



RESCON

RESIDENTIAL CONSTRUCTION
COUNCIL OF ONTARIO

HOUSING SUMMIT 6.0

SPECIAL REPORT



SEPTEMBER 2026

INTRODUCTION

RESCON hosted its sixth annual housing summit on Sept. 23.

The online event brought together industry leaders, policymakers, economists and housing experts to discuss the current state of the housing market, emerging trends and potential solutions to ongoing affordability challenges. They examined whether housing reforms have been effective and what needs to happen next.

In the articles that follow, we have summarized comments of some of the speakers at the event.

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Opening Remarks

[RESCON president Richard Lyall](#)

Remarks

[Premier Doug Ford](#)

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A New Standard for Housing Delivery: Nova Scotia's Advantage

[Minister John White - Nova Scotia Department of Growth and Development](#)

Is Canada's Long Housing Crisis Over?

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TRREB Housing Market Update

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State of the Housing Market: What the Numbers Tell Us

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From Development to Operations: The Realities of Delivering Rental Housing Today

[Tony Irwin - FRPO; John Hickey -The Daniels Corporation; Liza Bauer - Concert Properties; Carolyn Blommestyn - CaraCo Property Management](#)

Housing and the Precarity Mindset

[David Coletto - Abacus Data](#)

Build Canada Homes: A New Era for Housing Delivery

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Remarks

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Closing Remarks

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MINISTER OUTLINES ACTIONS TAKEN



Rob Flack
Minister of Housing

Ontario's housing challenge is not a lack of desire to build homes. The real problem is that it takes too long and costs too much to get housing projects off the ground.

That was the central message from Municipal Affairs and Housing Minister Rob Flack during his remarks at Housing Summit 6.0, where he outlined the Ontario government's efforts to reduce barriers to housing construction and improve affordability.

"We have a housing affordability crisis," Flack said. "We don't have a housing crisis. We have an affordability crisis because it takes too long and it costs too much to build housing."

According to Flack, governments must recognize a fundamental reality: governments do not build homes.

"Builders do," he said. "What we have to do is create the conditions so those builders can do what they do best, and that's build homes."

One of the government's primary objectives has been reducing the time required to obtain approvals and permits. Flack pointed to a series of legislative changes contained in Bills 17, 60 and 98, which were designed to streamline planning and development processes.

The measures include deferring development charge payments until occupancy, modifying site plan requirements, updating building code provisions and making broader planning reforms intended to speed up approvals.

While acknowledging that municipalities have had to absorb a significant amount of legislative change in a short period, Flack argued that the reforms are necessary to improve Ontario's competitiveness.

"We are not competitive," he said. "That's the bottom line."

The government's focus, he added, has been to lower the time it takes to get building permits approved while removing other obstacles that slow construction.

In addition to reducing delays, the province has worked to address construction costs, which Flack described as a major contributor to housing affordability challenges.

A key initiative was the province's partnership with the

federal government to temporarily eliminate the HST on qualifying new homes. The measure had been widely advocated by housing industry associations and builders for years.

While some critics questioned whether the rebate would have a meaningful impact, Flack said early results suggest the policy is working.

According to data he shared, new single-family home sales in the Greater Toronto Area tripled in July and August compared with the same period a year earlier. Across Ontario, new home sales increased by approximately 130 per cent year-over-year during the second quarter of 2026.

"We can prove that it's working," Flack said.

The housing minister credited Premier Doug Ford for persistently pushing the federal government to reach an agreement that would bring the tax relief into effect.

Flack emphasized that the HST rebate was designed to improve project viability, encourage buyers back into the market and stimulate new housing supply.

For the rental market, he pointed to a similar tax measure introduced in 2023 that removed the provincial portion of the HST from purpose-built rental construction.

The results, he said, have been substantial. Purpose-built rental housing starts are up 41 per cent from last year, reaching nearly 20,000 units by the end of August.

Flack described the increase as one of the strongest rental construction performances in Ontario's history and suggested it could become the province's largest year ever for purpose-built rental development.

"When you create supply, you create competition," he said. "When you create competition, people sharpen their pencils and make life more affordable."

Another major initiative highlighted by Flack was the Development Charge Reduction Program (DCRP), a cornerstone of the province's Canada-Ontario housing partnership.

The \$8.8-billion program is intended to encourage municipalities to lower development charges, which Flack described as a significant hidden cost embedded in the price of new homes.

In parts of the Greater Toronto Area, he noted, development charges can account for as much as 30 per cent of the cost of a new home.

Under the DCRP, municipalities that reduce development charges by at least 30 per cent can qualify for provincial funding. Municipalities must also contribute their own share, demonstrate that projects are construction-ready and show how the investments will support housing outcomes.

Flack said agreements are currently being finalized with municipalities across Ontario, with announcements already made in Toronto, Vaughan, Mississauga, Bradford West Gwillimbury and Hamilton.

The province hopes the program will make homebuilding more economically feasible while ensuring municipalities continue to receive funding for critical infrastructure.

"We all know that development charges are a hidden tax," Flack said.

The DCRP is in addition to approximately \$4 billion already committed through housing-enabling water and wastewater infrastructure programs. An additional \$1 billion has also been set aside for small, rural and northern communities that do not levy development charges.

Despite these investments, Flack warned that government funding alone cannot meet future infrastructure needs.

Ontario faces more than \$200 billion in infrastructure requirements over the next 10 to 15 years, including investments needed to support population growth and replace aging water, wastewater and stormwater systems.

"There is only one taxpayer," Flack said. "We cannot expect governments to fund the insatiable need."

To address the challenge, the province is advancing a new model based on municipally owned service corporations and public water utilities. Peel Region is serving as a pilot project, with other municipalities expressing interest in participating.

Flack argued that new financing and governance models will be essential if Ontario is to provide the infrastructure required to support housing growth at scale.

While highlighting progress on tax relief, development charge reductions and planning reform, Flack acknowledged that Ontario's housing affordability challenge will not be solved overnight.

He pledged to continue working with municipal leaders, housing stakeholders and industry associations to identify additional ways to reduce costs and speed up construction.

The goal, he said, remains straightforward: create the conditions that allow builders to build more homes.

"Our focus," Flack concluded, "is continuing to keep costs down and lower the time it takes to get housing built in this province."



IS HOUSING REFORM WORKING?



Ian Lee

***Associate Professor
Sprott School of Business***

Canada has made meaningful progress on housing reform, but the country remains far from solving its affordability and supply crisis, according to Ian Lee, associate professor at the Sprott School of Business at Carleton University.

“Is housing reform working in Canada?” he asked during a presentation at Housing Summit 6.0 hosted by RESCON. “I’m going to give a qualified yes and a qualified no. It is sort of working.”

While acknowledging that governments have begun taking steps to address housing challenges, Lee stressed that the reforms implemented so far are insufficient to close a massive and growing housing supply gap.

“Good stuff has happened,” he said. “We’re going in the right direction, but we’ve got to do more.”

Lee pointed to data showing Canada continues to build homes at a rate that falls well short of demand. Housing starts are hovering around a quarter of a million units annually, but CMHC estimates the country needs between 400,000 and 470,000 new homes each year to address affordability challenges and eliminate the accumulated supply shortfall.

“The numbers clearly show that we are not building enough,” Lee said. “It is crystal clear that we are still falling behind.”

The problem is compounded by years of rapid population growth that significantly outpaced new housing construction. Although the federal government has reduced immigration targets and moved to stabilize

population growth, Lee noted that the imbalance created over the past decade continues to have lasting consequences.

“Yes, we’re doing good things, but we’re not doing enough,” he said. “Population has been growing much faster than housing starts.”

According to Lee, even with recent adjustments to immigration policy, housing shortages are unlikely to disappear anytime soon. The cumulative supply gap has become so large that it will take years of sustained construction activity to bring the market back into balance.

“Housing shortages are going to persist,” he warned.

Lee highlighted the enormous economic value generated by residential construction, arguing that policymakers should recognize the sector’s importance to Canada’s economy.

Residential construction activity in 2025 supported more than 1.2 million jobs, generated \$90.1 billion in wages and produced more than \$213 billion in economic investment.

New home construction alone accounted for approximately 259,000 housing starts, supporting more than 515,000 jobs, generating nearly \$39 billion in wages and creating close to \$92 billion in investment activity.

“Your industry is hugely important,” Lee told the audience.

Given its economic impact, Lee argued that governments should focus on removing barriers that prevent the industry from delivering the housing supply

CHBA: Economic impact of residential construction, 2025



1.207.700



\$90.1bn



\$213.6bn

CHBA: Economic impact of new home construction, 2025



259,028



515,382



\$38.8bn



\$91.8bn

Canadians need.

While many governments have launched housing initiatives and incentive programs in recent years, Lee said public spending alone will not solve Canada's housing shortage.

"Government programs are not going to solve housing shortages," he said.

He pointed to programs designed to encourage rental construction and support housing development, noting that while some initiatives have helped increase rental activity, they are only making a modest contribution when viewed against the scale of the national housing deficit.

Referring to major federal housing initiatives, Lee described the impact as "barely moving the needle" relative to the country's overall needs.

"The solution is the private sector," he said.

He argued that governments should focus on creating the conditions necessary for homebuilders to increase production by reducing regulatory costs, streamlining approvals and eliminating unnecessary barriers.

A central theme of Lee's presentation was his criticism of municipal development charges (DCs), which he described as one of the most significant contributors to housing affordability challenges in Canada.

"Our goal in our country should be zero development fees," he said. "They are destructive and harmful and hurt

our young people and new Canadians."

While municipalities argue the charges are necessary to pay for roads, sewers, parks and other infrastructure, Lee said the costs are ultimately passed directly to homebuyers.

"They're being passed on to individual homeowners and driving up the cost, making housing ever less affordable for young people," he said.

According to a CMHC study, DCs account for between eight and 16 per cent of the cost of a new condominium in Ontario. For single-detached homes in Toronto, DCs alone can represent roughly nine per cent of the purchase price.

Lee noted that DCs on a new home can exceed \$100,000 in many GTA municipalities and are among the highest in the country.

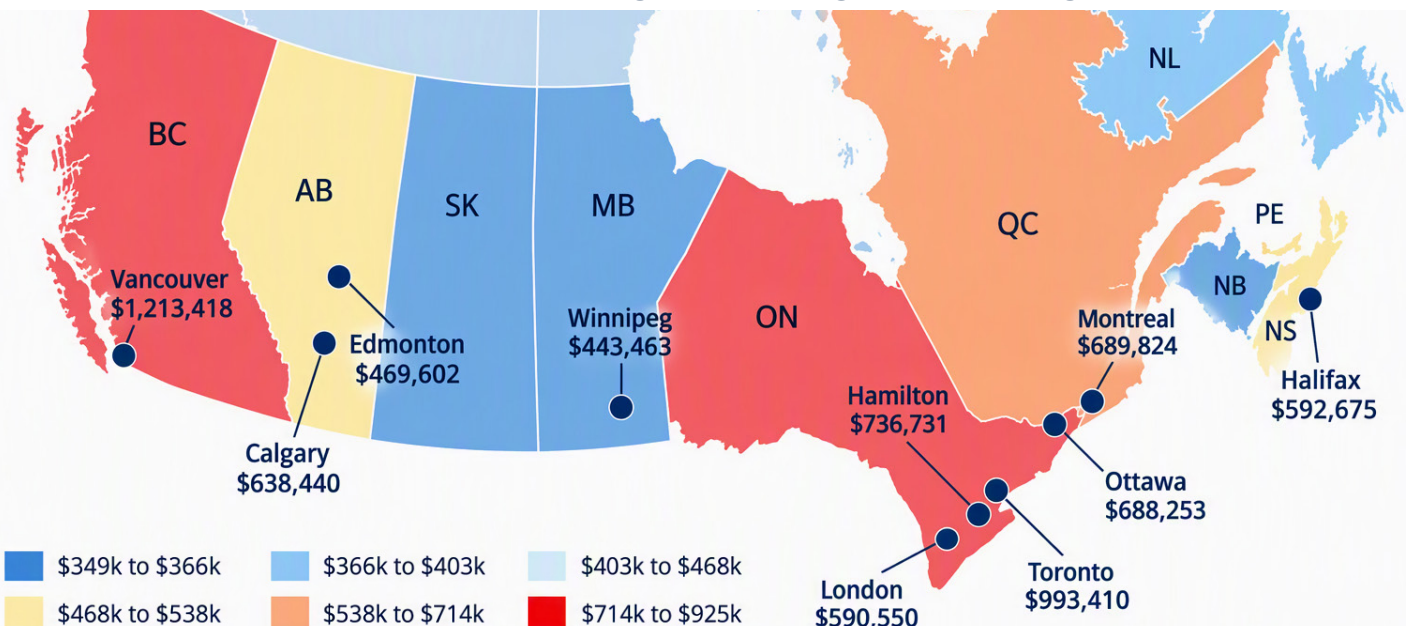
He pointed to research suggesting that eliminating DCs in Toronto could result in an additional 10,000 to 16,250 housing units being built annually.

"Get rid of the development fees and we can substantially reduce the price of new housing," he said.

Beyond DCs, Lee said municipalities must do more to reduce lengthy approval timelines and bureaucratic delays that increase project costs and limit housing production.

"Large cities are not doing enough," he said. "They've got to reduce red-tape delays."

WOWA: Canadian average housing costs, August 2026



AFFORDABILITY HAS IMPROVED



Jason Mercer

**Chief Market Analyst
Toronto Regional Real Estate Board**

The Greater Toronto Area resale housing market is showing many of the conditions typically associated with a recovery, but uncertainty surrounding the economy, inflation and interest rates continues to keep many buyers on the sidelines.

That was the key message delivered by Jason Mercer, chief market analyst at the Toronto Regional Real Estate Board (TRREB), during his housing market update at RESCON's Housing Summit 6.0 on Sept. 23.

Mercer told attendees that affordability has improved substantially over the past two years and pent-up demand continues to build, yet sales activity has not rebounded as strongly as many had expected.

"Affordability is no longer the major obstacle it was during the peak of the interest-rate tightening cycle," Mercer said, noting that lower borrowing costs and softer home prices have significantly improved purchasing conditions throughout the GTA.

At the height of the Bank of Canada's rate increases in late 2022 and early 2023, nearly half of a typical household's gross income was required to qualify for the average-priced GTA home. Today, that burden has eased considerably as mortgage rates have moderated and selling prices have fallen across most housing categories.

Mercer pointed to another affordability measure to illustrate the improvement. The income required to purchase a \$1-million home in the GTA has fallen from well over \$200,000 annually during the peak of the rate cycle to roughly \$140,000 to \$150,000 today.

Under normal circumstances, such a significant improvement in affordability would be expected to spur a strong resurgence in home sales. Instead, annual sales continue to hover around the 60,000 to 70,000 range, well below levels that demographic trends would normally support.

According to Mercer, this has led to a growing accumulation of pent-up demand throughout the region.

TRREB measures pent-up demand by comparing actual home sales against a long-term historical benchmark adjusted for population growth.

The widening gap between expected and actual sales

suggests that many households that would normally be purchasing homes are continuing to delay their decisions.

"If affordability were the only issue impacting demand, we would already be seeing a much larger portion of that pent-up demand come back into the marketplace," Mercer said.

The primary reason buyers remain hesitant is confidence, not affordability.

Economic uncertainty, ongoing trade tensions with the United States and concerns about future inflation have caused many prospective buyers to adopt a wait-and-see approach.

At the beginning of 2026, TRREB anticipated that improving affordability could trigger a stronger rebound in sales during the second half of the year.

That forecast depended largely on greater certainty around inflation and trade relations. Instead, Mercer said, clarity has remained elusive.

The collapse of efforts to secure a new trade agreement with the United States has added another layer of uncertainty. Consumers remain concerned about the potential impact on employment and income growth, particularly in sectors tied to exports and high-value manufacturing.

At the same time, the rental market has become considerably more competitive, reducing some of the urgency for first-time buyers to make the transition into home ownership.

Federal immigration policy changes have slowed population growth and significantly reduced the number of non-permanent residents entering the GTA. As a result, rental demand has softened, vacancy options have increased and rents have declined for one- and two-bedroom units.

That has created an attractive alternative for many would-be buyers.

Rather than stretching financially to purchase a home immediately, many renters are choosing to take advantage of lower rents while continuing to save for larger down payments and waiting for greater economic certainty.

Mercer noted that many first-time buyers also aspire

to move beyond condominium living and purchase townhomes, semis or detached houses. While entry-level ownership options have become more affordable, the homes people ultimately want still remain beyond what many consider comfortably affordable.

Despite slower-than-expected sales, Mercer highlighted an important shift that has occurred across the resale market.

Inventory levels, which surged over the past two years, have begun to recede.

The condominium apartment sector remains the most supplied segment of the market, but even condo inventory has flattened and begun trending downward in recent months. In part, this reflects sellers pulling listings off the market if they are unable to achieve their desired price.

New listings have also fallen substantially year-over-year.

As a result, standing inventory is gradually being absorbed, leading to tighter market conditions in some GTA neighbourhoods. In certain areas, competition among buyers has begun to increase, providing support for home prices.

Mercer said this tightening has helped keep prices near the upper end of TRREB's forecast range for 2026.

However, new concerns have emerged on the interest-rate front.

While affordability has improved significantly, the odds of future interest-rate increases have risen during the past several months. Persistent inflation, driven primarily by elevated oil and gas prices stemming from conflict in the Middle East, has pushed consumer price growth closer to

the upper end of the Bank of Canada's target range.

Mercer noted that rising five-year Government of Canada bond yields have already increased borrowing costs for popular fixed-rate mortgages. As a result, many buyers worry that some of the affordability gains achieved over the last two years could be eroded.

Those concerns are contributing to caution among both first-time buyers and existing homeowners considering a move.

Nonetheless, Mercer struck an optimistic tone about the broader economy.

Despite ongoing trade disputes, business confidence and economic activity have proven more resilient than many analysts expected, he noted. Canadian GDP has remained relatively stable and even posted modest growth during parts of 2026. Manufacturing activity and goods production have also held up better than anticipated, aided by stronger consumer spending.

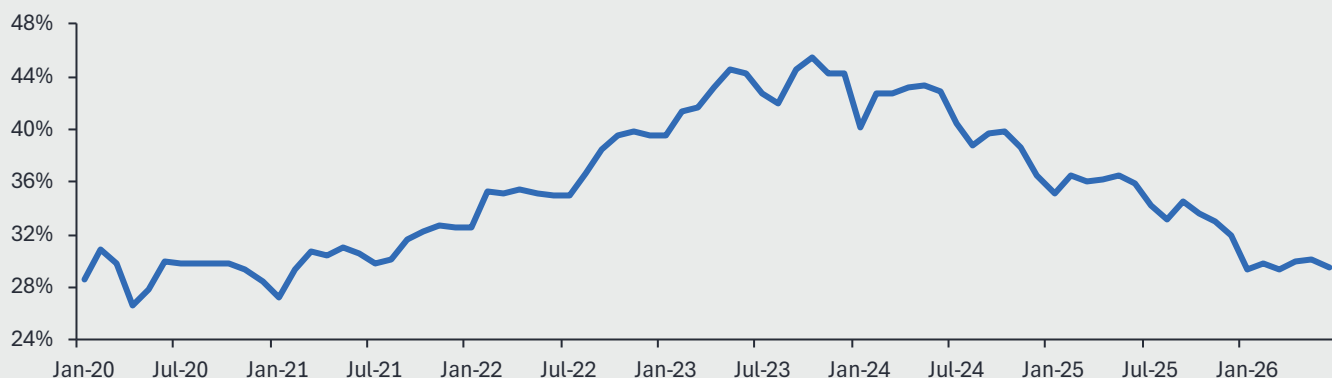
"It is very true that the Canadian economy has been pretty resilient in the face of the trade dispute with the United States," Mercer said.

Looking ahead, he believes the ingredients for a housing market rebound are already in place. Improved affordability, stabilizing home prices and substantial pent-up demand represent a strong foundation. Should there be greater clarity on trade policy, inflation and interest rates, many buyers currently sitting on the sidelines could move quickly back into the market.

"The preconditions are there," Mercer said. "If confidence returns, we could see homeownership transactions pick up in a hurry as we move through 2027."

Affordability Remains a Positive in the GTA

Share of Income Dedicated to Mortgage P&I



Source Notes: Based on Weighted Average Mortgage Rate for New Funds (Statistics Canada), 25% Down Payment, 25-Year Amortization, Average GTA Selling Price (TRREB) and Average GTA Market Family Income (Statistics Canada).



A TALE OF TWO REALITIES



Daniel Foch

Valery Real Estate Inc.

Canada's housing market is increasingly becoming a tale of two realities, according to Daniel Foch of Valery Real Estate Inc.

While the resale market searches for momentum, the pre-construction sector is beginning to show signs of renewed life, he suggested in a presentation at RESCON's Housing Summit 6.0.

The market is also divided between highly affordable regions that continue to attract growth and major urban centres where homeownership remains out of reach for many younger households.

Ontario and British Columbia, for example, continue to grapple with severe affordability challenges, while many cities in Alberta and Atlantic Canada remain comparatively accessible, he noted.

"The markets that continue to grow and continue to attract new residents are the ones that remain affordable," Foch said, noting that many younger Canadians have migrated to cities such as Calgary and Halifax in pursuit of homeownership opportunities unavailable in the GTA.

At the heart of the challenge is affordability. In many Canadian cities, average home prices remain within lending benchmarks of four to five times household income.

In contrast, Toronto and Vancouver are still hovering near double-digit price-to-income ratios, forcing many first-time buyers to rely on parental assistance for downpayments or mortgage qualification.

That affordability gap is also changing consumer behaviour in ways that would have been difficult to imagine a decade ago.

Foch argued that a growing share of young professionals are no longer viewing homeownership as the only path to wealth creation. Instead, many are making a calculated decision to rent while investing their capital elsewhere.

"There are many people who are renters not by necessity but by choice," he said. "They're making a conscious economic decision not to own a home because the economics are far better for renting."

With rents substantially lower than the monthly cost of

carrying an equivalent ownership property in many parts of Toronto, particularly in the condominium segment, renters are increasingly directing their savings into equities, businesses and other investments rather than stretching their finances to enter the housing market.

According to Foch, rental applications increasingly come from high-income households with strong balance sheets that could purchase a home if they chose to. Instead, they are taking advantage of the widening gap between ownership costs and rental costs.

The trend highlights a significant shift in the housing market, where home ownership remains a long-term aspiration for many Canadians but is no longer viewed as the only wealth-building strategy available.

At the same time, Foch warned that a growing affordability crisis is contributing to a decline in future housing supply.

Housing starts have begun to soften, particularly in the rental sector, which has become highly sensitive to interest-rate movements. Rising bond yields have weakened project economics, making many new developments more difficult to finance and reducing future construction activity.

More concerning, he said, is that both the resale and new-home sectors are showing signs of supply contraction.

"As prices have corrected, we've stopped seeing supply getting added to the market in a way that would trend us toward excess supply," Foch said. "Sellers are gradually regaining control by taking product off the market."

The same pattern is emerging in the development industry. Slower construction activity and fewer new project launches are setting the stage for a future supply crunch once population growth resumes and demand returns.

"This tightening of supply is happening at the same time we're seeing lower population growth and economic uncertainty," Foch said. "But when demand returns, the market could move very quickly back into an excess-demand scenario."

Despite those concerns, there are signs that government policy is beginning to have a positive impact.

Foch pointed to the federal GST/HST rebate measures introduced to stimulate new-home purchases, arguing that the policy has already helped revive activity in the pre-construction sector.

New-home sales have risen dramatically compared with year-ago levels, in some cases doubling or tripling off extremely weak 2024 lows. While part of the increase reflects comparison against depressed sales volumes, Foch said tax relief has clearly improved affordability and encouraged buyers to re-enter the market.

The results, he said, have also disproven critics who claimed builders would simply pocket the savings created by the rebates.

"We heard a lot of people say builders were just going to take the money and increase prices," Foch said. "The data completely destroys that argument."

Using a database of roughly 1,400 listings and builder projects, Foch's research found that most builders either reduced prices or left them unchanged following the introduction of GST/HST relief. The number of price reductions significantly outweighed the number of price increases, demonstrating that the tax savings were largely passed through to consumers.

The outcome offered what Foch described as a straightforward lesson for policymakers.

"My hope is that governments recognize that reducing taxes stimulates economic activity," he said.

The rebate's impact has been particularly evident in

the low-rise housing sector, where buyers in many Ontario communities can now purchase a pre-construction home for less than the price of a comparable resale property.

That pricing advantage is drawing some demand away from the resale market and into new construction, helping builders generate sales while supporting future housing delivery.

Still, major challenges remain, especially in the condominium market.

Foch noted that many pre-construction condominium projects were originally designed for investors rather than end users, creating a mismatch between available inventory and consumer demand. While affordability has improved in the condo segment, the market still needs additional price adjustments and rental market stabilization before sales activity returns to healthier levels, he said.

For now, the housing market remains caught between affordability pressures, elevated interest rates and uncertain economic conditions. Yet Foch said the decline in future housing supply may ultimately become the industry's defining issue.

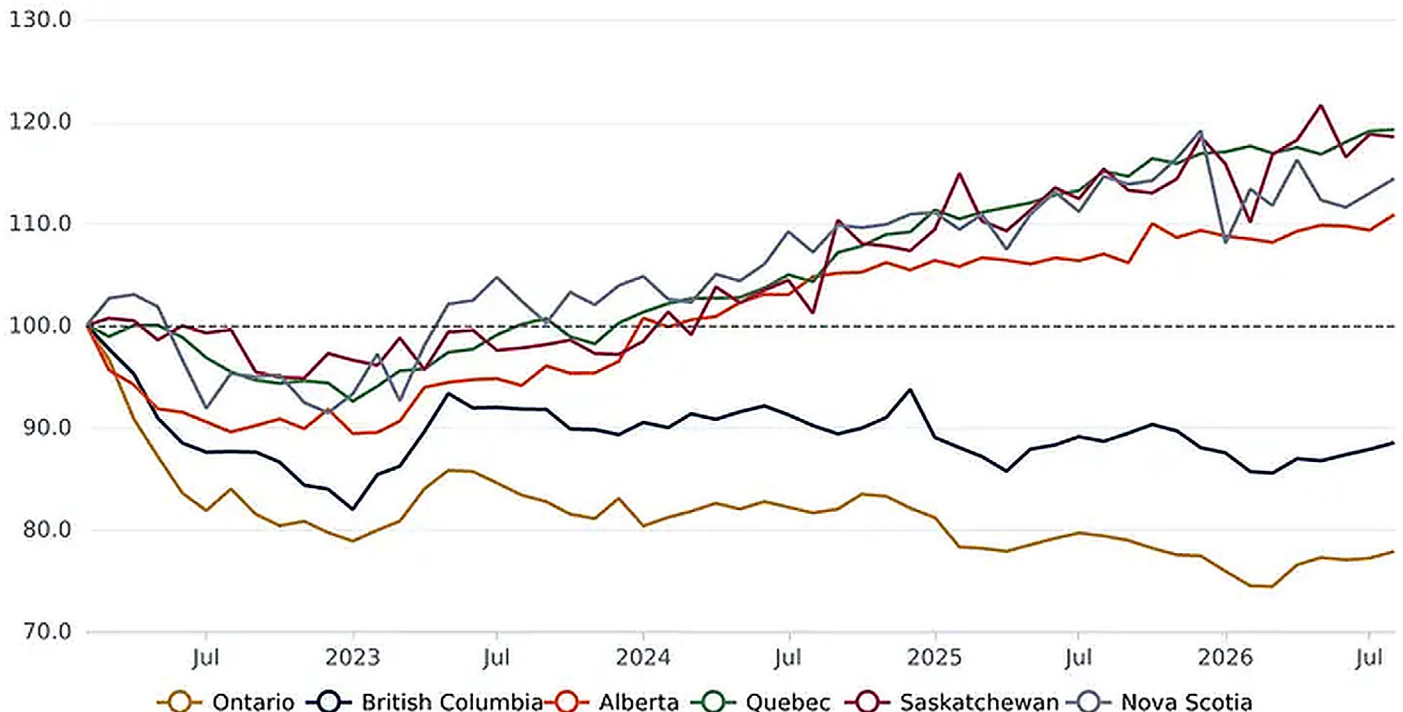
The market correction has restored some affordability, but it has also discouraged new development.

As construction slows and supply pipelines shrink, Canada risks recreating the very housing shortages policymakers are trying to solve, said Foch.

"If supply continues to roll over while demand eventually returns," he warned, "it won't take much for us to find ourselves back in another housing shortage."

Average price vs the Feb. 2022 peak

homiesAI.com · Residential, Seasonally Adjusted · Data: CREA, StatCan, BoC



HOUSING REMAINS A MAJOR ISSUE



David Coletto

**Founder, Chair & CEO
Abacus Data**

Housing remains one of the most pressing concerns facing Canadians, particularly younger generations who increasingly fear they may never achieve the security and stability their parents enjoyed, according to new research presented by David Coletto, founder, chair and CEO of Abacus Data, at RESCON's Housing Summit 6.0.

While public attention has recently shifted toward concerns about U.S. President Donald Trump, tariffs, global conflicts, climate change and economic uncertainty, housing continues to rank among the country's top issues. For many Canadians, especially those under 44, the dream of homeownership and long-term financial security feels increasingly out of reach.

"We've moved from asking, 'Will there be enough?' to asking, 'Will we be okay?'" Coletto told attendees.

The change reflects a broader shift in public attitudes that Abacus Data has been tracking for several years. Two years ago, Canadians were overwhelmingly focused on affordability, inflation, rising food prices, interest rates and housing costs. Today, external threats and uncertainty dominate public thinking. Yet housing remains deeply intertwined with these concerns because it is one of the biggest expenses households face, and one of the strongest influences on people's sense of security.

According to Coletto, roughly three in 10 Canadians still rank housing affordability and accessibility among the top three issues facing the country. While that figure has declined somewhat from its peak during the height of

the affordability crisis, housing remains firmly entrenched among Canadians' top concerns.

The issue is particularly acute among younger adults. Canadians under 30 are significantly more likely than older generations to cite housing as one of the country's most important problems. Many are wrestling with questions about whether they will ever be able to purchase a home, move out on their own, start families or build the future they envisioned.

Those concerns are contributing to what Coletto calls a growing "precarity mindset" across the country.

Canadians increasingly view instability and uncertainty as permanent features of modern life rather than temporary challenges. Inflation may have eased and interest rates have started to moderate, but many people still feel as though the ground beneath them is shifting.

"The lack of agency, the lack of control, is very much a part of this feeling of precarity," he said.

Abacus research suggests that the traditional social contract many Canadians once believed in has begun to fracture. The idea that education leads to employment, employment leads to homeownership, and homeownership creates long-term security is no longer viewed as a certainty.

That shift is fuelling deep generational dissatisfaction.

In one survey, 62 per cent of Canadians said they would rather have been born in the 1950s than today. While Coletto emphasized this is not simply nostalgia, the finding reflects a widespread belief that previous

Perceptions of housing in Canada

79%

say the housing system in Canada is not working as it should

74%

say not enough homes of all kinds are being built

Research presented at the summit showed that only about one in five Canadians is satisfied with

When people lose confidence in both the ladder of opportunity and the floor of security beneath them, hesitation becomes a rational response.



PAST POLICY CHOICES CAUSED CRISIS



Marlon Bray

**Executive VP
Clark Construction Management**

Ontario's housing crisis is fundamentally the result of decades of policy choices rather than market forces beyond our control, Marlon Bray, executive VP of Clark Construction Management, argued in a presentation at RESCON's Housing Summit 6.0.

He used a presentation structured around Shakespeare's *The Winter's Tale* - and the play's four acts of tragedy, drama, comedy and resurrection - as a framework for his remarks.

He examined why housing affordability has deteriorated, why recent reforms have produced mixed results, and what must happen to restore a functioning housing market.

Act One: The Tragedy

Bray described Ontario's housing shortage as a self-inflicted tragedy. Unlike a crisis caused by war, recession or natural disaster, he said the province's housing shortage emerged through years of restrictive zoning, lengthy approvals and planning decisions that limited housing supply.

The result, he noted, has been the effective disappearance of first-time homebuyers from the market. Many younger Ontarians remain living with their parents, leave major cities in search of affordability, or abandon

homeownership altogether.

Yet within this bleak picture, Bray pointed to evidence that reforms can work when governments remove obstacles and allow housing to proceed automatically.

Toronto's experience with laneway and garden suites demonstrates this point. Permit issuance has surged from just dozens annually a few years ago to nearly 2,000 in 2025. Multiplex and fourplex conversions have also risen significantly.

Bray said that broader market indicators, however, remain troubling.

Housing starts in the Toronto CMA have fallen sharply from their 2022 levels, while construction employment continues to decline. The market's recovery has also been uneven. Low-rise housing sales have rebounded strongly, but condominium sales remain deeply depressed.

According to Bray, this split illustrates that some policy levers are working while others remain constrained by economic realities.

Condominium construction is particularly concerning. Although resale condominium activity has improved, the vast majority of recent sales involve completed inventory being purchased at substantial discounts.

Meanwhile, pre-construction sales, which are

No good play is without its *tragedy*, its *drama*, a little *comedy*, and eventually... a *happy ending*.

Like Shakespeare's romance, this market opens in frost and ruin, wanders through confusion and contradiction, then begins a slow thaw.

ACT I • THE TRAGEDY

The market froze. Projects, jobs, and future homes disappeared.

ACT II • THE DRAMA

The broken pencil. Why corrected costs still aren't producing starts.

ACT III • THE COMEDY

Extraordinary policy activity meets stubborn market reality.

ACT IV • THE RESURRECTION

The thaw begins. The next shortage is already forming.

necessary to trigger financing and new construction, remain exceptionally weak. At the same time, thousands of unsold completed units remain on the market, limiting developer appetite for new projects. Project cancellations continue, and while some stalled developments have been converted to rental housing, many have simply disappeared from the pipeline.

Act Two: The Drama

The second act focused on uncertainty, which Bray identified as one of the greatest barriers to new development. While falling construction and land costs should theoretically make projects more viable, many developments still fail to proceed because uncertainty cannot easily be measured or priced into a project.

Bray used the image of a broken pencil to illustrate the development process. Every project relies on a chain of conditions: approvals, financing, construction economics and operating performance. If one link fails, the entire project collapses. Although hard construction costs have fallen substantially and land values have declined dramatically on many GTA sites, other barriers remain.

Bray said financing has become highly selective as lenders and investors scrutinize risk more intensely.

Capital is available, he noted, but securing commitments has become increasingly difficult. Boards, lenders and investment committees all require confidence that returns justify the risks involved.

Bray emphasized that Ontario does not suffer from a lack of approved developments. Approximately 1.6 million homes remain somewhere within the planning and approval pipeline across the Greater Toronto and Hamilton Area.

The problem, he said, is that approvals alone do not create housing. Projects still require financing, capital and market conditions that support construction. As a result, only a fraction of approved units are advancing into actual building activity.

Act Three: The Comedy

The “comedy” section examined the contradictions embedded throughout housing policy. Bray argued that virtually every stakeholder claims to support additional

housing, yet few are willing to accept the compromises necessary to achieve it.

Residents want affordability but oppose new development near their communities. Municipalities want growth while struggling to finance the infrastructure required to support it. Developers seek certainty while regulations and costs continually change. Builders require volume to sustain operations, yet projects are not moving ahead. Governments call for speed while maintaining processes that delay approvals.

But this combination of competing interests, Bray suggested, creates a collectively irrational outcome. Everyone agrees the housing crisis is serious, but no broad consensus exists on the trade-offs required to solve it.

He also highlighted the distinction between policy activity and housing outcomes, noting that governments have introduced dozens of housing-related bills in recent years, yet the market remains largely frozen. Housing starts, construction employment and home sales have all declined despite unprecedented legislative activity.

Act Four: Resurrection

Despite the challenges, Bray concluded on a cautiously optimistic note.

He said many of the policy changes introduced by federal and provincial governments appear to be moving the industry in the right direction.

Development charge reductions, temporary HST relief and other cost-saving measures are beginning to improve project economics.

However, he warned that these benefits are temporary unless governments provide ongoing certainty.

Bray’s central message was that housing outcomes improve when governments reduce risk, provide certainty and make housing financially viable.

Ultimately, he argued that Ontario already possesses the workforce, expertise, development capacity and approved projects required to build substantially more housing, and that the industry’s problem is not a lack of capability but a lack of economic conditions that allow projects to proceed.

HOUSING STARTS

26,087

▼ **42%**
vs. 2022

Housing starts in the Toronto CMA, 2025 — down from 45,109 in 2022. 2026 year-to-date (Jan–Aug): 15,957 starts, down 3% from the same period in 2025 — the slowdown continues into this year.

HOW N.S. SPURRED MORE HOUSING



John White

Nova Scotia Housing Minister

As governments across Canada grapple with housing affordability and supply challenges, Nova Scotia is demonstrating how a focused strategy, streamlined approvals, and strong partnerships can help accelerate housing construction.

Speaking at RESCON's Housing Summit 6.0, Nova Scotia Housing Minister John White outlined how the province has responded to unprecedented housing pressures and why he believes Nova Scotia can serve as a model for how governments can move quickly to facilitate more homebuilding.

He emphasized that housing is about more than statistics and construction targets.

"Housing is about much more than buildings," he told summit attendees. "It's about families, seniors staying in their communities, workers being able to live close to their jobs, and communities being able to grow."

While housing discussions often focus on units and percentages, White reminded the audience that every housing number ultimately represents people and families seeking stability and opportunity.

Just a few years ago, Nova Scotia was facing intense housing pressure, he said, when record population growth driven by migration and economic expansion collided with historically low vacancy rates, creating significant strain on the housing market.

Rather than waiting for solutions to emerge, the province chose to act aggressively, he said.

"Nova Scotia is not waiting for housing solutions to just happen. We're building them. We're removing barriers and we're investing differently."

That approach began with the launch of Nova Scotia's first-ever provincial housing plan three years ago. The province intentionally set ambitious goals in response to the severity of the housing crisis.

Today, those efforts are producing tangible results, said White.

Since 2023, Nova Scotia has created the conditions for nearly 80,000 new housing units in a province of just over one million residents. The province has also supported more than 15,500 households through rent supplements, preserved or created more than 7,000 affordable and supportive housing units, and helped more than 1,400 first-time homebuyers enter the market.

"We set ambitious goals because the situation demanded ambition," White said. "In just three years, we are meeting and exceeding all of our outcomes."

A key lesson from Nova Scotia's experience is that increasing housing supply requires governments to remove obstacles that slow projects down.

White repeatedly returned to the theme of eliminating barriers to development, arguing that delays add costs and reduce affordability.

"Every delay matters," he said. "Every month that a project sits stuck, it adds to the cost."

To address these challenges, the province has focused on modernizing legislation, streamlining planning rules, and accelerating approvals while maintaining necessary technical, environmental, and regulatory standards.

One of the government's most significant initiatives has been the creation of the Executive Panel on Housing in the Halifax Regional Municipality. Established in



Since 2023, we've created the conditions for nearly 80,000 new housing units.

2021, the panel brings together representatives from the province, the municipality, Halifax Water, Public Works, Municipal Affairs, and other key stakeholders to identify bottlenecks and co-ordinate housing delivery.

Rather than allowing projects to languish within disconnected approval systems, the panel works to align infrastructure planning, regulatory reviews, and government decision-making.

The result has been faster approvals, improved co-ordination, and a more efficient path from concept to construction.

Another major tool has been the use of Special Planning Areas (SPAs), which White described as strategically important growth areas where traditional approval processes could significantly delay housing delivery. Some projects designated as SPAs had been stalled for decades.

White cited one development proposal that had been moving back and forth through the system since 2004 before finally advancing under the province's new approach. To date, Nova Scotia has established 16 SPAs, creating capacity for more than 60,000 future housing units. More than 2,600 homes are already underway or completed within these areas, with thousands more approved.

The impact is particularly evident in the Halifax region, where more than 14,700 homes are currently under construction, up 95 per cent since 2023.

Beyond planning reform, Nova Scotia is also modernizing regulations to support innovation and productivity in residential construction.

The province has streamlined certification requirements for building officials from other provinces, helping strengthen inspections and improve labour mobility. It has updated building code regulations to facilitate factory-built, modular, and prefabricated housing, reducing unnecessary duplication and allowing

nationally certified products to move more quickly into the marketplace.

White highlighted Nova Scotia's Free Trade and Mobility within Canada Act as another important step. The legislation promotes mutual recognition of goods, services, and labour across provincial boundaries, helping reduce red tape and accelerating housing delivery.

The province is also working to strengthen its skilled trades workforce.

Through the Nova Scotia Community College's skilled trades initiatives, apprenticeship expansion, and programs designed to attract younger workers, the province has already exceeded its target of enrolling 5,000 new apprentices.

White stressed that housing cannot be delivered by government alone, and that success depends on collaboration among municipalities, developers, non-profit organizations, Indigenous partners, educational institutions, and the construction industry itself.

Those partnerships have helped preserve and create more than 3,900 affordable homes since 2021 and have positioned Nova Scotia to take advantage of major projects such as the federal Bill Campbell Homes initiative in Shannon Park.

White said housing supply improves when governments make it a priority, remove barriers, modernize outdated systems, and stay relentlessly focused on delivery.

"We have a clear plan, a strong sense of urgency, and a willingness to do things differently," he said.

For Nova Scotia, the approach is producing results. In a province that only a few years ago was struggling with severe housing pressures and historic vacancy shortages, housing construction has reached levels not seen in generations.

"Our current builds are more than we've seen in the last 70 years," White noted. "It's a step in the right direction, and it shows that we are moving in the right direction."

We invested money into public housing units and the people who build homes.



We've removed barriers to development and focused on delivery.

HOUSING UNAFFORDABILITY & HEALTH



Paul Smetanin

President & CEO

Canadian Centre for Economic Analysis

For years, the housing debate has centred on familiar statistics: home prices, rents, housing starts and interest rates. But according to Paul Smetanin, president and CEO of the Canadian Centre for Economic Analysis (CANCEA), those numbers tell only part of the story.

The more important question, he notes, is how housing unaffordability is affecting the health, stability and overall well-being of Canadians.

At a recent housing summit sponsored by RESCON, Smetanin presented research that measures the human cost of housing unaffordability, revealing impacts that extend far beyond household finances.

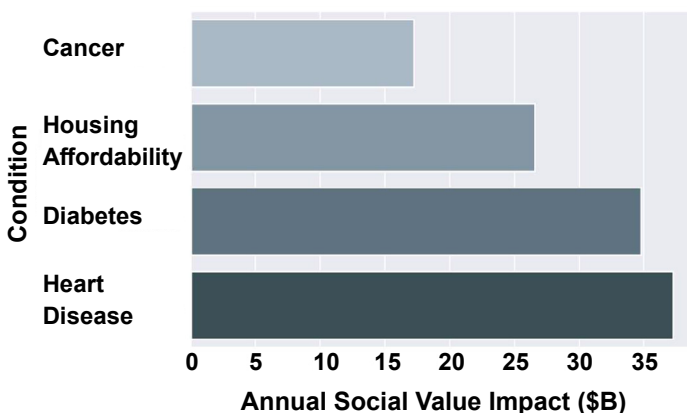
His findings suggest that housing affordability is no longer simply an economic issue. It has become a public health issue with consequences severe enough to be compared to chronic disease.

The study focused on the Greater Toronto and Hamilton Area (GTHA) and examined how housing circumstances influence people's satisfaction with life.

Rather than relying solely on economic indicators, the research measured well-being at the individual level, drawing on extensive survey data collected over more than a decade from hundreds of thousands of respondents.

"We're asking a different question," Smetanin explained.

Housing burden is comparable in scale to major chronic diseases.



"How is housing unaffordability affecting the health, stability and well-being of society?"

The answer is alarming.

Nearly one in three households in the Greater Toronto Area lives in unaffordable housing, meaning they spend more than 30 per cent of their before-tax household income on housing costs.

Many are faring even worse. A significant portion of

The social value cost of the housing crisis

\$26.2

BILLION

Estimated annual social value cost in 2023

This is equivalent to:

5.5%

of GTA annual economic output

3.2%

of Ontario annual economic output

~15%

of Ontario government revenues

households spend more than half of their income simply keeping a roof over their heads.

According to Smetanin, those financial pressures create a cascade of consequences that negatively affect daily life.

As housing costs rise, basic necessities become harder to afford.

Families have less money available for food, transportation, education, recreation and healthcare-related expenses.

Housing options shrink, forcing many residents to accept unsuitable living arrangements, longer commutes or overcrowded conditions.

Unexpected expenses also become more difficult to manage. A car repair, medical bill or household emergency can quickly push financially stretched families into crisis. At the same time, stress levels increase as households struggle to balance competing financial demands.

Smetanin said the pressures contribute to reduced social participation, fewer opportunities and declining overall well-being.

"Housing burden leads to constrained choices and financial insecurity," he said.

"Those conditions ultimately produce stress, instability and lower quality of life."

The study found a measurable relationship between housing affordability and life satisfaction. People living in affordable housing reported significantly higher levels of well-being than those facing financial strain.

Average well-being among households living affordably registered approximately 7.5 on a 10-point life satisfaction scale. That figure fell by roughly seven per cent for people spending between 30 and 50 per cent of their income on housing. For households spending more than 50 per cent, well-being dropped even further, by about nine per cent.

While those percentages may appear small at first glance, Smetanin emphasized that they represent substantial declines in people's overall experience of life. The reductions reflect lasting impacts on health, security, optimism and personal stability.

To better understand the significance of those losses, researchers converted changes in well-being into economic terms.

By estimating the amount of income required to restore affected households to the same level of life satisfaction

enjoyed by those living affordably, they were able to calculate the social value cost of housing unaffordability.

The result was staggering.

CANCEA estimates that the social value cost of housing unaffordability in Ontario reaches \$26.2 billion annually.

That figure represents lost well-being across society and reflects the cumulative effects of chronic financial strain, diminished quality of life and reduced opportunities experienced by households struggling to afford housing.

"It is close to 15 per cent of Ontario government revenues," Smetanin noted, underscoring the scale of the problem.

Perhaps the most striking finding from the research came when CANCEA compared the burden of housing unaffordability with the burden of major diseases.

Using methodologies commonly employed in epidemiology and health research, analysts assessed the total impact of housing unaffordability across the population and compared it with the burden associated with illnesses such as cancer, heart disease and diabetes.

When measured across society, the social burden created by housing unaffordability was found to be approximately one-and-a-half times greater than the social burden of cancer.

It was also equivalent to roughly 70 per cent of the burden associated with heart disease and 75 per cent of that associated with diabetes.

Smetanin noted that housing unaffordability touches millions of residents, creating widespread negative impacts that accumulate across the population.

The findings led to the conclusion that housing unaffordability can increasingly be viewed as a disease-like condition because it chronically undermines well-being and contributes to persistent stress, insecurity and reduced quality of life.

"Unaffordability can now be thought of as a disease of sorts," Smetanin said.

The implications extend far beyond housing policy.

If rising housing costs continue to erode people's well-being, he noted that governments may face increasing pressure on healthcare systems, social services and economic productivity.

Meanwhile, communities may become less resilient, and social cohesion may continue to weaken as people feel trapped by circumstances beyond their control.

The housing crisis is eroding well-being at a scale we can measure

Almost

1 in 3

GTA households live in
unaffordable housing

9.2%

lower average well-being
under severe unaffordability

\$26.2B

annual social value cost
estimated for 2023

AN UPDATE ON BUILD CANADA HOMES



Ana Bailão
CEO
Build Canada Homes

Nearly one year after its launch, Build Canada Homes has committed funding and support to more than 19,000 housing units across the country, with more than 2,000 already under construction, according to CEO Ana Bailão.

Speaking at RESCON's Housing Summit 6.0, Bailão provided an update on the federal agency's first year of operation, noting there has been "steady progress against significant headwinds" in a housing market facing economic uncertainty, rising construction costs, labour shortages and financing challenges.

The former Toronto deputy mayor acknowledged that the housing crisis remains one of the most complex public policy challenges facing Canada and stressed that no single organization, sector or level of government can solve it alone.

"We all know how complex the issue is," Bailão told attendees.

"There's not one organization, not one level of government and not one sector that is going to solve the housing crisis."

Build Canada Homes was established by the federal government with a specific mandate to increase housing supply, particularly affordable housing, by leveraging

federal land, financial tools and partnerships.

Bailão emphasized that despite some concerns raised when the agency was first announced, it was never intended to compete with or replace private sector builders.

"We're not here to replace the private sector," she said. "We're not here to duplicate the important work already being done by provinces, municipalities or other housing organizations."

Instead, she said, the agency's role is to bring together resources that have historically not existed under one roof. These include access to federal lands, flexible financing mechanisms and a revolving investment structure that allows funds to be recycled into future housing projects.

According to Bailão, those advantages are creating opportunities for partnerships that can accelerate housing development in communities across Canada.

"We're not just here to finance housing," she said. "We're on the front lines, either through direct builds, partnerships or supporting organizations that are delivering housing."

That partnership-oriented approach has become a defining feature of Build Canada Homes' first year.

The agency has focused heavily on building



BUILD CANADA 
HOMES

relationships with provinces, municipalities, non-profit housing providers and private-sector developers. One early objective was to deliver \$1 billion in supportive housing investments, a goal that required provincial participation.

Bailão reported that Build Canada Homes has already reached agreements with 10 of Canada's 13 provinces and territories, a level of co-operation she described as encouraging.

More importantly, she said, those governments brought both projects and funding commitments to the table, allowing the agency to support developments that were ready to proceed and capable of attracting additional capital.

The results, she noted, demonstrate the value of a collaborative model.

"For every dollar we have invested, we have secured another \$1.43 in investments," Bailão said, highlighting private and partner-sector participation as a key measure of success.

Those partnerships are already translating into housing starts. More than 2,000 units supported by the agency are currently under construction, while over 100 additional projects remain in various stages of underwriting and evaluation.

Bailão pointed to the numbers as a notable achievement for an organization that effectively had only one employee a year ago and has spent much of its first year building internal capacity while simultaneously launching projects.

The agency is also expanding its financial tools. Just prior to the summit, Build Canada Homes announced a \$1.5-billion contribution to the Rental Protection Fund through the Canada Housing Acquisition Fund.

The initiative is intended to help preserve existing rental housing and support long-term affordability objectives.

While much of the public discussion around housing policy focuses on affordability, Bailão said Build Canada Homes is equally focused on changing how housing is delivered.

One of its central priorities is supporting larger-scale projects and encouraging modern methods of construction, including forms of prefabrication and industrialized building processes that can shorten timelines and improve productivity.

According to Bailão, more than 50 per cent of projects receiving Build Canada Homes funding incorporate modern construction methods.

"We're focused on scale," she said, adding that the organization was established with an explicit mandate to encourage innovation and support housing delivery at a larger volume.

The agency is also concentrating heavily on non-market housing.

Approximately 90 per cent of the projects funded directly by Build Canada Homes, or through partnerships with municipalities and other organizations, fall into the non-market category.

Bailão said that Canada has historically underinvested

BUILD CANADA HOMES



in non-market housing compared with other jurisdictions and that increasing this share is critical to creating a healthier housing continuum.

Although many projects have a non-market component, virtually all are being built by private-sector construction companies.

The agency is also seeing a growing number of proposals involving partnerships between developers and non-profit housing providers, an area Bailão described as particularly promising.

She said Build Canada Homes plans to continue working closely with provinces and municipalities while expanding its focus on larger projects capable of delivering significant numbers of homes.

THERE IS STILL WORK TO BE DONE



Richard Lyall

President & CEO of RESCON

While governments have taken significant steps to boost housing supply, much more work remains to be done, says Richard Lyall, president of the Residential Construction Council of Ontario (RESCON).

Speaking at the opening of RESCON's recent Housing Summit 6.0, Lyall praised federal and provincial governments for introducing measures aimed at increasing housing construction. However, he also warned the progress could be derailed if there is not a sustainable workforce.

"We commend all levels of government for their efforts," Lyall told attendees. "But the success of these initiatives is directly tied to skilled labour supply and our ability to continue delivering housing."

The annual summit brought together industry leaders, policymakers, economists and housing experts to discuss the current state of the housing market, emerging trends and potential solutions to ongoing affordability challenges.

Lyall singled out Ontario Housing Minister Rob Flack for his leadership on housing issues, describing him as one of the most consequential housing ministers the province has seen in decades.

However, he noted, despite recent government action, Ontario's housing sector continues to face significant structural challenges. Affordability remains out of reach for many households, housing supply continues to lag demand in many markets, and uncertainty in the residential construction sector has forced some workers to leave the homebuilding industry altogether.

He said the market slowdown has reduced some immediate labour pressures, but a much larger workforce challenge could emerge once market conditions improve and housing production accelerates.

"As a generation of construction workers approaches retirement, and others have left the residential construction sector, we face potential labour shortages down the road," he said. "We must determine now how we are going to meet that need."

The warning reflects a growing concern across the construction industry that demographic shifts and workforce attrition could limit the industry's ability to

ramp up housing production in the years ahead. Without sufficient skilled trades, housing targets could become increasingly difficult to achieve.

Lyall said governments have introduced several measures to support residential construction and improve affordability for consumers but noted that many programs and incentives remain temporary. While welcome, to provide certainty for builders, developers and homebuyers, he argued that successful measures should be made permanent and predictable.

Lyall stressed that housing is fundamental to economic and social well-being, describing access to safe, affordable and suitable housing as the foundation upon which people build successful lives. He said the scale of the crisis demands sustained co-operation among governments, industry stakeholders and housing experts.

"It is incumbent on all of us to continue our collaborative work to address the most severe housing crisis this province and this country have ever had to contend with," Lyall said.

He said forums such as Housing Summit 6.0 play an important role in advancing those conversations by bringing together some of the sector's leading experts to share research, observations and practical ideas.

He reaffirmed RESCON's commitment to supporting housing policy development through research and advocacy while continuing to work with governments and industry partners to identify solutions that will increase housing supply.

