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RESCON APPLAUDS TAX CUTS

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RESCON president testifies before federal committee

On Oct. 6, RESCON president Richard Lyall testified virtually before the House of Commons Finance Committee on Bill C-4 which was reviewing the federal cut to GST on homes up to $1 million for first-time buyers (graduated from $1 million to $1.5 million).

He noted that the ratio of housing costs to incomes has become grossly imbalanced, and we have a national housing crisis, with the epicentre in Toronto and Vancouver.

Lyall zeroed in on the tax burden and suggested that we are taxing housing like cigarettes and alcohol - so-called sin taxes to discourage use - which is wrong-headed.

He noted it is critical for the feds and Ontario to be aligned on the sales tax issue and suggested both governments extend the program to all new home buyers.

Click here to watch a video of Lyall's presentation.

On tap this week? Federal budget and Ontario FES

Federal Finance Minister François-Philippe Champagne will deliver a budget on Nov. 4 in the House of Commons.

RESCON will be looking for more action on the housing file.

Federal Housing and Infrastructure Minister Gregor Robertson has indicated that the federal government will likely advance its commitment to support a cut in municipal development charges in the budget.

At present, it remains to be seen how that will be manifested in the budget.

Meanwhile, Ontario Finance Minister Peter Bethlenfalvy will deliver a fall economic statement in the Legislature on Nov. 6.

The mini budget sets out priorities for the provincial government in the months ahead.

Both the feds and province have already announced they are cutting sales taxes on new homes for first-time buyers and decreased it on a sliding scale for first-time buyers of homes purchased between $1 and $1.5 million.

SALES TAX CUTS MAY ALREADY BE HAVING A POSITIVE IMPACT

Richard Lyall
President

We will be seeking more information from our members on whether they are getting more traffic.

Better late than never, I say. Ontario has aligned with the sales tax rebate for first-time home and condo buyers originally announced by the federal government in the spring - effective May 27.

Details on the process are pending, but it was welcome news following the tax break for new rental development which has had a measurable impact on spurring an increase in purpose-built rental housing.

Initial reports I am getting indicate that the sales tax initiative is already working. We will be seeking more information from our members on whether they are getting more traffic as a result of the provincial and federal initiatives.

Further tax relief for consumers will likely be needed, and we will be pursuing this. And this is, in fact, tax relief for consumers - not builders.

As well, we await the federal budget on Nov. 4 and the provincial fall economic statement on Nov. 6 to see what measures will be announced to address the other regressive consumer tax on new housing - development charges.

Lest we forget, the well-received Ontario Housing Supply Task Force Report of February 2022 highlighted the fact that development charges need to be urgently addressed as well as land transfer taxes. That was three and a half years ago.

It must also be remembered that Ontario's unique housing crisis (one of the most severe in the developed world) is the product of excessive consumer taxation and bureaucratic red tape. The cost of housing relative to incomes in half a generation has become horribly distorted as governments have jacked up taxes through the roof on this fundamental socioeconomic need - shelter (aka homes).

So, it is good news for first-time buyers and the industry, and no one should look this gift horse in the mouth.

Kudos to both senior levels of government and Municipal Affairs and Housing Minister Rob Flack and federal Housing and Infrastructure Minister Gregor Robertson for this aligned action.

Lots of work remains on streamlining approvals and reducing red tape which remain an enormous problem. We are also engaged in offsite construction efforts which are far more complicated than officials are aware. Few in government understand digitization, building information modelling and the world of factory-built housing. More on this later.

The bigger short-term challenge affecting housing is the economy and what happens with the U.S. and trade relations. We can't control that, but we expect saner minds will prevail as the damage on the U.S. side becomes more apparent and possibly some tariff measures are struck down by the U.S. Supreme Court.

We will be reporting on developments in the federal budget and provincial fall economic statement and continuing our advocacy with allied associations to effect meaningful change to heal our dysfunctional housing supply chains.

> **"Kudos to both senior levels of government and Municipal Affairs and Housing Minister Rob Flack and federal Housing and Infrastructure Minister Gregor Robertson for this aligned action.**

WHAT WE CAN LEARN FROM THE GERMAN APPRENTICESHIP MODEL

Andrew Pariser
Vice President

German companies are excited to partner with schools to get access to the best and brightest students.

Any discussion about the skilled trades or future of the skilled trades involves apprenticeship.

More specifically, it will include data on completions and conversations about what can be improved, what jurisdictions are more successful, and how we can apply those best practices to Ontario and Canada.

On our recent mission to Germany, apprenticeship was a focus, and all of these questions were raised.

Here are some short cultural observations on what is a very complex topic which unfortunately does not have any easy answers.

What seems obvious, needs to be stated up front: Canadians and Germans have a very different culture. While I try to stay away from generalizations in my columns and day-to-day, here are a few to illustrate the point.

1. Job mobility: When it comes to jobs, Canadians tend to move more. In Germany, we visited several housing and manufacturing facilities in which many workers start their career as an apprentice, move into a trade as a journeyperson, and then continue to be promoted throughout the company. Their mobility and movement is vertical and internal versus across a sector or industry. Finally, the idea of poaching was not widely understood or practiced. A common example was workers after roughly 20 years in production moved to sales, services and other historically considered white-collar careers.

2. Housing mobility: When it comes to housing, Germans move less. Many guides and housing experts shared data which indicated housing is a final destination and not a ladder to climb. Germans buy/build less often (maybe once in their lives) and are less likely to move to a new home or to a new city than Canadians. We were informed that young people are far more likely to stay in their community and with the company that first hired them.

3. Hire early and train (retain): Top talent is created, not hired. Based on job and housing mobility factors outlined above, the pipeline of German talent comes from within. If you want to hire a great sales rep, manager or service specialist, recruit from your skilled trades and production team who know your product and processes. The same applies for entry level. German companies are excited to partner with the schools to get access to the best and brightest students before other companies have a chance. If you can hire them as an apprentice there is an excellent chance you will keep them post-graduation for a long and meaningful career.

Lessons to apply to Canada

1. We are on the right track but need to keep going.

The Ford government and Labour, Immigration, Training and Skills Development Minister David Piccini are skilled trades champions and have made historic investments in the skilled trades. They have addressed the stigma and made great strides in creating a skilled trades culture that had been abandoned and lost in Ontario and across Canada. Their investments in our education system are on the right track.

2. The government can't do it alone.

In Germany, the skilled trades are all encompassing, not just a government priority. While we are focused on educating influencers (parents, teachers, guidance counselors) in Canada, German influencers already know, and their support pays off when it comes to both interest and completions.

3. We need to focus on the long term.

Ontario has made great strides over the last 10 years, but we are still paying the price of removing shop classes and trade schools from Ontario's education system in the 1990s. This is a generational issue and support for the skilled trades needs to focus on the lifespan of people's careers. We have to stop viewing the skilled trades as a problem that needs to be solved, but a way of life that is incorporated into and celebrated by our society.

> **"Ontario has made great strides over the last 10 years, but we are still paying the price of removing shop classes and trade schools from Ontario's education system in the 1990s.**

RESCON REMAINS FOCUSED ON FIXES FOR THE HOUSING CRISIS

Grant Cameron
Senior Director of Public Affairs

RESCON is recommending that both the feds and province eliminate the sales taxes on all new housing.

As is the norm these days, it was a busy month for news.

Premier Doug Ford, as you might recall, had a dust-up at Home Depot with an alleged shoplifter. He threatened to give the suspect "a beating like he's never got before."

Apparently, the premier was at the store and saw a man run out with a bag. Ford hopped into his car, chased the man, caught up with him and told him to return the items he'd taken, which he did.

If only politicians would tackle the housing crisis with the same fervour.

South of the border, the shenanigans continue. Part of the White House has been demolished to make way for a ballroom, the U.S. government is shut down, Donald Trump is shooting himself in the foot on tariffs, and the American military is blowing up boats near Venezuela. Oh, and did I mention that Trump has cancelled trade negotiations with Canada over an ad?

Meanwhile, the residential construction industry continues to get pummelled. In the first six months of this year, housing starts were down an average of 40 per cent in 34 municipalities in the Greater Golden Horseshoe, according to a report commissioned for RESCON.

Equally disturbing, industry employment in Ontario declined significantly in the first half of this year.

At RESCON, we've continued to focus on how to fix the housing supply crisis - namely by reducing the tax burden, cutting red tape and bureaucracy and speeding up the approvals processes.

Cutting taxes

In a column in Daily Commercial News, RESCON president Richard Lyall noted that the best way for governments to move the needle is to reduce the cost of construction by lowering the stack of taxes and fees that add tens and even hundreds of thousands of dollars to the price of a new home.

The provincial government has now stepped up, announcing that it will be mirroring the actions taken by the feds to eliminate the GST on new homes at or under $1 million for first-time buyers as well as reducing it on new homes between $1 and $1.5 million.

We distributed a press release on the announcement, noting that the moves will save first-time homebuyers $130,000 on a $1-million home.

Articles ran in Canadian Contractor, The Financial Post, BlogTO, Elliot Lake Today, Exeter-Lakeshore Times-Advance, Pelham Today, Bradford Today, and CBC Toronto did an interview.

Housing Summit

A housing summit hosted by RESCON recently was a big hit and featured several prominent speakers, including Alberta Municipal Affairs Minister Dan Williams.

In a column in The Toronto Sun, we highlighted how Ontario could take a page from Alberta.

Report Card

Media coverage continued for a housing report card that was produced for RESCON by the Missing Middle Initiative in Ottawa.

Lyall spoke with Ian Maclennan about the report card in an interview on Barrie 360 while a column in Canadian Contractor explained why 22 of 34 municipalities received a failing grade for housing.

In an article in Barrie Today, the numbers for Barrie and Innisfil were explored, and a column in Canadian Real Estate Wealth highlighted why the numbers should set off alarm bells for policymakers.

An article in The Brantford Expositor and another article in the Strathroy Age Dispatch noted Brantford's solid new home construction record.

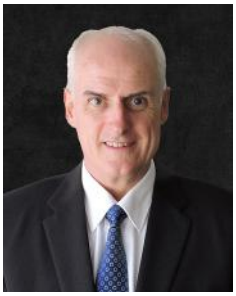
Construction productivity

The productivity of the construction industry has been questioned lately.

In a Daily Commercial News article written by myself, Prof. Carl Haas, who spoke at RESCON's housing summit, noted the perception of productivity of the Canadian construction industry not being up to snuff might not be true. Meanwhile, Canadian Contractor ran an article from its Contractor Productivity Forum where Lyall indicated that modular housing will be a big part of Ottawa's plans to boost housing construction. He told the session that he's seen plans for some truly innovative homebuilding factories.

Design catalogue

In an article in Daily Commercial News, Lyall said the new federal Housing Design Catalogue falls short of the needs of the residential construction industry although it may help in a few specific situations.



THE STATUS QUO IS SIMPLY NOT GOOD ENOUGH

Michael Giles
Director of Government Relations

In terms of building homes, both prefabricated and conventional, Germany manages to build the housing it needs.

I have just returned from RESCON's mission to Germany, specifically in and around Bavaria. We toured many housing manufacturers, housing-related IT companies and other producers whose methods impact the housing sector in one of Europe's largest countries.

I'll leave it to others to provide more details on the specific learnings that we acquired on the trip and there were many. However, if asked to sum it all up, I would simply answer that Germany knows how to get things done.

Upon exiting the hotel in Munich, you immediately find a light rail transit line that is modern, quiet, efficient and on time. It glides seamlessly through auto traffic, pedestrians and cyclists.

I can only think of our Eglinton Crosstown LRT project that started 15 years ago. It is five years overdue, has significant cost overruns and continues to operate with one thing still missing – passengers. The latest fiasco involved two trains colliding, putting the final approvals process on pause.

We travelled by bus in Germany, often in rush-hour times on our way to various factory tours and back. There was some rush-hour traffic but we never became bogged down in major traffic delays in spite of the fact that there are lots of cars on Germany's roads.

Compare this to Toronto or Montreal or Vancouver, for that matter, where racing a snail will often result in the snail winning. All day long, stifling congestion is now the norm.

In terms of building homes, both prefabricated and conventional, Germany manages to build the housing it needs.

Although the homes can be costly, the Germans manage to provide units people can afford. While there are taxes, there's nothing like the exorbitant taxes, fees and levies we have in Ontario.

When you make the comparison, we in Ontario have glacial approvals timelines, unnecessary compounded bureaucracy, mind-boggling red tape, mindless planning policies that slow approvals and, as noted, government fees that are astronomical.

Walk along Munich streets and you'll see spotless, clean sidewalks, no overflowing garbage bins, few unhoused people occupying public spaces, safe and relatively crime-free neighbourhoods and a generally appealing city.

Traverse Toronto, Montreal or Vancouver and sadly we see the exact opposite of all those things mentioned above.

In fact, in Germany you often see bicycles parked outside businesses or homes without any locks.

Stores are not full of security guards, and you don't hear police sirens running at all times of the day or night. In short, you feel safe, unlike in many of Canada's cities lately.

Understand, I am not saying that everything with Germany is right and all is wrong with Canada. We do many things right but more often than not these days, not when it counts or in regard to the things we need as a society.

To borrow a thought from RESCON president Richard Lyall, Canada has been such an incredibly wealthy country that for many decades we could afford to be mediocre, systemically slow and fiscally imprudent. But those days are gone. The world has changed.

We can ascribe blame to U.S. President Donald Trump and his misguided policies that affect our economy, but if we are to be honest and real with ourselves, there is much more going on, and that has been going on for decades, that has led us to where we are today.

An overwhelming lesson I learned from our time in Germany, with respect to housing and a lot of other issues, is that we better start getting real and making changes faster than we've ever had to or the world will simply pass us by.

Some Canadian leaders are demonstrating this leadership but far too many are content to rest in the status quo and that is simply not good enough for today or for generations to come who are counting on us.

"We do many things right but more often than not these days, not when it counts or in regard to the things we need as a society.

A LOOK AT THE DIFFERENCE BETWEEN GERMAN AND CANADIAN WALL SYSTEMS

Dave Henderson
Senior Manager, Technical Services

German new home buyers value precision, accuracy and attention to detail over quality or level of finishes.

It is often said that cold-climate building science was pioneered in Canada in the 1970s and, since then, we have come far in our understanding of moisture movement and its impact on light wood frame construction.

During a recent RESCON board mission to Germany, it was fascinating to see how German ingenuity and manufacturing efficiencies have utilized these fundamental principles and improved upon them. Almost to perfection.

In North America, we struggle to tame Mother Nature and battle the elements when we build. There has been considerable attention paid to manufactured housing and off-site construction practices as being the future of our industry. When looking at how the Germans have "normalized" panelization, integrating assembly-line precision and robotics into their usual construction processes, one starts to see how factory-built housing is far more efficient.

Germans utilize the principles of building science very effectively, yet they achieve structural strength and rigidity through pure over-compensation. North American homes have evolved from learned experience and testing of our light wood framing practices. In Germany, the home buying process is different. Consumers buy a house for life with the intention of passing it on to their children.

Timber framing must therefore compete against traditional solid masonry construction. Quite simply, German new home buyers demand timber homes be "solid." So, while we use nominal two-by-six-inch studs framed at 16-inch centres with half-inch drywall providing racking strength, the typical German exterior wall utilizes engineered, dimensional three-by-eight-inch (or larger) wall studs framed at 24 inches on centre with either three-quarter or one-inch interior drywall as well as OSB exterior sheathing to provide rigidity. These walls are massive.

A North American two-by-six-inch wall has a ratio of wood to insulation of about 25 per cent wood to 75 per cent insulation. By comparison, the German wall appears to be closer to 50/50. In order to compensate for the increased thermal bridging of all that structure, the Germans have chosen to drastically increase the amount of cavity insulation as well as exterior insulation used on exterior walls. Some of the walls we saw being assembled were 12 to 14 inches thick. These types of walls lend themselves very well to panelization since a crane is needed just to lift them.

For typical control layers, they use unfamiliar materials and products. Things like polyethylene vapour retarders and Tyvek or building papers are replaced with other European vapour-permeable and impermeable products, but all exactly where they need to be within the wall assembly and, of course, all installed with exacting precision. Exterior windows and doors are not sealed with caulking. They have no need. Their flashing systems, prefabricated materials and installation practices don't require any additional sealants. It was truly something to witness.

It was explained to us that German new home buyers value precision, accuracy and attention to detail over quality or level of finishes. This is evidenced by their very minimalistic interior design. Their show homes would fit nicely into an IKEA display. But this means their new home buyers are sold on, and actually care about what's inside the wall, not the colour of the paint on it.

Home builders in Germany compete with one another based on their production facilities and wall assemblies, energy efficiency and healthy home environments. One only need look at the website of one of the well-known builders we visited, Baufritz, to see how they market to consumers.

For these reasons, most German home manufacturers have done away with polystyrenes and other chemically-heavy insulations in favour of compacted saw dust or wood shavings for filling cavities. Even their batt insulation is made from wood fibres. This is a bit too far for my comfort as a building scientist though, as it places a source of highly digestible food for mould in potentially the perfect location to promote growth. However, based on how they have perfected everything else, I trust our German friends have considered the problem.

While I may admire how they construct their homes, the ultimate question is, would I buy one? The answer is: probably not. Personally, I wasn't sold on their designs, minimalism or use of space. I like North American homes.

Would I change my mind if we could do what they do over here? I'm not convinced we could do it at an affordable price.

BUILDERS APPLAUD PLAN

Province planning to remove sales taxes for first-time homebuyers

Oct. 28, 2025, Vaughan, Ont. – The Residential Construction Council of Ontario (RESCON) commends Premier Doug Ford, Municipal Affairs and Housing Minister Rob Flack, and Finance Minister Peter Bethlenfalvy for moving to cut sales taxes on new homes for first-time buyers.

"Lowering the excessive tax burden on the purchase of a new home for first-time buyers, in line with what the feds have done, will help those who have been priced out of the market," says RESCON president Richard Lyall. "First-time buyers account for roughly 35 per cent of new home purchases but they have been particularly hard hit, given the housing-cost-to-income-ratio which, in recent years, has moved beyond historic averages. This initiative will help to prevent younger talent and families from leaving the Greater Toronto Area and the province.

"The timing of this action is critical as the outlook for the residential construction industry is grim just now," explains Lyall. "In Toronto, for example, housing starts are near a 30-year low, and sales have ground to a halt. Forecasts indicate this weakness is expected to continue."

At a recent housing summit sponsored by RESCON, construction industry experts, professionals and stakeholders indicated that the heavy tax burden is one of the main hurdles in the way of new home construction. Presently, 36 per cent of the cost of a new home is due to tax, fees and levies. The only way to improve housing affordability is to reduce the tax burden.

The provincial initiative - when combined with the federal measure to eliminate the GST on new homes at or under $1 million for first-time buyers as well as reducing it on new homes between $1 and $1.5 million - will save first-time homebuyers $130,000 on a $1-million home.

"We are in the worst housing crisis in a generation, and these unprecedented times require bold, innovative solutions," says Lyall.

"We will monitor the impact of these measures on the first-time buyer segment - some of whom build these houses - and will continue to advocate for other changes which will be necessary to correct the complex problems preventing new housing supply from being produced."

By Canadian Contractor
Oct. 28, 2025

RESCON has commended Ontario premier Doug Ford, Municipal Affairs and Housing minister Rob Flack, and Finance minister Peter Bethlenfalvy for moving to cut sales taxes on new homes for first-time buyers.

The province has announced it will include a proposal to rebate the entire eight-percent provincial portion of the HST on new homes up to $1 million purchased by first-time home buyers.

"Lowering the excessive tax burden on the purchase of a new home for first-time buyers, in line with what the feds have done, will help those who have been priced out of the market," said RESCON president Richard Lyall. "First-time buyers account for roughly 35 per cent of new home purchases but they have been particularly hard hit, given the housing-cost-to-income-ratio which, in recent years, has moved beyond historic averages. This initiative will help to prevent younger talent and families from leaving the Greater Toronto Area and the province.

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"We are in the worst housing crisis in a generation, and these unprecedented times require bold, innovative solutions," Lyall said. "We will monitor the impact of these measures on the first-time buyer segment – some of whom build these houses – and will continue to advocate for other changes which will be necessary to correct the complex problems preventing new housing supply from being produced."

Click here to read the announcement.

> Lowering the excessive tax burden on the purchase of a new home for first-time buyers will help those who have been priced out of the market.
>
> — *Richard Lyall*

TEAM TOUR

MISSION ACCOMPLISHED

RESCON board members and staff spent a week in Germany recently, touring a number of plants that produce timber housing offsite as well as machines for solid timber processing.

During the mission, they met with Julia Buss, consul and senior trade commissioner at the Consulate of Canada in Munich.

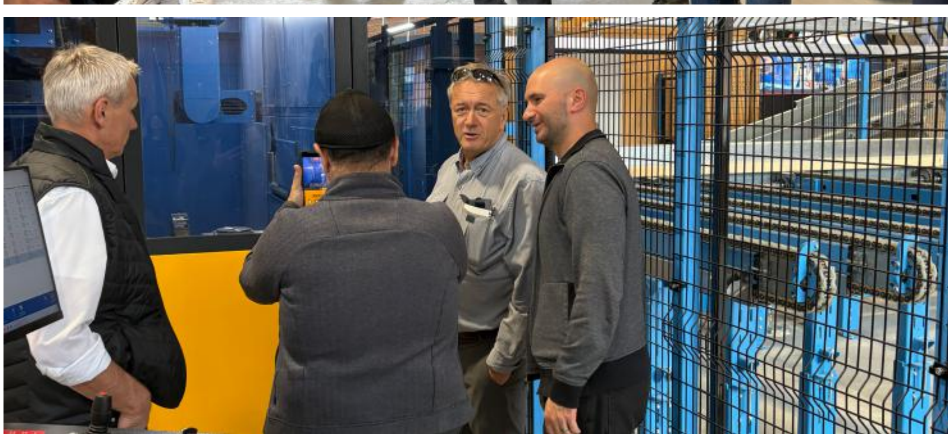
Venues toured by the team included a Hundegger Plant in Bavaria. The company is a world market leader in building CNC-controlled joinery machines for solid timber processing. The plant manufactures the machines for timber construction.

The team also toured a Baufritz plant.

The company is the market leader in prefabricated, sustainable timber-frame homes that are climate-friendly and energy-efficient.

The homes are designed using cutting-edge software and sent to production. Each home is made with 85 per cent timber.

Richard Lyall with Julia Buss, consul and senior trade commissioner at the Consulate of Canada in Munich.



TAXES ARE SINKING THE MARKET

By Richard Lyall
for Daily Commercial News
Oct. 17, 2025

Builders have cut prices to the bone in a desperate attempt to spur the new housing market. Yet, starts and sales continue to decline, and industry employment remains on a downward spiral.

It is patently obvious that the current situation is unsustainable. Something has clearly got to give. If the current trend continues, the industry will be devastated, and our economy will tank.

To move the needle and tackle the housing crisis, the cost of construction must be reduced.

That means lowering the stack of taxes and fees that add tens and even hundreds of thousands of dollars to the price of a new home - and push them out of reach of the next generation.

Governments can get the ball rolling by eliminating both the federal and provincial sales taxes on new homes, not just for first-time buyers as the feds have done but for all purchasers. Such a policy would take a significant chunk off the cost of a new home purchase.

The federal government has announced a break for first-time buyers who account for roughly 39 per cent of the market, according to Tarion, Ontario's new home warranty program.

The feds have agreed to cut the five-per-cent sales tax for first-time buyers retroactive to May 27. Presently, the feds are working out the regulations to make this happen.

The federal government is to be commended for taking action. But it is unfortunate the Ontario government is not doing the same. At first, the Ford government indicated it would take steps similar to what the feds have done, but the administration has since backpedaled on the commitment.

In light of the dire situation, not only should the province commit to sales tax relief for first-time buyers, but both the feds and province should pledge to provide such relief to all buyers of new homes.

Cutting the federal and provincial sales taxes on all new homes would bring down costs and lead to more housing. On a $1-million new home, for example, buyers would save $130,000.

Sales of new housing have reached historic lows. Taxes, fees and levies are killing the market, accounting for roughly 36 per cent of the purchase price of a new home. Action is needed.

A report commissioned by RESCON recently looked at sales and starts in 34 municipalities in the Greater Toronto Area and Greater Golden Horseshoe (GGH) region. The findings were alarming.

In the first six months of this year, housing starts were down an average of 40 per cent in the 34 municipalities. Condo apartment starts over the first six months were down 54 per cent relative to 2021-24.

In Toronto, starts in the first six

> **To move the needle and tackle the housing crisis, the cost of construction must be reduced. That means lowering the stack of taxes and fees that add tens and even hundreds of thousands of dollars to the price of a new home - and push them out of reach of the next generation.**

months of 2025 were down 58 per cent and sales declined 91 per cent compared to the same period between 2021-24, while industry employment fell by 10,209 jobs.

Industry employment is also affected. The reduction in housing starts in the municipalities over the first six months of 2025, relative to 2021-24 averages, translates into 24,195 fewer person-years of employment.

The report indicated that most municipalities in the GGH, including the City of Toronto, received a failing grade. Disturbingly, of the 34 municipalities that were graded, 22 received an F, another five received a D, and the other seven municipalities received a C or higher. Municipalities were graded on their performance against provincial housing targets.

The findings should set off alarm bells for policymakers across all three levels of government. The residential construction industry has hit. Projects are being shelved and the outlook for the sector is bleak.

The slowdown has already reduced employment in the residential construction industry by 25,000 jobs in the first half of 2025. Job losses could exceed 50,000 just by year's end, if the present pace continues.

Cutting the sales taxes, however, would trigger more housing, thereby creating thousands of additional construction jobs. Such action would also boost demand for more steel and lumber.

RESCON has repeatedly raised the issues of the tax burden on new housing, but it remains a perennial problem. Governments must take concrete action to lower taxes and kick-start the industry. If we fail to act, the consequences will extend beyond the industry to our entire economy.

The federal government has pledged to build 500,000 units in each of the next 10 years and the Ontario government has promised 1.5 million homes between 2023 and 2031. Unfortunately, the trend continues to head in the wrong direction. Both goals seem like long shots.

Governments have never been quick on the draw when it comes to lowering taxes. But it is time for that to change. The residential construction industry - and our economy - depend on it.

LESSONS TO BE LEARNED

In Alberta, the government has made housing a priority, but in Ontario the system is weighed down by policies, taxes, fees, red tape and municipal inaction which continue to push affordability out of reach.

Dan Williams

By Richard Lyall
for The Toronto Sun
Oct. 10, 2025

It was the best of times, it was the worst of times. That classic opening line in A Tale of Two Cities by Charles Dickens, seems to aptly capture the housing situation in Alberta and Ontario.

This year, Alberta leads all provinces in new housing starts, with nearly 28,000 homes underway in the first half of 2025 - a more than 30-per-cent increase over last year's record place, BILD Alberta reports. Starts in Grande Prairie are up 112 per cent this year over the same period in 2024.

Ontario, not so much. Housing starts in the first half of the year are down roughly 24 per cent, while starts in Toronto are down 44 per cent.

The reasons for the difference?

One of the critical factors is the emphasis placed on housing by the Alberta government. Housing has been made a priority, plain and simple. Housing also is not taxed like it is in Ontario.

Alberta Municipal Affairs Minister Dan Williams told a housing summit hosted by RESCON recently that housing has been deemed critical to the economic well-being of Alberta, and the province treats it that way.

Politicians there are focused on family and belonging and therefore cognizant of the fact the province must build more homes faster. The mindset of the government is to Implement decisive action to eliminate overly burdensome regulatory protocols and excessive fees on housing.

The minister stressed that provinces ultimately set the rules that municipalities must follow so Alberta has been decisive in using this authority to ensure that homes are built faster and more affordably. Ultimately, if municipalities don't act, the province steps in.

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

It appears to be working.

A report by BMO projects that nearly 60,000 homes could be built in Alberta this year. That's almost aligned with the number of homes forecast for Ontario but keep in mind that Ontario has three times the population of Alberta.

The system in Ontario, meanwhile, is weighed down by policies, taxes, fees, red tape and municipal inaction which continue to push affordability out of reach.

The outlook for new homes is grim. The provincial government's promise to build 1.5 million homes between 2023 and 2031 seems like a long shot.

This year, Ontario, and specifically Toronto, are on pace to see the lowest number of housing starts in three decades, according to CMHC.

Annual housing starts through 2027 in Toronto are expected to be well below what's required to restore affordability to the market. CMHC says that this threatens affordability and presents the prospect of less economic activity, outmigration, more homelessness and less tax revenue.

Tania Bourassa-Ochoa, deputy chief economist for the CMHC, told Global News that developers are frequently burdened by high development charges and time-consuming approval processes.

Lack of housing has resulted in people leaving Ontario to go to Alberta and south of the border.

RESCON has repeatedly raised the issues of the tax burden on new housing and red tape, but they still have not been fixed.

Now, they are killing the market. They must be addressed in order to turn the market around.

Presently, 36 per cent of the cost of a new home is attributable to the tax burden and fees like development charges (DCs). The lengthy approvals process only adds to the cost of building a home. DCs increased by a staggering 592 per cent in Toronto between 2011 and 2023.

Until we get these types of costs under control, and speed up the approvals process, we will continue to see job losses in the industry. Construction unemployment is rising, projects are being cancelled and tenders being delayed, which will have a tremendous impact on the province's GDP.

The slowdown in housing starts has already reduced employment in the residential construction industry by 25,000 jobs in the first half of 2025. If the current pace continues, job losses will exceed 50,000 just by this year's end alone.

We can learn a lesson from Alberta.

The hill that must be climbed here in Ontario is daunting. Traditionally, governments have not been particularly good at lowering taxes and fixing underperforming operations. However, that must quickly change.

TECHNOLOGY

OUR HOME & DIGITAL LAND

WHY 'BUY CANADIAN' MUST INCLUDE SOFTWARE, NOT JUST STEEL

By Arash Shahi
CEO
Landlogic

When former Bank of Canada governor Mark Carney called for the federal government to adopt a "Buy Canadian" mandate, his message landed with clarity: if we want a stronger, more resilient economy, we must build it ourselves. Premier Doug Ford echoed that sentiment recently, announcing that Ontario will prioritize made-in-Ontario goods in public procurement.

It's a welcome shift, but it's also incomplete.

While Canada is moving to secure its supply chains for physical materials, we've largely ignored the invisible infrastructure that underpins how we plan, build and govern the country: our digital infrastructure. The systems that decide where and how we build, such as zoning databases, permitting platforms, valuation models, and environmental datasets, are increasingly run on foreign software, scattered across jurisdictions, and incompatible with each other.

In a world where data is as foundational as concrete, the next frontier of the Buy Canadian movement isn't just about sourcing local steel or cement, it's about investing in Canadian-made digital infrastructure that helps us understand and develop that land that we stand on.

Digital sovereignty is economic sovereignty

Relying on foreign digital platforms for land, housing, or infrastructure management is a strategic vulnerability. When core datasets are hosted or governed outside Canada, they fall under foreign privacy and disclosure laws, putting sensitive land and housing information beyond Canadian oversight.

Imported systems, built for U.S. or European regulations, rarely align with Canada's complex municipal frameworks, forcing costly customization and manual workarounds. At the same time, public funds flow abroad through licensing fees, while Canadian innovators lose the chance to develop homegrown expertise in digital infrastructure. The result is dependency, fragmentation, and lost sovereignty in the very systems that shape our housing future.

Digital sovereignty is not a buzzword. It's the ability to make evidence-based, transparent decisions rooted in Canadian laws, standards and values. It's about ensuring that when government agencies analyze land potential or housing risk, the data pipelines beneath those insights are fully governed and auditable on Canadian soil.

This matters because Canada's housing challenge isn't just a supply problem, it's a co-ordination problem. We can't plan intelligently if our datasets can't communicate. We

> Extending 'Buy Canadian' to software and data infrastructure would do more than support domestic companies. It would strengthen our ability to plan sustainably, modernize permitting and unlock underutilized land for housing.

can't meet national housing targets if every municipality models its land differently. And we can't enable AI-driven housing innovation if the data feeding those algorithms isn't standardized or accessible.

To solve this, we need foundational software built for Canadian realities, and tools that understand our regulatory frameworks, geographic diversity, and housing urgency.

As Mark Carney argued, a Buy Canadian policy is about more than patriotism. It's a productivity strategy to align government spending with national capacity and future growth. Extending that thinking to software and data systems would multiply its impact across housing, infrastructure, and environmental planning.

Our home and digital land

To build "our home," we must also build our "digital land" — the data infrastructure that lets us model, measure and manage the physical world with confidence. This isn't a metaphor. It's the foundation for everything from automated permitting to climate-resilient infrastructure to AI-assisted housing analytics.

Canada has the talent, technology, and institutional knowledge to build its own digital foundations. What we need now is a mandate that government will invest in the systems that make national housing goals achievable.

Extending Buy Canadian to software and data infrastructure would do more than support domestic companies. It would strengthen our ability to plan sustainably, modernize permitting and unlock underutilized land for housing.

And the beauty of digital procurement is that it invites collaboration. When you buy domestic, you don't just purchase a product, you gain a partner. You can sit down together, align on policy goals, and build technology that fits your reality as a Canadian entity, instead of importing one built for somewhere else.

Across the country, a new generation of Canadian companies is rising to meet this challenge. Among them is LandLogic, a homegrown real estate data provider that unifies zoning, planning, and valuation data into standardized, machine-readable intelligence. LandLogic is pioneering local design partnerships where governments and innovators work side-by-side to solve Canada's most pressing housing bottlenecks. Design partnerships ensure that products are built for distinctly Canadian needs, rather than generic "one-size-fits-all" solutions.

Platforms like this show what Buy Canadian can mean in the digital era: not just purchasing local software, but partnering with domestic innovators to co-design solutions that reflect the nuances of Canadian regulation, geography and governance.

Because building "our home" begins with understanding our "digital land." And together, we can ensure both are built responsibly, intelligently and proudly Canadian.

ALARM BELLS ARE RINGING

By Richard Lyall
For Canadian Real Estate Wealth
Oct. 13, 2025

When it comes to meeting housing targets, most municipalities in the Greater Toronto Area and Greater Golden Horseshoe region got a failing grade in a recent report commissioned for RESCON.

The findings are troubling and should set off the alarm bells for policymakers across all three levels of government.

The assessment was done by the University of Ottawa's Missing Middle Initiative and based on data obtained from CMHC and Altus Group.

Disturbingly, of the 34 municipalities that were graded, 22 received an F, another five received a D, and the other seven municipalities received a C or higher. Brantford had an A-plus and Milton an A.

Researchers did a deep dive on housing starts, sales and industry employment across the municipalities and assessed the state of housing sales and construction over the first six months of this year, compared to the same period in the previous four years.

The analysis concluded that housing unit sales and starts have all but ground to a halt.

In the first six months of 2025, housing starts were down an average of 40 per cent in the 34 municipalities. Condo apartment starts over the first six months were down 54 per cent relative to 2021-24 while purpose-built rental starts were up eight per cent. Starts for everything other than apartments were down 42 per cent.

In Toronto, starts in the first six months of 2025 were down 58 per cent and sales declined 91 per cent compared to the same period between 2021-24, while industry employment fell by 10,209 jobs.

It is clear that our industry has hit a wall, and the future outlook is bleak. We are presently trending in the wrong direction. Pre-construction sales, considered a prime indicator of the market's health, are down 89 per cent for condo apartments and 70 per cent for ground-oriented homes. In the GTA, it is anticipated there will be fewer than 5,000 housing units sold this year.

Industry employment is suffering.

Tarion, Ontario's new home warranty program.

Ontario Premier Doug Ford had initially indicated he would follow suit with a cut to the eight-per-cent sales tax on first-time buyers, but unfortunately, he appears to be walking back that commitment.

The province should immediately commit to sales tax relief for the first-time buyers. Both the feds and province should also pledge to provide such relief to all buyers of new homes.

Think about it for a minute.

With starts and sales declining, the feds and province aren't getting much in the way of tax revenues for new housing anyways. But if they waived the sales taxes, more homes would be built, creating more construction jobs and driving demand for Ontario-produced steel and lumber. All of this, of course, means more jobs and a healthier economy - and more tax revenue.

The ratio of housing costs to incomes has become grossly imbalanced. People need housing, yet we are presently taxing it like cigarettes and alcohol – so-called sin taxes that are designed to discourage use.

The present sales taxes and exorbitant development charges are crippling the new housing in industry. They're brutally regressive and only penalize new home buyers - many of them young families.

The divergence between the cost of new housing and what people can afford to pay has expanded. Without some form of tax relief, the gap will remain, and residents will seek housing out of province. It is already happening, with many individuals and families moving to Alberta.

Housing is central to the well-being and prosperity of our society. You can't build a strong economy without housing that is affordable and attainable. You can't attract investment without it.

Governments must work together on a strategy to lower the sales taxes on new housing. There is no time to waste.

"It is clear that our industry has hit a wall and the future outlook is bleak. We are presently trending in the wrong direction.

The reduction in housing starts in municipalities over the first six months of 2025, relative to 2021-24 averages, translates into 24,195 fewer person-years of employment.

The federal government has pledged to build 500,000 units in each of the next 10 years and the Ontario government has promised 1.5 million homes between 2023 and 2031. While the targets seem impossible just now, governments can spur more production by lowering the tax burden.

I fear that the situation could get even worse if governments fail to reduce the tax burden.

Presently, taxes, fees and levies account for 36 per cent of the price of a new home. Cutting federal and provincial sales taxes on a $1-million new home would reduce the cost by $130,000.

The federal government has agreed to cut the five-per-cent sales tax for first-time buyers retroactive to May 27 and is presently working out the regulations to make this happen. First-time buyers account for 35per cent of the market, according to

THE NUMBERS DON'T LIE

"To fix the problem, our political leaders must be on the same page. The tax burden must be reduced. Red tape and zoning rules that stymie construction must also be addressed. They're choking supply.

By Richard Lyall
For Canadian Contractor
Oct. 3, 2025

Greek philosopher and pioneering polymath Aristotle once declared, "It is during our darkest moments that we must focus to see the light."

Sadly, Ontario's homebuilding industry now finds itself at that grim point.

Housing starts in the City of Toronto are presently near a 30-year low and sales have ground to a halt. Weakness in the market is expected to continue through 2027, threatening economic activity.

Disturbingly, a comprehensive new report prepared by the Missing Middle Initiative (MMI) at the University of Ottawa for the Residential Construction Council of Ontario (RESCON), also revealed that most municipalities in the Greater Golden Horseshoe aren't building enough homes.

The report examined 34 separate municipalities across nine metro areas in the Greater Toronto Area and Greater Golden Horseshoe and assessed the state of housing sales and construction over the first six months of 2025, compared to the first six months of the previous four years.

The result?

Two-thirds, or 22 of the municipalities received an F, another five received a D, and the other seven municipalities received a C or higher.

The assessment was based on data from Canada Mortgage and Housing Corporation and Altus Group.

Researchers found that, in the first six months of 2025, housing starts were down an average of 40 per cent in the municipalities. Condo apartment starts over the first six months were down 54 per cent relative to 2021-24 while starts for everything other than apartments were down 42 per cent.

The reduction in housing starts in the municipalities over the first six months of the year, relative to 2021-24 averages, translates into 24,195 fewer person-years of employment. In Toronto, starts in the first six months of 2025 were down 58 per cent and sales declined 91 per cent compared to the same period between 2021-24, causing employment to fall by 10,209

jobs. And it's going to get much worse.

The findings are troubling. Our economy will be in dire straits if we do not act quickly to lower the tax burden so that builders can build homes people can afford. Presently, taxes, fees and levies account for 36 per cent of the cost of new housing. For example, that means on a new home that costs $1 million, the tax burden accounts for $360,000 of the purchase price tag.

The federal government set a target of building 500,000 homes a year for the next decade and, earlier, the province set a goal of building 1.5 million homes between 2023 and 2031. Yet, housing starts trending in the wrong direction, with further declines expected in the years ahead.

MMI founder Mike Moffatt has noted that Canada risks losing 100,000 housing jobs over time due to the anticipated decline in starts. A loss of that magnitude would cause substantial economic damage.

The City of Toronto is already feeling the effects of the downturn. There was a substantial shortfall in Municipal Land Transfer Tax revenue during the first few months of 2025. If the rest of the year plays out as expected, the levies will fall $70 million short of original expectations.

To fix the problem, our political leaders must be on the same page. The tax burden must be reduced. Red tape and zoning rules that stymie construction must also be addressed. They're choking supply.

The feds have committed to reducing the federal share of the GST on new housing up to $1 million for first-time buyers and offering a partial rebate for first-time buyers of homes up to $1.5 million. The Ontario government was supposed to follow through with a sales tax reduction for first-time buyers but didn't. Both levels of government must also seriously consider extending the rebate to all new home buyers.

With the residential construction industry at the precipice, governments must take unified action and offer a ray of hope for the residential construction sector. The depressed state of the housing market should alarm policymakers of all political stripes across all orders of government. The consequences of doing nothing could be devastating.

BLEAK PICTURE

Home construction report points to grim outlook for Barrie, Innisfil.

By Chris Simon
Barrie Today
Oct. 10, 2025

An Ontario university is giving local municipalities a failing grade for missing housing targets.

In a comprehensive report that looked at 34 communities across the Greater Toronto Area and Greater Golden Horseshoe, the University of Ottawa's Missing Middle Initiative for the Residential Construction Council of Ontario (RESCON) graded 22 with an F, while five got a D.

That includes Innisfil and Barrie — considered part of the Barrie Census Metropolitan Area (CMA) — which both received an F.

Municipalities were graded in five categories related to housing starts and sales, RESCON president Richard Lyall said.

"The findings of this report are troubling and should set off the alarm bells for policymakers across all three levels of government," Lyall said. "Housing projects have been shelved and the industry has hit a wall.

"The outlook is bleak, and we are trending in the wrong direction. We need governments to take concrete action to lower the tax burden and modernize the process to kick-start the industry. Our economy will be in dire straits if we do not act quickly," he added.

The RESCON assessment is based on data obtained from the Canada Mortgage and Housing Corporation (CMHC) and Altus Group, a research and analytics company. Researchers probed housing starts, sales and industry employment from the first six months of 2025, relative to the same time period in the previous four years, 2021 to 2025.

Innisfil, specifically, saw only 20 starts in the first half of 2025, off 94 per cent from its housing target of 316.

The estimated employment from those starts is 69, down 90 per cent from the 2021-24 average of 723, the data shows.

"The decline in new home construction is starting to be felt in the labour market," the RESCON report said.

Last month, InnisfilToday noted the town was on pace for a sharp decline in new builds, based on a municipal staff report that showed there were a total of 249 building permits issued during the first half of the year, down from 417 over the same period in 2024.

The report also noted a decrease in residential units created, down to 39 from 223, and new area created within institutional/commercial/industrial settings, from 122,838 square metres over the first six months of 2024 to 4,039 sq. m this year.

Construction value also plummeted from $291.3 million between January and July of last year to $73.5 million over that period in 2025.

However, the number of residential occupancies granted did climb from 78 to 101.

"In-year spikes and dips occur, and overall trends are best viewed in year-to-year comparisons," Innisfil chief building official Barrie Vickers said in the report.

"This report provides a window into the construction impacts during each quarter using numerical data points that are standard throughout the industry."

Barrie, too, saw significant declines in key numbers, the RESCON research showed.

There were only 186 starts in the city over the first half of the year, off 84 per cent from its housing target of 1,150.

The estimated employment from those starts is 661, down 54 per cent from the 2021-24 average of 1,428.

In the first six months of this year, housing starts were down an average of 40 per cent in the 34 municipalities. Condo apartment starts over that time were down 54 per cent relative to 2021-24, while purpose-built rental starts were up eight per cent.

Starts for everything other than apartments were down 42 per cent.

"Both the federal and provincial governments have committed to doubling housing starts," said Mike Moffatt, economist and founder of the Missing Middle Initiative. "Unfortunately, housing starts are falling, and new home sales show that further declines in starts are about to come. All three orders of government must act to address the housing crisis."

The research comes at a particularly important time, as housing unit sales and starts have all but ground to a halt now, he said.

Pre-construction sales are considered a prime indicator of the market's health. Here, condo apartments are down 89 per cent and ground-oriented sales are down 70 per cent, a clear indication that Ontario's housing situation will get worse before it gets better, Moffatt said.

A reduction in housing starts in the municipalities over the first six months of the year, relative to 2021-24 averages, translates into 24,195 fewer person-years of employment in the construction sector, the report notes.

"We are in the midst of the worst housing crisis in a generation," Lyall said.

"While the situation is bad, it could get worse if governments fail to reduce the tax burden on new housing."

RESCON is billed as the province's leading association of residential builders, while Missing Middle produces research, a Substack newsletter and thought pieces, videos and a podcast on the barriers preventing young Canadians and new families from entering the middle class.

Click here for a copy of the report card.

HURDLES TO HOUSING

GOVERNMENTS NEED TO GET MOVING

By Richard Lyall
For Canadian Real Estate Wealth
Oct. 27, 2025

Occam's Razor is the philosophical principle that suggests, when you are faced with multiple hypotheses or suppositions for the same phenomenon, the simplest explanation is likely the best.

Sometimes, we make problems more difficult by implementing complicated solutions.

The housing supply crisis is an example.

If we learned anything from a housing summit hosted recently by RESCON, it was that the fixes are right in front of us but we're making it difficult.

Governments are not moving fast enough to remove hurdles - which will only lead to more pain for our industry and the economy.

A plethora of prominent construction industry experts, professionals and stakeholders told the summit that the hurdles standing in the way of new home construction now are the same as years ago - namely the heavy tax burden, red tape and bureaucracy, and outdated regulatory protocols.

To solve the crisis, we must act now.

Remedies are available to address all three issues - we just need to put them in place.

Alberta has taken action

Alberta is a good act to follow. That province is currently producing the same amount of housing as Ontario but has one-third the population.

Why?

The government of Alberta has made housing supply its number one priority. Provincial politicians there realize that housing is critical to the wellbeing of its citizens and economy.

Therefore, the province has taken decisive action to reduce fees on new housing and compel municipalities to implement changes that eliminate overly burdensome regulatory protocols. And, if municipalities don't act to ensure homes are built faster and more affordably, the province will step in.

The proof is in the pudding. Alberta leads all provinces in new housing starts, with nearly 28,000 homes underway in the first half of 2025. The same needs to happen across the country and, especially in Ontario, where the tax burden accounts for 36 per cent of the cost of a new home.

Taxes need to be reduced

The federal government got the ball rolling by announcing a break for first-time buyers who account for roughly 35 per cent of the market. They have agreed to cut the five-per-cent sales tax on new housing up to

$1 million for first-time buyers and decreasing it on a sliding scale for first-time buyers of homes purchased between $1 and $1.5 million, retroactive to May.

However, the Ontario government has not followed suit. Earlier, the Ford government indicated it would follow the feds and eliminate the eight-per-cent provincial sales tax for first-time new home buyers. But now, the province is now backpedalling on that commitment.

RESCON builders maintain that the sales tax, in fact, should be extended to all buyers of new homes - not just first-timers. Such a move would bring down costs and result in more housing being built which would

lead to an easing of the housing crisis, more construction jobs, an improved economy and more tax revenue.

Everybody wins.

Presently, on a new home worth $1-million, buyers are paying $130,000 in sales taxes alone.

Housing targets out of reach

There appears to be a deep chasm between what governments have promised and what is actually happening in the housing market today.

At our housing summit, Marlon Bray of Clark Construction Management noted that the math on housing just isn't adding up or, in his exact words, "the math ain't mathing." Few starts are expected, and a drought of housing is anticipated, especially across the Greater Toronto Area.

The federal government is promising 500,000 new homes in each of the next 10 years while the Ontario government is sticking to its figure of building 1.5 million homes between 2023 and 2031.

There is no danger of either government hitting those targets - certainly not at the current rate of building. Today, it takes too long and costs too much to build housing. Buyers can't afford the price.

The outlook for the homebuilding industry is grim just now. In Toronto, housing starts are near a 30-year low, and sales have ground to a halt. The weakness is expected to continue through 2027.

The silver lining in all of this is that the situation can be corrected - but only if we change course quickly.

When the last major housing crisis hit in the early 1990s, we didn't have the same level of taxes and red tape. This is a bit of good news because both are under our control and can be fixed.

However, time is of the essence. The industry is suffering, and layoffs are mounting.

Our governments need to put the changes in place sooner rather than later.

HOUSING SUMMIT 5.0

SAME PROBLEMS PERSIST

“Many of the things that impacted housing years ago are enduring and remain unresolved. If we are to realize meaningful ways to deal with the housing crisis, these issues must finally be effectively addressed.

By Grant Cameron
for ReNew Canada
Oct. 30, 2025

Taxes, fees, red tape and inaction at the municipal level continue to weigh on the residential construction industry and make it near impossible for builders to construct homes people can afford.

That was the prevailing theme of industry professionals and stakeholders who spoke at a recent online housing summit hosted by the Residential Construction Council of Ontario (RESCON).

Exorbitant taxes and development charges on new homes as well as regulatory hurdles are pushing affordability out of reach and adding to the housing supply and affordability crisis, they said.

“Many of the things that impacted housing years ago are enduring and remain unresolved,” noted RESCON president Richard Lyall. “If we are to realize meaningful ways to deal with the housing crisis, these issues must finally be effectively addressed - and they can be.”

While there has been some action taken to address the challenges, speakers highlighted a deep chasm between what government has promised and the realities of the housing market.

Marlon Bray, executive vice president of Clark Construction Management, said “the math ain’t mathing,” and, with few starts expected, a drought of housing is imminent across the GTA.

He added the Ontario government’s promise to build 1.5 million homes between 2023 and 2031 doesn’t make sense and will fall far short of the target.

“There’s not a chance in hell we are building 1.5 million homes. It basically defies any form of logic. It’s a made-up number that is meaningless.”

Jason Mercer, chief market analyst at the Toronto Regional Real Estate Board, explained that the Canadian economy is slowing due mainly to a decline in exports and unemployment is rising.

The silver lining, he said, is that there are plenty of waiting buyers and another interest rate cut is expected before the end of the year which will help affordability.

Ontario Housing Minister Rob Flack told the summit that the market is essentially at a standstill, largely because of the economic uncertainty caused by events south of the border.

The situation has caused buyers to hit the pause button, he said, and people who were thinking about upgrading, renovating or buying a new home are holding off for the right conditions.

Flack said it takes too long and costs too much to get housing built today and the government is focused - through measures such as Bill 17 which was passed earlier this year to tackle problems. The legislation defers development charges on new homes until the dwelling is occupied.

“It can take years in Ontario and that has to change,” said Flack, referring to the approvals process.

The government also made changes to the Ontario Building Code aimed at speeding up the permitting process and introduced measures to limit the number of studies that are required for approvals, as it can sometimes take years for projects to wind their way through the system.

Alberta Municipal Affairs Minister Dan Williams outlined some of the actions the western province has taken to get municipalities to eliminate excessive fees and streamline the approvals system.

Alberta leads the province in new housing starts, with nearly 28,000 homes underway in the first half of 2025.

Williams said housing is critical to the economic well-being of Alberta and the government mindset is to get shovels in the ground quicker through faster approvals by using its authority to reduce bureaucracy and barriers to construction of housing and incentivize municipalities to build.

“We believe that Albertans should have an opportunity at home ownership,” he said.

In Ontario, though, Lyall said the tax burden is still too high and the approvals process is too slow while ever-increasing building costs and a host of other issues continue to plague supply.

“If we are to realize meaningful ways to deal with the housing crisis these issues must finally be effectively addressed - and they can be,” he said. “It’s important that we bring about these changes.”

industry**expert** / PAUL DE BERARDIS

Bill 17, Or the Carrot and the Stick

The Government of Ontario introduced Bill 17, the *Protect Ontario by Building Faster and Smarter Act*, which received royal assent in June 2025. This bill is aimed at speeding up the construction of homes and supporting infrastructure for new housing, with the overarching goal of driving economic and job growth.

Certain councillors, mayors and municipal officials have been critical of Bill 17 and apprehensive of the proposed impacts it may have, citing that the provincial government is interfering in municipal jurisdiction and that municipalities are best equipped to deal with these matters. However, let's take a quick look at the current state of the industry and see if provincial intervention is warranted to get more housing built.

Let's start with the development approval process. It doesn't matter where you are in Ontario or what you are building, whether it be a greenfield low-rise subdivision or an infill high-rise tower — the process takes *years* to navigate.

As if approval timelines were not bad enough, then come the astronomical development charges. Over the last two decades, when the housing market was thriving, municipalities realized they could quietly add nearly anything and everything imaginable into development charges. These charges soared from just a few thousand dollars per unit in the early 2000s to nearly $200,000 in certain Greater Toronto Area (GTA) municipalities today. While home prices have increased during this period, development charges increased by magnitudes more.

To add insult to injury, HST is then charged on top of the full cost of a new home, including on the development charge itself, and then land transfer tax is levied on that total. Municipal, provincial and federal taxes, fees and levies now make up 36% of the cost of a new home.

Municipal, provincial and federal taxes, fees and levies now make up 36% of the cost of a new home.

The labyrinth of municipal planning processes, exorbitant taxes and fees on new housing, as well as higher interest rates (for builders and consumers alike) has made it nearly impossible for prospective homebuyers to afford new home product offerings. This has been made abundantly clear as the GTA's housing starts have fallen off a cliff, with new home sales down 90% since the 2021 peak of the market. Builders have adjusted new home prices where possible and also tweaked product offerings to entice prospective homebuyers, but this has done little to stimulate new home sales activity. In this market, considering land prices, the planning process timeframe and construction costs, the math on a proforma no longer works to deliver homes people can afford.

Consumers have spoken. They are unwilling and financially unable to pay these prices for new housing. Bill 17 aims to tackle the systemic regulatory challenges noted above, primarily by lowering development charges to reduce financial barriers as well as streamline and standardize municipal approval processes to help increase housing supply. The Province has made it clear that reducing obstacles to new housing development is a top priority in recent legislative rounds and seeks to strip away regulatory hurdles that slow projects.

As part of the streamlining and standardization initiative under Bill 17, the Province has clarified municipal jurisdiction over construction standards. The *Building Code Act* always contained a "paramountcy" provision, which enforced that the Ontario Building Code (OBC) supersede all municipal bylaws respecting the construction of buildings, consistent with the intention that the Code establish a uniform provincial regime for the regulation of construction.

Municipalities may have had their own interpretation, but Bill 17 now takes this a step further by clarifying that municipalities' broad authority and spheres of jurisdiction do not authorize them to pass bylaws respecting the construction of buildings. A letter from the Ministry of Municipal Affairs and Housing informed Ontario municipalities that "Bill 17 now provides greater clarification that municipalities *do not have, and have never had*, the authority to pass bylaws that establish construction or demolition standards." This measure is aimed at enhancing consistency across the province, reducing costs for builders and standardizing construction practices across all Ontario municipalities.

Environmental advocates have claimed that Bill 17 is an attack on climate policy, yet that is simply untrue. It is intended to ensure predictability and consistency for designers and builders across the province and to avoid duplication and differences between municipal bylaws and provincial regulations. The outcome is that it will avoid the need for builders to redesign their products for use in different jurisdictions, as local green building standards vary across Ontario municipalities and are perpetually updated at differing times. Despite uninformed critics saying that the OBC is a bare minimum or does not go far enough in terms of energy efficiency, the fact of the matter is that the current OBC is essentially aligned with Tier 3 of the 2025 National Building Code (NBC) when it comes to building homes. While most other Canadian provinces are building to Tier 1 of the NBC, Ontario has been building to this higher standard of construction for nearly a decade.

Despite what some environmental groups may believe, high-performance homebuilding will still exist in Ontario. Many homebuilders take pride in and voluntarily incorporate building practices that reduce operational emissions, improve energy efficiency or reduce embodied carbon as a core function of their business values, and this will not change. Under the performance path option in the OBC, builders have the flexibility to incorporate endless permutations

> **As a result of this, there's a great opportunity for municipalities to work with the building industry to create a new landscape for green buildings.**

of sustainability measures into new home designs. Now under Bill 17, homebuilders can cater to and address what their prospective homebuyers desire and value, whereas up until now these green building standards have been driven by municipal staff and their sustainability consultants, who are often too far removed from understanding what homebuyers actually want in their new homes.

Until now, green building standards were used as a regulatory tool to obligate homebuilders to meet certain municipal metrics to obtain planning approvals for their projects. Under Bill 17, it has been clarified that the municipalities never had the regulatory mechanisms they thought they did, so they will have to adopt the carrot and stick approach in dealing with developers and builders. As a result of this, there's a great opportunity for municipalities to work with the building industry to create a new landscape for green buildings. As mentioned, many homebuilders are still committed to delivering high-performance homes despite the absence of municipal requirements. However, if a municipality wants to further drive greater uptake of green building practices, they are still able to do so on a voluntary basis through various enticements.

Over the last few weeks, several fulsome discussions with various GTA municipalities have transpired and presented many opportunities for collaboration in offering voluntary green building programs. Mayors and municipal councils who are serious about advancing green building practices can come to the table with a suite of incentives.

Developers and builders understan that municipal finances may not permit monetary incentives in all jurisdictions, but other options exist, such as expedited development approvals, density bonusing and fast-tracked building permits. Should a municipality wish to pursue monetary incentives, examples include development charge rebates, planning or permitting application fee reductions, and adjusted community benefits charge (CBC) rates. Municipalities must understand that for sustainability measures to work, they must first be financially sustainable for builders to implement and sell to homebuyers. **BB**

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HOUSING DESIGN CATALOGUE

INITIATIVE FALLS SHORT OF SECTOR NEEDS

By Robin MacLennan
Ontario Construction News
Oct. 17, 2025

A new federal Housing Design Catalogue fails to address the construction sector's most pressing challenges, says Richard Lyall, president of the Residential Construction Council of Ontario (RESCON. The catalogue was released Tuesday with just 14 municipalities committing to review the standardized plans.

"A housing catalogue may help a few limited specific situations, but it is nowhere near the top of the long list of issues that need to be addressed," Lyall said.

"It is therefore, relative to the scope of the issues, not a solution at scale nor a subject of conversation amongst builders."

The catalogue provides 50 technical design packages for rowhouses, fourplexes, sixplexes and accessory dwelling units. Each package includes architectural and engineering drawings, cost estimates and guidance on building performance. The designs consider local building codes and were created by regional teams across Canada.

The participating cities include Burnaby, Kelowna, Vancouver, Edmonton, Regina, Ajax, Kitchener, Mississauga, Ottawa, Toronto, Saint John, Halifax, Whitehorse and Yellowknife. Discussions are ongoing with other local governments.

Housing and Infrastructure Minister Gregor Robertson, with MPs Bardish Chagger and Tim Louis and Kitchener Mayor Berry Vrbanovic, highlighted the catalogue as a tool to streamline approvals and support wood-frame construction. They say the catalogue makes it easier to add "gentle density" in existing neighbourhoods.

The initiative is part of broader federal housing efforts, including the new Build Canada Homes agency, which aims to double housing construction rates, improve affordability and reduce homelessness. The agency plans to combine federal lands, development expertise and financing to simplify large-scale projects.

Budget 2025, expected next month, is planned to introduce additional measures to lower construction costs and accelerate homebuilding.

The full catalogue can be accessed online, along with detailed technical packages: Housing Design Catalogue – CMHC.

PRESS RELEASE

HOUSING SECTOR CALLS FOR BOLD ACTION

Oct. 27 2025 - Ontario is facing a housing emergency. Projects are stalling, builders are cancelling developments, and families and individuals are being priced out of the market.

As the provincial and federal governments prepare to release their fall economic statement and budget respectively, our message is urgent: bold, coordinated action is needed to boost housing construction, lower costs, and bring affordability back within reach for residents.

Housing is more than just shelter; it's the foundation of our economy and the heart of our communities. Today, Ontario's housing sector, from builders, REALTORS®, business groups, trade associations, not-for-profit organizations and rental providers, speaks with one clear voice.

Together with governments at all levels, we must move swiftly to unlock housing supply, cut costs, and restore affordability by accelerating ownership and rental housing delivery.

We acknowledge the positive work done so far by the federal, provincial, and municipal governments regarding policy developments, zoning reform, and funding programs to encourage more housing construction, including the most recent provincial housing bill, Fighting Delays, Building Faster Act, 2025, which signals the government's intention to take further practical steps in cutting red tape, lowering construction costs and restoring confidence and investment in the rental housing market by speeding up slow resolution processes to adjudicate landlord and tenant disputes.

Other efforts include the Housing Accelerator Fund, the Apartment Construction Loan Program, Build Canada Homes, the Building Ontario Fund, the Municipal Housing Infrastructure Program, reform to end exclusionary zoning and allow as-of-right construction of multi-plexes on single lots, and the Building Faster Fund, among other projects. However, more action is still needed.

We also recognize that potential disruptions impacting the housing ecosystem that are outside the direct control of governments and industry, such as trade wars, geopolitical tensions and economic uncertainty need to be considered as we navigate an uncertain environment at the macro level.

Housing remains the backbone of Canada's economy. It supports over 1.2 million jobs and contributes more than $143 billion in economic activity yearly to Canada's Gross Domestic Product (GDP).

However, rising costs, difficult regulatory environments, economic uncertainty, and constrained supply have slowed new housing starts and home purchases, putting tens of thousands of skilled trade jobs at risk. This will impact spin-off economic activity in related sectors and push both home ownership and rental housing further out of reach for many residents.

To meet Ontario and Canada's housing challenge, a united focus on delivery is required. By reducing construction costs, attracting investments, and aligning tax policy, zoning, and approval systems, governments at all levels can restore confidence, protect jobs, and support innovation at the speed, and scale Canadians urgently need.

Priorities for immediate action:

- **Position and Profile Housing as an Economic Driver:** Recognize housing construction and trade as a core driver of employment and GDP, adopt a framework to preserve the tremendous job creation that the housing industry generates, and acknowledge that housing unaffordability is also affecting our overall economic productivity, especially in the GTHA.
- **Modernize Outdated Tax Rules:** Extend the GST/HST exemption on new homes up to $1.5 million for homebuyers, reflecting current market realities, particularly in major urban centres, and encouraging new construction.
- **Cut Costs for Homebuyers:** Align cost recovery with actual service delivery and housing goals to reduce barriers to construction and costs to homebuyers. Municipalities and provinces need to collaborate with industry to modernize the fee structure applied to new housing.
- **Build Faster Through Innovation in Parallel to Traditional Building:** Support the advent, inclusion and expansion of modern construction methods – including panelized systems, modular building, robotics, and other emerging technologies that embrace productivity, reduce costs and construction time, and enable homebuilding at scale.
- **Free Up Land and End Exclusionary Zoning:** Act decisively to end outdated zoning restrictions to permit gentle density and a wider mix of housing types.
- **Incentivize Private Capital:** Encourage programs that incentivize private capital for both rental and ownership housing to accelerate market and non-market construction.

The housing sector stands ready to partner with every level of government.

Together, we can reignite momentum, rebuild confidence, restore affordability through partnership, innovation, and investment, and deliver the homes our communities urgently need.

MEDIA REPORT

PRINT & ONLINE

Strathroy Age Dispatch

A report done for RESCON that looked at housing starts and sales in 34 municipalities puts Brantford at the head of the class. Click here for the article.

Brantford Expositor

A University of Ottawa report measuring new home construction and sales in the Greater Golden Horseshoe area gives Brantford an A+. Click here for the article.

Canadian Contractor

RESCON president Richard Lyall told a Contractor Productivity Forum that he's seen plans for innovative homebuilding factories. Click here for the article.

Financial Post

RESCON commends Premier Doug Ford, Municipal Affairs and Housing Minister Rob Flack, and Finance Minister Peter Bethlenfalvy for moving to cut sales taxes on new homes for first-time buyers. Click here for the article.

CBC Toronto

RESCON president Richard Lyall was interviewed on CBC Toronto about the provincial government's initiative to lower costs of housing for first-time homebuyers.
Click here for the article and video.

Elliot Lake Today

We are grateful to the provincial government for an announcement which implements the full GST/HST rebate of 13 per cent for first-time homebuyers in Ontario, RESCON president Richard Lyall said in Elliot Lake Today. Click here for the article.

BlogTO

RESCON has been advocating for an aligned GST/HST rebate for first-time homebuyers, and is grateful to the provincial government for a recent announcement, RESCON president Richard Lyall said in a BlogTO article.
Click here for the article.

Exeter-Lakeshore Times

RESCON commended the provincial government for moving to cut sales taxes on new homes for first-time buyers.
Click here for the article.

Pelham Today

RESCON president Richard Lyall said the province's decision to remove the sales tax on homes for first-time buyers is good news for thousands of young people and families.
Click here for the article.

Bradford Today

Premier Ford, Minister Bethlenfalvy and Minister Flack are demonstrating decisive leadership as we work collaboratively to address the housing challenges facing our province, RESCON president Richard Lyall stated in an article.
Click here for the article.

PODCAST

RESCON president Richard Lyall sat down with Barrie 360's Ian Maclennan recently to explain why the industry has hit a wall.
Click here to listen to the podcast.

RCCAO REPORT

- In October, RCCAO celebrated its 20th anniversary, gathering members, industry colleagues and government officials to share in this meaningful milestone.

- In October, executive director Nadia Todorova joined RCCAO's residential members on a mission to Munich to learn more about Germany's prefabrication and modular practices in addressing the country's housing needs.

- RCCAO welcomed the Government of Ontario's announcement that it would remove HST on new homes in Ontario.
    - RCCAO's research has revealed that over 30 per cent of the cost of a new home is taxation to all three levels of government. The Oct. 28 announcement is welcome news to improve conditions for the homebuilding sector to address the housing crisis.

- RCCAO was delighted by the introduction of Bill 60, Fighting Delays, Building Faster Act, which includes legislating the harmonization of road construction standards across municipalities.

- Continuing its leadership on getting Highway 413 built, RCCAO was proud to attend a market sounding session by the Ministry of Transportation on this critical infrastructure project.

    - In early October, RCCAO executive director Nadia Todorova and board chairman Peter Smith were honoured to visit the start of a major infrastructure project in the City of Vaughan – the West Vaughan Sewage Servicing Project.

- As the fall session of the Legislature got underway on Oct. 20, RCCAO outlined its main legislative priorities to improve building conditions for industry and Ontario's communities.

- Ahead of the new fall legislative session, RCCAO was proud to sponsor Premier Ford's speech at the Empire Club where he highlighted the government's imminent priorities.

- RCCAO was pleased to see construction begin on the Caledonia GO Station – an important project that will enhance transit capacity across Toronto and the region.

- On Oct. 30, RCCAO executive director Nadia Todorova was happy to attend the Toronto Region Board of Trade's Highway to Prosperity event featuring Minister Sarkaria as he discussed the role of transportation and transit infrastructure in Ontario's economic prosperity and growth.

- In October, RCCAO and its members were proud to celebrate the Thanksgiving holiday.

- RCCAO remains active on all of its communication channels – check out our newsletters online, and stay on top of infrastructure news on our LinkedIn and X/Twitter pages.

The Residential and Civil Construction Alliance of Ontario (RCCAO) celebrated its 20th anniversary in October with a gathering of members, industry colleagues and government officials.