

RESIDENTIAL BUILDER

A PUBLICATION OF THE
RESIDENTIAL CONSTRUCTION
COUNCIL OF ONTARIO



JUNE 2026

5

FIXES FOR THE HOUSING MARKET

PAGE 10



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

1-905-760-7777

1-866-531-1608

media@rescon.com

RESIDENTIAL BUILDER

Official publication of the
Residential Construction
Council of Ontario



RESCON[®]
RESIDENTIAL CONSTRUCTION
COUNCIL OF ONTARIO

Published under
the direction of:

RICHARD LYALL
RESCON PRESIDENT
lyall@rescon.com

GRANT CAMERON
RESCON SENIOR DIRECTOR
OF PUBLIC AFFAIRS
cameron@rescon.com

Residential Builder
is published
12 times a year
by RESCON

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

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HOUSING SUMMIT 6.0

Event is scheduled to be held on
Wednesday, Sept. 23

More details on the event, the agenda,
and lineup of speakers will be
announced soon.

Stay tuned!

Builder Briefs

RESCON team meets with Housing Minister Rob Flack

RESCON president Richard Lyall and several team members were pleased to meet with Municipal Affairs and Housing Minister Rob Flack on May 21 to discuss a number of issues related to the challenges facing the homebuilding sector.

Minister Flack has been advancing multiple pieces of legislation and leading unprecedented initiatives since assuming the portfolio.

RESCON welcomes the minister's efforts to address Ontario's housing challenges. The minister is strongly committed to implementing the measures needed to address housing affordability and supply.



(L to R) Paul De Berardis, Michael Giles, Municipal Affairs and Housing Minister Rob Flack, Richard Lyall and Meredith Greaves.

Board of Trade luncheon

RESCON staff attended the Toronto Region Board of Trade annual lunch 2026 at Arcadian Court on May 14.

Toronto Mayor Olivia Chow joined the event for a focused discussion on the policies shaping investment, infrastructure and economic growth.

Nominations open for awards

Nominations are open for On-Site magazine's 7th annual 40 Under 40 Canadian Construction Professionals recognition program.

[Click here](#) to visit the nomination portal. The submission deadline is June 29.

RESCON reps attend Skills Ontario event



RESCON representatives attended a recent Skills Ontario conference networking breakfast. Premier Doug Ford and Labour, Immigration, Training and Skills Development Minister David Piccini spoke at the event.

The conference, held at the Toronto Congress Centre, offered career educators an in-depth examination of skilled trade careers and the educational and workforce pathways that support progression within these fields.



SOLUTIONS TO THE HOUSING MESS LARGELY LIE WITHIN OUR CONTROL

Richard Lyall
President

Canada could have produced nearly 30 per cent more housing in 2024, according to a CMHC report released last week. That is an astounding and disturbing metric given housing is an economic need - not a want.

Why the clanger of a miss?

Essentially, it's about government and red tape. This logically helps put the housing crisis in perspective and explains why Canada is one of the worst-performing developed countries on new home supply.

The report also points to the challenge facing Build Canada Strong, as housing affordability is a vital building block for any economy. Lest we forget; our ratio of housing cost to incomes blew way past long-term averages of 3.5:1 long before COVID.

The RESCON team and allies for years have been sponsoring groundbreaking research on housing, advocating for change and supporting PropTech and ConTech innovation. We continue to drive cutting-edge research on infrastructure, the excessive taxation of housing and the need to modernize our regulatory system and approvals process.

As an example, groundbreaking research showed that 36 per cent (2024) of the cost of new housing in Ontario was comprised of taxes, fees and levies that largely did not exist a generation before. We also commissioned an additional CANCEA report which showed that if the HST was cut for three years on new housing (Ontario) the government would still have net positive-related revenue. Others have carried out excellent research. Some have chosen to ignore the results.

The response by some notable political leaders and government bodies has been very good - others less so. Some jurisdictions are tackling the issue while others have buried their heads in the sand. The fact is while policies are well announced, implementation leaves much to be desired.

The housing crisis has been examined to death. There have been more housing policy conferences than actual homes being built. The progressive chatting class echo chambers continue to repeatedly hold events on how to fix the housing crisis. People that really do know how to build largely avoid them - if they get invited at all.

We know why we have a crisis and what must be done. Another conference won't help. We know we can't have Build Canada Strong without the housing Canadians expect and deserve. HST rebates must become permanent cuts. Bloated DCs in many jurisdictions must be cut permanently and harnessed with a new and fair government funding

formula to pay for growth-related housing infrastructure. The regulatory approvals and modernization models already exist in other countries if the authorities had seriously cared to benchmark performance.

We also have cutting-edge homegrown PropTech and offsite talent. Between the two, Canada could become a world leader - which it should be. And can we stop talking about "modern methods of construction." It's a rebranded handle for something we've had for decades - and it will not solve our crisis.

Canada could be the Norway of the Western Hemisphere if we'd only start implementing reforms within a reasonable time after they were announced. It has been over a year since the HST rebate was first announced and the regulations are still not available. And that's a rebate!

The DC announcement remains an announcement with few details. Hopefully the badly needed reforms there will not be delayed. Potential projects are waiting for clarity and predictability which drives investment and eventually construction.

We need something at the 30,000-foot-level monitoring the big-picture housing supply progress relative to targets set and accurate metrics collected. All of which remain inadequate.

The decentralized nature of the Canadian federation has made accountability a challenge and keeps the door open for one level of government to continue pointing the finger at others. Meanwhile, there is only one level of taxpayer and one level of new home buyer or renter. The solutions to unravelling the Gordian Knot housing mess largely lie within our control other than geopolitical events affecting inflation and interest rates.

The CMHC 30-per-cent undersupply of housing should clearly be the equivalent of pulling a fire alarm. Imagine if we had a 30-per-cent undersupply of food? Those progressives who profess to help the most are often the NIMBYs blocking new development and sustaining red tape and taxes. Thus, those who can least afford housing ironically pay the highest price.

The goal should be to match demand with supply according to solid metrics. Like the Bank of Canada's inflation target, there should be one focused on maintaining a fair and reasonable housing cost-to-income ratio. Would that be too much to ask?

We do have some noteworthy political leaders and municipalities that are driving change. We just need to support them so they can implement change faster. Listen to the experts who know how to build and stop hiring more consultants to regurgitate existing solutions.



ONTARIO'S BILL 105 WILL IMPACT BUILDERS IN FOUR MAIN AREAS

Andrew Pariser
Vice President

As of July 1, 2027, Type 2 hard hats will be required in Ontario where workers may be exposed to side-impact hazards.

As of May 29, [Bill 105: Protecting Ontario's Workers and Economic Resilience Act, 2026](#), has passed through the standing committee on finance and economic affairs and ordered for third reading.

In committee, there were minor changes adopted and the bill is expected to pass in its current form. The bill has a total of nine schedules impacting several pieces of legislation, including but not limited to the Ontario Labour Relations Act as well as the Workplace Safety and Insurance Act.

Four main areas of focus that will impact builders are:

- The requirement for Type 2 hard hats;
- Expansion of WSIB benefits;
- A reduction of the raiding period; and
- Legislation to support harmonization of safety and training standards.

Type 2 hard hats

As of July 1, 2027, Type 2 hard hats will be required in Ontario where workers may be exposed to side-impact hazards or where conditions may cause headwear to dislodge.

In addition, Bill 105 creates a mechanism which will allow the WSIB to reimburse employers for the purchase of Type 2 hard hats.

Details must still be worked out on how a reimbursement will occur as well as who will be required to wear a Type 2 hardhat.

The RESCON health and safety committee will continue to engage and look to hold a webinar in late 2026 to ensure all members are up to date well in advance of the go live date.

Expansion of WSIB benefits

Bill 105 proposes enabling legislation that would allow the WSIB to extend benefits to injured workers past the age of 65 years old. In addition, it would increase the loss-of-earning benefit from 85 to 90 per cent.

RESCON, through the CEC, has engaged on this issue with both MLITSD as well as the WSIB.

Due to the fact that Bill 105 is enabling legislation,

extensive consultation will be required as these policies are created.

The CEC has long advocated that injured workers should be made whole and, as a result, has requested data on costs, benefits and actuarial assumptions used.

RESCON, through the CEC, will continue to engage on this file and promote similar programs, including LTD program structures found in both union and non-union workplaces. In addition, we are examining both British Columbia and Alberta which have already made the above-noted changes.

Raiding Period Reduction

Bill 105 reduces the raiding period in the construction sector from two months to one month.

Harmonization

The harmonization of health and safety as well as training and apprenticeship standards continues to be the focus of the Ford government and Labour, Immigration, Training and Skills Development Minister David Piccini as the trade war with the United States continues.

To that end, Bill 105 lays the foundation for harmonization across provinces, with a focus on safety and apprenticeship. The goal of harmonization is to remove provincial barriers and improve labour mobility while not reducing the safety of Canadian workers.

Efforts are ongoing and expected to continue through the spring as several safety standards, including supervisor training, working at heights, entry level training and other safety programs are harmonized across Canada.

Our focus through the health and safety committee is two-fold. First, we are concerned with the standard and second, we are concerned with implementation and roll out.

On both fronts we will continue to work with our health and safety partners, including the IHSA, CPO and MLITSD to address all related issues. We will also ensure that all members are kept informed and will hold an implementation webinar well in advance of future go-live dates.

As always, call with questions and stay safe.



WHAT STAKEHOLDERS SHOULD EXPECT FROM PROPOSALS IN BILL 98

Paul De Berardis
VP, Building Standards & Engineering

Proposals in Ontario's Bill 98 continue to generate intense discussion across the province's planning, development and municipal sectors, as stakeholders digest all the proposals tied to the legislation.

The sweeping reforms signal a broader provincial effort to standardize development approvals, accelerate housing construction, and reduce municipal regulatory authority over site-level design requirements.

Introduced as the Building Homes and Improving Transportation Infrastructure Act, 2026, Bill 98, the legislation proposes extensive amendments affecting planning approvals, transit co-ordination, municipal infrastructure governance, and environmental standards.

RESCON has long been of the view that Ontario's current development approvals system is siloed and slow-moving, further eroding over the last 15 years or so. The debate, however, centres on how far the province should go in centralizing authority and limiting municipal discretion.

While many municipal officials feel Bill 98 oversteps local planning processes, most Ontario municipalities do not have much of a leg to stand on, as GTA municipalities consistently benchmark lower in jurisdictional comparisons with other similar municipalities across Canada due to protracted development approval timeframes.

Ontario municipal benchmarking studies regularly show an Official Plan Amendment (OPA)/Zoning By-law Amendment (ZBA) or Plan of Subdivision, which is regulated to 120 days, often take two to three years, followed by Site Plan Control, which requires a 60-day timeline, but realistically also drags on for another two to three years. There is a clear problem amongst Ontario municipalities, which is why the province has been working to address these systemic barriers and facilitate a more streamlined path to the construction of new housing.

To tackle upstream challenges in the development approvals process, the province is looking to streamline and standardize official plans. These reforms are intended to accelerate homebuilding, reduce approval delays and create more consistency for developers and municipalities. Official plans across Ontario have become extremely complex, which has resulted in overly restrictive, inconsistent and slow approval processes.

There is also a lack of standardization across the province's 444 municipalities, which each use their own unique definitions, land-use designations and formatting. There is also a disconnect with provincial housing targets, whereby local plans historically emphasized preservation and timid, phased growth.

Another Bill 98 proposal has its sights set on the Planning Act to limit the information and materials municipalities and other planning authorities can require as part of a "complete application" for development approvals. The proposal is intended to create more consistency and predictability across Ontario's planning system while helping accelerate housing development by reducing application delays and administrative requirements. Under the proposed framework, municipalities would only be permitted to request materials specifically authorized by provincial regulation. Under this approach, municipalities could only require a shortlist of "core studies," including Environmental Impact Statements, Environmental Site Assessments, Functional Servicing Reports, Geotechnical Reports, Hydrogeological Reports, Planning Justification Reports and Transportation Impact Studies, whereas any additional studies would be viewed as "contingent studies" and only needed if required to assess certain specific objectives.

Other aspects of Bill 98 target one of municipalities' most restrictive planning tools; site plan control. The proposal would remove or narrow several conditions municipalities can currently impose through the site plan approval process. On its own, this might appear procedural. In practice, however, many planners and municipal officials see site plan control as one of the last remaining tools local governments have to influence urban design, environmental performance, accessibility, landscaping, stormwater integration, and climate resilience at the development stage.

Site plan control is an optional land use planning tool under section 41 of the Planning Act which was intended to address health and safety as well as functional aspects of a proposed development, prior to the issuance of a building permit. However, it has morphed into a catch-all whereby municipalities have incorporated every social policy objective imaginable into this process.

As Bill 98 continues through the legislative process, one thing is increasingly clear: this is not simply a housing bill. It is a structural overhaul of Ontario's planning and infrastructure governance framework.

Bill 98 has the potential to represent a critical piece of that transformation because it seeks to reverse years of scope creep that municipalities have burdened onto the development approvals process.

Something must give if industry is to have a chance to deliver more housing that consumers can afford, and Bill 98 is taking the view that sometimes less is more when it comes to municipal planning bureaucracy.



TO SOLVE THE HOUSING CRISIS WE MUST EMBRACE CHANGE

Grant Cameron
Senior Director of Public Affairs

There is no point sitting on your hands. Change is a fundamental driver of growth and progress.

When times get tough, the tough get going. In many instances, that requires taking a deep breath, reassessing the situation and ditching what isn't working.

Governments are now at that fork in the road. The residential construction sector is reeling and in the doldrums.

The reason?

Taxes, fees and levies are crippling the industry and significantly adding to the cost of new housing. To fix the problem, governments must adapt. They must chart a new course.

There is no point sitting on your hands. Change is a fundamental driver of growth and progress, it builds resilience, fuels innovation and ensures we keep up with the times.

RESCON has been driving reforms. We pushed both the federal and provincial governments for temporary sales tax rebates for new home buyers, made the case for cutting bureaucratic red tape and speeding up the approvals process, and called for a rollback in development charges.

These reforms are critical if we are to lower the cost of building new homes. The cost of inaction, as we noted in a recent [housing report card](#), is a very dramatic decline in industry jobs.

In a [column](#) in Real Estate Magazine, we highlighted the reforms that need to be undertaken to accelerate homebuilding. Some of the initiatives include permanent HST relief, shorter approval times, restructured development charges and the need to embrace industrialized housing construction. In a [column](#) in The Toronto Sun, we noted that we need deliberate, co-ordinated reform across all orders of government.

Municipal Fees

In a [column](#) in Senso Magazine, we expressed concerns that, while sales taxes on housing are being cut by senior levels of government, the move risks being eroded by rising municipal fees.

Technology

Recent reports indicate that in comparison to other sectors, Canada's construction industry is falling behind

on the adoption of AI. The industry is beginning to experiment with tech tools but, for example, only 9.6 per cent of construction firms reported using AI software and 3.6 per cent reported using AI hardware.

In a [column](#) in Canadian Real Estate Wealth, we wrote about how the industry can move forward by adopting PropTech and ConTech, and we outlined some of the tools available to the industry.

Offsite construction

In a [column](#) in Canadian Contractor, RESCON president Richard Lyall explained how modern methods of construction, such as offsite and modular, can deliver real productivity gains.

By shifting work off-site into controlled environments, he wrote, builders can reduce weather delays, standardize processes, and run factory production in parallel with site preparation. The result is genuine on-site schedule compression - often in the range of 20 to 50 per cent.

In a [piece](#) in Canadian Forest Industries magazine, we noted how offsite construction methods offer valuable labour productivity benefits and are useful for niche applications such as remote communities, purpose-built rentals, and emergency housing.

Apprenticeship system

In a Builder Bites [column](#), we wrote that it is time for Ontario to get serious about skilled trades data and explained that we must make pragmatic improvements to fix the bottlenecks in our apprenticeship system as, presently, too few trainees complete their programs.

Apprenticeship bottlenecks are also worsening the Ontario labour shortage. In a [column](#) in Daily Commercial News, we pointed out that, while we are investing heavily in getting people into apprenticeships, to our detriment we are paying far less attention to getting them through the training.

Policy problems

In a [column](#) in Storeys, we tackled another thorny issue, namely that Ontario has a policy problem. Simply put, we have a shortage of serviced, approved and buildable land - a crisis created not by geography, but by decades of policy choices.



COST OF CONGESTION IS ENORMOUS, INCLUDING TO THE HOMEBUILDING SECTOR

Michael Giles
Director of Government Relations

Closing roads to investigate accidents may be necessary but not for hours on end as the rest of the city grinds to a halt.

Having spent over 30 years in government at all levels in this country, one of my enduring themes has been the need to do things differently. For too long, Canadian governments have had the luxury of being mediocre in terms of boldness of policy, efficiency of operation and with respect to implementation of initiatives. That time has come and gone.

While my main focus has been with respect to housing policy, in other ways we still do things that are imprudent, unnecessary and illogical. Each area where ill-advised protocols manifest themselves is a further demonstration that we need to do things differently.

One major source of irritation, and a costly one at that, is the impact of congestion. Regular traffic gridlock contributes to enormous losses economically and impacts rise like a Medusa entering all sorts of sectors including, by the way, simple quality of life.

Aside from the infrastructural congestion, one other contributor has increasingly raised its ugly head with enormous impacts, albeit acute in nature. The character of the impactful events often presents sensitivity concerns in terms of dialogue, but it is one worthy of attention. I refer to the impacts of motor vehicle collisions and the seemingly endless investigations that accompany them.

Let's be clear and unambiguous; accidents that cause injury or are fatal are enormously sad and leave lifelong impacts on those affected and their families and communities. These losses and terrible personal impacts are tragic and we cannot negate them.

However, how these situations are managed must be a subject of conversation and consideration.

Roadways, highways and thoroughfares of all kinds are the lifeblood of a city. This is particularly true in the morning and afternoon rush hours, though in places like Toronto and Montreal it can seem high traffic time is all day long.

Over the past few weeks, watching the morning news, there were seemingly endless reports about traffic accidents which are then followed by announcements that investigations are going to result in road closures, often many hours in length.

A recent example was a tragic motorcycle accident that closed a main north/south roadway in Toronto (Bayview Avenue) for almost 12 hours. The reason was to

conduct an investigation. Keep in mind, this thoroughfare is among the busiest in the city, particularly in the mornings and afternoons. The tragic accident took place around midnight, and investigators had apparently hardly commenced their work by the morning rush hour.

The closure of this road, and many like it, which happens repeatedly, has enormous and wide-ranging impacts. Commuters find themselves stuck in massive traffic jams on alternate routes, students and workers are confined to buses on surface routes, multiple secondary accidents occur, construction and other delivery trucks encounter massive delays in delivering their products and supplies, emergency vehicles are required to find their way through congested roads, exhaust emissions explode to higher levels than necessary as vehicles are trapped in backlogs and, less apparent but just as important, people are stressed, annoyed and frustrated.

We live in a technological age. There is no reason we can't end traditional, time-consuming measuring methods and outdated practices like chalk markings and other protocols. As with other locales, we could use small drones and three-dimensional laser scanners. Investigators could complete their work with massively reduced timelines and less road closures.

We're not re-inventing the wheel, many jurisdictions across the world have embraced quick clearance or open-road policies. In Florida, they have an "Open Roads Policy," for example, that requires accidents to be cleared in 90 minutes.

Embracing new technology and methods can attain the same required results, just in dramatically reduced timelines. The cost of congestion is enormous, including to the homebuilding sector. Closing roads to investigate accidents may be necessary but not for hours on end as the rest of the city grinds to a halt.

“ We live in a technological age. There is no reason we can't end traditional, time-consuming measuring methods and outdated practices like chalk markings. ”

5 FIXES FOR THE HOUSING MARKET

By RESCON
for Real Estate Magazine
May 21, 2026

Despite the fact we need to dramatically accelerate homebuilding, a new report done for RESCON shows that housing starts have declined dramatically and industry jobs losses are mounting.

The data is sobering. Condo apartment starts in 2025 have plunged 52 per cent compared to 2021-24 averages. Ground-oriented housing is down 43 per cent. In the Greater Toronto and Hamilton Area, there were zero new condo launches in the first quarter of this year - an unprecedented collapse. Sales have followed suit, falling 94 per cent below the 10-year average.

This is not a cyclical dip. It is a structural failure.

The core issue is straightforward: builders cannot produce homes at prices buyers can afford. And until that changes, supply will not recover - no matter how strong demand may be.

The encouraging part is that much of this crisis is policy driven. That means it can also be policy corrected. If governments want to restore housing affordability, five reforms stand out as essential.

First, development charges must be permanently restructured. Government taxes, fees and levies now account for more than a third of the cost of a new home in Ontario. In some cases, municipal charges alone add well over \$100,000 to the price. These costs have risen far faster than inflation.

The current model forces new homebuyers to shoulder the upfront cost of long-lived infrastructure - roads, sewers, transit - that will serve communities for decades. That approach is neither fair nor efficient. Infrastructure should be financed over time, aligned with its lifespan, not loaded onto the first buyer.

What's needed is structural reform that shifts infrastructure funding back toward long-term financing tools.

Without it, affordability gains will evaporate as soon as short-term programs expire.

Second, firm limits need to be imposed on approval timelines. Time is money in development, and Ontario's approval system is extraordinarily slow.





**Development charges
must be restructured,
approval timelines**

**must be shortened, HST relief
needs to be made permanent, and
we must embrace industrialized
construction at scale.**



In the GTA, approvals routinely take 18 to 24 months - nearly double the national average. Each month of delay adds thousands of dollars in carrying costs per unit. More importantly, uncertainty kills projects before they even begin.

Builders cannot take on multi-year approval risks in a high-cost environment where financing depends on precise timelines.

The solution is not complicated. Clear, enforceable provincial timelines must be established, ideally under 12 months, with consequences for non-compliance.

Predictability, not just speed, is what the market needs. Without it, capital will continue to sit on the sidelines.

Third, recently announced HST relief must be made permanent.

Taxes on new housing don't just affect builders - they directly impact the ability of buyers to enter the market. The HST, applied on top of already inflated prices (including embedded development charges), creates a compounding burden.

Recent moves to remove or rebate portions of the HST for new homes under \$1 million are welcome. But as a one-year measure, they do little to change long-term market behavior. Making the relief permanent would provide immediate, tangible affordability gains for buyers.

Fourth, we must embrace industrialized construction at scale.

Ontario's construction productivity has been declining for decades. Since 2001, output per worker has dropped by more than a third. That is a staggering reversal in an industry that should be benefiting from innovation.

The traditional, site-built model is struggling to keep pace with labour shortages, rising costs, and increasingly complex projects. Industrialized construction, such as modular, prefabricated, and off-site manufacturing, offers a viable path forward.

These methods can cut construction timelines by 30 to 50 per cent and significantly reduce labour requirements. They also improve quality and reduce waste. Yet adoption remains limited, in part because the industry lacks the scale and incentives to transition.

Targeted public investment and procurement strategies can change that. If governments are serious about boosting supply, they must help modernize how homes are built.

Fifth, missing middle housing must be unlocked through building code reform.

A significant portion of urban land in Ontario cannot be efficiently developed under current building code requirements, particularly the mandate for double-staircase designs in mid-rise buildings.

Adopting single-stair configurations - common in Europe and recently embraced in British Columbia - would allow more flexible, cost-effective designs for buildings up to six storeys. This change could unlock a substantial share of underused urban lots and enable the kind of gentle density that fits within existing neighbourhoods.

Each reform involves trade-offs, whether it's reduced municipal revenue, constrained local planning discretion, or disruption within the construction industry. But the alternative is worse: a housing system that continues to undersupply, overprice, and ultimately fail the people.

The crisis has been decades in the making. It will not resolve itself. But with deliberate, co-ordinated action across all levels of government, it can be reversed.

The market is signalling that the system is broken. The question is whether policymakers are prepared to fix it.

LONG TIME IN THE MAKING

Without deliberate, co-ordinated reform across all orders of government, affordability of housing will not return to historical norms for at least another decade - if at all.

By RESCON
for *The Toronto Sun*
May 8, 2026

The housing affordability crisis in Ontario is no longer a cyclical enigma that will magically correct with time. It is structural, decades in the making, and the result of public policy failure.

The data tells a stark story. Without deliberate, co-ordinated reform across all orders of government, affordability will not return to historical norms for at least another decade - if at all.

The scale of the problem is difficult to overstate. Housing starts in Ontario totalled roughly 12,700 units in the first quarter of 2025, the weakest quarterly performance since the aftermath of the 2008-09 financial crisis. In the GTA, new home sales collapsed to just 5,314 units in 2025.

This is happening even as the province targets 175,000 new homes annually. Actual delivery is falling short by more than 100,000 units per year.

The gap is not a blip. It is the result of four decades of policy accumulation that has fundamentally reshaped the cost structure of housing.

The affordability ratio - which is the share of household income required to carry home ownership costs - peaked at roughly 63 per cent in 2022, far above the long-run average of about 38 per cent. While it has eased to around 42 per cent in early 2025, it remains structurally elevated. Without reform, a full return to historical norms is unlikely before the mid-2030s.

The good news is that this crisis is, in substantial part, policy-constructed - and therefore policy-addressable - but only if governments are willing to

undertake reforms that are politically difficult but economically necessary.

First, there must be a permanent restructuring of development charges. Government-imposed costs now account for 35.6 per cent of the price of a new home in Ontario. In some markets, municipal fees alone add between \$102,000 and \$196,000 per unit. In Toronto, the charges have risen more than 1,000 per cent since 2009 - vastly outpacing inflation.


These charges function as a hidden tax on new buyers, forcing them to finance infrastructure upfront that benefits entire communities over decades. The solution is straightforward in principle: shift infrastructure funding away from upfront levies and toward long-term financing tied to asset lifecycles. This would immediately lower entry costs for buyers and reduce the compounding "tax-on-tax" effect created when HST is applied on top of these fees.

Second, we must have enforceable limits on approval timelines. Time is money in housing development, and Ontario's system is extraordinarily slow. Approval timelines in the GTA range from 14 to 25 months, nearly double the national average. Each month of delay adds thousands of dollars per unit in carrying costs.

The province must impose statutory limits - ideally under 12 months - with financial consequences if municipalities fail to meet them.

Third, Ontario should make HST relief permanent on new homes up to \$1-million. The temporary nature of the recent announcement limits the impact. Making HST relief permanent - and ideally extending it through federal participation - would remove a significant demand-side barrier, particularly for first-time buyers. It would also improve market confidence.

Fourth, industrialized and offsite construction needs to be scaled up. Governments must actively support a transition toward modular



“ The affordability ratio - which is the share of household income required to carry home ownership costs - peaked at roughly 63 per cent in 2022. While it eased to around 42 per cent in early 2025, it remains structurally elevated.

and off-site construction through targeted incentives and procurement reforms. These methods can reduce construction timelines by up to 50 per cent.

Fifth, building codes need to be modernized to unlock missing middle housing. One of the most impactful reforms is the adoption of single-stair building designs for mid-rise construction. Widely used in Europe and recently embraced in B.C., this model allows for more efficient building layouts on smaller urban lots.

Requiring two sets of stairs makes many mid-rise projects financially unviable. Changing the rules could unlock a substantial share of urban land for gentle density and increase supply without altering neighbourhood character dramatically.

Together, these five reforms would address the core drivers of the affordability crisis: excessive government-imposed costs, regulatory delay, weak productivity, and constrained land use. They are practical, evidence-based measures that directly target the policies inflating housing costs.

Without structural reform, Ontario will remain trapped in a cycle of undersupply and unaffordability. Temporary measures - such as the short-term tax relief or funding agreements - will provide a brief reprieve, but they do not sufficiently address the underlying problem.

Recent federal-provincial co-operation and growing political consensus around the severity of the housing crisis create the conditions for meaningful change. But that window will not remain open indefinitely.

Without action, an entire generation will be priced out of the market.

The goal of restoring affordability is achievable but only if governments are willing to confront the policies that created the problem in the first place - and commit to fixing them for the long term.

TIME TO GET SERIOUS

RESCON calls for pragmatic improvements to fix bottlenecks in the apprenticeship system.



*By RESCON
for Builder Bites
May 7, 2026*

Ontario's apprenticeship completion gap is not a statistical quirk - it is a structural failure with real economic consequences.

Fewer than half of apprentices ultimately complete their programs, and barely one in five do so on time. At the very moment when the province is staring down a projected construction shortfall of 52,000 workers by 2034, that gap is more than an education problem; it is a threat to growth, housing supply and infrastructure delivery.

The uncomfortable truth is that Ontario is investing heavily in training but failing to convert that investment into certified tradespeople. The feds also announced in their spring economic update that they hope to hire

up to 100,000 new skilled trade workers by 2030-31, as well as take other steps to modernize and increase apprenticeship and Red Seal training capacity.

However, the "last mile" alone tells the story: with a Certificate of Qualification exam pass rate of just 44.5 per cent, many who make it through years of training still do not cross the finish line. Add long waits for exam slots, financial strain during in-school training, and inconsistent support along the way, and it becomes clear why so many fall out.

There is no shortage of international examples that do better. Countries like Germany, Austria and Switzerland consistently achieve completion outcomes that Ontario can only envy. Their final exam pass rates range from roughly 80 to 95 per cent, and true dropout rates are often in the low teens - or even single digits in Switzerland's case.

But the temptation to import the Germanic dual system



improve completion outcomes. Just as importantly, the province should review exam design itself - because a persistently low pass rate may reflect flaws in the test as much as gaps in candidate readiness.

Next is financial stability. In the Germanic systems, apprentices are paid throughout their training and supported during classroom instruction. In Ontario, in-school training periods often mean weeks without income. For many, especially older apprentices with families, that is a breaking point. A targeted provincial top-up or income-bridging mechanism during training blocks would address one of the most consistently cited reasons for dropout.

Capacity is another constraint hiding in plain sight. Wait times for in-school training delay progression and stretch already long apprenticeships even further. Expanding training seats - through colleges, unions, and accredited providers - is a relatively straightforward fix with immediate payoff.

Beyond these short-term measures, Ontario must tackle deeper structural issues. One of the most transferable lessons from Europe is the importance of early, high-quality career guidance. In Switzerland, most students encounter vocational pathways in their early teens, often with hands-on exposure to workplaces. In Ontario, many apprentices enter the system around age 30, frequently after other career paths have not worked out. That late entry is associated with higher dropout risk.

Embedding structured, credible trades guidance into the secondary school system - starting as early as Grades 8 or 9 - would begin to change that trajectory.

Employers, too, need more than incentives. Small and medium-sized firms often lack the administrative capacity to manage apprenticeships. The Germanic systems address this through collective institutions. Ontario can match this by creating a dedicated SME support unit, simplifying administrative processes, and piloting group sponsorship models that allow multiple employers to share responsibility for training.

Equally important is mentorship. Austria's model provides structured, third-party support to apprentices at risk of dropping out. Ontario's system, by contrast, often leaves apprentices to navigate challenges alone.

Finally, Ontario must get serious about data. The absence of a real-time, cohort-tracking system means policymakers cannot identify struggling apprentices until it is too late. Building an integrated data system that tracks individual progression - and triggers early interventions - would bring a level of accountability and responsiveness that the system currently lacks.

None of these reforms, on their own, will fix the apprenticeship completion rate in Ontario. The Germanic systems were built over decades. But we must make pragmatic improvements to fix the bottlenecks.

The alternative is to accept the status quo: a system where thousands begin apprenticeships but never finish. That is not just inefficient - it is untenable.

wholesale should be resisted. Those systems are the product of decades - indeed, generations - of institutional development, including employer chambers, strong labour-market co-ordination, and a deeply embedded cultural respect for vocational education. Ontario does not have those foundations, and it cannot legislate them into existence overnight.

What it can do - and should do - is adopt specific, proven elements from these systems that are transferable. The path forward is not imitation, but adaptation.

Start with the most immediate bottlenecks. Ontario's exam system, for example, is a glaring weak point. With only a limited number of test sites and documented scheduling delays, especially in northern regions, apprentices can wait months after completing their training to sit an exam.

That is not just inefficient; it is demoralizing. Expanding to at least 25 test sites, eliminating backlogs, and investing in high-quality exam preparation supports would directly



BOTTLENECKS ARE A PROBLEM

By RESCON
for Daily Commercial News
May 15, 2026

Canada has a record number of apprenticeship registrations. But registrations don't build homes or hospitals. Completions do. On that front, our system is failing far too many young people.

Nowhere is that clearer than in Ontario. Fewer than half of registered apprentices eventually complete their programs, and only about one in five achieves certification within the expected timeframe.

At the same time, the province is staring down a projected shortfall of 52,000 construction workers by 2034.

We are investing heavily in getting

people into apprenticeships but, to our detriment, we are paying far less attention to getting them through the training. The result? A leaky pipeline whereby thousands begin training, but far too many fall out before becoming certified journeypersons.

Equally disturbing, as shortages worsen at home, an increasing number of skilled tradespeople are being pulled south of the border by higher wages, simpler regulation, and more attractive immigration pathways in the United States - compounding an already serious problem.

There are proven models that do better. Austria, Germany and Switzerland operate the world's most successful apprenticeship systems. Their outcomes stand in stark contrast to ours. Final exam pass rates in those countries range from

roughly 80 to 95 per cent. Dropout rates are typically in the low teens, and in Switzerland, closer to five per cent.

Ontario, by comparison, posts a Certificate of Qualification exam pass rate of just 44.5 per cent. That means many apprentices who complete four or five years of onthejob and inschool training still fail at the final hurdle. Long exam waits - sometimes months - only worsen the problem.

However, Canada can not simply copy the model of these Germanic countries wholesale. Those systems rest on institutional foundations built over generations. They have employer groups that organize and oversee training, deeply integrated schoolto work pathways, and a cultural respect for vocational education equal to - or greater than -



“ We are investing heavily in getting people into apprenticeships but, to our detriment, we are paying far less attention to getting them through the training.

a university degree.

However, there are specific, transferable elements from those systems that Ontario can adopt to materially improve apprenticeship completion rates.

We must start with the bottlenecks we already know exist. With only a limited number of test sites provincially, apprentices who are ready to write can be left waiting far too long. Expanding exam locations, eliminating scheduling backlogs, and scaling high-quality exam preparation supports would immediately improve outcomes. Just as importantly, the exam design itself should be reviewed. Persistently low pass rates raise questions about the test itself.

Next, in the Germanic systems, apprentices are paid continuously, including during classroom training.

In Ontario, the in-school block means weeks without income. For older apprentices, many with families or mortgages, that gap is a problem. Targeted income topups or wagebridging supports during mandatory training are practical tools to prevent dropouts.

Training capacity also matters. Wait times for in-school instruction stretch apprenticeships longer than necessary and disrupt lives. Expanding capacity through colleges, unions and accredited providers is a relatively straightforward fix with a fast return.

In Switzerland, students encounter vocational education as a respected pathway in their early teens, often with hands-on workplace exposure. In Ontario, the average apprentice enters the system around age 30 - frequently as a second or third career choice. Embedding credible, structured trades guidance as early as Grades 8 is a lesson that can be learned from Europe.

Small and medium-sized firms which are the backbone of the construction sector, also need support, as they often lack the administrative capacity to manage apprenticeships. European systems address this collectively. Ontario should establish dedicated employer support units,

simplifying compliance, and piloting group sponsorship models that share training responsibility.

Mentorship is another glaring gap. Austria's system provides structured, third-party coaching for apprentices at risk of dropping out. In Ontario, too many navigate challenges alone.

Finally, Ontario must modernize how it uses data. Without real-time tracking, the system identifies at-risk apprentices only after they leave. A data system that flags problems early and triggers intervention is essential.

Governments are starting to respond. Ottawa's recent \$6-billion commitment to skilled trades recruitment, wage subsidies, training capacity and apprentice income supports is a welcome step. But money alone will not solve a structural problem. Without reforms that focus on completion - not just entry - we will continue to lose talent, both domestically and to the U.S.

If we don't raise apprenticeship completion rates, it will mean higher construction costs, delayed projects, stalled infrastructure, and lost opportunities for youth in stable, well-paid careers.

In Austria, Germany and Switzerland, the apprenticeship systems are designed to help people finish. Ours must do the same.

TAX CUTS

THE CONTRADICTION IN HOUSING POLICY

In municipalities across the province, DCs and related fees have spiralled out of control.

By RESCON
for Real Estate Magazine
May 7, 2026

The federal and Ontario governments deserve credit for recognizing the severity of the housing crisis and taking meaningful steps to address it. The decision to temporarily eliminate the HST on new homes is a positive move and will provide real, immediate relief for buyers.

Under the new rules, purchasers of new condos, townhomes and houses priced under \$1 million will receive a full rebate of the 13 per cent HST. For homes priced between \$1 million and \$1.5 million, the rebate is capped at \$130,000, dropping to \$24,000 for homes over \$1.85 million.

However, while the government is doing important work on policy, the industry is still waiting for regulations that will determine how the recent tax cuts will work. They need to be released as soon as possible, as we are hearing that some new projects are getting stalled while waiting for

the regs. As of press time, no dates have been provided as to when that will happen.

The two governments have also joined forces in a landmark deal to support the vital reduction of development charges. This will boost the residential construction sector and make homes more affordable.

In municipalities across the province, DCs and related fees have spiralled out of control. They are now among the single largest components in the price of a new home, often adding well over \$100,000 to the cost of a typical family house in high-growth regions like the Greater Toronto Area.

However, while one hand is giving, the other is still taking.

Some municipalities continue to move in the wrong direction. Take Clarington. After implementing a staggering 40-per-cent increase in DCs in late 2025, the municipality is now proposing additional hikes to planning and development fees - some as high as 187 per cent - including a 136-per-cent jump for

major official plan amendments and a 62-per-cent increase for zoning bylaw amendments.

Municipal leaders argue these hikes are necessary to achieve full cost recovery - the idea that growth should pay for itself rather than be subsidized by existing taxpayers. On paper, that may sound reasonable, but in practice it is deeply flawed.

These costs are embedded directly into the price of new housing and ultimately paid by homebuyers - often first-time buyers and young families who can least afford it. At a time when affordability is already stretched to the breaking point, layering on additional fees only worsens the crisis.

A recent survey by the Ontario Real Estate Association found that 71 per cent of respondents believe DCs make housing less affordable.

They are right.

DCs have evolved from a relatively modest fee into a massive, regressive tax. Unlike income taxes or other progressive measures, DCs are levied upfront and rolled into the





“ It is critical that governments at all levels align their policies and ensure they are in synch. There is no point in cutting taxes with one hand and raising them with the other. A co-ordinated and sustained effort is needed by all to confront the real drivers of the housing crisis.

purchase price of a home. Buyers then pay interest on them over the life of a mortgage - often for decades.

Research commissioned by RESCON shows that government-imposed costs - including taxes, fees and levies - now account for roughly

36 per cent of the price of a new home in Ontario, up from about 31 per cent just a few years ago. DCs are a major driver of that increase.

In Toronto, DCs on a single-detached home have surged to roughly \$141,000, up from just over \$12,000 in 2010. Over the past 25 years, DCs in the city have increased by more than 5,000 per cent.

This is not a sustainable model. And yet, municipalities continue to rely heavily on these charges to fund infrastructure.

The consequences are already being felt. Housing starts are projected to remain subdued in the coming years. Ontario has virtually no chance of hitting the goal of building 1.5 million homes by 2031.

There is a better way.

The actions taken on DCs by the province and feds will help. They will provide immediate relief to homebuyers and help stimulate construction at a critical time.

We must have a more honest conversation about how infrastructure is funded and who should pay

for it. We must also rethink how municipalities finance growth more broadly. Instead of relying so heavily on upfront charges, infrastructure costs should be spread over time or shared more equitably across the tax base.

Research from Concordia University John Molson School of Business shows that boosting homebuilding through lower costs and streamlined processes can improve affordability while delivering significant economic benefits, including job creation and increased government revenues.

The HST rebate was a strong first step to restoring equilibrium. The action on DCs was another. However, the moves risk being eroded by rising municipal fees.

It is critical that governments at all levels align their policies and ensure they are in synch. There is no point in cutting taxes with one hand and raising them with the other. A co-ordinated and sustained effort is needed by all to confront the real drivers of the housing crisis.

MODULATE YOUR ENTHUSIASM



By RESCON
for Canadian Contractor
May 7, 2026

If there were any lingering doubts about the severity of Canada's housing crisis, the latest numbers should put them to rest.

We are not in a mild downturn or a cyclical pause. We are in a full-scale supply and affordability crisis - and the market signals are flashing red.

In Toronto, first-quarter condominium sales plunged to a 35-year low, with new project launches effectively frozen. Ontario's 2026 housing starts are projected to fall to near two-decade lows. The provincial budget forecasted 64,800 units, significantly below the 1.5 million target for 2031.

At the same time, affordability remains historically out of reach. Only one in six households in Toronto can afford to buy a home. Estimates suggest prices would need to fall by more than 60 per cent to restore affordability to previous generations.

In short, demand has weakened, supply has collapsed, and the

affordability gap remains enormous. The residential construction industry is in bad shape.

Against this backdrop, policymakers are searching for solutions - and increasingly, attention has turned to modern methods of construction (MMC), including factory-built, modular, and prefabricated housing. The appeal is obvious. Build homes faster, more efficiently, and with fewer workers.

The question is: How much can MMC help?

Research shows that factory construction can deliver real productivity gains. By shifting work off-site into controlled environments, builders can reduce weather delays, standardize processes, and run factory production in parallel with site preparation. The result is genuine on-site schedule compression - often in the range of 20 to 50 per cent.

That matters, especially in a sector where labour productivity has been declining. Between 2019 and 2024, construction productivity in Canada fell significantly, adding tens of thousands of dollars to the cost of

each new home.

MMC also shines in specific niches. It is particularly well-suited to remote and northern communities, where labour shortages are acute and logistics are costly. It works well for purpose-built rental projects backed by institutional investors, where steady pipelines can support factory economics.

It has clear applications in student housing, supportive housing, and emergency or disaster-response situations, where speed and repetition are paramount.

However, while MMC represents real opportunities to improve how we build, it is not a silver bullet.

The reason?

The fundamental problem is that Canada's housing shortage is not primarily a construction problem. It is a structural one. Land-use restrictions limit where housing can be built. Lengthy and unpredictable approval processes delay projects for years. Development charges and government-imposed fees add substantial costs. Infrastructure constraints prevent new communities



“ By shifting work offsite into controlled environments, builders can reduce weather delays, standardize processes, and run factory production in parallel with site preparation.

from being serviced. Financing challenges make projects difficult to launch.

A home assembled in a factory still requires land, zoning approval, servicing, financing, and regulatory compliance. Faster construction does not translate into faster delivery if projects are stuck in approvals or cannot secure funding.

There is also a tendency to overstate the cost advantages of factory-built housing. While savings are often claimed to be 20 per cent

or more, the evidence in Canadian conditions suggests a much narrower range - typically between zero and 10 per cent. In some cases, savings disappear entirely once transportation, customization, and site integration are factored in.

More concerning is the fragile economics of factory construction itself. Modular housing requires high upfront capital investment, steady order books, and consistent demand to remain viable. Globally, the track record is littered with high-profile failures - companies that scaled aggressively only to collapse under thin margins and volatile pipelines. Canada has not been immune to this pattern.

This does not mean MMC should be dismissed. It means it should be approached with clear-eyed realism.

That is precisely the position being advanced by RESCON. We are urging governments to support innovation - but to do so in a way that reflects the evidence. That includes streamlining regulations across Ontario, addressing sustainable funding challenges, and helping

prefabricated homebuilders scale production responsibly. It also means ensuring that public investment is tied to demonstrated demand and viable business models, not optimistic projections.

These are sensible recommendations. Regulatory fragmentation, in particular, is a real barrier.

Harmonizing standards and inspection regimes could make it easier for factory-built housing to scale across jurisdictions. Strategic procurement - such as bulk orders for affordable housing - could provide the stable demand needed to support factory operations.

It would require substantial co-ordination and co-operations amongst all levels of government and a willingness to confront entrenched interests.

Modern methods of construction can help at the margins. They can improve productivity, reduce timelines in specific contexts, and expand capacity in targeted segments. They deserve a place in a comprehensive housing strategy.

PART OF THE TOOLKIT

Scaling up requires financial support, streamlined regulations, and subsidies.

*By Richard Lyall
for Canadian Forest Industries
May 20, 2026*

The decline in homebuilding, which affects the entire wood and forest products industries, has generated numerous bold ideas, with modular, prefabricated and factorybuilt housing - often grouped under the banner of modern methods of construction (MMC) - as one of the most prominent.

Advocates rightly point to faster build times, factory efficiency and the promise of innovation in a sector that has struggled with productivity for decades.

While it isn't a silver bullet for all that ails the residential construction sector, it does belong in the housing toolkit.

Offsite construction methods, including modular and factory-built housing, offer valuable labour productivity benefits and niche applications such as remote communities, purpose-built rentals, and emergency housing.

However, scaling up requires financial support, streamlined regulations, and subsidies as was recommended by the Standing Senate Committee on Banking, Commerce and the Economy.

That must happen alongside structural reforms in land use, approvals, and infrastructure to effectively address housing supply challenges.

But if offsite construction is to play a meaningful role in Canada's housing response, it must be understood clearly. It is not new. It is not a cureall. And it cannot, on its own, close Canada's housing supply gap. What it can do - and do well - is supplement a comprehensive housing strategy, filling real gaps where conventional construction consistently falls short.

That distinction matters, because Canada does not suffer from a single construction problem. The primary drivers of undersupply are structural: restrictive landuse rules, lengthy approvals, infrastructure shortages, development charges and financing constraints.



No form of construction, factorybased or otherwise, escapes those barriers. Faster assembly does not mean faster housing delivery when projects spend years waiting for zoning or servicing.

Where offsite construction adds genuine value is in welldefined niches - and in addressing labour productivity, one of the construction sector's most persistent weaknesses.

Factorybased construction offers real, measurable productivity advantages. Work takes place in controlled environments, with standardized processes, repeatable designs and less downtime.

Site and factory timelines can run concurrently, compressing onsite schedules by 20 to 50 per cent in many projects.

That matters, particularly at a time when construction labour productivity in Canada has been falling, adding tens of thousands of dollars to the cost of an average unit.

Those benefits are most powerful where projects are repetitive, predictable and capitalized for



“ There are some caveats to offsite construction and they need to be considered.

scale. Purpose-built rental housing backed by institutional capital, supportive and student housing, military accommodations, and government-procured affordable housing all fit that model.

So do remote and northern communities, where onsite labour is scarce, costly and unreliable, and emergency or disaster-response housing, where speed of occupancy is paramount.

There are some caveats to offsite construction, and they need to be considered.

The best available evidence suggests that cost reductions in Canadian conditions tend to be modest - often in the range of zero to 10 per cent - once transportation, financing, customization and local site costs are included.

Offsite construction is also capital intensive, with high fixed costs, thin margins and a constant need for a stable order book. Globally and in Canada, many modular ventures have failed not because of poor intentions, but because demand was

too volatile and policy support too episodic.

That is why it is critical to have financial and regulatory support. The Senate committee recognized this reality, recommending that the federal government support small and medium-sized enterprises seeking to modernize construction, with a particular focus on modular and factory-built housing. Importantly, the committee also urged Ottawa to consider offering subsidies to help create demand - echoing the experience of countries like Sweden, where government-backed demand, not wishful thinking, supported industrialized housing over time.

Ontario's construction sector needs a similar approach. Innovative offsite builders cannot scale on pilot projects and press releases alone. They require predictable procurement, shared-risk mechanisms for expansion, favourable loan terms and tax policies that recognize the upfront capital costs unique to factory production.

Purchasing guarantees or

bulk orders - particularly through affordable housing and public-sector programs - can provide the stable demand that factories need to survive, invest and innovate.

Regulatory reform is equally critical. Fragmented provincial and municipal standards, inconsistent inspection regimes and duplicative approvals erode many of MMC's core advantages. Streamlining and harmonizing approvals across jurisdictions would reduce uncertainty and lower costs.

National mutual recognition of factory certification would further support scale, especially for builders operating across provincial borders.

Offsite construction has a meaningful place in Canada's housing strategy. But to increase housing supply, other reforms are just as critical. We need land-use liberalization, faster approvals, infrastructure investment and sensible development charges.

MMC can complement those reforms. It is part of the toolkit - but not the whole toolbox.

POLICY PROBLEM

Ontario has a shortage of serviced, approved and buildable land — a crisis created not by geography, but by decades of policy choices.

*By RESCON
for Storeys
May 4, 2026*

For years, the conventional wisdom around housing affordability in Ontario has been built on a flawed premise: that land is scarce, and high prices are simply the inevitable result of too little space and too much demand.

But the evidence tells a different story.

Ontario does not have a land shortage problem. It has a shortage of serviced, approved and buildable land - a crisis created not by geography, but by decades of policy choices. Government charges layered onto housing, glacial approval timelines and restrictive planning rules have turned land into one of the biggest cost drivers in new home construction, pushing ownership further out of reach for families and threatening the economic viability of building homes at all.

That matters because land is not just another input in the cost of housing - it is the foundation of every project. And when the cost of bringing land to market becomes distorted by regulation, fees and delays, affordability suffers.

Serviced buildable housing land in the Greater Toronto Area and broader Greater Toronto and Hamilton Area is materially more expensive than in nearly every comparator jurisdiction studied, including Alberta, Texas and much of Colorado. In some cases, Alberta serviced

lots are two to four times cheaper than comparable lots in the GTA.

Why?

Not because Alberta has more land. Ontario has plenty of land. The difference is that Alberta has lower government charges, far shorter approvals and a planning framework that allows supply to respond to demand. Housing approvals there take roughly 3.4 to 4.2 months. In Ontario, the average is 18.8 months - and in some municipalities stretches beyond two years.

Those delays are not benign bureaucracy. Every month adds carrying costs estimated at thousands of dollars per unit. Multiply that across large projects and the cost is staggering.

Then there are government-imposed charges.

In Ontario, municipal fees and development charges can add between \$144,000 and \$195,000 per unit on low-rise housing in the GTA. Comparable costs in Alberta can be a fraction of that. In Texas, they are dramatically lower still.

These are not marginal costs. They are embedded into the price of homes. The uncomfortable truth is that much of Ontario's affordability crisis is substantially regulatory in origin.

But that also means it is fixable.

The problem is often framed as if the market simply needs to correct itself. But that misunderstands the moment. In fact, land prices in the GTA have already corrected sharply. High-density land values have fallen



roughly 50 per cent from their 2019 peak.

Yet housing production remains stalled.

Why? Because even with lower land values, the overall development cost stack - land, construction, financing, taxes and government charges - still often makes projects impossible to underwrite.

This is why condo launches have collapsed even as the housing shortage worsens. Urbanation recently reported that, for the first time in three decades, there were zero new condo projects launched in the GTHA in the first quarter of this year.

It is why Ontario continues to miss housing targets. And it is why this crisis will not solve itself.

Residential construction employs hundreds of thousands of Ontarians. When projects don't launch, construction workers lose work. Tradespeople face thinning pipelines. Suppliers suffer. Economic growth slows.

Calgary's average new detached home sits around \$800,000. In the GTA, comparable homes can range from \$1.4 million to \$1.6 million.

That gap is not just demand or geography. It reflects fundamentally different policy environments.

Alberta has demonstrated another model is possible. Ontario should pay attention.

The first priority must be permanently reducing government charges on housing. The recent federal-Ontario agreement to reduce development charges is an important start. But temporary relief will not be enough.

Ontario needs durable reform that ends the overreliance on new homebuyers to finance broad municipal infrastructure through front-loaded development charges.

Second, approval timelines must be dramatically shortened. An 18- to 30-month approvals regime is indefensible in a housing crisis. Municipal approvals need hard timelines, streamlined processes and far less discretionary friction. Time is money in development -and in Ontario, delays are inflating housing costs every day.

Third, supply constraints need reform. Ontario's combination of Greenbelt restrictions, intensification mandates and rigid zoning has produced some of the lowest supply elasticity in North America. In practical terms, when demand rises, prices rise - because supply cannot respond. More serviced land needs to come to market. More zoning flexibility is required. More housing forms need to be permitted as-of-right.

Fourth, governments must recognize that housing affordability is inseparable from housing feasibility. If projects cannot pencil out, homes do not get built.

For too long, governments have acted as though escalating land prices are some natural phenomenon. They are not. They are, in large measure, the product of public policy. And what policy has created, policy can change.

Ontario has the land. It has the labour. It has the demand. What it needs now is the political will to remove the barriers that have made housing so needlessly expensive.

A NEW SET OF TOOLS

By RESCON
for Canadian Real Estate Wealth
May 11, 2026

At a time when we need to dramatically accelerate homebuilding, a new report released by RESCON indicates that housing starts are down and job losses in the industry continue to grow.

The findings are truly disturbing. Condo apartment starts in 2025 were down a whopping 52 per cent in Ontario relative to the 2021-24 averages, while ground-oriented housing starts declined 43 per cent.

Job losses in the residential construction industry continued to mount in 2025, with 46,562 fewer person years of employment compared to the 2021-24 averages. The negative employment impacts are most severe in the Toronto area but are worsening in other regions as well.

High taxes on new home construction, including development charges which have risen by more than 5,000 per cent in 25 years in some municipalities, are the primary drivers of lower home sales.

To help revive the market, governments must do more to bring down the cost of building a new home. Taxes, fees and levies account for 36

per cent of the cost of a new home - much too high.

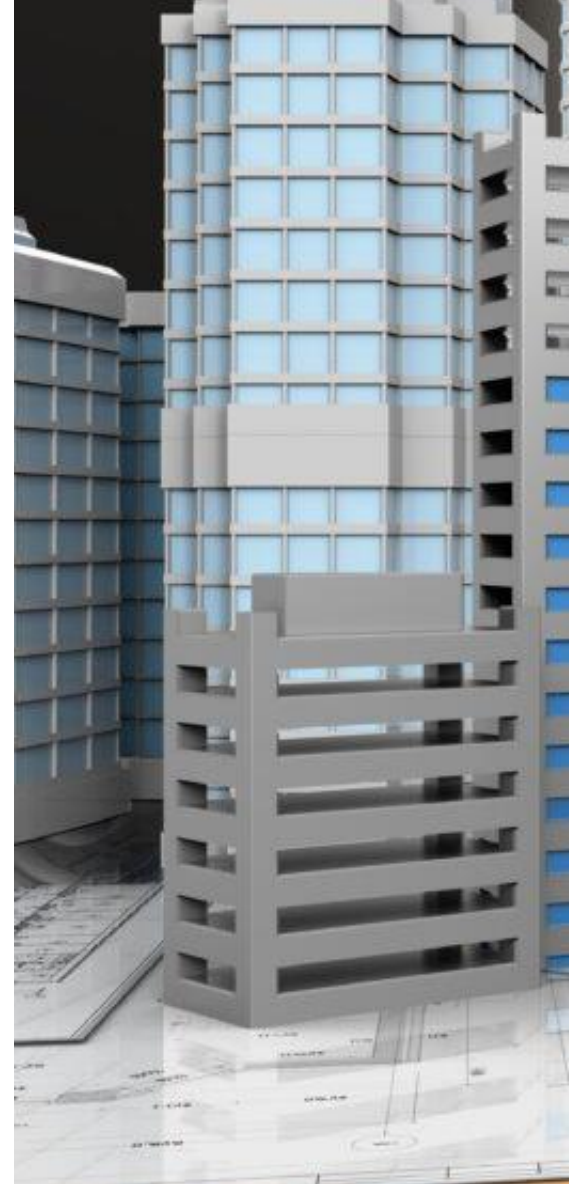
The sector also cannot continue to rely on yesterday's building methods. Embracing PropTech and ConTech is no longer optional - it is essential.

For decades, construction has lagged other industries in efficiency gains. While the manufacturing sector has doubled productivity over the past half-century, construction has stagnated.

The reasons are well known: fragmented workflows, paper-based processes and a reliance on manual labour. But they are no longer acceptable. ConTech tools such as Building Information Modeling (BIM), robotics and advanced analytics are finally offering a path forward.

BIM is transforming how projects are conceived and delivered. By creating detailed, 3D models, architects, engineers and contractors can collaborate in real time, identifying design conflicts before they reach the job site. The result is fewer change orders, tighter timelines and better outcomes. In an industry where time is money, that kind of foresight is invaluable.

Beyond design, robotics and automation are beginning to reshape construction itself. Machines capable of bricklaying at several times human speed or drones that conduct site



inspections are not science fiction - they have become operational realities.

These technologies reduce human exposure to dangerous tasks and significantly improve accuracy.

Wearable devices, such as smart helmets and vests, can monitor worker health and environmental conditions, helping prevent accidents before they occur.

In a sector historically plagued by safety incidents, that shift alone justifies rapid adoption.

The financial case is equally compelling.

ConTech innovations like modular construction and 3D printing can reduce material waste by up to 90 per cent and lower overall project costs by as much as 30 per cent. Offsite manufacturing, where building components are produced in controlled environments and



assembled on location, is gaining traction. It shortens construction timelines, improves quality control and mitigates labour shortages - three challenges that hinder housing delivery.

But the transformation does not end when construction is complete. This is where PropTech comes into play, extending the digital lifecycle of buildings well beyond occupancy. Through Internet of Things (IoT) sensors and artificial intelligence-driven analytics, property managers can monitor energy usage, air quality and occupancy patterns in real time, which reduces costs.

The environmental implications are profound. Buildings account for 40 per cent of global carbon emissions. PropTech provides the tools to optimize energy systems and extend the life of building components.

Perhaps the most powerful

concept emerging from the convergence of PropTech and ConTech is the continuous digital thread. Technologies such as digital twins - virtual replicas of physical buildings - allow stakeholders to track performance from initial design through to long-term operations. This eliminates the traditional silos between planning, construction and management. Problems can be anticipated rather than reacted to, and efficiencies can be unlocked.

Firms that adopt these technologies are seeing measurable improvements in project economics. But the benefits extend beyond balance sheets.

In spite of the promise, though, adoption of PropTech and ConTech remains uneven. Many firms, especially smaller builders, face barriers such as high upfront costs and lack of technical expertise.

While industry leaders must be willing to invest, experiment and collaborate, governments must play a more active role in accelerating adoption of PropTech and ConTech through targeted incentives, standardized and integrated digital frameworks and investment in infrastructure.

The stakes could not be higher. Canada faces a housing crisis that demands unprecedented levels of construction.

PropTech and ConTech represent the most powerful set of tools the industry has to build faster, cheaper and more sustainably.

The construction sector can embrace this transformation and position itself for the future or it cling to legacy practices and fall further behind.

Standing still is simply not an option.

TECHNOLOGY

ENOUGH IS ENOUGH

Ontario doesn't need 444 separate permitting systems.

*By Arash Shahi
CEO of LandLogic*

Ontario has spent years talking about housing affordability, permitting reform and municipal modernization. Governments have allocated billions of dollars to accelerate approvals and improve technology adoption:

- Housing Accelerator Fund: \$4.4 billion
- Audit and Accountability Fund / Municipal Modernization Program: \$350 million
- Streamline Development Approval Fund: \$45 million

And yet, despite years of funding, pilots and promises, development approvals in Ontario still take an average of 18.4 months as cited in this [CHBA study](#). After years of investment, we still aren't seeing meaningful improvement.

Enough is enough. The problem here is not a lack of investment. The problem is that Ontario continues to approach permitting modernization the wrong way.

There are 444 different municipalities in Ontario. And one after another, they are independently procuring, implementing and maintaining their own digital permitting systems. The result? Ontario is sleepwalking into a future with hundreds of disconnected approval environments, each with different workflows, standards, forms, datasets, and processes, despite operating under the same provincial legislation.

This is not modernization. It is messy duplication at scale. Every municipality is spending millions on building siloed systems that cannot communicate with each other. Applicants have to consider not just municipal requirements,



but must also navigate a fragmented landscape of other approval agencies, including conservation authorities and provincial ministries. Critical zoning, planning and property data remains scattered across incompatible formats, portals, PDFs and disconnected databases.

We cannot afford to keep repeating this mistake municipality after municipality. Ontario needs a centralized, province-wide permitting and approvals platform built around shared intelligence infrastructure. Build once. Use everywhere.

This means a single, AI-enabled permitting ecosystem where the intelligence exists centrally and municipalities plug into it. A platform where zoning, planning and property data is standardized across Ontario so applications, reviews and approvals can finally move with less friction, less back-and-forth and less wasted resources.

Most importantly, this cannot be yesterday's software approach dressed up with AI terminology. The future is agentic AI. That means applicants no longer need to manually co-ordinate dozens of stakeholders, interpret policies, chase forms, or navigate multiple municipal systems. The platform itself becomes a central portal that manages those tasks for you.

A user could simply describe a project in plain language. The system would identify requirements, determine applicable approvals, co-ordinate supporting documentation, connect applicants with required professionals, complete forms automatically, communicate with reviewing bodies, and track application progress - all within one centralized environment.

Instead of applicants managing the process, the process manages itself. This is no longer theoretical.



Building permit

“ Instead of applicants managing the process, the process manages itself. This is no longer theoretical. The technology already exists. Ontario has the talent, research capacity and AI expertise to build a globally leading permitting platform right here at home.

The technology already exists. Ontario has the talent, research capacity and AI expertise to build a globally leading permitting platform right here at home.

Companies like [LandLogic](#) have years of research, pilots and applied AI needed to support AI-enabled approvals infrastructure. One of the hardest parts of the challenge - standardizing fragmented municipal data - is already being tackled. Now the system needs to be built on top of it.

The real opportunity is bigger than improving permitting timelines. This is a chance for Ontario to leapfrog outdated systems entirely and establish itself as the global leader in AI-enabled development approvals.

Around the world, jurisdictions are already moving toward centralized digital planning systems and AI-enabled permitting workflows. Ontario can learn from these models, but it should not be content to simply follow them. We have been behind long enough.

Ontario does not need another wave of reports from big consultancies that repackage the problem, then farm out the solution elsewhere.

[Bill 72](#) points in the right direction: Canadian public infrastructure should be built here, by Canadian teams who understand our municipalities, our planning systems and our housing challenges.

With Ontario's AI talent, municipal expertise and housing urgency, we have the ingredients to build something better: shared infrastructure, standardized data, and one co-ordinated approval experience. AI gives us the chance to move from the back of the pack to the front. But only if we act now.

A centralized AI-enabled permitting platform would create significant cost savings by eliminating duplicate municipal spending on technology procurement, implementation and maintenance. It would reduce back-and-forth between applicants and staff by validating applications upfront. It would improve transparency by allowing applicants to track approvals across jurisdictions in one place. And it would dramatically improve user experience by making development approvals simpler, faster and more predictable.

Most importantly, it would help Ontario build more housing. Not through another funding announcement. Not through another isolated municipal procurement. But through shared infrastructure designed to scale across the province.

LandLogic has partnered with OneOntario to build it, and the work has already begun. A co-ordinated, AI-enabled permitting platform: now is the time to build it once, and build it right.

Carbon Counting to 100

Massachusetts House Study

In April 2026, I had the opportunity to attend the annual Spring Training Advanced Building Science conference, hosted by Building Knowledge Canada Inc. This year, Chris Magwood from the Builders for Climate Action think tank presented a recent research project they collaborated on titled the Massachusetts 100-Home Embodied Carbon Study.

As many of you may already know, the 2030 model National Building Code of Canada (NBC) is slated to release parameters around embodied carbon in new homes for the first time, and Code development work is already underway towards this initiative. While it is still unclear how these new embodied carbon Code regulations will be formatted here in Canada, it is worth learning from other jurisdictions that are already further along in this endeavour.

Like various provincial and federal mandates here in Canada, the state of Massachusetts has set ambitious climate targets through legislation to set statewide greenhouse gas (GHG) emission limits and sector-specific thresholds to achieve a net-zero economy by 2050. Such targets have emphasized the need for practical tools that help stakeholders identify and reduce GHG impacts. The study team released this research with the goal of enhancing technical and workforce capabilities and advancing our understanding of the full carbon impacts of residential new construction.

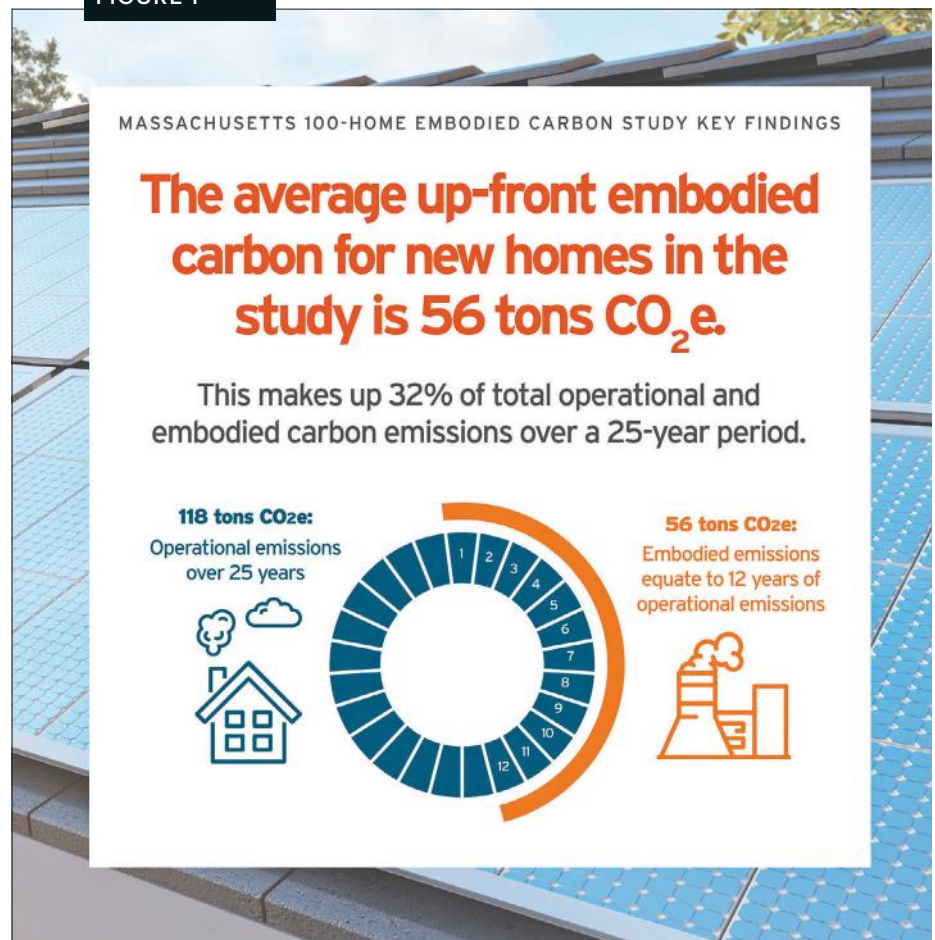
The primary goal of the study was to explore the feasibility of adding

embodied carbon analysis to typical operational energy assessments conducted on residential buildings by Home Energy Rating System (HERS) raters and to use these energy assessments to explore the feasibility of establishing baseline values for embodied carbon emissions generated by new residential construction.

Operational emissions refer to the amount of carbon generated by normal building operations, including heating, cooling and lighting.

Normally, residential building energy assessments, like the HERS Index Score, already capture these emissions. However, the emissions associated with the production, transport and disposal of the building materials themselves are not included in an operational emissions analysis. These emissions are known as embodied carbon emissions, which begin to accrue long before a building is constructed or occupied and represent an opportunity to capture upfront carbon reductions.

FIGURE 1



This study focuses on emissions associated with the extraction, transportation to factory and manufacturing of construction materials, typically referred to as A1–A3 or most “cradle-to-gate” emissions. This study is based on an analysis of building construction and mechanical equipment data collected by HERS raters at 100 newly constructed, single-family homes in Massachusetts.

To generate estimates of embodied carbon emissions, the study team took the following steps with the on-site data:

- The study team generated operational energy assessments with Ekotrope, a RESNET-accredited energy modelling tool widely used by HERS raters.
- Those assessments were converted into operational carbon emissions.
- The team developed an integration worksheet to assist transferring data on building materials from Ekotrope into the Building Emissions Accounting for Materials (BEAM) estimator tool, developed by Builders for Climate Action.
- The team combined Mechanical, Electrical and Plumbing (MEP) system data collected at the homes and captured in Ekotrope with MEP system embodied carbon estimates used in the RESNET 1550 draft standard.

The findings of the report are intended to offer a starting point to inform future program design, policy development and industry best practices. Embodied carbon emissions (ECEs) can account for as much as 32%

of a building’s overall carbon emissions over a 25-year period. (See Figure 1 on page 5.)

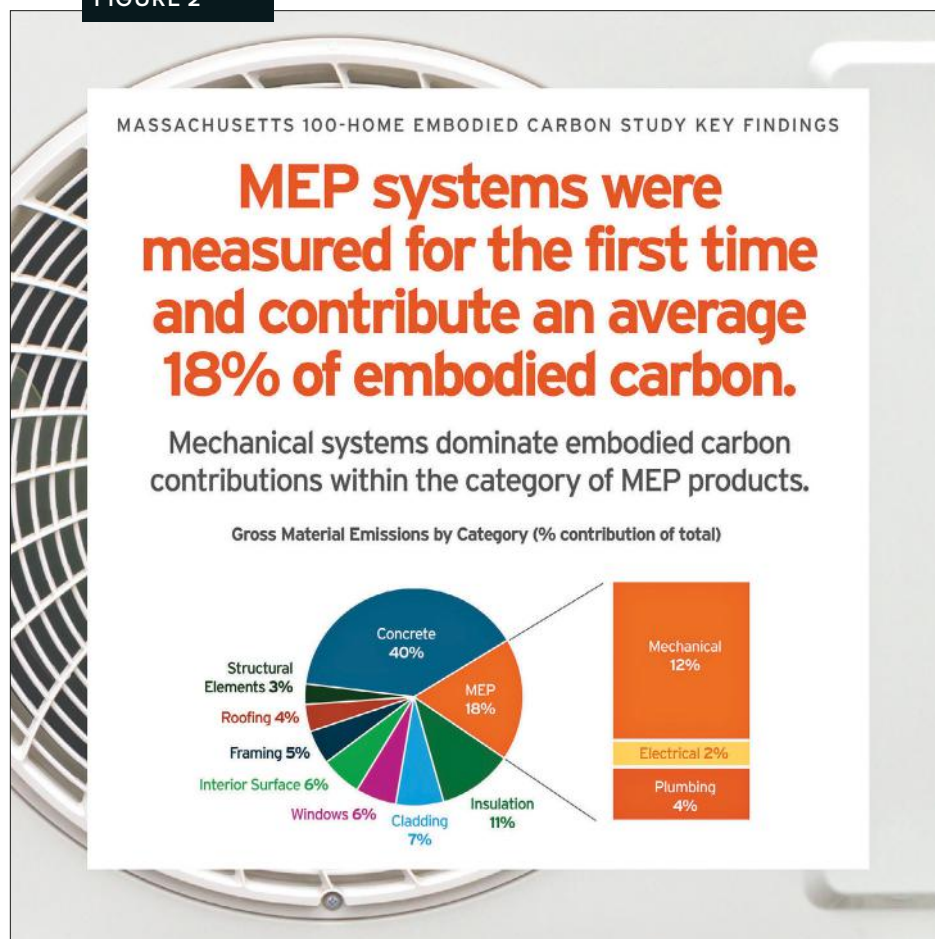
This statistic underscores the fact that operational carbon emissions (OCEs) can no longer be considered in isolation. To effectively reduce carbon emissions, both operational and embodied emissions must be considered equally because, as operational performance improves, embodied carbon plays a proportionally larger role in reaching GHG-reduction goals.

The 100 homes in this study’s sample accounted for an average of 56 tons of CO₂e in net ECEs per home. The average operational emissions

over 25 years amongst the study’s sample was 118 tons of CO₂e, so the upfront embodied carbon was nearly equivalent to 50% of the operational carbon emissions over 25 years.

This study was also the first to incorporate the embodied carbon impacts of MEP systems as part of a broader study of ECE in new residential buildings. The study found that MEP systems contribute an average of 10 tons of CO₂e per house, or 18% of gross ECE in new single-family construction. (See Figure 2 below.) This finding demonstrates the significant contribution of MEP systems to ECE in new homes.

FIGURE 2



The study demonstrated that three product categories make up 68% of all gross ECE in new homes: concrete (39%), MEP systems (18%) and insulation (11%). Biogenic or carbon-storing materials were not widely present within the sampled homes. Some common carbon-storing materials include products such as cellulose insulation, fiber cement siding and wood fiber boards. Use of these materials can provide immediate emission savings without compromising building performance.

There is still much potential to educate the construction sector on how to use and specify low-ECE and carbon-storing materials as the market has yet to look far beyond operational carbon. There still exist limited resources for embodied carbon and material emission datasets, particularly for MEP systems, which must still be expanded to improve accuracy and usability. Additional support for software integration would also allow for streamlined and scaled embodied carbon assessments.

When analyzing operational and embodied carbon emissions, the embodied carbon intensity did not vary significantly across home type with respect to energy performance (HERS scores). (See Figure 3 at right.) This demonstrates that there are opportunities to lower embodied carbon across all home types, even those that perform well above Code. High upfront embodied carbon creates an emissions spike that even high-performing homes may need many years to balance out, highlighting the importance of seizing opportunities to reduce embodied carbon before construction begins.

Example homes in the study's

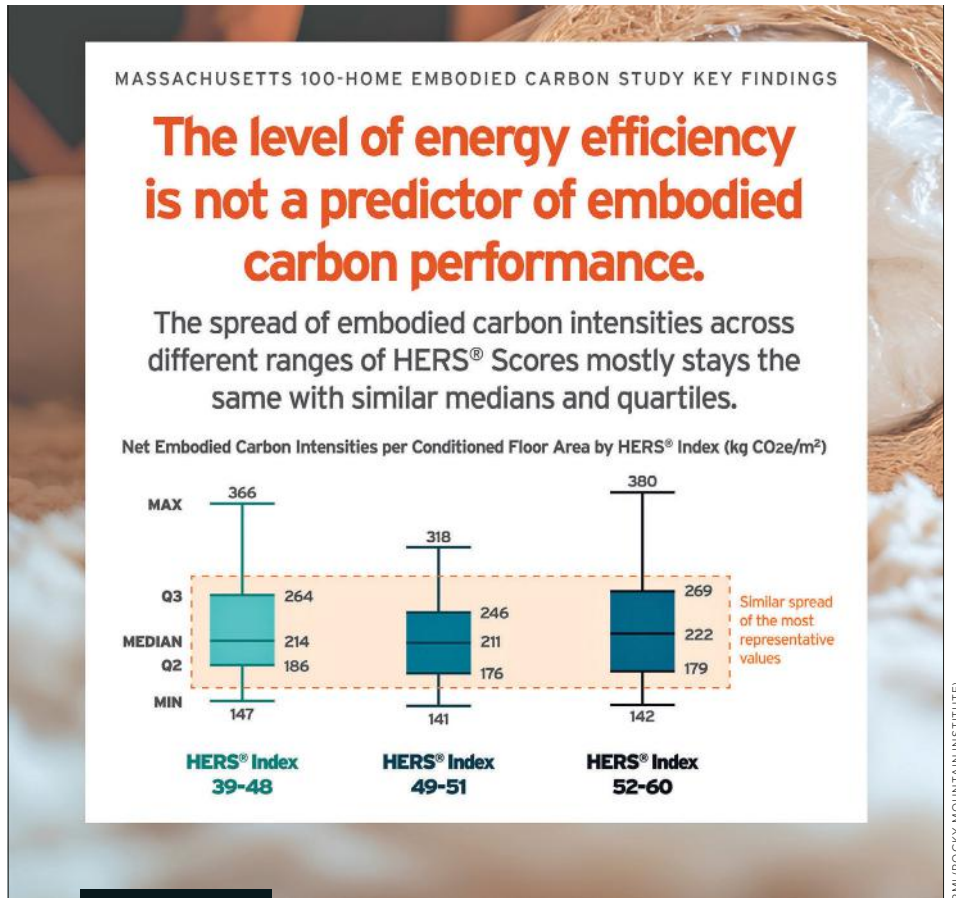


FIGURE 3

sample had similar overall carbon emissions over a 25-year forecast period despite major differences in operational energy efficiency because the homes with greater operational efficiency generated more embodied carbon emissions prior to construction. This finding underpins the misguided premise of seeking to only maximize energy efficiency instead of evaluating a home's overall carbon emissions more holistically. Considering the entire building lifecycle is crucial to achieving carbon reduction goals.

While it is not yet known how the 2030 model NBC will try to manage embodied carbon in new homes for the first time, this study demonstrates the viability of considering embodied carbon data into broader emissions reduction targets. This will be an

immense undertaking for the entire industry to now consider low-embodied carbon in lockstep with what we currently consider as “high-performance” homes. It will take a concerted effort amongst all industry professionals — such as designers, product/material manufacturers, energy advisors and builders — to utilize low-carbon options that will reduce upfront carbon emissions without impacting performance, while also being mindful of housing costs. **BB**



Paul De Berardis is RESCON's vice president of building standards and engineering. Email

him at deberardis@rescon.com.

HOUSING STARTS CONTINUE TO DECLINE: REPORT



*By Senso Magazine
April 30, 2026*

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

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

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

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

The report was done by the Missing Middle Initiative at the University of Ottawa.

The assessment is based on data obtained from

Canada Mortgage and Housing Corporation and Altus Group.

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

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

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

“A lack of new home sales inevitably leads to job losses, which harms both the industry and the economy,” says Mike Moffatt, an economist and founder of the Missing Middle Initiative. “With economic growth slowing across the globe, Canada can ill-afford a slowdown in the homebuilding sector.”

RCCAO REPORT

- In mid-May, [RCCAO was pleased](#) to join [Premier Ford](#), [Ministers Sarkaria](#) and [Mulroney](#) as the Government of Ontario [officially announced](#) the start of core construction on the Bradford Bypass.
- Last month brought continued progress on Highway 413, with [the announcement](#) that [the Ministry of Transportation has issued an RFP](#) for a construction manager general contractor to help oversee design and co-ordinate construction for this critical new highway.
- As Minister Mulroney departs politics, [RCCAO would like to recognize and thank her](#) for her partnership and commitment to advancing some of Ontario's most significant transportation and transit infrastructure priorities, including the Bradford Bypass and Highway 413. Her leadership has helped shape projects that will benefit Ontarians for generations to come.
- In May, RCCAO [provided a submission to the Government of Ontario](#) regarding proposed amendments to the Environmental Assessment Act, emphasizing the importance of streamlining approvals to help accelerate project delivery while maintaining strong environmental oversight.
- As preparations continue for the 2026 FIFA World Cup, [RCCAO continues to be](#) engaged in discussions surrounding construction-related restrictions and the importance of balancing event planning with the continued delivery of essential infrastructure projects.
 - Ensuring construction activity can proceed efficiently while supporting the success of this global event will remain an important priority in the months ahead.
- RCCAO continues to support efforts to modernize provincial HST legislation in ways that better reflect the realities of Ontario's construction sector.
 - We were [pleased to see the Government of Ontario table](#) and pass legislation related to HST housing parameters.
 - RCCAO urges the federal government to continue working quickly to adopt the necessary legislation to get housing moving.
- Throughout May, RCCAO was pleased to participate in the [Vaughan Chamber of Commerce Queen's Park Day](#) and the Chamber's [Roundtable with Minister Khanjin](#), both of which provided important opportunities to discuss infrastructure, economic growth, and industry priorities with government and business leaders.
- In early May, RCCAO was proud to once again support the [Skills Ontario Competition](#), showcasing the next generation of skilled trades, and to attend the [Crupi 75th Year Celebration](#) recognizing the company's longstanding leadership and contributions within industry.
- RCCAO's newsletter is now published monthly - to read and subscribe, click [here](#). We are also active on all communication channels - [LinkedIn](#) and [X/Twitter!](#)

We've revamped, refreshed & updated our website

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