

RESIDENTIAL BUILDER

A PUBLICATION OF THE
RESIDENTIAL CONSTRUCTION
COUNCIL OF ONTARIO



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REGULATIONS & RED TAPE

*Lengthy approvals & excessive regulations
have slowed residential construction.*

Page 22



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Builder Briefs

RESCON looking to reduce restrictions during World Cup

RESCON is drafting a proposal it hopes will convince the City of Toronto to reduce the period of restrictions on construction during FIFA World Cup matches.

Richard Lyall, president and CEO, told Ontario Construction News that RESCON wants to see the timelines compressed further, perhaps by cutting the period of restrictions now slated for all of May.

Lyall said builders understand the need to provide a safe and convenient experience for football fans and to put Toronto's best foot forward on the world stage, but the timeline "just seemed excessive to us."

"You can't do hydro digs, excavations or lane closures during the prime building season."

Toronto has said the ban proposed to run from May 1 to July 31 aims to manage extreme traffic congestion, ensure security, and accommodate a massive influx of tourists.

RESCON hosted a webinar on the issue in March with Dave Twaddle from the City of Toronto.

[Click here](#) for information presented by the city.



Nominations open for Canadian Building Diversity Awards

The Toronto Community Benefits Network (TCBN) is accepting nominations for the Canadian Building Diversity Awards.

The awards recognize individuals and organizations that are transforming Canada's construction and infrastructure sectors through leadership in diversity, equity, inclusion, mentorship, workforce development, and supplier diversity.

Deadline for nominations is April 17. Individuals or organizations can be nominated in a number of categories. Nominations are welcome from anywhere in Canada.

The process involves two steps.



After you submit a nomination, a member of the TCBN team will contact the nominee to confirm acceptance.

The nominee will then be requested to provide additional details to complete his or her profile, as appropriate. This includes showcasing his or her efforts in

fostering a respectful and inclusive workplace environment.

An awards ceremony will be held May 21 at the Great Canadian Casino Resort Toronto.

[Click here](#) for more information about the event and to make a nomination.



GOVERNMENTS HAVE STEPPED UP AND TAKEN ACTION

Richard Lyall
President

It is refreshing to see the federal and Ontario governments working together to tackle the housing crisis.

We have seen a flurry of activity recently from both the Ontario and federal governments on the housing front. Kudos to Premier Doug Ford and his team and Prime Minister Mark Carney for providing needed alignment on these critical measures. And to the leadership shown by ministers Peter Bethlenfalvy, François-Philippe Champagne and Rob Flack on taxes, development charges and red tape hammering housing consumers.

First, Bill C-4, landmark legislation that eliminates the five-per-cent federal GST for first-time buyers, was passed by the Senate. The legislation eliminates the GST on new homes priced at or under \$1 million and reduces it for first-time buyers on homes between \$1 and \$1.5 million. Ontario announced it would follow suit with the eight-per-cent provincial portion of the HST.

Second, two weeks later the federal and Ontario governments announced they were extending the 13-per-cent sales tax break on new homes worth up to \$1 million to all buyers - not just first-time homebuyers for up to one year. For homes priced between \$1 million and \$1.5 million, the rebate is capped at \$130,000. For homes priced between \$1.5 and \$1.85 million, the rebate amount decreases proportionally from \$130,000 to \$24,000. The first-time buyer and broader provision have different timelines and conditions.

Third, earlier this week, Ford and Carney held a press conference to announce that their two governments have joined forces in a landmark deal to support the vital reduction of development charges. The leaders and their teams are to be commended for taking these critical steps, as they will boost the residential construction sector and make homes more affordable.

Meanwhile, Municipal Affairs and Housing Minister Rob Flack held a presser to announce legislation aimed at tackling red tape, streamlining approvals, and reducing other barriers to homebuilding as well as new measures for supporting growth-related infrastructure and transit.

The legislation, called the Building Homes and Improving Transportation Infrastructure Act, aims to simplify planning and approval tools, including through municipal official plans, Ontario's Building Code and site plan control.

Proposed changes include establishing an expert

third-party advisory body consisting of engineering, construction, and code specialists to undertake a section-by-section review of the Building Code.

Combined, these measures should move the needle. We must lower the tax burden on new housing and speed up the approvals process to reduce the ratio of housing costs to incomes which had become grossly imbalanced (doubling in 20 years).

The 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.

The province is anticipating a slight improvement in 2027, with 70,300 new housing units projected. However, it became clear that action which continues to tax housing the same exorbitant way and expecting a different result would not cut it.

Development charges (DCs) levied by municipalities can push up the expense of building a home by tens of thousands of dollars.

For the past couple of decades, DCs have been on a trajectory that is unsustainable and economically counterproductive.

They are particularly onerous for those entering the market for the first time. Over the years, they have grown to become one of the largest components in the price of a new home.

It is refreshing to see the federal and Ontario governments working together to tackle the housing crisis.

Those municipalities that jacked DCs beyond any rational level (ie. 5,000 per cent in Toronto over 25 years) must come to the table.

These needed measures, unlike geopolitical events, are within our control.

They will show some results as the reduction in costs are now the equivalent of more than a downpayment in many critical markets. This is vitally important to house people with dignity, attract business investment and save many of our world-class development and construction teams.

Stay tuned for more developments and webinars with the experts on how this will unfold and what clarifications and adjustments will be needed.



RESCON COMMITTEES ARE ACTIVE AND READY TO RESPOND

Andrew Pariser
Vice President

Three committees have prepared themselves to deal with the challenges 2026 will hold.

While residential construction has always featured booms and busts, the last boom and the current bust have both set records.

First, the boom which topped in late 2021 and 2022 was one for the record books and combined with inflation to create an affordability crisis. The resulting bust in which high and low-rise sales have collapsed from the peak has also set records.

Looking at the numbers, high-rise peaked in 2021, with 32,000 units sold in the GTA. In low-rise, the peak was technically in 2015, but 2021 was a very close second with over 30,000 units being sold between the GTA and GGH.

Fast forward to 2025, high-rise recorded a 94-per cent drop, with 2,067 sales, and low-rise dropped 85 per cent to 5,147 units between the GTA and GGH.

As the chair of RESCON's health and safety committee, the training and education committee, and the Ontario Residential Council of Construction Associations, I'm going to write this month about the efforts of these three committees and how they have prepared themselves to deal with the challenges 2026 will hold.

Health and safety

While health and safety challenges change with the seasons and the business cycle, the commitment of RESCON members and the health and safety committee is constant. During the last boom, the committee led the way in dealing with the ever-changing COVID requirements and onboarding (training) of new workers to meet supply. Add in our crane safety review, AED roll-out and seven Working for Workers bills and you start to understand how busy our health and safety professionals are and have been.

Looking forward, the health and safety committee is focused on elevator safety, legislative proposals related to WSIB, hardhats, the underground economy, and implementing the new AED requirements and training.

Training and education

BuildForce is currently holding industry consultations to finalize its 2026 labour market information forecasts.

That job has never been tougher, as there has never been more uncertainty in the world.

A year ago, Trump tariffs and lingering inflation combined with high taxes, fees and levies to reduce the sales of residential units. This year we have added in high oil prices, more geopolitical risk on the downside but also witnessed two major government announcements which will support housing.

The first, which has been well documented for RESCON members, reduced the HST on first-time homebuyers (back dated to March 20, 2025) and all homebuyers (as of April 1, 2026). The second one tackled the longstanding issue of development charges. Both of these announcements are moving the needle in the right direction and will make a difference when it comes to residential construction.

The training and education committee and members have been engaged through the boom and bust, and are now optimistically planning for the recovery. We have continued to stay engaged with our labour partners at LiUNA as well as Ontario's colleges, including but not limited to George Brown, Humber and Georgian colleges.

In addition, we have strong partnerships with Skills Ontario, BuildForce, Step to Construction and the BOLT Foundation. Whatever the future brings, the training and education committee will be there to lead the way.

ORCCA

Finally, ORCCA brings together the builders with residential and infrastructure related sub-trades and focuses on all issues related to labour relations. The primary focus of ORCCA is to prepare for bargaining and create an atmosphere for the exchange of information.

As we all know, 2025 was a bargaining year and residential, heavy-civil and ICI construction were able to negotiate new collective agreements with fewer strikes than previous rounds. As with the other committees, ORCCA continues to meet and address legislative and other bargaining issues as they arise. ORCCA is also starting to prepare for the next round of bargaining which will commence in less than two years. It is a pleasure to work on these three committees and with all RESCON members. Thank you to everyone for their ongoing efforts.



THE WINDS OF CHANGE HAVE BEGUN TO BLOW

Paul De Berardis
VP, Building Standards & Engineering

Both the federal and Ontario governments have grasped the severity of the market downturn.

Amidst a faltering new housing market and persistent sales slump, finally some good news announcements came from the federal and provincial governments, as long-awaited housing-enabling policy reforms were introduced this past month.

RESCON has long touted that taxes, fees and levies, such as municipal development charges, federal/provincial HST and land transfer tax make up approximately 36 per cent of the cost of a new home. So, we were pleased to learn on March 25 that the Province of Ontario will be expanding the HST rebate to lower the cost of new homes in partnership with the federal government.

This policy will remove the full 13 per cent of the HST for all eligible buyers of new homes, for a maximum rebate of \$130,000. This builds upon the province and federal government's previous move to rebate the HST for all first-time buyers of new homes. While the mechanics on the implementation of this broader HST have yet to be ironed out, this broader HST rebate is slated to come into effect April 1, 2026, and will hopefully incentivize sidelined prospective buyers to now consider new housing options.

To further up the ante, on March 30, the federal government and Province of Ontario announced an \$8.8-billion, 10-year plan to support housing-enabling infrastructure in Ontario.

This funding will directly support the reduction of municipal development charges by up to 50 per cent. This new infrastructure funding will offset much of the financial impact of development charge (DC) reductions on municipalities. However, municipalities will also be expected to further support DC reductions, so that all three levels of government are aligned in driving towards increasing housing supply and affordability.

Over the last decade or so, DCs have become a major upfront cost that financially burden the viability of new housing projects.

This federal and provincial partnership on the HST rebate and DC subsidy will reduce the taxes and fees on a new home in Ontario by up to \$200,000.

Unexpectedly, also on March 30, the Ontario government introduced Bill 98 – the Building Homes and Improving Transportation Infrastructure Act that would, if passed, tackle housing-related red tape, reduce unnecessary costs, and streamline approvals. More

specifically, measures within the proposed legislation would simplify planning and approval tools, including through municipal official plans, Ontario's Building Code and site plan control.

With respect to the Ontario Building Code, the province announced it will be establishing an expert third-party advisory body consisting of engineering, construction and code specialists to undertake a section-by-section review of the code.

There are also proposed reforms to site-plan control to restrict some of the bloated and redundant requirements which municipalities have tacked on over the years, ultimately aiming to now deliver faster and more predictable approvals.

What became clear through these latest housing announcements is that both the federal and Ontario governments have grasped the severity of the market downturn and broader economic impacts associated with the lack of housing construction which has transpired over the last few years in Ontario, largely due to runaway municipal DCs and unchecked municipal planning approval processes which became measured in years as opposed to weeks and months.

These decisive actions are a refreshing and deliberate recalibration which seek to lower government-imposed fees on new housing, ultimately borne by new homebuyers. When coupled with the regulatory streamlining proposals discussed in Bill 98, it is evident this may be the "Cinderella story" moment for the battered new-housing industry.

The only thing that remains to be seen is whether municipalities will follow suit and work to proactively align their policies and streamline approval processes to be more housing enabling as opposed to limiting.

While I remain hopeful, it was not long ago that municipalities such as [Toronto](#) and [Markham](#) blatantly defied their commitments under the Housing Accelerator Fund of the National Housing Strategy to remove barriers and encourage initiatives to build more homes, faster; even when being financially incentivized to be ambitious in their approaches to increasing housing supply and accelerating development timelines.

Obviously, time will tell, but for now it seems as if the stars have aligned and these policies will breathe new life into the Ontario new housing sector.



AFTER A LONG WAIT, GOVERNMENTS TAKE ACTION

Grant Cameron
Senior Director of Public Affairs

New homes are too expensive for many buyers, due in large part to the exorbitant plethora of taxes, fees and levies.

They say good things come to those who wait. RESCON waited a long time for governments to take serious action to eliminate the HST for all buyers of new houses and condos - not just first-timers.

The wish was granted in late March.

Ottawa and Queen's Park agreed to exempt the 13-per-cent sales tax on all new homes worth \$1 million or less, with graduating amounts from \$1 million to \$1.5 million, and a lesser amount up to \$1.85 million.

It's only for a one-year period. Nonetheless, it is a step forward for the industry.

The residential construction sector needed a lifeline. This might be the answer.

New homes are too expensive for many buyers, due in large part to the exorbitant plethora of taxes, fees and levies.

People are leaving our cities because they can't afford a home.

A report produced for RESCON by the Canadian Centre for Economic Analysis revealed that taxes, fees and levies account for 36 per cent of the cost of a new home.

The HST plays a big part in that.

In a press release, RESCON president Richard Lyall noted that there has been a dramatic slowdown in new home sales and housing starts across the province and the stakes could not be higher.

The changes mean both the provincial and federal government rebates would be available if the agreement of purchase and sale for a new home is entered into with the builder between April 1, 2026, and March 31, 2027.

Earlier, Ontario announced a proposal to remove the full eight-per-cent provincial portion of the HST for first-time home buyers of new homes valued up to \$1 million, mirroring the proposed federal GST/HST First-Time Home Buyers Rebate which the federal government adopted following months of advocacy from Ontario.

[Click here](#) to read RESCON's press release and [click here](#) to read the government announcement. RESCON applauded the earlier federal move in a [column](#) in Canadian Contractor.

We had called for changes to the HST in a [column](#) in Storeys, along with others in [The Toronto Sun](#), a

[column](#) in Canadian Real Estate Wealth, and [another](#) in Canadian Forest Industries.

Red tape & regulation

In a Canadian Real Estate Wealth [column](#), we noted that too much regulation is making new homes unaffordable and explained how regulatory mazes hike costs, and in a [column](#) in Real Estate Magazine we highlighted in a [column](#) why it's important to fix the approvals system before the housing crisis gets worse.

PropTech & ConTech

In a Builder Bites [column](#), we explained why it is crucial to modernize how we approve, design and build new housing and noted that what is required now is leadership, co-ordination and the political will to act.

Tiebacks

In a [column](#) in Canadian Contractor, we explained that in several municipalities proposals have been put forward to ban tiebacks, which is deeply troubling and would be counterproductive.

World Cup delays

CityNews [interviewed](#) RESCON president Richard Lyall about how restricting construction work during the FIFA World Cup could disrupt construction projects in Toronto. He pointed out that construction sequencing and contracting is very precise and it's very costly to pause construction.

Economy

The effect that the slowdown in residential construction will have on Ontario's economy was explored in a [column](#) in Daily Commercial News. If the trend continues, the consequences will extend far beyond the housing sector. They'll ripple through the broader economy and labour market.

Development charges

On the Move Smartly Show, Lyall discussed with host John Pasalis, president and broker of Realosophy Realty, what it will take to restart Ontario's housing industry. [Click here](#) to listen to the podcast.



CANADA IS NOT ALONE IN DEALING WITH A HOUSING CRISIS

Michael Giles
Director of Government Relations

Having a stable, secure and comfortable place to call home is the basis upon which all other success in life is premised.

A report from the United Nations released in 2025 began with – “The world is facing an unprecedented housing crisis.”

The UN Habitat report’s findings are staggering when considered in terms of the human impact of this international housing crisis.

It’s noted that across the world, 318 million people are deemed homeless. In addition to this, 2.8 billion more people are classified as lacking access to adequate housing.

That is one third of the world’s population.

Besides the stunning impact of homelessness and inadequate housing on individuals on a human level, the ramifications on a broader societal level are just as impactful.

Having a stable, secure and comfortable place to call home is the basis upon which all other success in life is premised.

It is difficult to be a successful student, a productive employee or a fully integrated member of society when you don’t have a place to call home.

For most people, home is the base, it is a sanctuary from the world and, in many ways, the most basic foundation upon which survival is achieved.

A look at specific jurisdictions reveals that, like Canada, many areas of the world are struggling with housing challenges not seen in generations.

In Ireland, a recent Department of Finance report predicted that the housing crisis there is likely to persist for at least another 15 years. The department indicates that housing “demand” is not expected to peak until the early 2030s, with what they describe as “pent-up demand” not alleviating until the early 2040s.

The department notes that, with Ireland having a population of 5.5 million people, at least 40,000 more construction workers will need to enter the system if there is any hope of building the homes needed.

Ireland’s government indicates that 25 per cent of the new homes built will need to be social housing. Astoundingly, the lack of supply has seen home prices rise by 91 per cent since 2016 while rental costs have grown by 78 per cent.

Likewise, in France the housing crisis there has seen property prices rise by more than 88 per cent in the

past 20 years. It is reported that 15 million of France’s 69 million residents are directly impacted by the housing crisis. Keep in mind that during this period, where prices have risen by nearly 90 per cent, incomes have increased by 13 per cent in real terms. Extremely high construction costs and prohibitive interest rates have impacted the ability to build supply.

Another European nation, Spain is also in the grips of a housing crisis. Rental prices have risen by more than 40 per cent over the last 16 years. Officials there estimate a housing deficit of between 700,000 and 800,000 homes.

In spite of good reports, the United States also has its own housing crisis. It is estimated that there is a housing deficit of between three and six million homes, the result of over 15 years of underbuilding, high mortgage rates and higher construction costs.

While looking better than Canada, the U.S. has seen the median price sit at just below \$400,000 which represents the 32nd month that has seen year-over-year price increases.

In Australia, also grappling with a housing affordability and supply crisis, reports indicate that prices have risen by 47.3 per cent since winter 2020. That represents an additional \$280,000 added to the median value of a home. The bottom line is that people simply cannot afford housing costs that continue to rise at unprecedented levels.

So, Canada is not alone in dealing with a housing crisis. But like these other nations, the population of this country continues to grow impatient, angry and despondent as difficulties persist.

Governments are trying to implement measures in all these countries including Canada, but if success continues to evade all of them and results seem illusive you can be sure that there will be political ramifications.

“ It is difficult to be a successful student, a productive employee or a fully integrated member of society when you don’t have a place to call home.

DEVELOPMENT CHARGES

JOINING FORCES

Actions taken by the Ontario & federal governments are a step forward for homebuilding industry.

PRESS RELEASE

March 30, 2026, Vaughan, Ont. – The Residential Construction Council of Ontario (RESCON) is pleased that the federal and Ontario governments have joined forces and announced a landmark deal to support the reduction of development charges (DCs) and that the province has also tabled legislation to cut bureaucratic red tape which will enable projects to be built quicker.

“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,” says RESCON president Richard Lyall.

“Combined with the measures the two governments announced last week to remove the HST on newly built homes, it will help to substantially bring down the tax burden for

consumers and lift the industry at a critical time.”

DCs levied by municipalities can push up the expense 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 has advocated for Ontario and the feds to work on lowering the charges, as they 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 \$150,000 to the cost of a typical family home. In a 25-year span, 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.

DCs are a regressive tax. They are levied upfront and embedded in the purchase price of a new home, meaning they disproportionately affect first-time buyers and young families.

“Development charges have been on a trajectory that is unsustainable and economically counterproductive. They significantly hike the price of a new home,” says Lyall. “The implications are profound. 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.”

Meanwhile, new legislation called the Building Homes and Improving Transportation Infrastructure Act introduced today in the Legislature





will reduce barriers to homebuilding, streamline approvals, and make it easier and quicker to receive such things as 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 and eliminate expenses which, in the end, will enable builders to build homes that people can afford.

“Homebuilding has stalled and the outlook for the industry is grim,” says Lyall.

“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.”

RESCON APPLAUDS DECISION

However, additional action will still be required to right the ship, such as reforming development charges, providing faster approvals and removing barriers to housing delivery.

PRESS RELEASE

March 25, 2026, Vaughan, Ont. – Today's announcement that the federal and Ontario governments are extending the 13-per-cent sales tax break on new homes worth \$1-million or less to all buyers - not just first-time homebuyers - is a bold and timely move that will breathe new life into the struggling residential construction sector.

"This is a critical step towards making new homes more affordable and demonstrates that Premier Doug Ford and Prime Minister Mark Carney understand the severity of the housing downturn and the urgent need for decisive action to restore confidence in the market," says RESCON president Richard Lyall. "It is a necessary initiative given the depth of the market downturn and grim outlook for the industry. This will help revive residential construction and save industry jobs."

The measure aligns with what RESCON and other



industry stakeholders have been advocating for some time. The sector has been grappling with a perfect storm of economic pressures, including rising construction costs, regulatory barriers and an exorbitant tax burden on new housing. An earlier report produced for RESCON by the Canadian Centre for Economic Analysis (CANCEA) revealed that taxes, fees and levies account for 36 per cent of the cost of a new home.

The result has been a dramatic slowdown in new home sales and housing starts across the province. In the Greater Toronto Hamilton Area, single-family home sales have plunged, and housing starts have fallen sharply, contributing to job losses across the industry and its supply chain.

"The stakes for our industry could not be higher," said Lyall. "Residential construction is one of the key economic engines of this province. When projects stop moving

X-CUT



forward, it affects everyone from skilled tradespeople and apprentices to manufacturers and local businesses.”

Another recent report done by CANCEA for RESCON and the RCCAO indicated that a three-year HST holiday on new homes would help preserve skilled trade jobs, incentivize buyers to purchase new homes and, importantly, be revenue neutral for governments, as the increased economic activity would offset foregone tax revenues.

RESCON wanted the HST eliminated on new homes because, without meaningful intervention, starts and sales were forecast to remain stagnant. Today’s measure - along with an earlier move by Ontario to eliminate the HST on purpose-built rental housing and a federal initiative to remove the GST on new homes for first-time buyers who enter into a purchase agreement before 2031, will make a meaningful difference.

RESCON maintains that additional action will still be required to right the ship, such as reforming development charges, providing faster approvals and removing barriers to housing delivery. Over the past 25 years, development charges 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.

“However, the step taken today is exactly the kind of initiative we need right now,” notes Lyall. “Housing shouldn’t be taxed like alcohol or tobacco. It is a basic economic necessity and the foundation of healthy communities and a strong economy.

“Builders are ready to build and continue to work with government to remove the remaining obstacles that prevent builders from delivering homes that are affordable.”

SALES TAXES

CUT WILL HELP INDUSTRY

The legislation will make a meaningful difference for purchasers and help revive the new home market which has suffered greatly over the past couple of years.

*By Canadian Contractor
March 13, 2026*

The Residential Construction Council of Ontario (RESCON) is applauding the federal government's passage of Bill C-4, landmark legislation that eliminates the five-percent federal GST for first-time buyers on new homes priced at or under \$1 million and reducing it for first-time buyers on homes between \$1 and \$1.5 million.

"While it took a long time to get here, the passage of Bill C-4 is extremely welcome news," says RESCON president, Richard Lyall. "Eliminating the GST for first-time buyers on new homes will make a meaningful difference for purchasers and help revive the new home market which has suffered greatly over the past couple of years. This has the potential to kick-start much-needed



residential construction."

The legislation, long advocated for by RESCON and other industry stakeholders, is expected to help improve housing affordability and stimulate new home construction at a time when the sector is facing severe economic headwinds. RESCON had been urging the feds to ensure the legislation passed as any delay would have risked further slowing new home sales due to potential buyers postponing purchases while waiting for the tax cut to take effect.

"The timing of this legislation is critically important," said Lyall. "Without swift passage, many potential buyers would have delayed their decisions over the summer, which would have further weakened an already fragile housing market. This will help kick-start the market."

Ontario's housing sector has been grappling with declining housing starts, falling new home sales and

ELIMINATED



mounting job losses. Recent analysis commissioned by RESCON shows the situation could worsen without decisive action. The decline in housing starts has already translated into more than 35,000 fewer person-years of employment compared with recent years.

“We have been sounding the alarm for some time that the housing market is deteriorating rapidly,” said Lyall. “Projects are being shelved, sales have stalled, and job losses are mounting across the industry. Measures like the GST elimination, which we have been pushing for some time, are exactly the type of action governments need to take to restore confidence in the market.”

High taxes are a significant factor driving up the cost of new homes in Ontario. Research shows that taxes, fees and government levies now account for roughly 36 percent of the cost of a newly built home. On a \$1-million home, that represents about \$360,000 added to the price.

“Eliminating the GST for first-time buyers will help further reduce the tax burden on new housing and improve affordability,” said Lyall. “But governments must continue to examine the overall tax burden on buyers of new housing if they are serious about addressing the housing crisis.”

Earlier, Ontario announced it would be reducing its eight-per-cent provincial portion of the HST for first-time buyers of new homes once the federal initiative was passed. That means a first-time buyer of a new home will qualify for a combined total provincial and federal rebate of 13 per cent.

“Our governments tax new homes at rates comparable to products like alcohol and tobacco, which makes little sense when housing supply is so desperately needed,” said Lyall. “Tax relief measures like the GST cut and HST changes can help get builders back to building.”



CALL FOR MORE CUTS

*By Richard Lyall
for Canadian Real Estate Wealth
March 18, 2026*

The federal government has finally taken a meaningful step to address Canada's housing crisis - and it's a move that could help breathe life back into a stalled residential construction sector.

With the passage of Bill C-4, Ottawa has eliminated the five-per-cent GST on new homes priced at or under \$1 million for first-time buyers, while also reducing the tax on homes priced between \$1 million and \$1.5 million.

It's a long-overdue policy change that recognizes a simple reality: governments cannot tax their way out of a housing shortage.

Just as importantly, the move will trigger complementary action in Ontario. Earlier, the provincial government committed to following through on its commitment to eliminate the eight-per-cent provincial portion of the HST for first-time buyers of new homes as well. Combined, the federal and provincial rebates mean eligible first-time purchasers could receive up to 13 per cent in tax relief.

Eliminating the GST for first-time buyers on new homes will make a meaningful difference for purchasers and help revive the new home market which has suffered greatly over the past couple of years.

But while this is an encouraging step, it should not be the final one.

If governments are serious about restoring housing affordability and reviving residential construction, they

should expand these tax reductions to all buyers - not just first-time purchasers.

The housing market in Ontario is under extraordinary strain. New home sales have collapsed in many regions, projects are being shelved and builders are increasingly reluctant to move forward with new developments because the economics simply no longer work.

Tax relief can help restart a market that has stalled. But the scale of the problem facing Ontario's housing sector means incremental measures may not be enough.

Global News has reported that the Ford government is poised to offer all home buyers a significant tax discount on newly built homes. As part of his spring budget on March 26, Finance Minister Peter Bethlenfalvy



“ If governments are serious about restoring housing affordability and reviving residential construction, they should expand tax reductions on new homes to all buyers.

The economic implications are equally troubling.

Residential construction is one of the most powerful economic engines in the country. Every new housing project generates jobs not only for carpenters, electricians and plumbers but also for engineers, architects, manufacturers, transportation companies and countless small businesses that supply the building industry.

When construction slows, the ripple effects spread across the entire economy.

The CANCEA analysis indicates that bold policy measures - such as a temporary HST holiday on new homes - could preserve nearly 26,000 construction jobs and generate roughly \$3.9 billion in GDP.

Conversely, if the residential sector continues to weaken, the province could face a GDP decline of between 1.5 and 2.5 per cent in the near term tied directly to the collapse in new housing construction.

Those are not small numbers. They reflect an industry that supports hundreds of thousands of workers and plays a central role in Ontario's economic growth.

The current downturn is already having real consequences. More than 35,000 person-years of employment have been lost compared with recent levels of housing construction activity. Projects are being postponed, and in some cases cancelled altogether.

The danger is that if the slowdown continues long enough, the industry could begin to lose skilled workers permanently.

Tradespeople who leave construction during prolonged downturns often do not return. Apprenticeship opportunities shrink, young workers choose other careers and companies reduce training investments.

Over time, that erosion of skilled

labour capacity makes it even harder to build the homes Canada needs.

Tax policy is not the only reason housing has become so expensive in Ontario, but it is undeniably a significant factor.

Research shows that government taxes, fees and levies now account for roughly 36 per cent of the cost of a newly built home in the province.

On a \$1-million home, that amounts to about \$360,000 embedded in the purchase price before a buyer even turns the key in the front door.

That kind of tax burden is extraordinary for a basic necessity like housing.

Presently, governments are taxing new homes at rates comparable to those on alcohol and tobacco - an approach that makes little sense when policymakers are simultaneously trying to increase housing supply.

Reducing those taxes would send an important signal to the market. It would also improve affordability for buyers while giving builders the confidence to restart projects that have been sitting idle.

The reductions for first-time buyers are a welcome development. Hopefully, we will soon see further cuts - at least on the provincial portion of sales taxes - for all buyers of new homes.

Housing markets function as interconnected systems. When move-up buyers purchase new homes, they free up existing homes for other buyers.

When downsizers purchase newly built units, they release family homes back into the market.

Encouraging construction activity across the entire market - not just the entry-level segment - is what ultimately increases supply.

Such a move would help restart stalled projects, preserve thousands of construction jobs and generate billions in economic activity.

is expected to announce that the provincial portion of the harmonized sales tax will be removed for anyone buying a newly constructed home.

This would be fantastic news - and another step forward.

Research commissioned by RESCON from the Canadian Centre for Economic Analysis (CANCEA) paints a stark picture of what lies ahead if the downturn continues.

According to the report, Ontario could see an average of 21,500 fewer housing starts every year over the next decade compared with the recent 10-year average if no corrective action is taken.

That decline would have enormous consequences. By 2035, the province could end up with housing for roughly 390,000 fewer residents than would otherwise have been built.

WIN-WIN PROPOSITION

Move would be a lifeline for an industry in retreat and stimulus for an economy that relies heavily on residential construction.

*By Richard Lyall
for The Toronto Sun
March 13, 2026*

The residential construction industry in Ontario is staring down one of the bleakest outlooks in its history. Sales have plunged, projects are stalling and losses are mounting. Housing affordability has eroded to the point where middle-class families are locked out of new construction.

Without decisive action, the consequences for both the industry and the broader economy could be devastating.

Against that rather bleak backdrop, RESCON is urging Queen's Park to implement a three-year HST holiday for buyers of all new homes up to \$1.3 million.

It is a bold proposal but given the depth of the market downturn and recent forecasts, one that deserves serious consideration.

Such a holiday would be a win-win for both the industry and the government, a lifeline for an industry in retreat and stimulus for an economy

that relies heavily on residential construction.

New data in a report from the Canadian Centre for Economic Analysis (CANCEA) backs up the case and concludes that a three-year HST holiday on new homes up to \$1.3 million would preserve nearly 26,000 jobs, generate roughly \$3.9 billion in GDP and significantly improve housing starts and completions.

Crucially, the analysis suggests the measure could be revenue neutral for the province, as foregone tax dollars would be offset by increased economic activity and employment.

The alternative is sobering. If no action is taken, Ontario could average 21,500 fewer housing starts annually over the next decade compared with the previous 10-year norm. By 2035, that would translate into approximately 390,000 fewer Ontarians housed. At a time when affordability is already stretched to the breaking point, falling further behind on supply would deepen the crisis.

Residential construction is not a niche sector. It supports a



vast ecosystem of tradespeople, suppliers, engineers, planners and small business owners. When projects stall, apprenticeships dry up and skilled workers leave the industry. Restarting that engine is neither quick nor easy.

Ontario Premier Doug Ford appears to recognize the gravity of the moment. Speaking at our recent annual general meeting, he assured builders he is ready to work with them to kick-start the ailing sector.

His government has already removed the eight-per-cent provincial portion of the HST on qualifying new purpose-built rental housing and announced a rebate of the same eight per cent for first-time buyers purchasing new homes up to \$1 million, with a sliding scale extending to \$1.5 million, as long as the feds pass similar legislation on the federal portion.

Together, the federal and provincial actions will give purchasers of a \$1-million home a rebate of up to \$130,000.

However, at RESCON's meeting, Ford went a step further, signalling



“ The alternative is sobering. If no action is taken, Ontario could average 21,500 fewer housing starts annually over the next decade compared with the previous 10-year norm.

openness to a broader approach. He suggested that rebating the full HST on all new homes would not be reckless because if people aren't buying, the province isn't making the income anyways.

Cutting sales taxes for all new home buyers would see the market take off.

The tax relief would pay for itself by reviving transactions, employment and spin-off spending on appliances, furnishings and other consumer goods.

The economic case for action gains urgency when viewed through

the lens of long-term affordability trends.

Research from the Missing Middle Initiative shows that across 23 Canadian metropolitan areas, newly built family-sized starter homes are now more than twice as expensive relative to income as they were in 2004.

Since then, prices at the lower end of the new-home market have climbed 265 per cent on average, while young dual-earner incomes have risen just 76 per cent.

Even if new-home prices stopped rising entirely, it would take the average metro 16 years to return to a 4:1 price-to-income ratio and roughly 25 years to restore 2004 affordability levels.

A recent analysis that tracked home-price-to-income ratios in 2005, 2015 and 2025, indicated that affordability deteriorated most sharply in cities such as Toronto and Vancouver.

Zoning restrictions, land-use rules, monetary policy and development constraints all feature prominently in the affordability story. But taxes are

a significant, and often overlooked, contributor.

In Toronto, the total tax burden can add as much as 36 per cent to the cost of a new home. This is irrational in the midst of a housing crisis.

In a market where developments are being shelved because they no longer “pencil out,” reviving feasibility is the first step toward increasing supply.

A three-year window creates an incentive for buyers to act and for builders to launch projects. By capping eligibility at \$1.3 million, it targets the broad middle of the market - where move-up buyers and young families compete.

Ontario's housing challenges are complex. Faster approvals, infrastructure funding, land-use reform and federal-provincial alignment on sales taxes all matter.

We can't just cross our fingers and hope for the best. We must deploy a time-limited HST holiday as a circuit breaker that will jolt the market back into motion.

In light of the present circumstances, we cannot stand still.

SALES TAXES

HOW TO KICK-START HOUSING

A three-year sales tax holiday on new homes, combined with serious reform of development charges, would boost the industry.

*By Richard Lyall
for Daily Commercial News
March 20, 2026*

Canada's housing crisis is no longer looming on the horizon. It is already here. What policymakers must now confront is something even more dangerous: the cost of doing nothing.

Across Ontario and much of the country, new housing construction has slowed dramatically.

Projects have stalled and cranes have disappeared from skylines because the economics no longer work.

If the trend continues, the consequences will extend far beyond the housing sector. They'll ripple through the broader economy and labour market.

The alarm bells are already ringing.

Research by the Canadian Centre for Economic Analysis (CANCEA) paints a sobering picture of what lies ahead if housing activity continues to decline.

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.

Across all industries, the net annual effect over the 10-year period would be 96,200 fewer jobs.

Those numbers represent more than just statistics. They reflect workers who lose employment, families unable to find homes, and communities struggling with rising housing instability.

This is the storm gathering over Canada's housing market.

Governments have begun to acknowledge the urgency of the situation.

The feds recently took an important step by eliminating the five-per-cent GST on new homes for first-time buyers priced up to \$1 million, with a graduated reduction on homes up to \$1.5 million.

That move matters, as taxes on new housing inflate prices and suppress demand for new construction. Equally important, the federal action will trigger a matching move in Ontario to remove the eight-per-cent provincial portion of the HST.



But the truth is that these measures, while welcome, are not enough to reverse the deep freeze gripping new housing construction.

If governments are serious about stabilizing the housing sector, they must take the next logical step: implement a three-year sales tax holiday on new homes for all buyers - not just first-timers.

Global News has reported that the Ford government is poised to do just that and offer all buyers a significant tax discount on newly built homes.

As part of his spring budget on March 26, Finance Minister Peter Bethlenfalvy is expected to announce that the provincial portion of the harmonized sales tax will be removed for anyone buying a newly constructed home.

This would mark another step forward.

Economic modelling suggests such a move would not only stimulate demand but could prove revenue-neutral over time. Increased housing activity generates jobs, incomes and broader economic growth that ultimately returns tax revenue to government.

Even if home prices stopped



rising entirely tomorrow, it would take the average Canadian metro area 16 years to reach a basic affordability benchmark where homes cost four times household income.

The Missing Middle Initiative has documented that across 23 Canadian metropolitan areas, newly built family-sized starter homes are now more than twice as expensive relative to income as they were in 2004.

Since then, new-home prices at the lower end of the market have risen by 265 per cent, while incomes for young dual-earner households have grown only 76 per cent.

Without major policy changes that reduce the cost of building homes, middle-class families could remain priced out of the market for decades to come.

A big driver of high housing costs is something few buyers fully understand: development charges.

These municipal fees, imposed on builders when projects receive building permits, are intended to fund infrastructure such as roads, water systems and parks needed for growing communities. But over the past decade they have spiralled

dramatically.

In Toronto, development charges on a two-bedroom condominium unit jumped from roughly \$8,000 to \$88,000 in just 10 years.

While developers pay the charges upfront, the costs are inevitably passed along to buyers through higher home prices.

In effect, new homeowners are being asked to shoulder the financial burden of infrastructure that benefits entire communities.

Province-wide, taxes, fees and levies now account for almost 36 per cent of the cost of a new home, according to analysis prepared for RESCON.

If governments want to restore housing affordability, they must rethink how growth-related infrastructure is financed.

One promising idea is the creation of municipal service corporations capable of issuing debt to finance infrastructure over long time horizons - much like utilities do.

Rather than charging massive upfront fees, infrastructure costs could be amortized over decades and repaid through user fees.

Ontario's housing minister, Rob Flack, has proposed piloting such a

model in the Region of Peel.

If successful, it could fundamentally change the way municipalities fund water, wastewater and other critical infrastructure.

Some jurisdictions have taken steps.

The cities of Mississauga and Burlington, for example, are exploring temporary reductions or eliminations of development charges to spur housing construction.

In 2024, the City of Vaughan significantly reduced development charges by 47 per cent.

But they cannot do it alone.

The cost of inaction is already measurable in billions of dollars and tens of thousands of jobs.

But the long-term consequences could be even worse: lost skilled trades capacity, weakened apprenticeship pipelines, and a generation of Canadians permanently locked out of homeownership.

Canada must change course.

A three-year sales tax holiday on new homes, combined with serious reform of development charges, would help restart the housing engine.

REGULATIONS & RED TAPE



*By Richard Lyall
for Real Estate Magazine Canada
March 17, 2026*

Canada's housing crisis is often framed as a problem of supply, whereas not enough homes are being built to keep up with demand. While that diagnosis is correct, the deeper question is why housing construction has slowed to a crawl in the first place.

A growing chorus of industry leaders, economists and policymakers point to a common denominator: an outdated and excessively complex planning and approvals system that has become one of the biggest barriers to building homes.

Lengthy approvals, excessive regulatory requirements and layers of red tape have slowed residential construction to the point where, in some regions, activity has nearly ground to a halt.

If Canada is serious about restoring housing affordability,

governments at every level must undertake a fundamental overhaul of how housing projects are approved.

In Ontario, the cost-to-income ratio for housing has climbed above 9:1, placing home ownership increasingly out of reach for many families. In the Greater Toronto and Hamilton Area.

These numbers signal a broader economic problem. Tens of thousands of construction jobs have already disappeared across the province. Without meaningful intervention, Ontario could face a GDP reduction of between 1.5 and 2.5 per cent over the next two years due to the collapse in residential construction.

Behind these troubling figures lies a planning and approvals system that has grown increasingly slow, uncertain and costly.

A recent letter from the Housing Advancement Coalition to Prime Minister Mark Carney and Ontario Premier Doug Ford argues that housing delivery is often constrained not by zoning rules on paper, but by the cumulative impact of delays,

technical requirements and escalating fees embedded in municipal approval processes. RESCON is a member of the coalition.

In many communities, projects that conform with provincial housing policies still face site-specific rezonings, minor variances and extended negotiations that can take years to resolve. Even after a project receives approval, late-stage conditions such as rising development charges or parkland requirements can suddenly alter the financial viability of a project after millions of dollars have already been invested in planning. As a result, projects stall, investors pull back and fewer homes are built.

Compounding the problem is the discretionary nature of many local decisions. Municipal councils frequently endorse policies supporting density or intensification, only to narrow them during implementation or delay them in response to local opposition. This creates uncertainty for builders and



developers, discouraging investment in projects that may take years to navigate through approvals.

According to testimony before the Senate's Standing Committee on Banking, Commerce and the Economy, the development process in Canada is among the slowest in the industrialized world. Canada ranks second-last among countries in the Organization for Economic Co-operation and Development when it comes to approval timelines for development.

Even before a formal application is submitted, developers often spend two or three years in preliminary discussions with municipalities simply to ensure their proposals will be accepted for review.

Once the application is filed, the average time for a municipality to render a decision is nearly a year. In some cities the wait is far longer. In Hamilton, approvals can take more than 31 months. In Toronto, it can take more than 25 months.

Subsequent stages, including site

plan approvals and building permits, can add years more to the timeline.

Industry leaders estimate it now takes an average of 11 years from the first meeting with municipal officials to the completion of a new housing community.

Such timelines are clearly untenable, especially in times of a housing crisis. Yet the system has changed little over time. In some respects, it has become even more cumbersome.

Multiple layers of regulation, redundant technical reviews and inconsistent municipal processes have created an approval framework that lacks transparency and accountability.

RESCON has argued that part of the solution lies in modernizing how approvals are handled. Many jurisdictions around the world have adopted fully digital planning platforms, building information modelling and standardized approval processes that dramatically reduce timelines.

In Ontario, however, progress toward modernization has been inconsistent across municipalities. Some cities have adopted digital tools, while others continue to rely on fragmented systems that slow decision-making and create administrative bottlenecks.

Industry groups like RESCON have been calling on the provincial government to play a stronger leadership role - funding, requiring and monitoring the digitization of planning approvals across all municipalities.

The federal government also has a role to play. The Senate committee examining the housing crisis has recommended that Ottawa work with provinces and municipalities to establish best practices for development approvals and use financial incentives to encourage adoption.

Programs such as the Housing Accelerator Fund were designed to encourage municipalities to remove barriers to housing development. But witnesses told the committee that the program has struggled with implementation and enforcement, and some municipalities have simply declined to participate.

If Canada is serious about increasing housing supply, governments must move beyond pilot programs and partial reforms.

We need a co-ordinated national effort to modernize planning systems, establish consistent approval timelines and reduce the regulatory friction that has built up over decades.

This doesn't mean abandoning oversight or weakening environmental and safety standards. But it does mean eliminating redundant reviews, standardizing requirements and ensuring that projects consistent with approved planning frameworks can proceed without years of additional negotiation.

The status quo is no longer sustainable. Governments must confront that reality.

AFFORDABILITY

THE DREAM IS WANING

*By Richard Lyall
for Canadian Forest Industries
March 23, 2026*

For a growing number of middle-class Canadians, the dream of owning a starter home has slipped from challenging to nearly impossible. Nowhere is this more evident than in Toronto, where the gap between incomes and new-home prices has widened into a chasm.

Newly built family-sized starter homes across 23 Canadian metropolitan areas are now more than twice as expensive relative to income as they were in 2004, according to research done by the Missing Middle Initiative.

Since then, prices at the lower end of the new-home market have risen by 265 per cent on average. Over the same period, young dual-earner incomes have grown just 76 per cent.

The result? Young families are being priced out of the very homes that once formed the backbone of middle-class wealth building.

This is not simply a Toronto story. Starter homes in markets like London, Kingston and St. Catharines-Niagara are now less affordable than two decades ago.

If prices stopped rising tomorrow, it would take the average metropolitan area 16 years to return to a 4:1 price-to-income ratio - and roughly 25 years to restore 2004 levels of affordability.

Still, Toronto stands out. A decade-by-decade affordability analysis published in *The Globe & Mail* shows that Toronto and Vancouver experienced the steepest deterioration between 2005 and 2015.

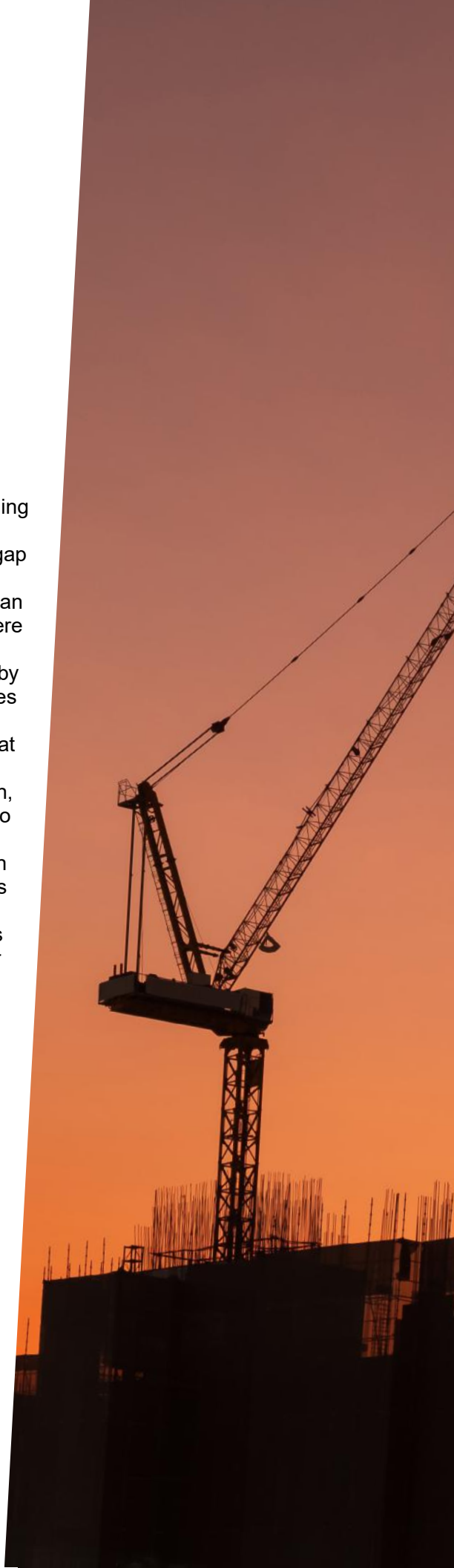
When the report compared the three most unaffordable cities in 2005, 2015 and 2025, they shared a defining feature: All of the cities are located in areas with stricter zoning and land-use rules, where housing supply struggles to expand in a timely way in response to the demand.

A new report from the C.D. Howe Institute, meanwhile, indicates that the way governments finance and regulate housing-enabling infrastructure is compounding the crisis. Municipalities rely heavily on upfront development charges to pay for water, sewer, roads and transit. These charges are levied early in the construction process, forcing builders to finance public infrastructure through high-cost private borrowing embedded in the price of a home.

This approach raises costs for owners and renters alike and discourages construction in high-growth regions where housing is most needed.

A working group convened by C.D. Howe found broad support for modernizing a model to expand municipal borrowing capacity and spread infrastructure costs over the full lifecycle of a home rather than front-loading them onto the first purchaser.

When homes are not built, there is a ripple effect - not just on the economy - but also on the labour force. Workers leave the industry.





Prolonged slowdowns in housing starts permanently erodes skilled-trade capacity. When workers leave the sector, they do not automatically return.

The consequences are visible on the ground. Ontario's housing market has slowed dramatically. Pre-construction sales have collapsed. Builders are shelving projects. Skilled tradespeople face layoffs. This shrinking pipeline of labour today means even tighter supply tomorrow.

One immediate, targeted policy lever could help break this cycle: a three-year HST holiday on the purchase of new homes up to \$1.3 million. The proposal is backed by RESCON and supported by new economic modelling from the Canadian Centre for Economic Analysis.

The analysis suggests that temporarily removing the HST on new housing would boost sales and preserve construction activity, while supporting approximately 26,000 direct industry jobs and generating billions in GDP.

Equally important, research in the report suggests that the policy would be revenue-neutral for governments, as increased economic activity and preserved employment offset forgone tax revenue.

The pain of doing nothing would be severe. If no action is taken, the province stands to average 21,500 fewer housing starts every year over the next decade compared to the recent 10-year average. The shortfall would account for about 390,000 fewer Ontarians being housed by 2035.

New homes in Ontario are taxed at levels comparable to alcohol and tobacco. When governments layer taxes such as HST, development charges, land transfer taxes and planning fees onto a single new unit, they are directly inflating the sticker price paid by a young family.

A temporary HST holiday would create urgency in the marketplace, incentivizing buyers to move forward and allowing stalled projects to proceed. It would send a clear signal to the market.

Development charges also need to be rolled back and restructured. Rather than requiring first buyers to shoulder the full cost of long-lived infrastructure, municipalities should be empowered to finance infrastructure over time, using tools that align costs with benefits across generations.

Planning and approvals must be digitized and standardized as well. Lengthy approval timelines add both risk and cost. As-of-right zoning for missing-middle housing - duplexes, triplexes, townhomes and small apartment buildings - must become the norm rather than the exception.

Meanwhile, governments must support off-site and innovative construction methods, expand public-private partnerships to accelerate servicing, and remove barriers that constrain flexible ownership models. If we're serious about supply, we can't cling to outdated processes.

Canada's housing crisis didn't emerge overnight. It developed over two decades of rising demand colliding with inflexible supply and a tax-and-fee regime that quietly inflated prices. The consequences are stark. In Toronto, for example, middle-class families are locked out of new construction, forced either into older housing stock or out of the city altogether.

A temporary three-year HST holiday would provide immediate relief and stabilize a faltering construction sector.

HST HOLIDAY COULD BE A LIFELINE

By Richard Lyall
for Storeys
March 4, 2026

The housing market in Ontario is not cooling. It is collapsing under the weight of taxes, regulatory drag and financial barriers that have choked off new supply precisely when it is needed most.

If the province is serious about restoring affordability and protecting thousands of skilled trades jobs, it must adopt a bold measure: a three-year HST holiday on the purchase of new homes up to \$1.3 million.

That's what RESCON is proposing following release of a report by the Canadian Centre for Economic Analysis that indicates such a move would preserve nearly 26,000 industry jobs, result in a marked improvement in housing starts and completions, and support roughly \$3.9 billion of GDP.

Disturbingly, the report warns that if no action is taken, the province stands to average 21,500 fewer housing starts every year over the next decade compared to the recent 10-year average. The shortfall would account for about 390,000 fewer Ontarians being housed by 2035.

The proposal is straightforward. Suspend the provincial portion of the HST on new home construction

for three years to jumpstart activity, preserve jobs and inject urgency into a market that has ground to a halt. It's a win-win proposition. And it doesn't cost anything to implement.

Research in the report suggests that the policy would be revenue-neutral for governments, as increased economic activity and preserved employment offset forgone tax revenue. More importantly, it would save construction jobs at a time when tens of thousands have already been lost.

The scale of the downturn cannot be overstated. In the Greater Toronto Hamilton Area, single-family home sales have plunged 71 per cent, while condominium sales are down 90 per cent.

The province 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.

The consequences extend well beyond the balance sheets of builders. Residential construction supports a vast ecosystem of tradespeople, suppliers, engineers, planners and small businesses.

When projects stall, apprenticeships dry up and experienced workers leave the construction industry. The C.D.



Howe Institute recently cautioned that prolonged declines in housing starts risk permanent loss of skilled trades capacity, increasing long-term economic vulnerability. The Institute's Housing Policy Working Group found that regulatory, financial and structural barriers are constraining new supply and pushing costs onto both buyers and renters.

Municipalities rely heavily on development charges levied early in the construction process to finance infrastructure. These upfront costs are embedded in the price of new homes, forcing buyers to finance infrastructure through high-cost private mortgages rather than spreading those costs over the life of the asset.

In high-growth regions such as Ontario, this model has become self-defeating. The heavier the charges, the higher the prices; the higher the prices, the fewer the sales; and



the fewer the sales, the weaker the municipal tax base.

Layer onto that slow and fragmented approvals processes - Canada ranks near the bottom of OECD countries for development timelines - and the result is predictable. Supply can not respond to demand in a timely way.

The affordability data bear this out. A recent analysis in The Globe and Mail tracking price-to-income ratios across major North American cities shows that Toronto's steepest deterioration occurred between 2005 and 2015, when historically low interest rates fuelled demand while supply remained constrained by zoning and land-use rules.

Unlike many U.S. cities where flexible land-use policies allowed builders to respond more quickly, Toronto's regulatory environment limited expansion. When supply is slow to adjust, prices surge and

remain elevated.

Today, Ontario's housing cost-to-income ratio exceeds 9:1. For many young families, ownership has moved from aspirational to unattainable.

The erosion is especially stark at the entry level. According to the Missing Middle Initiative, newly built family-sized starter homes across 23 Canadian metropolitan areas are now more than twice as expensive relative to income as they were in 2004.

Prices at the lower end of the new-home market have risen 265 per cent over that period, while young dual-earner incomes have increased just 76 per cent. Even if prices stopped rising tomorrow, it would take the average metro area 16 years to return to a 4:1 price-to-income ratio - and roughly 25 years to restore 2004 levels of affordability.

In Toronto and surrounding communities, the cost of a modest

new starter home now routinely approaches or exceeds \$1 million. That price embeds not just land and labour, but layers of HST, development charges, parkland levies, community benefit charges and land transfer taxes.

Governments tax new housing at rates comparable to alcohol and tobacco - hardly the treatment one would expect for a basic economic necessity.

A three-year HST holiday would not solve every structural flaw in Ontario's housing system. But it would provide immediate, visible relief at the point of purchase, creating a window of opportunity for buyers and a clear signal for builders to restart projects that are currently shelved.

Ontario now stands at a crossroads. It can allow a battered residential sector to sink deeper, shedding jobs and shrinking GDP, or it can intervene decisively.

RED TAPE OVERLOAD

*By Richard Lyall
for Canadian Real Estate Wealth
March 4, 2026*

The housing crisis is no longer an abstract concept. It is very real - and measurable - across the country.

The affordability of housing, measured by the ratio of homes prices to median household income, has declined dramatically over the past two decades.

Toronto and Vancouver are now poster children for the worst housing affordability. The cities rank first and second worst, respectively, among the 25 largest metropolitan areas in the U.S. and Canada.

The home price-to-income ratio in Toronto is 9:6, up from 5:5 in 2005 while Vancouver is at 12:5, up from 7:4. Proof of the problem is in the large number of stalled projects and empty sales centres.

Interest rates, material costs and economic headwinds all have a role to play in the decline, but an equally powerful - and more controllable - force is at work, namely an increasingly complex web of municipal green development regulations that are layered on top of provincial rules.

Regulatory mazes hike costs

The province has tried to assert clarity and consistency through the Protect Ontario by Building Faster and Smarter Act and the proposed Fighting Delays, Building Faster Act, two pieces of legislation aimed at streamlining approvals and curbing the ability of municipalities to impose green building standards that go well beyond the Ontario Building Code.

However, as RESCON noted in a recent letter to the Ministry of Municipal Affairs and Housing, this has not translated into practice.

Municipalities across the GTA and beyond continue to apply green development standards through planning approvals, even if they can not technically amend construction standards directly. The result is a regulatory



maze that adds substantially to construction costs, and results in delays.

In Durham Region alone, the Town of Ajax, City of Pickering, Town of Whitby and Municipality of Clarington each maintain their own green development standards, while the City of Oshawa does not. Now, the Region of Durham is developing a regional overlay. Even within a single upper-tier government, neighbouring municipalities have adopted divergent frameworks.

The City of Toronto, and towns of Halton Hills, Whitby and Ajax rely on tiered mandatory systems while Brampton, Markham and Vaughan use points-based approaches requiring minimum thresholds.

For builders operating in multiple jurisdictions, each application becomes a new exercise in interpretation.

Consumers aren't asking for measures

Green building standards alone can add between three and 12 per cent to construction costs, depending on the municipality and housing type.

At the lot level, additional measures carry discrete price tags: soak-away pits at roughly \$6,000 per lot; bioswales



Fifteen years ago, development approvals were measured in months. Today they are measured in years. Every study, soil specification, glazing analysis or electrical capacity review requires consultants, revisions and municipal review cycles.

at \$4,000; permeable paver driveways at \$20,000; and rain barrels at \$800.

In some jurisdictions, compliance with new green development standards has been costed at \$30,000 to \$50,000 per unit.

Worse, many homeowners later remove or alter these features, suggesting they were not a priority.

The real question is not whether sustainability matters. It is who decides, how consistently and at what cost.

Home buying consumers are not asking for nor

demanding the measures that municipalities are mandating in their green development standards. They merely slow down the approval and construction of new housing while inflating costs.

Delays can be devastating

Fifteen years ago, development approvals were measured in months. Today, they are measured in years. Every study, soil specification, glazing analysis or electrical capacity review requires consultants, revisions and municipal review cycles. Even where costs appear modest in isolation, cumulative delay can be devastating in a high-interest-rate environment.

If municipalities continue to impose their own individual standards, it only perpetuates a system that prices out buyers and suppresses supply. Ontario cannot afford this type of paralysis.

We are facing the most pressing housing affordability crisis in generations. Municipalities need to be reined in with respect to what they can and can't include in the scope of an application. Otherwise, we will have no hope of delivering new housing that Ontarians can afford.

TIEBACKS

IN DEFENCE OF TIEBACKS

*By Richard Lyall
for Canadian Contractor
March 12, 2026*

Ontario is in the midst of a housing crisis and governments at every level have committed to increasing supply, speeding up approvals, and reducing unnecessary costs that make new homes less attainable.

However, against this backdrop, proposals have been put forward to ban construction tiebacks in several municipalities - including the City of Toronto. If implemented, this would represent a deeply troubling and counterproductive - not to mention costly step backwards for Ontario.

Tiebacks are not an experimental technique. They are a state-of-the-art, widely accepted engineering practice used to support deep excavations during high-rise construction.

In the Greater Toronto Area alone, more than two million tiebacks have been safely installed since the 1970s. They are governed by rigorous engineering standards and are routinely used to protect streets, utilities, neighbouring buildings, and - most importantly - workers.

A new report released by RESCON and the Ontario Association of Foundation Specialists in partnership with the Residential and Civil Construction Alliance of

Ontario makes the implications of a ban unmistakably clear.

The report compared tiebacks with the primary alternative: internal steel bracing. The findings are stark.

In a representative high-rise residential project, replacing tiebacks with internal steel bracing would add an estimated \$5 to \$6.5 million in costs - or roughly \$14,000 to \$18,000 per unit. At a time when affordability is already stretched to the breaking point, this kind of regulatory burden is indefensible.

Those costs would not be absorbed by developers. They would be passed directly to buyers and renters, further eroding affordability and undermining the province's housing supply objectives.

But the financial cost is only part of the problem.

Internal steel bracing systems clutter construction sites, restricting movement within excavations and complicating forming and concrete work. The result? Slower builds and extended disruption.

The report estimates excavation and forming timelines would increase by five to seven months if tiebacks were banned. That means longer road closures, prolonged lane reductions, extended noise, and increased congestion around already busy urban sites.

Ironically, a policy ostensibly



introduced in the name of safety could create new safety challenges. Congested excavation sites with bulky steel frames limit maneuverability, complicate sequencing, and introduce additional hazards for workers.

Tiebacks, by contrast, free up the excavation area. They allow concurrent construction activities and improve site logistics.

The Ontario construction industry has built up more than 50 years of expertise, specialized equipment, and trained trades around their safe use. Forcing a sudden shift away from this established system would require costly retooling across the industry.

The push to restrict or ban tiebacks stems largely from a 2022 incident in Toronto, when a sewer tunnel boring



“ The Ontario construction industry has built up more than 50 years of expertise and specialized equipment, and trained trades around their safe use.

machine encountered old tiebacks in the west end.

Subsequent analysis indicates the issue arose from a municipal administrative clerical error: incomplete records were provided to the tunnelling consultant or contractor.

In other words, the problem was not the technology itself - it was documentation and co-ordination.

The appropriate response to an administrative failure is to fix the administrative process. Improved record-keeping, better data sharing, and clearer protocols for identifying legacy tiebacks would address the underlying issue without dismantling a proven engineering practice.

Banning tiebacks because of a clerical oversight is akin to banning

elevators because of a maintenance error. It is an overreaction that solves the wrong problem while creating many new ones.

Ontario's housing targets are ambitious and meeting them will require innovation, efficiency, and regulatory discipline - not policy shifts that inject millions of dollars in new costs into every high-rise development.

Continued acceptance of tiebacks, particularly within municipal rights-of-way, supports faster project delivery, reduced congestion, and more economical construction. Restricting or banning them would make marginal projects unviable and discourage investment at precisely the moment we need it most.

Tiebacks are safe, effective,

efficient, and proven. They are integral to how modern high-rise construction is delivered in Ontario.

RESCON and our industry partners are engaging municipal and provincial leaders to ensure they understand the real-world implications of this proposal.

Policymakers deserve clear, evidence-based information about the cost, safety, and supply impacts of regulatory decisions.

The message from our industry is straightforward: if it isn't broken, don't ban it.

Tiebacks have served Ontario well for decades. Abandoning them now would raise costs, slow construction, increase congestion, and undermine housing affordability - all without improving safety.



WE MUST MODERNIZE

*By Richard Lyall
for Builder Bites
March 11, 2026*

Ontario's housing market is flashing red. In the Greater Toronto Hamilton Area, sales have plunged. Starts are down 29 per cent year-over-year across Ontario's metropolitan areas outside Toronto, and in Toronto itself are down 58 per cent.

Canada Mortgage and Housing Corporation estimates that between 430,000 and 480,000 homes must be built annually over the next decade to restore affordability. We are not even close.

The gap between what we need and what we're delivering is expanding. If we're serious about addressing the housing crisis, we

must modernize how we approve, design and build housing. That means digitizing planning approvals, supporting new approaches to homebuilding and embracing a full-scale ConTech and PropTech revolution.

Digitize planning approvals

Our planning approvals process is often too cumbersome and burdened by unnecessary bureaucracy. Some municipalities have made progress, but the overall system remains fragmented and inconsistent. It's not unusual for builders to face multi-year delays on projects.

Globally, Canada ranks near the bottom among OECD countries in terms of approval timelines. Jurisdictions that outperform us have

embraced digitization, standardized designs, and full integration of tools such as Building Information Modelling. Ontario must do the same.

Ontario should fund, mandate and monitor a province-wide digitization strategy that includes common technological platforms, standardized data requirements and measurable service benchmarks. Municipalities need the tools and the financial support to modernize.

If other industries can automate and digitize their processes, there is no reason construction and development approvals should remain stuck in the dark ages.

Support new approaches to homebuilding

However, modernizing approvals



shortening construction timelines.

Earlier, RESCON members recently toured the H+ME Technology plant in Etobicoke with federal Housing and Infrastructure Minister Gregor Robertson. It was a striking example of what can be accomplished. There, floor and wall panels are precision-engineered for just-in-time delivery to job sites - a model that boosts productivity and mitigates labour shortages.

Yet innovative builders still face significant barriers such as high upfront capital costs, fragmented regulations and uncertain demand.

That is why Ontario, in partnership with the federal government and its new Build Canada Homes initiative, must provide targeted financial support. This should include purchasing guarantees, shared-risk mechanisms for expansion, favourable loan terms and tax incentives to attract private investment.

Bulk procurement programs could create sustained demand for prefabricated housing, enabling Ontario-based companies to scale up production. A recent report from the C.D. Howe Institute underscored the urgency. It called on governments to create the conditions necessary for innovation to thrive, highlighting modular, panelized, mass timber and 3D printing as methods with the potential to accelerate housing delivery.

Embrace the PropTech and ConTech revolution

Digitization and off-site construction are components of a broader transformation driven by property technology (PropTech) and construction technology (ConTech).

PropTech leverages digital platforms, artificial intelligence, data analytics and tools such as BIM to streamline how properties are identified, evaluated, approved and managed. ConTech applies automation, robotics, smart site management systems and data-driven solutions to improve productivity, safety and efficiency on construction sites.

Together, they can fundamentally reshape how land is activated and housing is delivered.

Platforms such as LandLogic use a custom-built Data Fusion Engine to unify zoning, planning and property data, helping developers quickly identify viable sites and reduce risk and uncertainty, while DEVNEX guides clients from acquisition through to project completion, using digital tools to surface regulatory, environmental and market risks early in the process.

Together, these technologies eliminate guesswork, reduce delays and restore stranded land to the housing pipeline. By increasing transparency and predictability, they make redevelopment within existing urban boundaries more feasible - which is critical in land-constrained regions like the GTHA.

Governments must include funding and incentives to accelerate the adoption of PropTech and ConTech solutions across Ontario. Municipalities should be required - and supported - to implement digital permitting systems, open data platforms and real-time tracking tools. Builders should be encouraged to adopt advanced construction technologies that reduce timelines and waste.

The housing sector is at a crossroads. The industry has cratered. Job losses are mounting. At the same time, population growth continues and affordability remains out of reach for too many families.

We can continue to limp along with outdated processes and hope for different results. Or we can embrace digitized approvals, industrialized construction and a PropTech and ConTech revolution.

If we are to meet the ambitious housing targets set by the provincial and federal governments and restore balance to the market, we must build smarter, faster and more efficiently. The tools exist. The expertise exists. What is required now is leadership, co-ordination and the political will to act.

We must adapt or fall further behind. Standing still is not an option.

is only half the equation. We must also transform how homes are built.

Around the world, off-site and modular construction have moved from niche to mainstream. Countries such as Sweden and Germany have embraced factory-built systems that integrate design, engineering and manufacturing from the outset. This past fall, RESCON led a mission to Germany to study its off-site construction ecosystem. What we saw was eye-opening. From design through to occupancy, systems were streamlined, industrialized and supported by policy.

We have work to do.

Off-site construction permits wall panels, floor systems and modules to be engineered and assembled in controlled factory environments, improving quality, reducing waste and

PROPTech & CONTECH

By Richard Lyall
March 30, 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.

The provincial government should mandate and fund a province-wide digitization strategy that includes:

- 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 co-ordination, 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.

RETIREMENTS ARE ACCELERATING

*By Richard Lyall
for Senso Magazine
March 31, 2026*

Ontario's construction industry will have a labour problem when work picks up. Retirements are accelerating and the traditional pool of skilled workers won't be enough to keep up with demand.

More than 245,000 construction workers - roughly 20 per cent of the workforce - are expected to retire by 2032.

Over the next decade, the province will need to recruit more than 154,000 new workers just to meet anticipated demand.

The message is clear: if construction is serious about solving its pending labour shortage, recruiting and retaining women is not optional. It is essential.

Presently, women make up only five per cent of onsite tradespeople in Ontario, according to BuildForce Canada. That translates to about 14,200 working on the tools.

The residential construction industry is doing a bit better than the average. Women make up nearly six per cent of the residential workforce and close to seven per cent in new home construction.

For years, onsite participation hovered around three to four per cent before inching up to five per cent in 2023.

It is progress, but not enough.

With one in five workers set to retire, the industry can not afford to overlook half the population.

At a recent Women in Construction webinar hosted by RESCON, experts made it clear that recruitment efforts are working.

Government programs, marketing campaigns and career fairs are driving record numbers of women into pre-apprenticeship and apprenticeship programs.

Emily Arrowsmith of the Canadian Apprenticeship Forum noted that women are completing pre-apprenticeship training in growing numbers.

The problem is that too many are unable to find an employer willing to sponsor them as an apprentice. Without sponsorship, there is no apprenticeship.

That is not a pipeline problem. It is a hiring problem.

A recent survey by Ontario Building and Construction Tradeswomen (OBCT) found that tradeswomen are deeply committed to their careers and 82 per cent see themselves still working in the industry in the next two





“ The construction industry prides itself on practicality, but it appears that half the potential workforce is being overlooked.

Ontario will need hundreds of thousands of skilled tradespeople in the coming decade to build homes, hospitals, roads and infrastructure. Women are the untapped resource in our industry.

to five years. Sixty-two per cent report being satisfied with their job and work environment, and 65 per cent are satisfied with their compensation and benefits.

More than half - 58 per cent - entered the trades as a second career, often after age 25. These are not accidental workers. They are making deliberate choices.

Yet barriers persist.

The OBCT report confirms that women are committed, capable, and eager to stay - but the industry still makes it harder than it needs to be for them to succeed.

Worksite culture remains the single biggest factor in whether women stay in the industry. More than half of tradeswomen surveyed reported experiencing harassment at work.

Two-thirds identified the need for properly fitting personal protective equipment (PPE) and appropriate bathroom facilities.

Ontario has introduced policy changes mandating appropriately fitting PPE and better facilities for women on larger sites, a sign that the province recognizes these issues.

Perhaps the most telling statistic in the OBCT report is that 67 per cent of respondents identified more women in leadership position as the

top priority for long-term retention. Gender bias in advancement decisions was cited by 37 per cent as a barrier.

Representation shapes culture quickly.

When women supervise crews, manage projects and sit at executive tables, issues like facilities, mentorship and workplace expectations stop being abstract discussions and become operational priorities.

The construction industry prides itself on practicality, but it appears that half the potential workforce is being overlooked.

Ontario will need hundreds of thousands of skilled tradespeople in the coming decade to build homes, hospitals, roads and infrastructure. Women are the untapped resource for our industry.

Recruiting and retaining more women to work in the construction industry is not just a social issue; it is a workforce necessity. While labour shortages may be inevitable in the future, excluding women is not.

Women want to work in the industry. We've seen that from the reports and anecdotal evidence. The industry must figure out how to tap into this large labour pool. Our future depends on it.



Has the National Building Code lost its way?

By Paul De Berardis
for Better Builder
Winter 2025

Christmas came early this year, as the Canadian Board for Harmonized Construction Codes (CBHCC) released the 2025 edition of the National Model Codes on December 22, 2025.

In case you can't tell, I'm being facetious. New and more onerous construction regulations are the last thing the new-housing sector needs, as affordability wanes and Ontario sales of preconstruction ground-oriented homes are down 70% and multi-unit residential sales slumped 90%, compared to previous years.

The CBHCC includes representatives from federal, provincial and territorial government departments working toward harmonizing construction regulations across Canada, but it feels as if it's working in a silo, kicking the industry while it's already down.

The National Model Codes are technical documents that, when adopted into regulation by provinces and territories, establish minimum performance levels related to health, safety, accessibility, the protection of buildings from damage and the protection of the environment. The new model codes:

- Introduce updates that advance the harmonization of building design and construction requirements across Canada;
- Incorporate forward-looking climatic data in building design to help prepare buildings for future climate conditions while reducing the construction sector's contribution to climate change; and
- Improve the accessibility of homes and buildings for Canadians.

It may be clear to some, but the priorities addressed in the 2025 model National Building Code (NBC) are not reflective of the current state of the market or the broader political environment we find ourselves in today. That is for good reason, as the 2020 and 2025 NBC updates were developed under the direction of Ministerial Mandate

Letters under the leadership of former Prime Minister Justin Trudeau.

The 2021 Mandate Letter to the minister of innovation, science and industry of the day has now been fulfilled, as the 2025 NBC introduces a net-zero emissions building code that aligns with national climate objectives.

The only problem is that we now have a new NBC that was steered by the last prime minister. Our current Prime Minister, Mark Carney, has taken a more moderate approach to climate policy as evidenced by actions such as cancelling the federal consumer carbon tax, pausing Canada's Zero-Emission Vehicle mandate and rethinking Canada's energy independence under a nation-building lens.

What does this all mean for builders and other industry partners? Well, as I've indicated in the past, the NBC doesn't hold any regulatory authority in Ontario as this province has its own (somewhat distinctive) set of construction standards, the Ontario Building Code (OBC).

However, the 2019 Reconciliation Agreement on Construction Codes aims to harmonize construction codes across Canada. As a result, it is up to Ontario's Ministry of Municipal Affairs and Housing to figure out next steps on how exactly to work towards further harmonizing the NBC with the OBC. In terms of timeline, the agreement states that each province will bring its new construction codes into force within 18 months following the date on which the 2025 edition of the national codes are published, bringing us to sometime in summer 2027.

This new deadline for the next OBC is roughly only two years after the latest OBC version last came into force on April 1, 2025.

The CBHCC states that technical changes were developed through a consensus-based process of code development committees. But, after having sat through countless committee meetings, I can honestly say it was more directive-based to fulfill the Ministerial Mandate Letter objectives, rather than pragmatic decision making.

One of the biggest challenges under this approach is that construction standards are often developed devoid

of any rational cost–benefit analysis, especially during a time of extreme cost sensitivity due to housing affordability challenges in the market.

Some highlights from the 2025 National Model Codes include:

- A new requirement to provide a passive vertical radon stack in dwelling units;
- Updates to seismic design parameters used in Part 9, extending requirements for bracing to resist lateral loads to locations with low seismic and wind loads; Updates to the thermal characteristics of fenestration and doors (that is, the solar heat gain co-efficient);
- The introduction of an optional energy-use intensity compliance pathway;
- Revisions to the points-based prescriptive path and energy performance tiers, with the introduction of minimum point sums for compliance with Energy Performance Tiers 3, 4 and 5 (previously withheld);
- New optional prescriptive compliance path only for Energy Performance Tiers 1 or 5;
- Introduction of both performance and prescriptive requirements to establish limits for operational greenhouse gas (GHG) emissions resulting from the supply and consumption of energy used in a home;
- Expansion of the accessibility objective to apply to all types of dwelling units;
- Inclusion of projected climatic data that anticipates climate trends over the next 50 years.

Since this is the future-proofing edition of Better Builder, I would like to speculate how some of these NBC updates may impact the next OBC and home building practices. While many of the latest NBC changes build upon or advance existing requirements, there is one completely new metric, which is operational greenhouse gas emissions.

Until now, building codes have attempted to drive energy efficiency and energy conservation. However, this latest change will be a drastic shift for designers and builders who have been thinking of only energy efficiency up until now; operational GHG emissions will need to be considered and may even govern compliance.

The 2025 edition of the NBC introduce a framework for reducing operational GHG emissions of houses. To facilitate this shift, GHG Emissions Factors by Energy Source (g CO₂e/ kWh) were tabulated for each province both in terms of electricity and utility gas. So, what does this mean exactly?

Well, depending on which province you are building in, and how electricity is generated in that province, you will either be penalized or rewarded in terms of how onerous the construction requirements for a given home are with respect to reducing GHG emissions.

The more GHG emissions created by a province in generating electricity,

the more stringent the construction requirements will be to address conservation measures.

To provide some context, the GHG Emissions Factor for Electricity in Quebec is 0.38 g CO₂e/kWh, Ontario is

57.90 g CO₂e/kWh and Alberta is 181.86 g CO₂e/kWh, whereas utility gas is roughly 185 g CO₂e/kWh across most of Canada.

To reduce operational GHG emissions in a province like Ontario, this represents a nudge to transition loads like space heating and/or water heating from natural gas to electricity. Alternatively, you could trade off and upgrade your building envelope, for example.

Since the current Supplementary Standard SB-12: Energy Efficiency for Housing sits somewhere between Tier 2 and Tier 3 of the NBC, and Ontario is unlikely to backslide to a lower tier, eventual harmonization with the NBC will likely land Ontario at Tier 3 or equivalent.

In comparison, most of the other provinces only mandate the lowest Tier 1 compliance threshold of the NBC, in an effort to balance climate goals with housing affordability. However, this is not all doom and gloom, as builders in Ontario have extensive experience in building high-performance homes. Builders have mastered the requirements of SB-12, which made Ontario homes perform a step above those in other provinces, going as far back as 2017 and even looking forward.

With some moderate changes to SB-12 Package A1, Ontario builders will likely be pleased to know they are within reach of Tier 3 NBC compliance.

Furthermore, builders who have already piloted or experimented with hybrid heating systems (dual-fuel systems where a heat pump is paired with a furnace or boiler) are well on their way to achieving the next generation of code compliance.

As an example, a reference house was utilized to compare the components of a home against the NBC Tier 1, OBC SB-12 Compliance Package A1 and a modified Package A1 hybrid house.

Changes were made to mechanical components from Package A1, including a three-season air-source heat pump (as opposed to a conventional air conditioner), a higher efficiency energy recovery ventilator and a higher-efficiency hot water heater. These changes, combined with removing drain water heat recovery to offset some of the additional costs, yield a 20% improvement in energy conservation and approximately 36% reduction in operational GHG emissions.

While I understand that change is hard in any industry, especially one as complex as delivering new housing that consumers can afford, ultimately market force and sentiment will always prevail.

Regardless of what the federal government is attempting to accomplish with respect to the latest NBC changes, prospective homebuyers make the ultimate decision with their chequebooks as to whether they value this type of new housing product or if they will choose resale home offerings.

To end on a positive note, the CBHCC has identified boosting housing supply and affordability as a priority for consideration in the development of the 2030 NBC.

This reminds me of a famous quote, “The nine most terrifying words in the English language are, ‘I’m from the government and I’m here to help.’”

TURNING INCENTIVES INTO INFRASTRUCTURE

A smarter way to build real estate technology.

By Arash Shahi
CEO of LandLogic

Much of the conversation in real estate today is still focused on why firms should believe in AI and tech products. But far less attention is given to a more practical question: How do you actually get these projects off the ground, especially when cost and complexity are barriers?

Building technology in this industry is not straightforward, particularly for developers without in-house technology teams or the capacity to build custom tools.

Why building tech products is hard

Building proprietary AI and tech tools for land and property is fundamentally challenging.

It's not just a matter of hiring a developer or adopting new software.

These systems typically need to be built from the ground up, and they require capabilities that most organizations don't have in-house, from specialized data engineering to a deep understanding of development workflows.

As a result, tech initiatives quickly become very complex, and cost becomes the natural constraint.

Building a meaningful internal tool can require hundreds of thousands, sometimes millions, in upfront investment.

For many firms, that turns innovation into a high-risk decision rather than a strategic one.

Off-the-shelf tools can help, but they come with trade-offs.

They are rarely flexible enough to reflect how a firm actually works with land, evaluates opportunities, or manages development risk. As a result, they often sit alongside core workflows rather than improving them.

This combination of complexity and cost is why many custom-built initiatives never move beyond early experimentation.

Government incentives change the equation

Across Canada, there is a well-established ecosystem of incentives designed to support innovation, AI adoption, and advanced technology development.

And this is where real estate

innovators need to take advantage.

When properly structured, these programs can significantly reduce the cost of building custom technology.

They generally fall into two categories:

Tax credits: Offsetting development costs

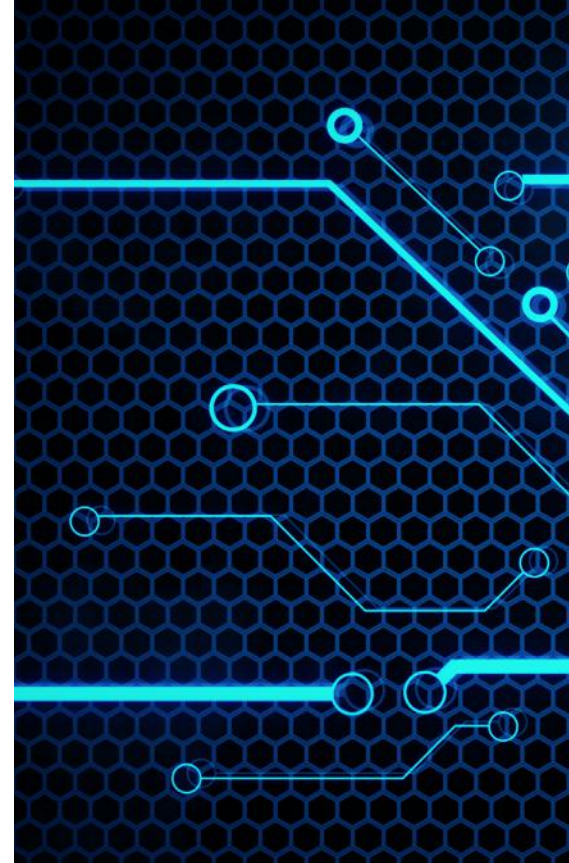
Programs like SR&ED and other provincial programs provide tax credits for eligible R&D work, including:

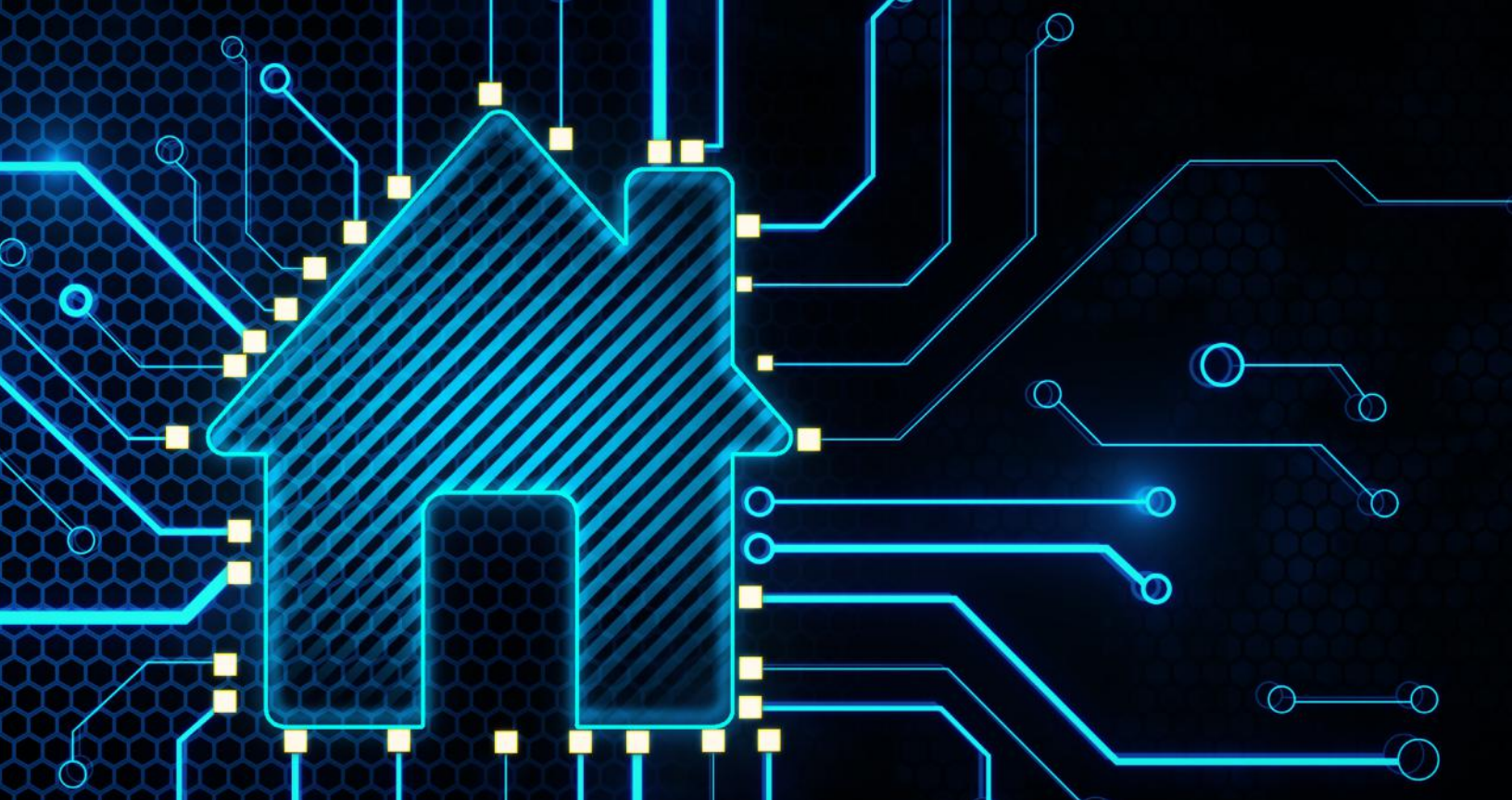
- Software and platform development
- Data engineering and integration
- Algorithm design and testing

Depending on eligibility, companies can recover a substantial portion of these costs, often approaching 30-40 per cent.

Grants: Co-funding innovation

In parallel, grant programs support projects aligned with AI, housing innovation, and digital transformation. Scale AI, CMHC and other federal and provincial programs can:





- Cover up to 40 per cent of eligible project costs
- Support training, deployment, and commercialization
- Encourage partnerships between industry players

These programs are designed to accelerate adoption, not just research.

Stacking incentives: Reducing net cost

The real advantage comes from using a strategy that combines these programs.

With proper structuring, tax credits and grants can be stacked, reducing the effective cost of development significantly.

In some cases, a project that appears to cost \$1 million can be delivered at a fraction of that net cost.

This kind of planning shifts technology from a capital burden to a leveraged investment.

How we should structure product development

This is the model we need to apply in practice.

Companies like [LandLogic](#) establish innovation partnerships with developers and land-use professionals to build custom AI and tech products, while ensuring that development takes advantage of all possible incentive opportunities.

Each project should be structured from the outset to:

- Qualify for R&D tax credits
- Align with grant funding criteria
- Maximize recoverable costs

This approach shifts how technology gets built. Instead of treating cost as a constraint, development is structured as a leveraged investment.

This can best be achieved by baking incentive planning in from the beginning, rather than as an afterthought when development is already underway, and opportunities may have already been missed.

On this foundation, organizations can build customized applications, from site identification tools to automated zoning analysis, tailored directly to their workflows.

By embedding incentives into the development process, the effective

cost is significantly reduced, often making projects that would otherwise be out of reach both viable and scalable.

Building your own proprietary advantage

For residential developers, this unlocks a different path to innovation.

Instead of relying solely on third-party tools, firms can:

Build proprietary systems aligned to their strategy

- Automate zoning-accurate due diligence
- Accelerate site selection and feasibility analysis
- Create internal intelligence that compounds over time

And importantly, do so without absorbing the full cost of development.

Firms that understand how to structure and fund these initiatives are not just adopting technology, they are building long-term competitive infrastructure.

The question is no longer just whether to invest, but it's how to do it intelligently.

WORLD CUP CONUNDRUM

Builders say construction restrictions in Toronto during event could delay move-in dates for condo developments

*By Cristina Howorun
CityNews
March 19, 2026*

The peak construction season could see a few pauses this summer, at least in the downtown core and on select major roads as Toronto prepares to host six games for the FIFA World Cup.

The City of Toronto has developed a plan that will restrict lane closures for hydro work and construction. It's a move that industry stakeholders say could delay occupancy at several high-rise developments and even cost some workers weeks or months of paycheques.

"It could be upwards of 10,000 units. We've got hundreds of projects at the residential side," Richard Lyall, President of the Residential Construction Council of Ontario says of the impact. "There's commercial work, office work that's being done. There's institutional work. And of course, we've got a lot of civil work that's ongoing. That's roads, subways, and things like that. So, everything's sort of interconnected."

There will be "no work permitted" on roads and sidewalks within an

area bounded by Sherbourne Street, Bloor Street, Lansdowne Avenue, and the lakeshore, as well as major arterial roads between Dufferin Street and Yonge Street from the lakeshore to Highway 401. The restrictions will be in place from May 1 through July 31.

Toronto is hosting World Cup games between June 12 and July 2.

"May 1 is right around the corner. Our projects take years. Some of the bigger projects, the planning and the construction sequencing and contracting is very precise. It's not something that you can just sort of say, 'Okay, we'll stop this for two months' or we won't be able to start something for a month, that kind of thing," explains Lyall.

Closing traffic lanes or sidewalks is often required to accommodate machinery, make sizable deliveries and for the safety of pedestrian, drivers, and workers. Limiting the ability to close those lanes will essentially pause construction. "It's very costly and has very severe ramifications, especially for the skilled trades that are working on the job. If they're out, they're not getting paid," Lyall says.



Scott McLellan, Chief Operating Officer of Plaza Corp says workers could miss out on paycheques. "If we're up on the 30th floor, we'll deliver the kitchen to the 30th floor and the 31st floor immediately followed by that. The workers that are hired on piecemeal, every time that they put a kitchen in and complete it, they get paid," McLellan says.

"We have to go back to them and tell them that we don't know when the deliveries are going to be. So, therefore, you're out of work for a month.

"This is not the time to be telling people in our industry that rely on a paycheck."

The construction industry has been struggling with a major downturn in the condominium market. That, coupled with a rough winter, has made the industry particularly vulnerable.

"The commercial consequences are huge. We're talking many millions of dollars here at work. Hard to imagine exactly what the total would



be. So, this is really serious,” Lyall says.

Lyall was part of a meeting with several industry stakeholders and the City earlier this week, where they voiced their concerns about the plan. “They’ve asked us to present our views in writing and we’re doing that now.”

Part of the issue is the time frame.

“I’m not sure what the thinking was that went into this. It is, quite frankly, a little crazy, maybe a little overkill,” says McLellan. Plaza Corp has two properties near completion that are directly impacted.

“We understand that ... when the six games are actually on, that there might be some restrictions. Of course, we understand that. But to take away permits and not allow infrastructure work to be done a month prior to that and then after that. [It] doesn’t make a lot of sense.”

“The timing and scope of these measures reflect the scale of the event and the need to manage increased travel demand,” Russell

Baker, a spokesperson for the City of Toronto, said in a statement to CityNews.

The limits in place are far more restrictive than those generally witnessed during other festivities, like Pride Toronto, which brings an estimated three million people into the city in June, about ten times more than is anticipated for the FIFA World Cup.

“The City will continue to review exception requests and work with partners to ease restrictions where possible,” Baker adds.

But McLellan says one-off exceptions won’t help the situation.

“It has to be black and white. If we want to make our deliveries next Friday, how long in advance do we have to sit down and try and negotiate that with the City again? It’s not going to work. It makes things more difficult,” shares McLellan.

“We make the promises on delivery dates. We make promises on occupancy so that they can move out of where they are, prepare their

own closing dates, look after their own financials when they move in. And out of the blue, now we have to go back to them and say, ‘Perhaps there’s going to be a one-month to two-month delay on their occupancy because of what’s happened with the restrictions that have been put on the development industry in the last two to three weeks.’”

Plaza’s Yonge at Wellesley was expected to start occupancy in less than a year. Its development at 400 King West was supposed to open the doors to owners before the end of this year.

“We can’t make up lost time,” Lyall says. “The fact is, is that people are going to be making money on these FIFA games. And we’re concerned that, ‘Hey, why are we supposed to pick up the tab for this?’” says Lyall. “And for companies that are already barely making things work right now, given what’s happened in the marketplace, these consequences could be quite dire. There could be damages. There could be litigation.”

On a mission to modernize

The Ministry of Citizenship and Multiculturalism is moving ahead with an initiative that will streamline Ontario's archaeological policies and processes.



Graham McGregor

Ontario is at a crossroads. With growing economic uncertainty, it has never been more important to attract new investments. Our government is on a mission to make Ontario the fastest permitting jurisdiction in the G7; my contribution to that mission is modernizing how we regulate archaeology.

The Ministry of Citizenship and Multiculturalism is moving ahead with the Heritage Framework Transformation - an initiative that will streamline Ontario's archaeological policies and processes. The current framework is outdated, and does not provide predictability for builders, infrastructure proponents, municipalities, or the archaeology industry. It also does not provide clear opportunities for Indigenous communities to participate in archaeological assessment processes in a timely and consistent way.

I have heard from many of you that the regulatory review backlog has been getting in the way of completing your projects on time. With over 3,000 archaeological reports submitted annually, development projects have been stalled and your confidence has eroded. However, through targeted reviews, process improvements, and digital enhancements, I'm proud to share that we've been able to fully eliminate the backlog and implement stable, long-term solutions to prevent future delays.

As we head into this upcoming building season, I'm pleased to highlight several new operational policies that will positively impact your projects this year. My ministry will be formalizing new standards and guidelines for limited archaeological assessments and partial clearances to make processes more efficient. The updated standards will accelerate archaeological assessments by enabling construction to proceed on lands cleared of concerns.

Beginning in April 2026, Stage 1 and 2 reports will be

automatically entered into the public Register following successful intake screening and the development of appropriate compliance measures and mechanisms. These reports will then be reviewed under a new service standard, supported by a spot audit process to monitor compliance while cutting red tape for licensed archaeologists and giving more certainty to developers - helping projects move forward faster.

Over the coming months, Indigenous relationship tables and a sector technical table will be initiated to inform actions. To increase transparency for builders and municipalities, Ontario's Past Portal (PastPort) system has been upgraded to introduce new features, such as enhanced mapping capabilities and automatic proponent notifications at key project milestones. Through ongoing consultations, we will also be developing criteria to recognize Licensed Consultant Archaeologists in good standing. This will improve compliance, transparency, and accountability.

As our work progresses, we will continue engaging with the development industry, municipalities, and Indigenous communities to refine and implement improvements, while balancing heritage protection and sustainable growth.

Together, these measures - faster reviews, better tools, and streamlined processes - are part of our plan to protect Ontario. Our government is proud to have partners like the Residential Construction Council of Ontario (RESCON) and others, who have played a crucial role in informing these initial changes. Your support has moved important work forward and will deliver positive outcomes for communities across Ontario.

— *Graham McGregor*
Minister of Citizenship and Multiculturalism

MEDIA REPORT

The Toronto Sun

RESCON president Richard Lyall said in an [article](#) in The Toronto Sun that the growth of development fees has far outstripped incomes in places like Toronto.

Ontario Construction News

The House of Commons has passed Bill C-4. RESCON noted in an [article](#) in Ontario Construction News that it is a significant step toward improving housing affordability and stimulating new home construction.

Real Estate Magazine

Tax breaks for first-time homebuyers have the potential to kick-start much-needed residential construction, RESCON president said in an [article](#) in Real Estate Magazine.

BUILDING.ca

Eliminating the GST for first-time buyers will help further reduce the tax burden on new housing and improve affordability, Lyall said in an [article](#) in BUILDING.ca

Ontario Construction News

RESCON is drafting a proposal it hopes will convince the City of Toronto to reduce the period of restrictions on construction during FIFA World Cup matches, Ontario Construction News reported in an [article](#).

Canadian Rental Service

In an [article](#) in Canadian Rental Service, Lyall said cutting the sales taxes on new homes for a one-year period shows the premier and prime minister understand the severity of the housing downturn.

Bloomberg News

Bloomberg News [reported](#) that RESCON is applauding the move by governments to cut sales taxes on new homes for all buyers.

CBC Toronto

RESCON president Richard Lyall told [CBC Toronto](#) that builders were blindsided by the fact construction activity downtown along major arteries will be limited during World Cup games this summer and only learned of the rules and restrictions within the past month.

AM 640 Radio

Lyall addressed the issue of development charges and other fees levied on homes by the City of Toronto on the Toronto Today show with Greg Brady on AM 640 Radio. [Click here](#) to listen to the recording

The Move Smartly Show

Lyall discussed what it will take to restart Ontario's housing industry on The Move Smartly Show with John Pasalis, president and broker of Realosophy Realty. [Click here](#) to watch to the podcast.

The Toronto Sun

The decision to remove sales taxes on new homes is a critical step towards making them more affordable, Lyall said in an [article](#) in The Toronto Sun.

The Cambridge Times

Ontario Premier Doug Ford and his team, and Prime Minister Mark Carney are to be commended for removing the sales taxes on new homes as it will spur construction, Lyall said in an [article](#) in The Cambridge Times.

ATTENDING AN AGM

RESCON VP Andrew Pariser was invited to give an update on all things residential construction at the Concrete Ontario AGM.

The presentation included updates on labour relations, health and safety, labour supply, and the housing market.

(L to R) Pariser with Concrete Ontario president Bart Kanters.



RCCAO REPORT

- On March 25, RCCAO was [delighted to attend the historic announcement](#) by the Government of Ontario on the [temporary removal of HST](#) on all new housing.
 - As [RCCAO's commissioned research](#) has [demonstrated](#), targeted taxation measures like this will protect skilled trade jobs, stimulate the economy and help get the industry back to [building](#).
- RCCAO was [pleased with the 2026 provincial budget](#), which continues sustained infrastructure investment and critical tax relief for homebuyers. The budget, [which RCCAO was honoured to see tabled at the Ontario Legislature](#), also remains focused on delivering [transformative generational infrastructure](#) across the province.
- RCCAO is [proud to once again be the technical partner](#) for the annual CAA Worst Roads Campaign, which gives people a voice to speak on the [state of road infrastructure](#).
- RCCAO was pleased to see the Government of Ontario continue with vital transportation and transit investments, including for [County Road 49](#) and [expansion of Highway 17](#).
- In March, RCCAO [provided feedback](#) to the province on the proposed regulations for the Buy Ontario legislation and to [Peel Region on infrastructure project pipeline](#).
- RCCAO has been working with industry partners to address the [City of Toronto work restrictions during the FIFA World Cup](#). There have been several meetings with Toronto and Toronto Hydro officials to discuss the significant restriction period (May 1 to July 31) and advocate for practical, workable adjustments.
- [RCCAO welcomed the passage of Bill C-4](#) and the legislated removal of GST on new home sales for first-time homebuyers by the federal government.
- In early March, [RCCAO executive director Nadia Todorova and RCCAO board member Patrick McManus attended](#) the annual Canadian Construction Association Conference, and spoke on issues including [skilled trades](#) and [housing-enabling infrastructure](#).
- On March 26, [RCCAO executive director Nadia Todorova was pleased to attend](#) the 11th annual Toronto Region Board of Trade Transportation Summit.
- On March 10, RCCAO was happy to [attend the Empire Club of Canada luncheon featuring Minister Peter Bethlenfalvy](#) as he discussed the 2026 provincial budget and the [spring legislative session](#).
- On March 5, RCCAO participated in a roundtable hosted by the Vaughan Chamber of Commerce, bringing together Minister Sarkaria and industry leaders to discuss the [release of the Chamber's 2025 Infrastructure Report](#), for which RCCAO was a partner.
- RCCAO was [proud to celebrate women in construction week](#) and celebrate [all the invaluable work that women](#) do to construct Ontario's future.
- RCCAO's newsletter is now published monthly – to read and subscribe, click [here](#).
- We also remains active on all communication channels:
[LinkedIn](#)
[X/Twitter](#).

**[CLICK
HERE](#)**

**to check out
RESCON's site**

