes and Improving Transportation Infrastructure Act], legislation designed to reduce bureaucratic red tape and streamline approvals for residential construction, including faster site plan approvals.

"As Housing Minister Rob Flack noted, delays add to the cost of housing. Simplifying planning and approval tools will help get the shovels for much-needed housing in the ground quicker," Lyall said.

He added that recent measures—including the federal and provincial DC reductions and last week's removal of HST on newly built homes - could substantially lower costs for consumers and lift the industry at a critical time.

The Ford government had originally set a goal of building 1.5 million new homes by 2031 but has since softened that target. The new measures aim to give municipalities, builders, and governments the tools to accelerate construction and improve housing affordability for first-time buyers and young families.

"Homebuilding has stalled and the outlook for the industry is grim," Lyall said.

"The measures announced today by the two governments are a positive development for buyers and the industry. Addressing the housing crisis requires all levels of government to work toward the common goal of making new homes more affordable and speeding up construction.

DECLINE IN BUILDING BAD FOR EVERYONE

By Richard Lyall
for Canadian Forest Industries
April 24, 2026

The repercussions of the decline in home building, while quite severe, are not confined to the residential construction industry.

The impact will extend well beyond the industry as it is interconnected. A sustained decline will ripple quickly - and painfully - through the entire wood and forest products supply chain, affecting everything from construction sites to sawmills, to the transportation sector and more.

Spinoff effects will hurt our wood, softwood lumber, structural panel and engineered wood manufacturers, and those who make prefabricated components.

Residential construction is the single largest end market for wood products. Even a modest slowdown will deliver a substantial blow.

Already, plunging starts and sales have resulted in tens of thousands of job losses in the industry. Ontario is looking at a potential 1.5 to 2.5 per cent reduction in GDP between 2026 and 2027 tied directly to the collapse in residential construction. These are not normal cyclical adjustments.

Residential construction supports a vast ecosystem of tradespeople, suppliers, engineers, planners and small businesses, so the consequences will be widespread.

Housing is also the anchor tenant of Canada's wood products economy. When homebuilding declines, demand collapses, prices fall, production is cut and jobs are lost across the supply chain.

Let me elaborate.

New housing drives a large share of lumber consumption for framing, joists and studs. Fewer housing starts means less demand. During slowdowns, mills are often forced to reduce shifts or temporarily shut down. We have seen this pattern repeatedly in past housing slowdowns.

Structural panel and engineered wood manufacturers are heavily tied to housing starts and a slowdown can lead to rapid inventory buildup and price declines. Facilities that produce these products are capital-intensive and rely on high throughput, so lower demand reduces efficiency.

In logging and forestry operations, mills need fewer logs and cut production in a downturn. Logging is highly capital-intensive but financing costs for equipment remain, adding to the problem.

A typical North American single-family home requires 15,000 to 16,000 board feet of lumber and significant volumes of OSC, plywood and engineered wood. That means a drop of 100,000 housing starts can remove demand for 1.5 billion board feet of lumber and massive volumes of panels and engineered products. Scale that up and the implications become enormous.

Studies have consistently found that residential construction contributes up to 10 per of Canada's GDP when including indirect effects. A sustained housing decline can shave billions off national and provincial GDP.

> A sustained decline will ripple quickly - and painfully - through the entire wood and forest products supply chain, affecting everything from construction sites to sawmills, to the transportation sector and more.

History is a good teacher about the impacts of a housing slowdown.

In 2022 and 2023, for example, lumber prices fell from pandemic highs of $1,600 per thousand board feet to below $400. There were dozens of temporary mill shutdowns across Canada. Demand for engineered wood products softened and logging contractors reduced their harvesting volumes.

In 2008, during the financial crisis, the shock was more severe. The wood products industry went into a freefall. In Canada, more than 30,000 forestry jobs were lost between 2006 and 2010.

Many mills in Ontario and B.C. closed, and major producers of structural panels idled their plants. Logging activity dropped sharply as mills stopped buying logs and contractors went bankrupt.

The effect on the GDP was devastating. According to analysis from various organizations, the forestry and wood products sector saw billions in lost output.

The forestry and wood products industry has a strong economic multiplier. One direct forestry job supports two to three additional jobs in trucking, equipment manufacturing, maintenance and local services. When mills shut down, entire communities feel the effects.

My point, of course, is that we must do everything possible to support the residential construction industry - our economic health depends on it.

Housing is one of the most powerful economic engines in the country. When it stalls, the consequences ripple far beyond the construction site.

A study from John Molson School of Business at Concordia University bolsters the case for boosting the housing industry. It notes that doing so would deliver immediate economic benefits. The report suggests that investment in homebuilding, including streamlined approval processes and reduced input costs, can quickly translate into wider economic benefits.

The potential downside of inaction is alarming.

According to a recent analysis, without policy intervention, about 35,000 Ontario residential construction workers could potentially be displaced, on average, over the next 10 years, while 390,000 fewer Ontarians would be housed.

Reviving the homebuilding industry must be treated as an economic priority. Our economic future depends on it.

GOVERNMENT-IMPOSED CHARGES

STAKES COULD NOT BE HIGHER

By Richard Lyall
for Storeys
April 6, 2026

There is a growing recognition across Canada that the housing crisis demands urgent action. Governments, particularly at the federal and provincial levels, have begun to respond with measures aimed at improving affordability.

But they largely amount to nibbling at the edges of a much deeper problem: the escalating burden of government-imposed costs (GICs) on new housing.

In Ontario, taxes, fees and levies have become unhinged from reality. For many homebuyers, the price of a new home is no longer driven primarily by land, labour and materials.

Increasingly, it is shaped by the cumulative weight of GICs - which have grown dramatically over the past two decades.

The typical house price-to-income ratio in Ontario has roughly doubled, moving from about three to four times a typical middle-income household's annual income in 2000 to seven to nine times in 2022. In the GTA, ratios have more than doubled for every type of housing except apartments since 2005.

At the centre of this issue are development charges (DCs), which have evolved from a relatively modest cost into one of the largest components in the price of a new home.

In many parts of the GTA, DCs alone now add well over $100,000 to the cost of a typical family home. In Toronto, DCs on a single-detached home surged to roughly $141,000 as of late 2024 - a staggering increase from just over $12,000 in 2010.

This trajectory is not merely unsustainable - it is economically counterproductive.

Fifteen years ago, a report commissioned by RESCON warned that GICs were already consuming a significant share of new home prices. At the time, the costs accounted for 13 per cent of the price of a single-detached home in Toronto, 18 per cent in Vaughan and 17 per cent in Mississauga.

Today, that share has ballooned. With sharp increases in DCs and sales taxes, direct GICs are now at 36 per cent in Ontario.

Think about it for a moment. That means more than one-third of the price of a new home is attributable to government policy.

The implications are profound. In practical terms, the rise in GICs means that even middle-income families are increasingly priced out of homeownership.

Development charges, in particular, function as a regressive tax.

They are levied upfront and embedded in the purchase price of a home, meaning they disproportionately affect first-time buyers and young families - those least able to absorb additional costs. Unlike other forms of taxation, they are largely invisible to consumers, rolled into mortgages and paid off over decades with interest.

This approach to infrastructure

At RESCON, we are recommending a temporary reset of development charges to 2015 levels across Ontario municipalities supported by provincial funding.

financing - relying heavily on new housing to fund growth - has turned homebuilding into a fiscal tool rather than a policy priority. In effect, new homebuyers are being asked to shoulder costs that, in many cases, benefit the broader community.

The scale of these increases is difficult to overstate.

Over the past 25 years, DCs in Toronto have risen by more than 5,000 per cent - far outpacing inflation, which increased by just over 70 per cent during the same period, according to the Missing Middle Initiative. This is not in any way a sustainable model.

The rising DCs directly impact housing supply. As costs rise, fewer projects are financially viable.

Builders delay or cancel developments, and the pace of construction slows. The result is a tightening of supply at precisely the moment when Canada needs to accelerate homebuilding.

CMHC estimates that Canada needs millions of additional homes by 2030 to restore affordability. Achieving this level of construction will be impossible if GICs continue to climb.

Encouragingly, there is a growing consensus around the need for reform. Industry groups and policy experts have put forward solutions, which include reducing or suspending DCs and exploring a scenario whereby financing costs are paid over time rather than imposing them upfront.

At RESCON, we are recommending a temporary reset of development charges to 2015 levels across Ontario municipalities, supported by provincial funding. Such a measure would provide immediate relief to homebuyers and help stimulate construction activity during a critical period.

Overall, though, there is also a clear need for better alignment across all levels of government.

While federal and provincial initiatives - such as recent sales tax relief for first-time buyers - along with the move by Ontario to remove the eight-per-cent provincial portion of the HST for all new home buyers - are welcome, they risk being undermined by rising municipal fees and charges. When one level of government reduces costs while another increases them, the net effect is minimal.

Addressing the housing crisis requires all levels of government to be working toward a common goal and making it easier and more affordable to build new homes.

That means rethinking how infrastructure is funded, recognizing that excessive reliance on DCs is economically damaging, and taking decisive action to bring GICs back in line with reality.

The stakes could not be higher.

Reducing GICs, particularly DCs, will not solve the problem. But it is one of the most immediate and effective steps governments can take to restore balance to the housing market.

The time for incremental change has passed. What is needed now is bold, co-ordinated action - and a clear commitment.

A SELF-INFLICTED WOUND

By Richard Lyall
for Canadian Real Estate Wealth
April 14, 2026

The housing affordability crisis is often framed as a simple imbalance between supply and demand. However, the crux of the matter is that governments - particularly at the municipal level - have turned new housing into a revenue tool, relying heavily on development charges (DCs) to fund projects.

What were once modest, targeted fees to ensure that growth pays for growth have morphed into one of the largest cost components in building a home, putting home ownership out of reach for many.

In markets like the City of Toronto and across the GTHA, DCs are no longer incidental - they have risen dramatically along with the cost of housing - while the pace of construction has slowed.

Over a 25-year period, DCs in Toronto have increased by more than 5,000 per cent.

By contrast, inflation has risen just over 70 per cent during the same time.

It is a systemic self-inflicted wound.

DCs are one-time fees levied by municipalities at the building permit stage, ostensibly to fund infrastructure needed to support growth such as roads, water systems, parks, libraries, and emergency services. The cost is passed on to new home buyers through the purchase price.

They are a regressive form of taxation. Unlike income taxes or property taxes, DCs are not based on ability to pay. Instead, they are embedded in the cost of entry to home ownership, disproportionately affecting first-time buyers and young families.

The consequences are direct and measurable. When government-imposed costs rise exponentially, projects cost more. Builders cannot simply absorb these increases, as margins are already thin. As a result, projects are delayed, downsized, or cancelled altogether.

DCs now routinely add well over $100,000 to the cost of a typical family home in Ontario.

In Toronto, a two-bedroom unit that carried less than $2,000 in development charges in 1999 now faces fees exceeding $80,000. When you layer in other taxes, community benefit charges, education levies, permit fees, and financing costs, the total government burden is significant.

Together, taxes, fees, and levies now account for nearly 36 per cent of the cost of a new home in Ontario, up from 31 per cent just three years ago.

Municipalities have become heavily reliant on DCs to fund infrastructure, effectively shifting the financial burden of growth onto a narrow group of people: new homebuyers. This is economically damaging, inflates home prices and undermines the very goal of increasing supply.

However, public opinion is shifting. A survey commissioned by the Ontario Real Estate Association

> **To restore affordability and boost new home building, the issue must be addressed head-on. This means not just reforming DCs but fundamentally rethinking the role they play in financing growth.**

found that 71 per cent of respondents believe development charges make housing less affordable, while only 26 per cent are confident municipalities use the funds appropriately.

Equally troubling, however, there is the issue of unspent funds. Ontario municipalities are sitting on roughly $10 billion in DC reserves, with Toronto alone holding nearly $3 billion.

At a time when affordability is deteriorating and construction is slowing, this raises serious questions about whether the current approach is aligned with the urgency of the housing crisis.

RESCON has put forward a series of recommendations that deserve serious consideration. Chief among them is a temporary rollback of DCs to 2015 levels for a three-year period, supported by provincial funding to offset the impact on municipal finances. This would provide relief to the market, improve project viability and help to restart stalled developments.

RESCON is also advocating for a fundamental shift in how DCs are applied. Moving to a direct-to-buyer model would make these costs transparent, reflecting their true nature as a consumer tax.

Beyond that, there is a need to rethink how infrastructure is financed more broadly.

The federal Standing Senate Committee on Banking, Commerce and the Economy came up with some alternatives such as spreading costs over time through user fees, leveraging municipal bonds, and ensuring a more equitable distribution of costs across all levels of government.

Some governments have taken steps to address the issue, but they have amounted to little more than incremental adjustments.

DCs have become unmoored from reality, increasing at a pace that bears no relation to inflation, incomes, or the capacity of the market to absorb them. They are inflating prices, constraining supply, and placing an unfair burden on those trying to enter the housing market.

To restore affordability and boost new home building, the issue must be addressed head-on. This means not just reforming DCs but fundamentally rethinking the role they play in financing growth.

Until that happens, the dream of homeownership may remain out of reach for far too many - and the housing crisis will only deepen.

MUNICIPALITIES MUST FOLLOW

By Richard Lyall
for Real Estate Magazine
April 14, 2026

For years, municipal development charges have been quietly pricing Canadians out of home ownership. Now, Prime Minister Mark Carney and Ontario Premier Doug Ford have promised to significantly cut those charges for three years to boost housing construction — a welcome move for the residential construction industry and for anyone hoping to buy a home.

The governments agreed to spend a total of $8 billion over the next 10 years to help cover infrastructure costs for municipalities that lower DCs. It is now up to municipalities to do their part and support DC reductions so that all three levels of government are on the same page.

Everybody needs to be singing from the same song sheet on this one. Unfortunately, there are rumblings that not all Ontario mayors are eager to participate.

Aurora Mayor Tom Mrakas told The Hill Times recently that his reading of the decision is that it is not mandatory and it is up to municipalities to decide if they will comply with the measure.

Under the federal-provincial plan, the feds and province will cover a part of the shortfall in municipal revenue resulting from the DC cut. The concern is that local councils will have to shell out a portion and, in order to have the funds, they'd have to hike property taxes to fill the gap.

The concern is understandable, but municipalities would be wise not look a gift horse in the mouth. It will require all three levels of government working together to solve the housing crisis.

The present situation is unsustainable. For the past couple of decades, DCs have been on a trajectory that is unjustifiable and economically counterproductive. In many municipalities, they've grown exponentially with few barriers, as new buyers don't have the same clout as existing ratepayers.

DCs levied by municipalities can hike the cost of building a home by up to $200,000. They are particularly onerous for those entering the market for the first time.

A report prepared earlier for RESCON revealed that the tax burden now accounts for 36 per cent of the purchase price of a new home. That means on a $1-million new home, $360,000 is taxes, fees and levies. DCs are a big part of that amount.

RESCON had advocated for Ontario and the feds to work on lowering the charges, as they'd evolved from a relatively modest cost into one of the largest components in the price of a new home.

In a 25-year span, DCs on a single-detached home in Toronto have risen by more than 5,000 per cent - far outpacing inflation, which increased by just over 70 per cent during the same period.

They are a regressive tax and have been on a trajectory that is unsustainable and economically counterproductive.

It's nuts.

If the same increases were applied to a loaf of bread, for example, a loaf costing $1.31 in 2000 would cost $65.50 today.

DCs, along with other government-imposed costs, dramatically inflate the cost of housing. They affect housing affordability and often determine whether or not a project is financially feasible. When the costs are too high, buyers don't buy new homes and therefore builders don't build.

The implications are profound. Middle-income families get priced out of home ownership.

With fewer homes being built, the industry employs fewer workers - and the economy suffers.

A study done by Concordia University's John Molson School of Business found there is a big economic case to be made for boosting homebuilding.

The report concluded that public investments in homebuilding, including streamlined approval processes and reduced input costs, can quickly translate into wider economic benefits by fueling business activity and local revenue growth as households experience greater levels of disposable income.

For example, in an illustrative model for Toronto, a $3-billion housing-supply incentive program could generate an estimated $672 million in recurring annual tax inflows, implying a four-to-five-year fiscal payback - even without accounting for further positive multiplier effects.

There is no time for complacency as reports suggest Ontario could face a GDP reduction of 1.5 to 2.5 per cent between 2026 and 2027 directly linked to the collapse in residential construction.

The feds and province deserve kudos for tackling the issue.

In the past, some municipalities, like Vaughan and Mississauga, have taken actions to address exorbitant DCs, but others have not.

While the new housing market has been affected by many situations that are out of the control of governments - namely tariffs, geopolitical events, and material and labour hikes - DCs are within our control.

The planned changes are the equivalent of a downpayment in some markets.

Combined with the recent measures to eliminate the 13-per-cent HST on new homes priced under $1 million, with a partial rebate for homes priced under $1.5 million, and other initiatives to tackle red tape, streamline approvals and reduce other barriers to homebuilding, the proposed steps to temporarily cut DCs are certainly a move in the right direction.

The industry, however, is still waiting for regulations that will determine how the recent tax cuts will work.

They need to be released as soon as possible, as we are hearing that some new projects are getting stalled while waiting for the regs.

So far, no dates have been provided as to when they will be released.

Our industry is at a critical time.

Latest projections from the province show that new home starts are expected to fall to 64,800 this year, from 65,400 in 2025. A slight improvement is anticipated in 2027. However, it is abundantly clear that taxing housing in the same way and expecting a different result will not work.

We are hopeful the latest move by the feds and province will move the needle.

TECHNOLOGY

THE RISE OF CONSUMER-FIRST PERMITTING

By Arash Shahi
CEO of LandLogic

For years, property data and permitting know-how have largely lived behind closed doors. If you are a homeowner thinking about building a garage, adding a basement apartment, putting in a pool, or creating a garden suite, the usual first step is not clarity - it's confusion. Most people don't know where to begin, what is allowed, what approvals are needed, or whether the idea is realistic in the first place.

So, they do what people have always done: call a professional early, spend money early, and hope for the best.

That model is starting to change.

Across Ontario, homeowners are becoming more informed, more hands-on, and far less willing to accept vague answers. They expect the same transparency from property that they already get in banking, travel and shopping. They want to know their options, what it will cost, what risks exist, and what steps come next - before they open their wallet.

In short: they want visibility. And nowhere is that shift more important than permitting.

Permitting has been a friction point for too long

Ask any homeowner about permits and you'll usually hear the same words: stressful, slow, unclear, intimidating. The issue isn't the rules.

Rules matter. They protect safety, neighbours, infrastructure, and community planning.

The issue is that too many municipal systems still expect everyday people to navigate processes designed for another era.

Residents are often forced through fragmented websites, unclear requirements, inconsistent answers, and avoidable delays.

Many owners don't know:

- If a permit is required
- Which department to contact
- What drawings are needed
- Whether zoning allows the project
- How long approval may take
- What mistakes could delay everything

That uncertainty creates hesitation. Good projects get postponed. Costs rise.

And at a time when Ontario needs more housing options and faster approvals, that status quo is no longer acceptable.

AI is reshaping the front end of permitting

This is where the next generation of real estate technology becomes valuable.

AI can turn a long, expensive feasibility process into something that empowers owners with knowledge and next steps.

One of the biggest opportunities emerging is conversational AI: owners can ask plain-language questions before hiring a professional. No prior knowledge needed.

- Can I build a second unit in my backyard?
- Will this deck likely need a permit?

- Can I build a home addition?
- What should I be aware of before I start?

This early-stage feasibility reduces wasted time and points owners toward viable paths sooner. AI can identify better project options, potential value-adds, financial opportunities, and possible risks. It can also outline likely approvals and permits, reducing surprises later.

When owners are ready to move forward, they can be paired with qualified experts for a smoother approvals process. Experts receive better plans, stronger checks, and better-informed clients. Homeowners gain confidence and control.

Why generic AI answers are not enough

There is one important catch: homeowners cannot rely on generic answer engines for high-stakes property decisions. A general AI tool may sound confident, but confidence is not the same as accuracy. Property questions depend on exact addresses, municipal bylaws, zoning overlays, setback requirements, permit triggers, and local policy updates.

A small detail can completely change the answer. The difference between one street and the next can mean the difference between "yes," "maybe," and "not permitted." Homeowners need tools grounded in verified land data, current regulations and location-specific intelligence.

This goes beyond convenience

This trend is about more than saving time. It's about giving homeowners greater agency over one of their most valuable assets. Too many people sit on untapped property potential simply because they don't know what's possible. Secondary suites, multiplex opportunities, garden homes, income potential, and value-adding improvements are often missed.

That matters in a province where housing supply, affordability, and better use of existing lots are central issues. Helping more owners unlock gentle density on existing properties can become part of the housing solution without relying solely on large-scale new development.

What comes next?

We are moving toward a future where property owners expect answers first and paperwork second. The private sector is already responding by creating tools that make the process faster, clearer and easier to navigate.

New tools like Parcella by LandLogic aim to help individuals understand what's actually possible on their property and guide them through permits and approvals, removing the guesswork for homeowners.

A few municipalities are beginning to adopt similar tools, but small improvements are no longer enough. Homeowners are tired of confusion. Industry is tired of delay. Ontario cannot solve housing challenges with approval systems that frustrate the very people trying to invest in their own properties.

That era is ending. Homeowners now expect clarity, speed, and transparency.

Municipal governments can modernize now - or be forced to catch up later.

PRESS RELEASE

HOUSING STARTS AND JOBS CONTINUE TO DECLINE

April 30, 2026, Vaughan, Ont. – A new report done for the Residential Construction Council of Ontario (RESCON) indicates that housing starts decreased dramatically in 34 municipalities studied across the province in 2025, while job losses in the industry continue to grow.

The analysis revealed that condo apartment starts were down 52 per cent relative to the 2021-24 averages, while ground-oriented housing starts declined 43 per cent, showing that housing weakness in municipalities - with a few exceptions - continues to extend well beyond the condo market.

"The findings of this report are disturbing and confirm what we have been seeing on the ground for some time now," says RESCON president Richard Lyall. "The cost of building a home is still too high due to taxes and government-imposed fees and levies. Builders need to be able to build homes that people can afford. Steps must be taken to get the industry back on track."

The report found that job losses in the industry continued to mount throughout the year, with 46,562 fewer person years of employment compared to the 2021-24 averages. The negative employment impacts, while most severe in the Toronto area, are worsening in other regions of the province as well.

The report was done by the Missing Middle Initiative at the University of Ottawa. The assessment is based on data obtained from Canada Mortgage and Housing Corporation and Altus Group.

It is the third report commissioned by RESCON that examines the state of the housing crisis. The new report provides an examination of the state of housing in the GTA and GGH in 2025. In all three reports, researchers examined 34 municipalities across nine separate metro areas in the GTA and GGH and assessed the state of housing sales and construction, and the effects on industry employment.

The new report also graded the municipalities in five categories related to housing starts and sales. Of the 34 municipalities, 17 received an F, eight received a D, and nine other municipalities received a C or higher, largely unchanged from the previous report issued in December.

The report indicates that high taxes on new home construction, including development charges which have risen by more than 5,000 per cent in 25 years in some municipalities, are the primary drivers of lower home sales. Recent agreements between the federal and provincial governments to temporarily eliminate the sales taxes on new homes and plans to cut development charges will move the needle, but plenty of implementation work needs to be done.

"A lack of new home sales inevitably leads to job losses, which harms both the industry and the economy," says Mike Moffatt, an economist and founder of the Missing Middle Initiative.

"With economic growth slowing across the globe, Canada can ill-afford a slowdown in the homebuilding sector."

Click here to read the report.

RESCON is the province's leading association of residential builders committed to providing leadership and fostering innovation in the industry.

The Missing Middle Initiative produces research, a Substack newsletter and thought pieces, videos and a podcast on the barriers preventing young Canadians and new families from entering the middle class.

MEDIA REPORT

Ontario Construction News

Removal of the 13-per-cent sales taxes on new homes is a necessary initiative, given the depth of the market downturn and grim outlook for the industry, he said in an article in Ontario Construction News.

Canadian Forest Industries

RESCON president Richard Lyall said in an article in Canadian Forest Industries that he is pleased that in the provincial budget the Ontario government reiterated its commitment to provide HST relief to buyers of new homes up to certain amounts.

The Cambridge Times

RESCON commended Prime Minister Mark Carney and Premier Doug Ford for working together on vital housing initiatives as they will boost the residential construction sector and make new homes more affordable, an article in The Cambridge Times reported.

Northern Ontario Business

RESCON is touting actions taken by the federal and Ontario governments as a step forward for homebuilding, Northern Ontario business reports in an article.

The Toronto Sun

RESCON is pleased that the federal and Ontario governments have joined forces and announced a landmark deal to support the reduction of development charges, The Toronto Sun reports in an article.

Canadian Contractor

RESCON commends Prime Minister Mark Carney and Premier Doug Ford for working together on the vital sales tax initiatives on new housing as they will boost the residential construction sector, Canadian Contractor reports in an article.

Milton Today

Bill 98 is the final chapter in making it absolutely clear that municipalities do not have the right to unilaterally and individually go off and create their own green building standards, Lyall said in a Milton Today article.

Oakville News

RESCON sees Bill 98 as the final chapter in making it absolutely clear that municipalities do not have the right to unilaterally and individually go off and create their own green building standards, Lyall said in an article in The Oakville News.

CBC News

Development charges across Ontario are higher than other provinces and RESCON welcomes the change announced by the province and feds to cut municipal development fees, an article in CBC News reports

InSauga News

In an article in InSauga News, Lyall said he hopes that Bill 98 is the final chapter in making it clear that municipalities do not have the right to go off and create their own green building standards.

Podcast

RESCON president Richard Lyall was on The Brian Crombie Hour where he discussed the structural failures behind Canada's housing system and why housing prices have climbed to nearly eight times the average income.

Click here to listen to the podcast.

RCCAO REPORT

- On April 30, RCCAO was pleased to join Prime Minister Mark Carney at the International Union of Operating Engineers, Local 793's union hall, where he shared further details on the Team Canada Strong initiative - an investment to recruit and train up to 100,000 Canadians for skilled construction trades over the next five years.

- On Day of Mourning, RCCAO was honoured to join Premier Ford and Minister Piccini at the unveiling of the design for a new commemorative statue - an important step in a project that will serve as a lasting reminder of the importance of health and safety in our industry.

- RCCAO is pleased to see new regulations extending relocates for deep excavation work on construction projects. This represents an important streamlining measure - long advocated for by RCCAO - to improve the underground utility locates process.

- RCCAO continues to highlight the essential role of tiebacks in the construction process, reinforcing the importance of this practice across Ontario municipalities.

- RCCAO is proud to once again support the CAA Worst Roads campaign, and there is still time to vote for your worst roads. This campaign remains important in helping to shine a spotlight on the state of Ontario's transportation infrastructure and the ongoing need for strategic investment in rehabilitation and renewal.

- RCCAO is encouraged to see tangible progress on several key infrastructure projects. Core construction activity is now underway on the Bradford Bypass, marking an important step forward for a project that will improve regional connectivity and support economic growth. Progress also continues on the Ontario Line, a transformative transit investment that will significantly enhance mobility across the Greater Toronto Area.

- In early April, executive director Nadia Todorova attended the annual AGM of RCCAO member HCAT and provided its members with an update on all the Alliance's advocacy work.

- In April, RCCAO was pleased to attend and continue important conversations through initiatives such as the Women in Construction Conference and engage with the business community at the Vaughan Chamber of Commerce Post-Budget Breakfast.

- Executive director Nadia Todorova also had the opportunity to connect with members directly at the recent HCAT AGM, continue important conversations through initiatives such as Women in Construction, and engage with the business community at the Vaughan Chamber of Commerce Post-Budget Breakfast.

- RCCAO's newsletter is now published monthly - to read and subscribe, click here. We also remain active on all communication channels - LinkedIn and X/Twitter!

SAVE THE DATE

Housing Summit 6.0 is scheduled to be held Wednesday, Sept. 23.
More details on the event, the agenda, and lineup of speakers will be announced soon.
Stay tuned!

CLICK HERE

to check out RESCON's site