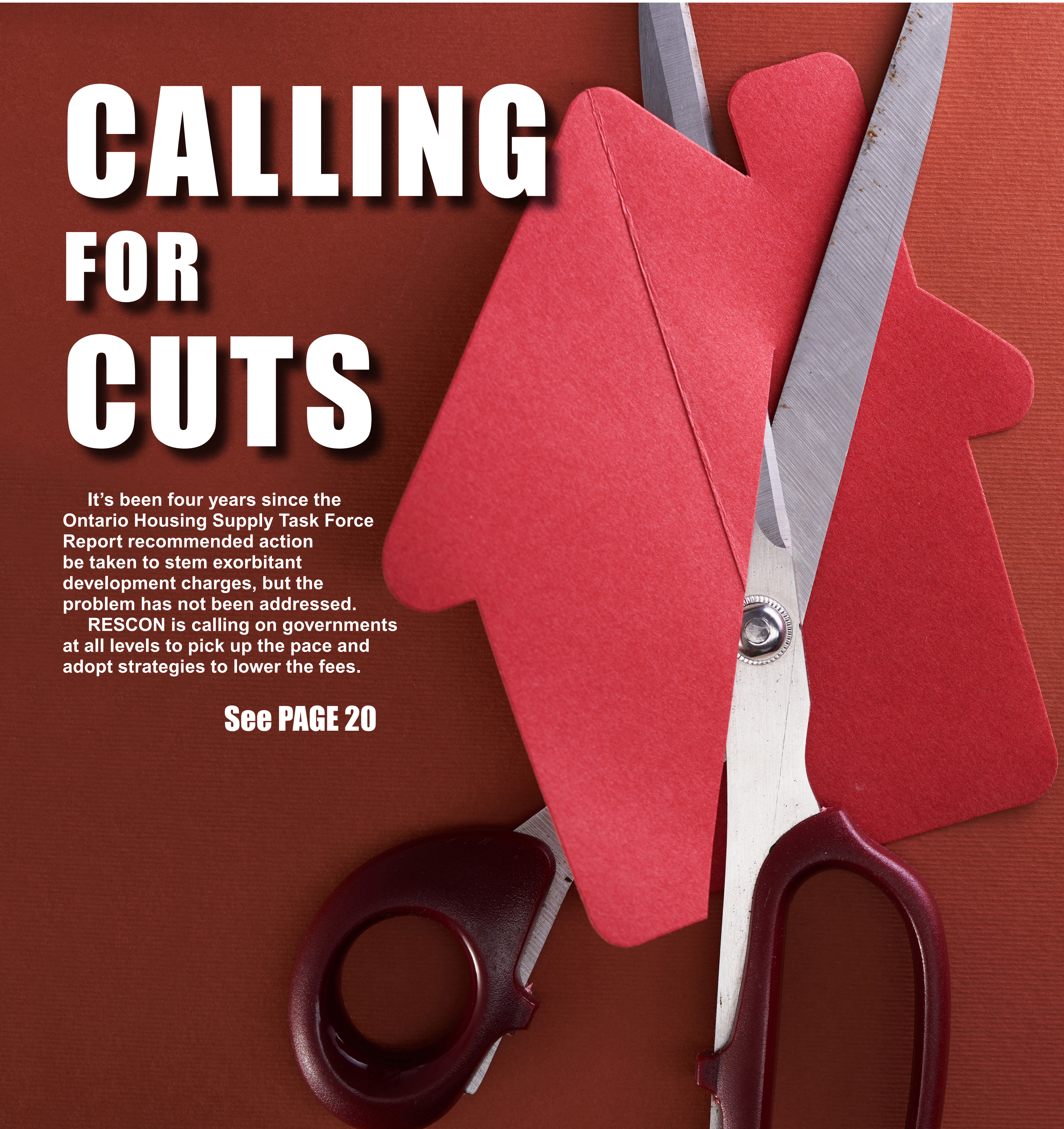
RESIDENTIAL BUILDER

A PUBLICATION OF THE RESIDENTIAL CONSTRUCTION COUNCIL OF ONTARIO

RESCON®

JANUARY 2026



CALLING FOR CUTS

It's been four years since the Ontario Housing Supply Task Force Report recommended action be taken to stem exorbitant development charges, but the problem has not been addressed.

RESCON is calling on governments at all levels to pick up the pace and adopt strategies to lower the fees.

See PAGE 20

RESIDENTIAL BUILDER

Official publication of the Residential Construction Council of Ontario

RESCON
RESIDENTIAL CONSTRUCTION COUNCIL OF ONTARIO

Published under the direction of:

Richard Lyall
RESCON President
lyall@rescon.com

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

Residential Builder
is published
12 times a year
by RESCON

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

Advertising
For advertising information:
media@rescon.com

Subscriptions
Subscribe at:
www.rescon.com

CONTENTS

NEWSLETTER

Columns

News

RESCON staff attend launch of mobile research lab

RESCON VP Andrew Pariser and policy and program analyst Meredith Greaves recently attended the official launch by the [Canadian Institute for Safety, Wellness, and Performance (CISWP)]() of a Mobile Research Lab at Tridel's Harbourwalk (Lakeview Village Project).

In attendance was Tridel, RESCON, CISWP, Labour, Immigration, Training and Skills Development Minister David Piccini, WSIB CEO Jeff Lang and other leading associations.

The program is looking to harness the power of AI to better understand the biomechanics of workers assisting in injury prevention and return to work.

The CISWP is a national health and safety research institute committed to building productive and sustainable workplaces. The CISWP conducts cutting-edge applied research, leads first-of-their-kind database initiatives, and develops evidence-informed knowledge products, tools, and services to advance workplace capacity and address knowledge gaps.

Lyall participates in housing chat

(L to R) Vaughan Mayor Steven Del Duca and RESCON president Richard Lyall participated in a fireside chat on the housing crisis at the 2025 Infrastructure Summit. The event was held Dec. 4 at the Hazelton Manor. Vaughan Chamber of Commerce was sponsor of the fireside chat portion of the event and RESCON was a sponsor.

RESCON in the running for award

RESCON has been nominated for an award at the 2026 Vaughan Business Achievement Awards Gala. We have been nominated in the non-profit/charity category.

The awards are given to companies/individuals who have demonstrated superior business excellence, social awareness and make outstanding contributions to the Vaughan Community.

The winners will be announced at the Business Achievement Awards Gala on Wednesday, May 27, 2026, at Universal Eventspace. [Click here]() for more information.

RESCON donates to CP24 CHUM Christmas Wish initiative

RESCON was pleased to present a donation on Dec. 18 to the CP24 CHUM Christmas Wish. On behalf of RESCON members, president Richard Lyall presented a cheque for $10,000 to the longstanding Christmas charity.

The CP24 CHUM Christmas Wish helps more than 250,000 individuals (children and families) each year. They are among the largest toy distributors in the GTA every Christmas season.

Lyall also spoke with CTV News about the donation. [Click here]() to see the interview.

Aird & Berlis LLP host free webinars

Aird and Berlis LLP is hosting a free Zoom webinar from 3 to 4 p.m. on Wednesday, Jan. 14, to explore what builders and their advisors need to know about the enhanced GST\HST rental rebate and first-time homebuyer rebate.

Tax professionals Angelo Gentile and Kyle Spampinato will unpack the enhanced GST/HST residential rental rebate introduced in late 2023, alongside the proposed first-time homebuyer rebate announced more recently.

The webinar will provide clarity and practical insights to help builders move forward confidently in this new regulatory environment.

[Click here]() to register.

Aird and Berlis LLP is hosting a free Zoom webinar from 3 to 4 p.m. on Thursday, Jan. 15, to provide guidance for owners, contractors and suppliers on updates to Ontario's Construction Act.

The changes took effect Jan. 1 and adjust lien timelines, holdback rules and contract termination requirements.

The session will provide practical guidance to help stakeholders manage risk, ensure compliance and update contract management practices in line with the new rules.

Pavle Levkovic and Danielle Muise, partners at Aird Berlis, will lead the discussion.

[Click here]() to register.

Annual holiday luncheon

RESCON held its annual Holiday Luncheon at Eagle's Nest Golf Club in Maple on Dec. 4. (L to R) Bill Hawryschuk, a professor at the School of Construction Management and Trades at George Brown College, met up with RESCON president Richard Lyall at the event. The GBC program prepares students for careers in the residential subdivision and high-rise sectors. Coun. Brad Bradford, who represents Beaches-East York and has declared his intention to run in the 2026 mayoral election, was guest speaker at the afternoon event.

FIVE WAYS TO HELP FIX THE HOUSING CRISIS IN 2026

Richard Lyall
President

2026 is the year these changes must be made or the economy and employment will suffer further.

Many were happy to see 2025 in the rear-view mirror. But this year could be worse if remaining barriers to new housing are not decisively addressed.

Housing targets are not being met. In fact, they're heading in the wrong direction. Hence, it is no surprise that RESCON's municipal housing report card was rated #2 in the list of Top 10 2025 CBC stories.

The report card and other research done by RESCON on housing and infrastructure-related issues reflected the hard work by volunteers and staff to rectify what became a dysfunctional market.

To be fair, all three levels of government have taken steps to fix specific problems, but the main overarching challenges remain to varying degrees across the country. The hardest hit regions are the greater Toronto and Vancouver areas.

There have been other noteworthy developments. CMHC released a damning report on development charges.

A separate Missing Middle Initiative report card on the provinces gave Ontario a disappointing rating - at a time when families and talent have started leaving. There are reasons for all this, but few understand the totality.

In broad strokes, the following must happen in 2026:

1. New housing can no longer be taxed like alcohol and tobacco. The only other jurisdiction that came close to us was Vancouver - not exactly a good example to follow. In February, reforms to sales taxes for first-time buyers should be quickly approved unamended by the Senate. Other adjustments will be required for move-up buyers and empty nesters. Excessive housing taxation is killing supply and government revenues, as is now being revealed with the market correction.
2. Runaway development changes must be reduced to a level reflecting their original intent. New home buyers and renters today, unlike the prior generation, should not be forced to pay for growth that benefits entire communities. It's just wrong.
3. The approvals process must be subject to province-wide performance standards and digitized on a common open-source platform as has happened in more advanced jurisdictions. Industry must lead the way in PropTech, as governments, with a few exceptions, have not demonstrated the experience or aptitude to manage change at the scale and pace required. The data derived from digitization is vitally important to tracking needs and strategy. At this point, it is woefully lacking, as demonstrated by reports by the Missing Middle Initiative and others.
4. Vital government efforts with respect to social housing and homelessness need to be better co-ordinated. In Ontario, construction and housing could be aligned under a new super Ministry of Growth Management. Given the importance of new housing and infrastructure to our future, we should do as other more advanced jurisdictions have done; get organized with targets on time and on budget.
5. Offsite construction and the new Build Canada Homes initiative, while important relative to government's role and the time and investment needed, will not solve the problem. The industry is responsible for more than 90 per cent of supply. If the market is dysfunctional - fix that and reduce misleading rhetoric.

2026 is the year these changes must be made or the economy and employment will suffer further.

We need to attract investment in both new ventures and housing.

We must compete with the U.S. If we do not act decisively, we will lose critical development teams and crews and witness our relative prosperity stumble further.

On a positive note, Feb. 17 marks the official beginning of the Year of the Horse in Chinese astrology, which symbolizes success and good fortune. The horse embodies enthusiasm, speed, a fiery spirit, and is known for achieving success swiftly, akin to a victorious horse arriving at the battlefield.

Make no mistake, we are in a desperate battle for housing against the forces of systemic inertia and echo chamber rhetoric. Those horses will be arriving just at the right time.

MIKEYS ARE NOW MANDATORY ON MANY ONTARIO CONSTRUCTION SITES

Andrew Pariser
Vice President

This is a fantastic step forward and Ontario is the first jurisdiction to make this move.

Happy New Year! All the best to you, your family, and your employees (co-workers) as we start 2026.

To begin the year on the right foot, let's check in on safety and focus on the new requirement for Automated External Defibrillators (AEDs) - known as Mikeys on construction sites.

All RESCON members should be aware that as of Jan. 1, 2026, there is a requirement in Ontario that all construction sites with 20 or more workers which will be active for at least three months are required to have an AED (Mikey) on site.

This is a fantastic step forward and Ontario is the first jurisdiction to make this move. To smoothe the transition, there will be a rebate for employers to purchase an AED (Mikey).

WSIB reimbursement details for each qualifying site/project

- Businesses to be reimbursed up to $2,500/unit.
- Reimbursement application started Jan. 1, 2026, and will run to July 3, 2027.
- Purchases made between July 1, 2025, and June 30, 2027, are eligible for reimbursement.

Click here for more information from the WSIB. Click here for the reimbursement request form.

Resources and best practice guides

In November, RESCON hosted an AED (Mikey) webinar which featured:

- Updates from Labour, Immigration, Training and Skills Development Minister David Piccini and Emergency Preparedness and Response of Ontario Minister Jill Dunlop;
- A presentation on AEDs from the chief prevention office;
- A legal review of on employer requirements by Sherrard Kuzz;
- Key tips from the Mikey Network; and
- An update on the reimbursement program from the WSIB.

In addition, RESCON, in partnership with Smart Safety Solutions, has created an AED Development Guide. Purpose of the guide is to assist RESCON and all construction employers as they build their own policy.

The guide contains 13 steps and multiple resources which members can use to create their own employer-specific policy.

Steps and focus include but are not limited to duties and responsibilities, equipment requirements, and emergency response procedures.

When it comes to health and safety, the first step is always a hazard assessment and all employers have to ensure their policies reflect the on-site reality of each jobsite.

RESCON specifically creates development guides and not policies as employers must go through the process of building their own policy to ensure it is specific to their workplace.

As always, if you need assistance creating your policy reach out to me at RESCON or Steve Heck at Smart Safety (steve@smartsafety.ca) at your earliest convenience.

Other resources and how to get an AED (Mikey)

The leading association when it comes to putting Mikeys (AEDs) on construction sites and everywhere else in Ontario is the Mikey Network.

Started in 2002 after the death of Mike Salem, Heathwood Homes and Herity started this foundation to save lives.

Over the last 24 years, they have helped place more than 3,000 Mikeys (AEDs) across Canada - on jobsites, transit and public areas, saving countless lives.

If you need an AED (Mikey) please reach out to the Mikey Network. The network can help you locate and purchase an AED and offer implementation tips and strategies.

Click here for more information about the Mikey Network. You can also email the network at info@mikeynetwork.com or reach out to me.

Finally, I would like to extend a special thank you to Mikey Network president Chuck Resnick, chair Hugh Heron, and co-chair Eva Naumovski. They have been advocating for Mikeys across Canada for more than 20 years and their efforts need to be recognized.

RESCON OFFERS UP SOLUTIONS FOR THE HOUSING CRISIS

Grant Cameron
Senior Director of Public Affairs

Perhaps if we put builders in charge of fixing the housing supply crisis, we'd be in better shape.

American comedian, actor and singer George Burns once remarked, "Too bad that all the people who know how to run the country are busy driving taxicabs and cutting hair."

His point, of course, was that we'd be better off if everyday people were in charge. Food for thought. Perhaps if we put builders in charge of fixing the housing supply crisis, we'd be in better shape.

RESCON has offered up plenty of thoughts on the state of housing and how to solve the problems.

In early December, we released our second housing report card prepared by the Missing Middle Initiative and distributed a press release.

The report generated plenty of media coverage.

In an article in Real Estate Magazine Canada, we noted the analysis showed that housing starts were down 34 per cent in municipalities surveyed over the first three quarters of 2025, relative to the January-to-September periods in 2021-24. An article in Coverings Magazine highlighted that the decline in construction activity is having a noticeable impact on employment. A column in Canadian Real Estate Wealth noted that affordability of housing continues to deteriorate and the situation could get worse.

Articles on the report were also published in Midland Today, 105.9 The Region, Canadian Mortgage Professional, Napanee Guide, Senso Magazine, Rock to Road, and Bradford Today.

Housing tax cuts

The Senate has completed first reading of Bill C-4 which will set in motion the federal five-per-cent rebate for first-time buyers of new homes. Unfortunately, the upper chamber is now adjourned till Feb. 3 so final approval of the bill will not take place before then.

The province has committed to aligning with the federal rebate, which means an additional eight-per-cent would come off new homes for first-time buyers.

In a column in Canadian Contractor, we explained that the industry is in for a tough couple of years. In a column in Canadian Real Estate Wealth, we noted that housing tax cuts announced by both the feds and province for first-time buyers of new homes are a step forward but more action is needed. In a column in The Toronto Sun, RESCON president Richard Lyall highlighted how broadening tax cuts to include anyone who buys a new home would spur the residential construction industry. In an Ottawa Life article, Lyall explained that governments have layered taxes and fees on housing and affordability has collapsed and in a Daily Commercial News article pointed out how alarming the decline has been.

Articles also ran in Newmarket Today, The Windsor Star, Building.ca, and Global News.

Development charges

For some time now, RESCON has been advocating for cuts to development charges as they are crippling the market. In Real Estate Magazine Canada, Lyall explained in a column how development charges are contributing to the housing crisis.

Mental health webinar

In late November, RESCON held a mental health and addictions webinar that explored the industry's ongoing approach to issues and how to get help. You can view the video on our website here.

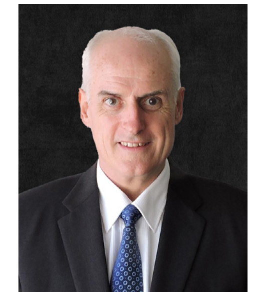
Two articles ran in Daily Commercial News. One article indicated that Ontario's construction industry has made good progress in dealing with mental health and addictions issues, but suicides and drug overdoses are still exceedingly high for workers in the sector. A second article highlighted that there are plenty of tools and treatment options available to help workers in the construction industry who need assistance but sometimes they don't know support is available or are reluctant to ask for aid out of fear it might affect their job.

Other issues

The housing cost-to-income ratio in Canada is getting out of control, especially when compared to the U.S. In a column in Senso Magazine, Lyall examined why it's a concern and how to reduce the ratio.

Lyall also weighed in on Toronto Mayor Olivia Chow's plan to have luxury home buyers chip in more, noting in an article on Radio 770AM that it doesn't make any sense during a housing crisis. Meanwhile, Lyall wrote in a column in Daily Commercial News that restricting the use of tiebacks in construction makes no sense given the current state of the residential construction industry.

And finally, RESCON donated a cheque for $10,000 to the CP24 CHUM Christmas Wish initiative. Lyall did an interview on CTV News.



COST-OF-LIVING HIKE COULD SPELL TROUBLE FOR CARNEY

Michael Giles
Director of Government Relations

"If they can't rein in cost-of-living for Canadians in some meaningful way, we will no doubt start to see support erode.

As someone who worked at all levels of government for 30 years, I can tell you that I came across few politicians over that time who didn't perk up when polling was discussed.

For politicians, polling represents one of the most important ways to determine what is front and centre for voters in terms of issues, political support and what is coming down the road for the politician or government.

When things are relatively stable and calm, polls will often show that traditional issues like healthcare for example are uppermost in the minds of Canadians. However, there are times when certain issues become so pressing and impactful for voters that they displace all others for them and their families.

Without question, cost-of-living is now one of those issues. Perhaps not since the tumultuous days of the 1970s have we seen this issue so far ahead of everything else.

Sure, the financial crisis of 2008 and the difficult period of the 1990s propelled economic issues up the ladder of concerns but the current situation exceeds even those crises.

With the Christmas holidays behind us for another year, expect Canadians to have a heightened level of stress as the bills come in and prices for everything continue to rise and the long dark days of winter settle in even more.

An Abacus Data poll asked Canadians about their perceptions with respect to cost-of-living. A full 67 per cent of respondents answered that, "The cost of living here is the worst I can ever remember it being." That's over two-thirds of respondents. Only 21 per cent answered that, "Cost of living is bad but I can remember times when it was worse."

When a deeper dive on those questions was taken by Abacus Data, 58 per cent of Liberals responded with the first description (worst) and 75 per cent of Conservatives said cost-of-living was the worst ever.

Just over 62 per cent of respondents said cost-of-living should be the government's first priority. Interestingly, issues that used to garner higher numbers had plummeted in terms of concern.

Climate change, for example, dropped to 13 pre cent and "equity and equality issues" were down to seven per cent along with crime and safety at 16 per cent.

In terms of a report card of sorts, Abacus Data notes that in an additional sampling, when listing priorities, 91 per cent of Canadians identified cost-of-living as a priority. In terms of relevance to them, 73 per cent list cost-of-living, and of concern to decision-makers, only 26 per cent have seen progress on the issue.

What does all of this mean if you're the government? Potential political trouble. Prime Minister Mark Carney and the Liberal government continue to do fairly well in the polls but if they can't rein in cost-of-living for Canadians in some meaningful way, we will no doubt start to see support erode.

As Parliament rose for its Christmas break, Abacus Data surveyed Canadians on political support and views of the current state of the country.

Fully 51 per cent of Canadians said the country was moving in the wrong direction, 35 per cent said the right direction.

In terms of vote share, the Liberals and Conservatives are now tied at 41 per cent.

In Ontario it's basically tied 45 per cent (Liberals) to 44 per cent (Conservatives).

The saving grace for the Liberals is that Carney remains an asset with solid approval numbers while Pierre Poilievre remains a bit of a liability for his Conservatives.

However, these are unpredictable times, and one thing is for sure, if Canadians don't see an improvement in the cost-of-living, including with respect to housing affordability, things will start to become more tenuous politically.

When it becomes ever more challenging to meet basic needs (food, shelter, etc.) the patience of voters will begin to fray, and there will be political consequences.

If action on this issue doesn't start to materialize, all political bets heading into the new year will be off.

"The saving grace for the Liberals is that Carney remains an asset with solid approval numbers while Pierre Poilievre remains a bit of a liability for his Conservatives.

2025 WAS A YEAR OF HIGHS AND LOWS FOR THE INDUSTRY

Dave Henderson
Senior Manager, Technical Services

Municipal Affairs and Housing Minister Rob Flack made a number of bold legislative moves.

Looking back on 2025, it was a year filled with highs and lows for our industry. From a technical perspective, there was quite a bit of frustration as regulators still don't seem to be cognisant of how continual layering of social policy objectives in our building codes is adding to the housing supply and affordability crisis across the country.

The model National Building Code (NBC) underwent a massive overhaul for the 2025 edition. A good portion of our advocacy time and effort in the first and second quarters was dedicated to observing and participating in code development discussions and then reviewing and commenting on behalf of the industry during multiple, challenging consultations. As discussed in previous newsletter columns, the national public consultation process was a farce where even the most advanced and technically compelling arguments were dismissed if they did not agree with the narrative of the proposed code change.

With very little fanfare, the 2025 NBC was released Dec. 22 like a quiet little lump of coal in everyone's Christmas stockings. This remains a concern because under the harmonization agreement amongst the provinces and territories, once the 2025 code is released, it must be implemented across the country within 18 months. With such massive amounts of change contained in the new code, it is going to be extremely challenging for code users, builders and building officials alike to get up to speed and redesign product.

RESCON wrote to both the prime minister and Mélanie Joly, minister of industry and minister responsible for Canada economic development for Quebec regions, urging both to withhold the release of the new code until a review of its cost implications can be assessed. Our letters also suggested the 2025 code was developed under the mandates of the previous government and therefore may or may not align with current government direction.

Closer to home, but still very much building code-related, we had many discussions with all levels within the Ministry of Municipal Affairs and Housing regarding the industry's concerns with the new radon provisions. These national code changes (harmonized into the OBC) added significant cost, uncertainty and concern for built-in defects in basements. Even though we know our concerns were heard throughout the halls of Queen's Park, the government appears to be unwavering in its stance on the subject.

We will continue to advocate for reasonable alternatives in 2026.

On a more positive note, Municipal Affairs and Housing Minister Rob Flack made a number of bold legislative moves through introduction of omnibus bills like Bill 17 and Bill 60. Both saw the provincial government stepping in to curb municipal roadblocks to housing development, limit municipal overreach and attempt to clear red tape. Bill 17 most notably drew the ire of municipalities who were told their green development standard bylaws could no longer be used as mandatory requirements of site plan approval.

The City of Toronto and a few other anarchist municipalities remain determined to halt new home construction through whatever means they feel they have at their disposal and refuse to accept the new legislation.

Bill 60, of course, set about numerous changes. The one of most interest to builders and developers is the deferral of development charge payments to municipalities. In addition to federal and provincial GST/HST rebates for first-time buyers, Bill 60 development charge deferral has the potential to translate to incredible cost savings for many new home buyers.

The new federal agency, Build Canada Homes, was announced in 2025, with the intent to maximize opportunities for modular construction. Still early days on that front, but to better understand off-site construction, a RESCON delegation visited Germany to see how that country has mastered the technology and processes.

In short, Canadians can most certainly tackle this challenge, but we are a long way from making it mainstream.

Last, but certainly not least, we took time this year to examine how municipalities in other jurisdictions have implemented AI tools to help speed up planning and building approvals processes.

If technology can assist to speed up these notoriously arduous tasks, it must be a good thing, right?

What we found is even good intentions can be impeded by those who do not fully embrace change. So, the lesson learned? Be careful what you wish for.

MEDIA REPORT

CTV News

RESCON president Richard Lyall spoke with CTV News about the association's recent $10,000 donation to the CP24 CHUM Christmas Wish charity. Click here to listen to the interview.

CBC News

RESCON's report card on housing made the CBC News top 10 list of Toronto stories in 2025.

Global News

Lyall said data from a new study shows "we are staring into the abyss" when it comes to residential construction. Click here for the article.

On-Site

Lyall said in a column in On-Site that two-thirds of municipalities in the Greater Golden Horseshoe Area got a failing grade when it comes to meeting housing targets.

Daily Commercial News

There were 51 per cent fewer condo apartment starts in the first three quarters of 2025, according to a new report done for RESCON. Click here for the article.

Ottawa Life

Lyall told Ottawa Life that governments have layered taxes and fees on housing "like we tax alcohol and cigarettes." Click here for the article.

Midland Today

Lyall noted that a new report indicates the new home market has tanked and it is a particularly dark time for those who work in residential construction. Click here for the article.

105.9 The Region

RESCON says housing starts in the GTA and broader Greater Golden Horseshoe declined significantly in the first nine months of 2025. Click here for the article.

Napanee Guide

Housing starts in the first nine months of 2025 are down substantially from the same period in the previous three years, according to a new RESCON report. Click here for the article.

CMP

A new RESCON housing report for the GTA and Greater Golden Horseshoe showed an even bleaker outlook than earlier this year.

Click here for the article.

Senso Magazine

The housing crisis in the GTA could worsen, warns a new report done for RESCON by the Missing Middle Initiative. Click here for the article.

Rock to Road

It is a dark time for those working in residential construction, says an article in Rock to Road. Click here for the article.

Bradford Today

Housing starts in much of southern Ontario were down in the first nine months of 2025, according to a RESCON report. Click here for the article.

Radio 770

Raising taxes on housing during a housing crisis "doesn't make any sense," said Lyall. Click here for the article.

Newmarket Today

Newmarket scores highly on the number of new units started in 2025, according to a RESCON report. Click here for the article.

Windsor Star

Housing starts in much of southern Ontario were down in the first nine months of 2025, according to a RESCON report. Click here for the article.

Building.ca

A RESCON report said housing starts were down by more than one-third in 34 municipalities over the first three quarters of 2025. Click here for the article.

The Brantford Expositor

It was a great year for new rental apartment construction in Brantford, a new RESCON report says. Click here for the article.

HOUSING LESS AFFORDABLE IN CANADA

By Richard Lyall
for Senso Magazine
Dec. 5, 2025

Canada and the U.S are on two dramatically different trajectories. No, we're not talking about politics or free trade here. We're talking about a comparison of housing affordability in the two countries.

It's very stark.

Canada has a significantly higher house cost-to-income ratio than the U.S., meaning housing is less affordable for the average Canadian, according to research published by Statista.

One report shows Canada's ratio at 137.1 compared to the U.S. at 130.9. Another indicates that Canadian mortgage payments average 46 per cent of household income versus 34.2 per cent in the U.S.

The gap in affordability between the two countries has widened over the past couple of decades. In Canada, it has become worse. South of the border, it has improved. As well, over the years, housing prices in Canada have also increased more significantly relative to income.

A Canadian home cost about 14 times the average disposable income in 2024, compared to nine times in the U.S.

Sadly, for most of 2025, Canadian housing affordability has remained at or near historical highs, despite some modest quarterly improvements from declining mortgage rates and home prices.

An analysis found the average monthly mortgage payments were less than 30 per cent of median household income in 45.5 per cent of American cities, but in only 20.7 per cent of Canadian cities.

A further breakdown of stats shows that the percentage of median household income needed to cover ownership costs was 84.1 per cent in Toronto in late 2023, far exceeding the national average.

Vancouver was worse at 102.6 per cent. By comparison, as of mid-2025, the median home price in Los Angeles was 12.5 times the median household income. New York was 9.8 times.

There are also income discrepancies. Americans tend to have higher average incomes than Canadians, which gives them a relative advantage in housing affordability. The higher income, combined with often lower taxes, allows Americans to offset some of their living costs.

The point I'm making here is that Canadians have to fork out a larger chunk of income for housing. Our focus must be on creating conditions to lower that cost.

That point was made abundantly clear at a recent housing summit hosted by RESCON. Simply put, taxes, fees and levies, along with red tape and runaway bureaucracy, are killing the industry.

We must get costs down. The best way to do that is to reduce taxes. Presently, the tax burden on new housing is 36 per cent. So, if someone buys a $1-million home, it costs $360,000 in taxes.

The federal and Ontario governments are waiving the sales taxes 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. This is a positive as first-time buyers account for 35 per cent of the market.

However, it is now time to take the next step, which is cutting the sales taxes on new homes for all buyers - not just first-timers

Presently, many working individuals and families can't afford the cost of a new home. As a result, starts and sales have stalled significantly.

The situation has resulted in people leaving cities like Toronto to head west or south of the border in search of more affordable accommodation.

A recent poll by Environics Analytics for CTV News reports that last year 35,000 households left the GTA. Based on an average household size of three people, that's more than 100,000 people.

> **"The federal and provincial governments have set a lofty bar for housing starts over the next several years. However, the recent stats indicate they will be hard pressed to meet those targets.**

According to the Canada Mortgage and Housing Corporation, the nation is on track to set a 30-year low in housing starts this year. Condo starts have taken a beating. In Toronto, sales of new condos in August dropped 90 per cent from the 10-year average, according to the Missing Middle Initiative.

Both new condo and single-family home sales are down year-over-year in the GTA. In October, only 54 new condo apartments were sold in the City of Toronto, compared to 145 in the same month last year.

Residential builders - and the workers they employ - are suffering. They want to build but it doesn't make economic sense. Relatively few housing starts are expected for the next few years. The impact could be the loss of 100,000 construction jobs, which would result in a $10-billion economic hit to Ontario.

The federal and provincial governments have set a lofty bar for housing starts over the next several years. However, the recent stats indicate they will be hard pressed to meet those targets.

The housing affordability comparison with the U.S. is an indicator that we are headed in the wrong direction.

Significantly lowering the tax burden on new housing would get the train back on track.

AFFORDABILITY GAP

COSTS MUST BE REDUCED

Mortgage payments now consume about 46 per cent of household income in Canada.

> “High housing costs affect the entire economy, everything from family finances to business productivity and municipal budgets.

By Richard Lyall
for Canadian Real Estate Wealth
Dec. 18, 2025

Brace yourself. Affordability of housing continues to deteriorate, and latest reports indicate the situation could get worse before it gets better, causing a huge hit to the Canadian economy.

Far fewer Canadian cities meet the traditional affordability benchmark where housing costs are less than 30 per cent of household income, recent data from prop-tech company Zoocasa revealed.

Reports indicate that median mortgage payments now consume about 46 per cent of household income in Canada versus 34.2 per cent in the U.S.

The cost of constructing a residential building in Canada has also increased 58 per cent since 2020 and could rise even further, thanks to U.S. tariffs, according to federal briefing materials.

One survey showed that in 2024 a Canadian home cost about 14 times the average disposable income, compared to nine times in the U.S.

For comparison, as of mid-2025, the median home price in Los Angeles was 12.5 times the median household income. New York was 9.8 times.

In late 2023, the percentage of median household income needed to cover ownership costs was 84.1 per cent in Toronto, far exceeding the national average.

The increasing cost of housing is hurting the economy and making it difficult for people to find affordable places to live.

Many are now leaving cities like Toronto. A poll by Environics Analytics for CTV News reports that last year 35,000 households left the Greater Toronto Area.

Dire situation could get worse

A report released recently by RESCON indicates that the already-dire housing situation could get worse in the Greater Toronto Area (GTA) and Greater Golden Horseshoe (GGH), as housing starts in the first nine months of 2025 were down substantially and industry job losses continue to grow.

The report looked at 34 municipalities and found that housing starts were down 34 per cent in those municipalities over the first three quarters of 2025, relative to the January-to-September periods in 2021-24. Condo apartment starts were down 51 per cent in 2025 relative to the same earlier time periods.

The analysis estimated that the reduction in housing starts over the first nine months of this year translates into 35,377 fewer person-years of employment.

The figures in the report are an eye-opener as they indicate we are trending in the wrong direction.

Projects are being shelved which will have a trickle-down effect on the economy. Sales have been stopped on more than 3,200 new units between 2020 and 2025. The cost of building is just too high. Only 54 new condos were sold in Toronto in October, down from 145 in October 2024.

An editorial in The Globe & Mail noted that in five years, the construction of new homes in the country's hottest markets is projected to slow to near-zero. So, we will have less construction, fewer homes, and fewer jobs – all at a time when the country needs more housing.

Industry is critical to economy

This will all have a disastrous effect on our economy, as construction accounted for 7.5 per cent of the Canadian GDP in 2023.

It's a recipe for disaster. The residential construction industry is critical to the Canadian economy.

A new report from Concordia University's John Molson School of Business indicates that improving housing affordability could deliver a boost to local economies, not just help families.

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

As noted by Erkan Yönder, associate professor of real estate and finance at Concordia, housing affordability is not just a social issue, it's really an economic one too.

“High housing costs affect the entire economy, everything from family finances to business productivity and municipal budgets,” he said in a statement. “With the growing pressures in the Canadian economy, it is important to do everything we can.”

When builders are working, taxes are flowing into government coffers.

Workers are earning wages which boosts the economy. And the new homes provide somewhere for Canadians to live.

Governments must pull out all the stops to get the industry back to work. The cost of building needs to come down, namely through further reducing the exorbitant taxes, fees and levies on new homes. Presently, 36 per cent of the cost of a new home is attributable to the tax burden.

Builders need to be able to build homes that people can afford. Our economy depends on it.

THE ARRIVAL OF ARTIFICIAL INTELLIGENCE

By Arash Shahi
CEO of LandLogic

In 2025, artificial intelligence crossed a real tipping point in residential construction. What was once viewed as a futuristic concept became a daily operational tool across site selection, feasibility and early project planning.

This shift did not happen overnight. It was driven by three converging pressures: an ongoing labour shortage, rising regulatory complexity, and the rapid accessibility of advanced AI models. Together, these forces moved AI from early adopters into the mainstream.

How AI changed the game in 2025

For those involved in housing development, AI is not replacing professional judgment - it is supporting developers with clearer insights, faster analysis and fewer dead ends. Several practical applications have emerged that are poised to enhance productivity in this sector:

Smarter site selection

AI systems now scan zoning bylaws, environmental constraints, servicing context, and policy overlays to flag viable parcels early. Instead of manual GIS exports and scattered reports, developers can visualize opportunity and risk before capital is committed.

Generative design tools

Planning teams are using AI to test massing, density, unit mix and daylight access against real zoning rules. This shortens iteration cycles and avoids designs that later collapse under compliance review.

Real-time valuation and market insights

AI valuation models integrate land use, transaction history, demographic change, and policy shifts to deliver more current land value signals. This is changing how acquisition and financing decisions are made.

Regulatory compliance and risk screening

By parsing planning documents, AI highlights early red flags related to floodplains, heritage constraints, or setback conflicts. These tools surface risks before they become expensive surprises.

Project monitoring and logistics

On active sites, AI is being used to track progress, forecast delays and identify supply chain issues. Tools like drone imagery and 360-degree cameras are being combined with AI analysis to offer real-time updates on site activity and co-ordination issues, while predictive tools can optimize scheduling and resourcing.

These technologies are no longer limited to large, tech-heavy firms. User-friendly platforms are making advanced capabilities accessible to developers of all sizes, integrating seamlessly with planning, design and management processes.

> **“The firms that succeed will be those that embed AI into everyday thinking, not as a shortcut, but as a smarter way to build.**

The evolving role of AI in residential construction

The next phase is augmentation, not automation.

AI copilots are beginning to support zoning interpretation, permitting preparation and document review. They do not make decisions. They surface inconsistencies, compress search time and let professionals focus on strategy.

Data fusion is another major shift. By combining geospatial, regulatory, and market layers into a single parcel view, teams gain a full picture of risk and potential.

At LandLogic, we have built a fusion engine that unites zoning, valuation and environmental data to help assess highest and best use for a site.

Developers are also starting to apply predictive analytics to anticipate how demographics, infrastructure investment and policy reform will influence long-term value, especially in multi-phase residential programs.

Still, challenges remain. Trust in AI tools will depend on transparency, explainability and accuracy.

While many municipalities are beginning to explore how AI could aid in permitting and compliance, the regulatory frameworks governing such use are still evolving. Collaboration between developers, planners and technology providers will be key to ensuring these tools are used responsibly and effectively.

A tool to build with, not around

AI will not solve the housing crisis on its own. It will not replace good design, local knowledge, or community trust. But in a climate of rising pressure to deliver housing faster, it is helping developers cut through complexity.

By reducing guesswork, improving collaboration and surfacing opportunity earlier, AI enables more confident decisions.

Looking ahead to 2026, the firms that succeed will be those that embed AI into everyday thinking, not as a shortcut, but as a smarter way to build.

RESTRICTIONS WOULD HURT INDUSTRY

By Richard Lyall
for Daily Commercial News
Dec. 19, 2025

Construction tiebacks, a component commonly used to enhance the structural stability of retaining walls, have been around since the 60s. More than two million have been installed in the GTA alone.

The underground system quickly gained in popularity over bulky steel braces as they free up construction sites, making it easier, faster and more cost-effective to build while protecting neighbouring buildings.

However, while there is a long history of tieback use in Ontario and around the world, some municipalities in the province have recently begun moving to restrict or ban the use of tiebacks.

Toronto is one of those municipalities. The city has commissioned a probe of alternatives. In 2019, the Region of Peel looked into banning tiebacks altogether but decided, after considering the impact to construction and housing developments, to instead refresh its policies to allow them, with extra documentation required to ensure utility tunnelling can avoid old tiebacks.

Given the current state of the housing market, it would seem illogical for any government to consider new regulatory measures that make it more complicated and costly to deliver new housing.

Restricting the use of tiebacks makes no sense. The systems enable projects to be built faster and cheaper by reducing site congestion and simplifying excavation and restoration procedures. Modeling shows construction and forming timelines are speeded up which reduces costs.

Recently, a report and case study on the issue was prepared at the request of RESCON and the Ontario Association of Foundation Specialists by Isherwood Geostructural Engineers, a Toronto area consulting engineering firm that designs geostructures for new and renovation construction.

The firm examined the benefits of tiebacks compared to the primary alternative of steel bracing.

Bottom line?

The findings demonstrated that tiebacks enable faster and more

"There is no solid reason to discontinue the use of tiebacks, as they are a safe and proven state-of-the-art technology to support excavation retaining walls. The Ontario construction industry is geared up for the use of tiebacks and they have clear advantages over alternatives.

economical project delivery by reducing site congestion, allowing concurrent construction activities, and simplifying excavation and restoration procedures.

A tieback, also called an earth anchor, consists of a small hole drilled into the ground with steel cables inserted. The hole is then filled with cement grout, the steel is attached to the retaining wall and the cables are pre-stretched to snugly support the wall.

Tiebacks were introduced into the Toronto market in the 1970s and quickly gained popularity because they free up construction sites from bulky steel braces, making it easier, faster and more cost-effective to build.

Steel braces were the main method of supporting deep excavations before the adoption of tiebacks. However, they become more challenging when sites become too deep or too wide, needing complicated frames and supports to keep them from becoming inadequate to do their job.

Steel braces also clutter up excavations, make it more difficult to transport material, obstruct site lines, lengthen construction schedules, and create more pinch points.

Across Ontario, tiebacks are regularly used by the industry in building subways, utilities, tunnels, and underground parking, keeping an excavation open and safe while a structure is being built.

Tiebacks promote industry competitiveness by enabling construction methods aligned with modern scheduling, logistics, and safety expectations. Meanwhile, the engineering profession has established robust design, construction, and testing standards for tiebacks.

The author concluded that permitting practices in Ontario should continue to reflect best engineering practices and construction realities, and that continued acceptance of tiebacks, particularly under the municipal right-of-way, would support housing supply objectives, minimize building construction impacts on communities, and reduce unnecessary cost burdens on developers and contractors, but more importantly, reduce costs to end users and not further erode housing affordability.

Tiebacks are permitted in the public rights-of-way in the majority of Ontario municipalities, including Hamilton, Burlington, London, Windsor, Oakville, Milton, Mississauga, Vaughan, Markham, Toronto, Waterloo, Kitchener, Cambridge, and Ottawa, with varying limitations, conditions and fees applied.

However, some municipalities are rethinking the practice due to concerns of potential damage to utilities during tieback drilling or concerns over an incident in 2022 in which a micro-tunneling-boring machine for a sewer became stuck on old tiebacks along Old Mill Drive in Toronto.

Had the available records been provided to the tunnelling consultant or contractor, the problem could have been avoided, just as other utilities along that street were avoided.

Tiebacks are often too deep underground to be dug up after construction of a building is completed. There are some that are removable but almost all options leave a portion of steel cable or bar in the ground, as the mechanisms they rely upon to release the steel can be unreliable.

There is no solid reason to discontinue the use of tiebacks, as they are a safe and proven state-of-the-art technology to support excavation retaining walls. The Ontario construction industry is geared up for the use of tiebacks and they have clear advantages over alternatives.

The industry has more pressing challenges, namely reducing the cost of building new homes. We cannot afford the cost of retooling this vital way of supporting retaining walls and structures.

DEVELOPMENT CHARGES

CALLING FOR CUTS

> **We can no longer sit on our hands and hope that the industry will bounce back. Governments at all levels must pick up the pace and adopt strategies to lower DCs. There is simply too much at stake.**

By Richard Lyall
for Real Estate Magazine Canada
Dec. 16, 2025

As any good rowing crew knows, a team must pull together if it hopes to successfully cross the finish line.

It is no different with the housing supply and affordability crisis that we are presently facing. Governments at all levels must work in unison with the construction industry to tackle the problem.

Presently, the system is out of whack. The tax burden on new housing is too high and the cost of building and buying a new home is higher than what most ordinary working folks can afford.

People are leaving cities like Toronto because the price tag of a home is out of their range. Taxes, fees and levies, including development charges (DCs), are the main reason for the exodus.

DCs are one-time fees that municipalities collect from developers for new construction to help fund infrastructure and services like roads, water, sewers, parks, transit, and police services. However, the funds are now being used for other projects like daycares, parks and schools.

It's been nearly four years since the Ontario Housing Supply Task Force Report recommended that action be taken to stem exorbitant DCs, but the problem has not been addressed.

Municipalities are now taxing new housing billions of dollars a year. Research done by the Canadian Centre for Economic Analysis found that 36 per cent of the cost of a new home is the result of taxes, fees and levies like DCs. Builders cannot deliver new housing that buyers can afford.

Over the years, the fees have increased substantially, worsening affordability of new housing. Data from Canada Mortgage and Housing Corp. (CMHC) shows that DCs alone could add more than $100,000 to some new units that are located in cities across the nation with the highest fees.

Toronto had the most expensive fees. An average condo in the city faces $130,200 in costs, while for the average detached home, municipal development charges account for about $180,600 of the cost. The fees make up nine per cent of the total cost of a detached home in Toronto.

While municipalities will argue that they need the funds, it seems odd that so much is sitting in reserve funds. The City of Toronto, for example, has $2.8 billion in DCs sitting in reserve funds, a new report revealed, and much of that is earmarked to pay for things that benefit the entire region, including $1.4 billion for improving subways. New homeowners should not foot the bill for that.

This is not to say there hasn't been some progress.

The federal government has said it will try to reduce DCs substantially, although we are still waiting for action. In Ontario, the government has passed Bill 17, which will push back payment of DCs until occupancy. Previously, the payments were due upon issuance of a building permit, which meant builders had to finance DCs while the building was being constructed. The Ontario Large Municipalities Chief Building Officials and Ontario Building Officials Association have produced a Frequently Asked Question guide to help the industry with any questions about Bill 17.

The federal and Ontario governments have also announced the elimination of sales taxes on new housing up to $1 million for first-time buyers as well as decreases on a sliding scale for first-time buyers of homes purchased between $1 and $1.5 million. First-time buyers account for roughly 35 per cent of new home purchases so it is anticipated this will have a positive effect.

But governments must put DCs in the crosshairs.

The new home and condo market has been taking a pummelling. At a housing summit hosted by RESCON, we heard there is a risk of losing almost 100,000 construction jobs in Ontario. The economic effects would be devastating, resulting in a $10-billion economic hit to the province.

In 2023, the latest year for which complete data is available, the construction industry contributed $59.1 billion to Ontario's GDP, which accounts for 6.8 per cent of the province's total. That year, the construction sector employed 596,000 people, about 7.5 per cent of Ontario's workforce. If the residential construction industry goes south, so does Ontario's economy.

Alarmingly, a report done recently for RESCON by the Missing Middle Initiative at the University of Ottawa found that housing starts in the Greater Toronto Area and the Greater Golden Horseshoe region in the first nine months of 2025 were down 34 per cent relative to the January-to-September period in the previous three years, while industry job losses continue to grow.

We can no longer sit on our hands and hope that the industry will bounce back. Governments at all levels must pick up the pace and adopt strategies to lower DCs. There is simply too much at stake.

MORE ACTION IS NEEDED

> **To correct course, the tax burden on new homes must come down further.**

By Richard Lyall
for Canadian Real Estate Wealth
Dec. 3, 2025

The federal and Ontario governments have stepped up to the plate by cutting the sales taxes on new homes for first-time buyers. It took them a while to get there, but to their credit they did.

Once legislation is passed, a first-time buyer who purchases a new home up to $1 million will no longer have to pay the five-per-cent GST or eight-per-cent HST. It will be retroactive to May 27. For homes purchased between $1 and $1.5 million, taxes will be reduced on a sliding scale.

The move is significant as first-time buyers account for roughly 35 per cent of new home purchases. On a $1-million home, first-time buyers will now save $130,000 on the purchase price.

It's also a positive for our industry. Exorbitant taxes, fees and levies are crippling the residential construction industry, stymieing the build of new homes and condos, and driving up housing costs.

The tax burden presently accounts for 36 per cent of the cost of a new home. The best way to improve housing affordability, then, is to lower taxation.

Already, I have received reports that the tax cut is moving the needle on housing as there is more traffic reported at sales centres. RESCON will be keeping a close eye on this to gauge the outcome.

Can you imagine what would happen if the sales tax was eliminated for all buyers of new homes - not just first-timers? It would move the needle significantly and spur more housing construction.

Benefits of cuts outweigh costs

A rebate of the provincial portion of the HST for first-time homebuyers on newly built homes valued up to $1 million is projected to cost the government $35 million in 2025-26, $190 million in 2026-27, and $245 million in 2027-28. The projections were based on housing data and economic policies.

However, the benefits far outweigh the costs.

The policy will result in more housing being built, more direct construction and spinoff jobs, a healthier economy, and more property tax revenue for governments once the homes are built and occupied.

Everybody wins.

According to the Missing Middle Initiative (MMI), governments are bleeding billions of dollars in revenue from the current housing decline. The organization estimated that governments could lose more than $6 billion in tax revenue from declining owner-occupied housing construction in the GTA.

The MMI ran the numbers using CHMC data and found that owner-occupied starts generated an eventual $10.8 billion for governments in 2023, but with starts lower that figure will drop to $4.8 billion annually between 2025 and 2027. The feds will lose nearly $2.4 billion, the provinces more than $1.9 billion and municipalities $1.7 billion.

The MMI found that the housing slump will cost the federal and provincial governments $900 million a year in lost HST revenue in the GTA alone.

The point here is that governments are losing huge dollars from lack of new housing being built. They might as well cut the sales taxes as it will boost the industry and lead to more growth.

As a result of fewer homes being built, they're getting less in the way funds from the HST, so what's the risk?

The upside is tremendous.

Tax burden must be reduced further

Presently, the housing supply and affordability situation is dire. Ontario indicated in its spring budget that it expected to see 71,800 homes built this year, but the projection is now 64,300. Projections for the next few years are also low, with 70,200 expected in 2026, 79,600 in 2027 and 83,700 in 2028.

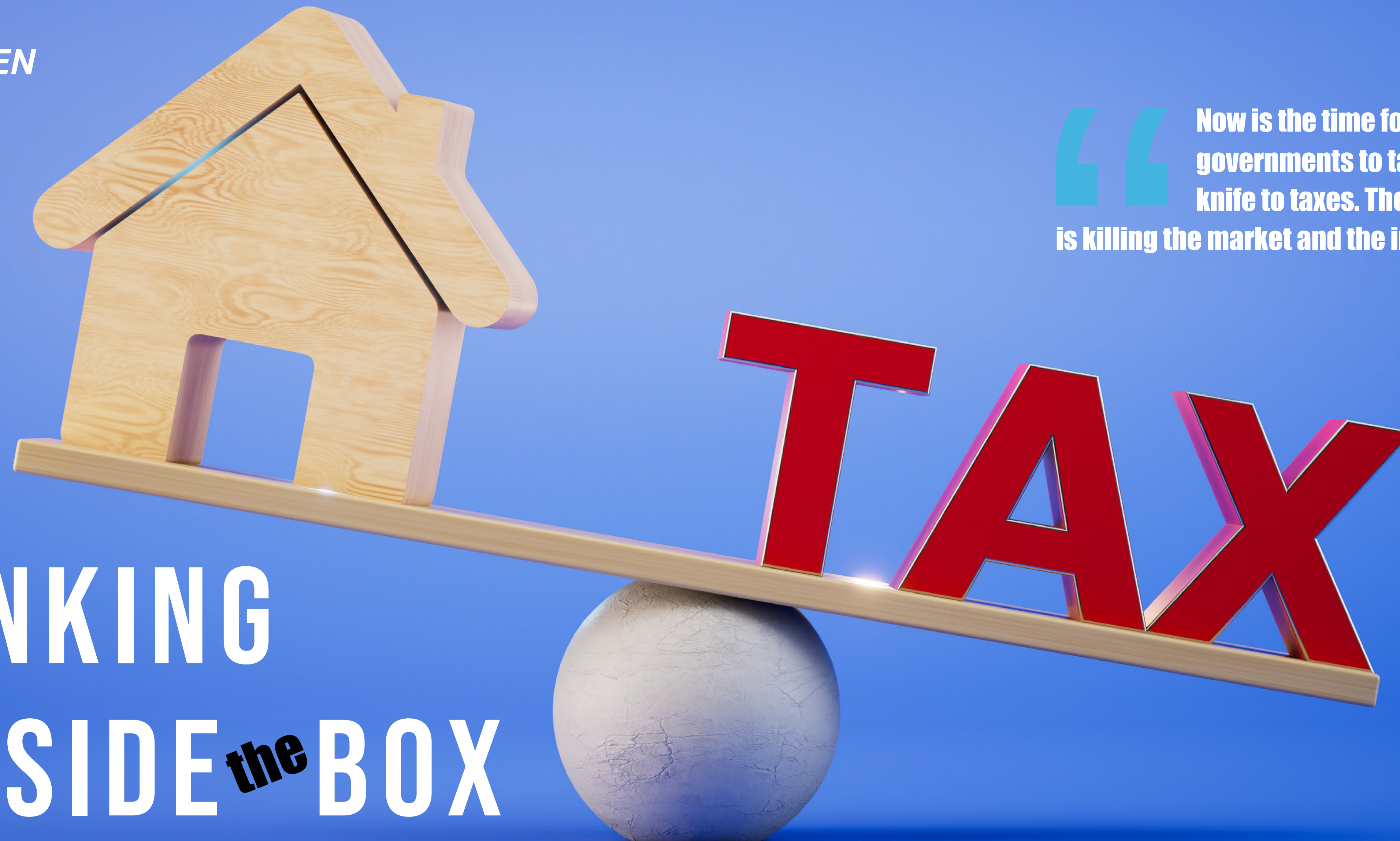
Industry employment has also taken a major hit. In the City of Toronto, for example, industry employment declined by an estimated 10,209 jobs in the first six months of 2025.

To correct course, the tax burden on new homes must come down further. We appreciate that the senior levels of government have taken action to cut sales taxes for first-time buyers, but the initiative must be expanded, at least temporarily, to buyers of all new homes. Taxes are simply too high.

The issue of exorbitant development charges (DCs) levied by municipalities must also be tackled. It was a key recommendation of the Ontario Housing Supply Task Force Report back in 2022. However, it's been nearly four years now and the problem has not yet been addressed.

In Toronto today, developers pay nearly $140,000 in municipal taxes on a single-family home. DCs for smaller units range from $60,000 for a bachelor apartment to more than $80,000 for a two-bedroom unit. The charges are passed on to the homebuyer in the form of higher prices.

Clearly, the industry can not continue to operate under the yolk of such excessive taxes. We're in the worst housing crisis in a generation. The cost of housing must be reduced. More action is critical.



THINKING OUTSIDE the BOX

"Now is the time for governments to take the knife to taxes. The tax burden is killing the market and the industry.

By Richard Lyall
for Canadian Forest Industries
Dec. 1, 2025

True leadership is about thinking out of the box and doing the right thing, even if it goes against the grain of conventional thought, belief and opinion.

With that, I'd like to propose something a bit unconventional. To spur residential construction, governments must do something they're not used to doing - reduce the tax burden.

Now is the time for governments to take the knife to taxes. The tax burden is killing the market and the industry. Doing so would reduce the cost of building homes and spur more new construction.

For starters, taxes add a considerable amount to the cost of buying a new home. Roughly 36 per cent of the cost of a new home is due to taxes, fees and levies. That's $360,000 on a $1-million home.

The federal and Ontario governments have taken some initial positive steps by eliminating the sales taxes for first-time buyers of new housing up to $1 million. Both governments are also decreasing it on a sliding scale for first-time buyers of new homes between $1 and $1.5 million.

This will certainly help move the needle as first-time buyers account for about 35 per cent of new home purchases. Already, we have seen some initial interest at sales centres as a result of the move.

Development charges (DCs) in particular are killing the housing market. They are out of control.

In February 2022, the Ontario Housing Supply Task Force highlighted that DCs need to be addressed as well as land transfer taxes. That was more than three and a half years ago. Yet fees continue to rise. In Toronto, DCs increased by a staggering 592 per cent between 2011 and 2023.

The Ontario government has helped by passing Bill 60, the Fighting Delays, Building Faster Act 2025, which will seek to hold municipalities accountable for their collection and use of development charge funds and scale back certain costly site-level development requirements. The devil is in the details, though, so we will continue to engage with the government.

The situation is dire.

Recently, we learned from the Canada Mortgage and Housing Corporation that, if the current trend continues, we are on track in 2025 to set a 30-year low in housing starts across the country.

Canadian homeowner housing starts in 2025 shows an average annualized rate of new builds at its lowest since 1995. This is housing that is built to sell directly to homebuyers. Only 41,384 homeowner housing starts have been recorded this year for cities or towns of more than 10,000.

If that trend continues, there will be 51,545 new units started in 2025, nearly half the starts of the high of 102,038 in 2002. It signals a continued downward trajectory of houses built over the past two decades.

Condo starts have taken a beating. In Toronto, sales of new condos have plummeted, dropping 90 per cent in August from the 10-year average, according to the Missing Middle Initiative.

The lack of housing, and the expense of buying a new home, are causing people and families - many of them Millennials and Gen Zers - to leave provinces like Ontario and go to Alberta or the U.S.

A recent poll by Environics Analytics for CTV News reports that last year 35,000 households left the GTA. Based on an average household size of three people, that's more than 100,000 people.

At RESCON, we have repeatedly been banging the drum about the tax burden, red tape and cumbersome approvals system for new residential construction, but relatively little has been done.

To turn the market around, it is critical that we address these problems - sooner rather than later.

Alberta is a shining example of what can be accomplished on the housing file if politicians put their mind to it.

While starts grind to a near halt in Ontario, Alberta is on track for a record year. The reason is relatively simple. The provincial government there understands that more homes must be built faster.

The government has taken decisive action to eliminate overly burdensome regulatory protocols and excessive fees on housing. The province has also collaborated with the industry on solutions, reduced municipal fees on builders, speeded up approvals at city halls for new housing projects, and relaxed some of the rules about what can be built and where.

Housing is also not taxed like it is in Ontario. For starters, there is no provincial sales taxes on new housing, so a buyer in Alberta is only subject to the five-per-cent Goods and Services Tax.

Meanwhile, the province has used its authority to ensure that homes are built faster and more affordably. Simply put, if the municipalities don't act, the province steps in.

The recipe appears to be working.

Alberta is on track for a strong year in home construction and, in fact, the province could top the country. Experts expect Alberta to average more than 58,000 housing units this year - topping the nation.

Right now, the Ontario government's promise to build 1.5 million homes between 2023 and 2031 seems like a long shot. The feds also hope to build 500,000 new homes a year for the next decade. That, as well, seems nigh near impossible unless some drastic measures are taken.

However, we can turn the situation around. Success is all about persistence and doing the right thing for the long term.

A STEP FORWARD

> Can you imagine what would happen if the sales tax was eliminated for all buyers of new homes - not just first-timers? It would move the needle significantly and spur more housing construction.

By Richard Lyall
for Canadian Real Estate Wealth
Dec. 3, 2025

The federal and Ontario governments have stepped up to the plate by cutting the sales taxes on new homes for first-time buyers.

It took them a while to get there, but to their credit they did.

Once legislation is passed, a first-time buyer who purchases a new home up to $1 million will no longer have to pay the five-per-cent GST or eight-per-cent HST. It will be retroactive to May 27.

For homes that are purchased between $1 and $1.5 million, the taxes will be reduced on a sliding scale.

The move is significant as first-time buyers account for roughly 35 per cent of new home purchases. On a $1-million home, first-time buyers will now save $130,000 on the purchase price.

It's also a positive for our industry. Exorbitant taxes, fees and levies are crippling the residential construction industry, stymieing the build of new homes and condos, and driving up housing costs.

The tax burden presently accounts for 36 per cent of the cost of a new home. The best way to improve housing affordability, then, is to lower taxation.

Already, I have received reports that the tax cut is moving the needle on housing as there is more traffic reported at sales centres.

RESCON will be keeping a close eye on this development to gauge the outcome.

Can you imagine what would happen if the sales tax was eliminated for all buyers of new homes - not just first-timers?

It would move the needle significantly and spur more housing construction.

Benefits of cuts outweigh costs

A rebate of the provincial portion of the HST for first-time homebuyers on newly built homes valued up to $1 million is projected to cost the government $35 million in 2025-26, $190 million in 2026-27, and $245 million in 2027-28. The projections were based on housing data and economic policies.

However, the benefits far outweigh the costs.

The policy will result in more housing being built, more direct construction and spinoff jobs, a healthier economy, and more property tax revenue for governments once the homes are built and occupied.

Everybody wins.

According to the Missing Middle Initiative (MMI), governments are bleeding billions of dollars in revenue from the current housing decline. The organization estimated that governments could lose more than $6 billion in tax revenue from declining owner-occupied housing construction in the GTA.

The MMI ran the numbers using CHMC data and found that owner-occupied starts generated an eventual $10.8 billion for governments in 2023, but with starts lower that figure will drop to $4.8 billion annually between 2025 and 2027. The feds will lose nearly $2.4 billion, the provinces more than $1.9 billion and municipalities $1.7 billion.

The MMI found that the housing slump will cost the federal and provincial governments $900 million a year in lost HST revenue in the GTA alone.

The point here is that governments are losing huge dollars from lack of new housing being built. They might as well cut the sales taxes as it will boost the industry and lead to more growth.

As a result of fewer homes being built, they're getting less in the way funds from the HST, so what's the risk? The upside is tremendous.

Tax burden must be reduced further

Presently, the housing supply and affordability situation is dire. Ontario indicated in its spring budget that it expected to see 71,800 homes built this year, but the projection is now 64,300. Projections for the next few years are also low, with 70,200 expected in 2026, 79,600 in 2027 and 83,700 in 2028.

Industry employment has also taken a major hit. In the City of Toronto, for example, industry employment declined by an estimated 10,209 jobs in the first six months of 2025.

To correct course, the tax burden on new homes must come down further. We appreciate that the senior levels of government have taken action to cut sales taxes for first-time buyers, but the initiative must be expanded, at least temporarily, to buyers of all new homes. Taxes are simply too high.

The issue of exorbitant development charges (DCs) levied by municipalities must also be tackled. It was a key recommendation of the Ontario Housing Supply Task Force Report back in 2022. However, it's been nearly four years now and the problem has not yet been addressed.

In Toronto today, developers pay nearly $140,000 in municipal taxes on a single-family home. DCs for smaller units range from $60,000 for a bachelor apartment to more than $80,000 for a two-bedroom unit. The charges are passed on to the homebuyer in the form of higher prices.

Clearly, the industry can not continue to operate under the yolk of such excessive taxes. We're in the worst housing crisis in a generation. The cost of housing must be reduced. More action is critical.

TAX BURDEN

MORE BOLD ACTION NEEDED

By Richard Lyall
for The Toronto Sun
Dec. 12, 2025

Premier Doug Ford hit the nail on the head recently when he suggested that the sales tax break on new housing should be extended to all new home buyers - not just first-time purchasers.

If we're going to get serious about reviving the sluggish residential construction industry, we must take bold action to reduce the cost of housing and make it so people can afford to buy new homes.

Earlier, the Ontario government agreed to waive its portion of the sales taxes for new homes under $1 million for first-time buyers and provide partial rebates for those between $1 and $1.5 million.

In doing so, the Ford government mirrored the plan announced by the federal government.

But a few weeks ago, during a news conference at Queen's Park, Ford floated the idea of broadening the policy to include anyone who buys a new home.

He raised the issue with the prime minister during a First Ministers' Meeting call, though he did not comment on the response.

The break for first-time buyers was welcomed by RESCON, as 35 per cent of new home purchases are by first-timers. The change pushes the reduction for first-time buyers to 13 per cent, or $130,000 on a $1-million home.

There is a cost to this, of course. The rebate for first-time homebuyers is projected to cost $35 million in 2025-26, $190 million in 2026-27, and $245 million in 2027-28. However, the cost of inaction would be worse. A report to be released soon by the Canadian Centre for Economic Analysis highlights that cutting sales taxes across the board would actually save governments significant funds which would otherwise be lost due to market-killing taxation.

Expanding the tax cut across the board would pay for itself and eliminate further economic damage from excessive new housing production costs. Plus, it would put new homes on equal footing with resale homes which are exempt from sales taxes and were built years ago when tax environments were more favourable.

The residential construction industry is at the precipice and builders are staring into the abyss. They are unable to build homes that people can afford to buy. We must do more to move the needle.

A new report done for RESCON indicates that starts and sales across municipalities in the Greater Toronto Area (GTA) and Greater Golden Horseshoe (GGH) are bleak.

In the first nine months of this year, starts were down 34 per cent relative to the January-to-September periods in 2021-24. Condo apartment starts were down 51 per cent in 2025 relative to the same earlier time periods.

Projects are being shelved, which will have a significant trickle-down effect on Ontario's economy, and there have been significant job losses across the board.

The report estimates that the reduction in housing starts over the first nine months of this year translates into 35,377 fewer person-years of employment, compared to the same period in the previous three years.

We must act quicky to stem the bleeding.

Steps must be taken to get the industry back on track, as our economy depends on it.

Recent statistics show that Canadians are presently forking out a larger percentage of their income on housing compared to our neighbours in the U.S.

One report indicates that Canada's housing-cost-to-income ratio is 137.1 compared to the U.S. at 130.9. Another says that Canadian mortgage payments average 46 per cent of household income versus 34.2 in the U.S. The affordability trend in Canada has declined since 2004.

In Ontario, the grim situation is causing people to leave and relocate to venues like Alberta and the U.S. A poll by Environics Analytics reports that last year 35,000 households left the Greater Toronto Area. Based on an average household size of three people, that's more than 100,000 people.

The key to breathing new life into the industry is to lower the cost of housing by reducing the tax burden.

About 36 per cent of the cost of a new home is due to taxes, fees and levies like development charges (DCs).

DCs alone increased by a staggering 592 per cent in Toronto between 2011 and 2023.

Both the federal and Ontario governments have set ambitious targets and pledged to build more homes over the next several years. But the targets will be difficult to reach without concrete action.

The economic impact of sitting on our hands would be devastating. We are in the most severe housing crisis in the developed world. Governments must work in unison to solve the problem.

Applying the sales tax refund to all new home purchases would not be a silver bullet but it would go a long way toward making new construction more cost competitive.

Activist and former South African president Nelson Mandela once said, "It always seems impossible until it's done."

That appears to be the situation we are facing now. It is critical that we continue to take steps forward.

SILENCE IS COSTLY

One in three construction workers report poor mental health.

By Grant Cameron
for Daily Commercial News
Dec. 3, 2025

Ontario's construction industry has made good progress in dealing with mental health and addictions issues, but suicides and drug overdoses are still exceedingly high for workers in the sector.

That was the blunt message from industry professionals and authorities who spoke at an online webinar on the topic hosted by the Residential Construction Council of Ontario (RESCON).

"We are going in the right direction, but we still have a long way to go," explained RESCON VP Andrew Pariser who moderated the annual event.

The two-hour webinar, aptly titled Mental Health and Addictions in Construction, marked the seventh time the association has held such an event. Sponsor of the webinar was Sherrard Kuzz LLP.

Pariser noted that when the first event was held, many in the industry found it difficult to talk about mental health issues due to being stigmatized but now people are less afraid of speaking out.

However, issues persist.

"The one issue that is still apparent is, especially within construction where everybody wants to seem tough and everybody wants to seem okay, there seems to be a recognition that mental health is an issue, and it's okay for other people to have mental health issues. But people are still, you know, less willing to admit that they might need help themselves," said Pariser.

When the webinars were started, the statistics indicated that one in four people would be impacted by a mental health issue in their lifetime, he said, but today that figure is much higher.

"You either are impacted by it, you know someone who's impacted by it, or you're just not being honest with yourself."

The construction industry takes the issue seriously and continues to make inroads, said Pariser.

"Mental health isn't a side issue within the construction industry. It's a core part of safety, culture, and the long-term strength of our workforce."

Kate Cowan, director of training, awareness, and prevention at the Ontario Ministry of Labour, Training & Skills Development, told the webinar that statistics show mental health matters are still an issue for many construction workers and that suicide is still a major problem.

Presently, she said, one in three construction workers report poor mental health and 83 per cent have experienced moderate to severe mental health issues, including depression and anxiety.

Suicide rates in construction are 53 per 100,000 workers, nearly four times the national average, while construction worker deaths by suicide outnumber on-the-job fatalities from accidents by a ratio of roughly four to one.

In 2020, 2,500 Ontarians died from drug overdoses, and 30 per cent of those were construction workers.

Cowan said the industry is disproportionately affected because of the nature of the work, which includes long hours, seasonal work and job insecurity, and a culture that values toughness.

"When nearly half of workers report depression or anxiety, it's not an individual problem, it's an industry challenge."

Construction is one of the most demanding professions, physically, mentally and emotionally, said Cowan, but traditionally, mental health issues have been stigmatized in the industry, and many who work in the sector often feel pressure to push through rather than seek help.

She added, "the silence is costly, impacting safety, productivity, and lives."

To tackle the problem, the mental health of construction workers must be treated like any other critical workplace safety issue.

"We build the foundations of cities, but we must also build foundations for the people who make it all possible."

To tackle the problem, Cowan suggested companies establish programs that train people how to recognize the signs of distress, prioritize programs to help people with mental health and addictions issues, and make mental health part of the culture, with toolbox talks on the issue.

"For industry leaders, we request that you advocate for policies that prioritize mental health resources and addiction recovery programs.

"Stats show that 25 per cent of tradespeople use substances daily or weekly to cope.

"We need to address root causes and not just symptoms."

Employee assistance programs that offer mental health days and confidential counselling can also make a difference, she noted, and there are downloadable apps for checking mental health.

The efforts matter, as 77 per cent of tradespeople experience stress, 62 per cent report anxiety, and 50 per cent report burnout, said Cowan.

Associate Attorney General Michael Tibollo said it is alarming that up to 750 construction workers in Ontario are dying each year from overdoses of opioids.

"We need to take responsibility in terms of how best to approach the issue to provide better supports."

The best way to deal with a mental health issue is to address it as early as possible, Tibollo said.

"It's not just about educating the construction worker, it's making sure that those resources are also available to the family because, at the end of the day when the individual goes home, he still goes into an environment that needs to be supportive, that needs to be decompressing in nature."

PANEL TALKS TOOLS

> **"Sometimes I see that they're afraid, they're afraid how asking for help is going to impact their job.**

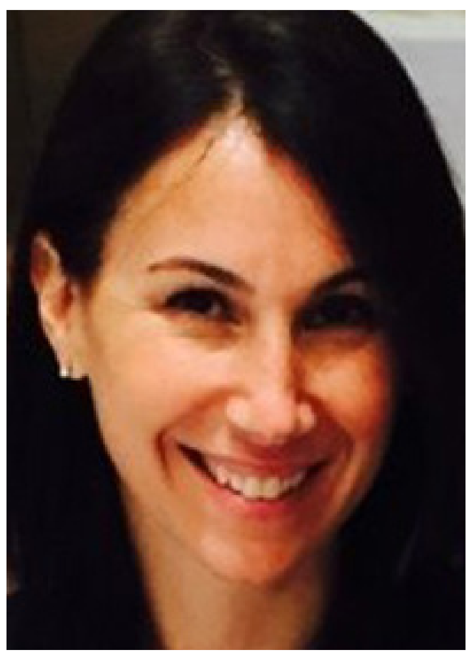
By Grant Cameron
for Daily Commercial News
Dec. 5, 2025

There are plenty of tools and treatment options available to help workers in the construction industry who need assistance with mental health and addiction problems, but sometimes they don't know support is available or are reluctant to ask for aid out of fear it might affect their job.

That was one of the messages conveyed by speakers and panelists at a recent webinar on mental health and addictions in the industry hosted by the Residential Construction Council of Ontario.

"Sometimes, I see that they're afraid, they're afraid how asking for help is going to impact their job," explains Sandra Correia, director of health management services at BPA Financial Group. "They're worried that if they admit they're struggling they may not have a job to go back to.

"They're afraid how they're going to be perceived on the jobsite. We see a lot of that. For some of them, it's also that culture of toughness, right? They feel like they're expected to push through, they're expected to ignore their emotional struggles, and they're just afraid of being seen as weak."


Sandra Correia


Koren Waines

The webinar featured panel discussions on the state of mental health in construction and what help is available. The panels featured leaders in occupational and mental health and addiction, and others involved in providing services and helping companies manage benefit plans.

Correia explained that while there are often plans available, many employees aren't up to speed.

"A lot of them don't know what type of benefit plan they have, and what's available. They don't realize that they have access to confidential mental health services. Some of them may be newcomers to Canada, and don't speak English, so it's hard for them to know and understand what they have."

Sarah Beaudoin, co-ordinator of program and staff development at De Novo Treatment Centre in Huntsville, said workers often have no idea how to seek help through their benefit plans or employee assistance programs (EAPs).


Kathy Martin


Carmine Tiano


Allyson Lee

"They've talked about the fact that it feels like a hurdle, and they just don't know what's available to them," she said.

Beyond that, there is also still a stigma attached to mental health troubles, she noted.

Koren Waines, manager of the mental health and well-being department at Medcor Canada, said workers are often aware they need help but don't know the ins and outs of their company EAPs.

Medcor developed a virtual mental health support plan after COVID to offer its employees a safe place to share their stresses but quickly realized there was a real need for the service elsewhere. Since then, the free service has been rolled out to many of the clients that Medcor deals with.

"We saw right away that utilization took off, and we realized that we were onto something, and that not everyone needs an evaluation and diagnosis for, or treatment for mental illness.

"Everybody needs somebody to talk to, who listens to what they are comfortable in sharing at that time."

Kathy Martin, co-ordinator, research, stakeholder and public relations, mental health, at the Infrastructure Health and Safety Association (IHSA), said while there are supports available to facilitate conversations about mental health and addictions, talking doesn't get the job done.

"What we need to start looking at is putting in some plans, and we need to do some active measuring within our workplaces to see what's really going on."

The IHSA is now equipping its leadership with skills aimed at tackling the stigma and measuring the problem in a workplace and supporting those who come forward.

The IHSA has spent the better part of five years developing tools and resources to help workers with mental health issues and opioid-related problems, said Martin.

The agency website has a toolkit for workers, employers and supporters, and free resources and information.

Carmine Tiano, director of occupational services at the Provincial Building and Construction Trades Council of Ontario, told the webinar that mental health challenges have always been an issue but the advent of COVID really opened people's eyes to non-traditional health issues.

With government workers also more openly sharing their mental health experience, it is helping to reduce the stigma, he said, and, as a result, creating a more open workplace culture.

Allyson Lee, an employment lawyer at Sherrard Kuzz LLP, said government has increased penalties for employers who fail to protect workers but the downside is that the changes have caused employers to jump the gun and infringe on the privacy of workers by insisting on drug testing.

However, in a hearing earlier this year an employee was awarded $2,000 in damages after being ordered to undergo drug and alcohol testing after an incident in July in which the worker rolled his ankle while walking on a gravel pathway at the LNG Canada project in Kitimat. B.C

The employer's action was deemed a violation of the worker's right to privacy and bodily integrity.

"You cannot get to that point where you're just requiring all of your employees to drug test and to alcohol test, because it's increasing the stigmatization," said Lee.

HOUSING REPORT CARD

TOUGH TIMES AHEAD

State of new home starts and sales across municipalities in the GTA and Greater Golden Horseshoe is going to get worse before it gets better.

By Canadian Contractor
Dec. 1, 2025

Given current and anticipated conditions, the already-dire state of new home starts and sales across municipalities in the Greater Toronto Area (GTA) and Greater Golden Horseshoe (GGH) is going to get worse before it gets better, according to a comprehensive new report done for the Residential Construction Council iof Ontario (RESCON).

The analysis reveals that housing starts in the first nine months of 2025 are down substantially from the same period in the previous three years, while industry job losses continue to grow.

"The findings of this report are alarming but confirm what the residential construction industry and our builders have been experiencing and saying for some time now," says RESCON president Richard Lyall. "We are staring into the abyss. The new home market has tanked. It is a particularly dark time for those who work in residential construction. There have been significant job losses across the board. Projects are being shelved, and this will have a significant trickle-down effect on Ontario's economy. We must act quicky to stem the bleeding."

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

It is the second report commissioned by RESCON that examines the state of the housing crisis. The first was an analysis released in September that looked at the first six months of 2025. The new report looks at the first nine months of this year. In both reports, researchers examined 34 municipalities across nine separate metro areas in the GTA and GGH and assessed the state of housing sales and construction, and the effects on industry employment.

The recent analysis shows that housing starts were down 34 per cent in the municipalities over the first three quarters of 2025, relative to the January-to-September periods in 2021-24. Condo apartment starts were down 51 per cent in 2025 relative to the same earlier time periods. On the positive side, purpose-built rental starts were up 42 per cent over the same periods.

The new report also graded the municipalities in five categories related to housing starts and sales. Of the 34 municipalities, 17 received an F, nine received a D, and eight other municipalities received a C or higher. Although average grades have improved slightly from the earlier report when 22 received an F, researchers anticipate average grades to fall in future reports.

The decline in housing starts is resulting in significant job losses. The analysis estimates that the reduction in housing starts over the first nine months of this year translates into 35,377 fewer person-years of employment, compared to the same period in the previous three years.

"The person-years of employment in the industry are down which shows the effect that the lack of housing starts and sales is having on the industry and the economy," says Mike Moffatt, an economist and founder of the Missing Middle Initiative. "The negative trend in employment has continued and there is significantly less work in the residential construction sector."

> **"The findings of this report are alarming but confirm what the residential construction industry and our builders have been experiencing and saying for some time.**

The research comes at a particularly important time. Both the federal and Ontario governments have committed to significantly raising housing starts but their targets seem out of reach.

The tax burden is a big part of the problem. Taxes, fees and levies account for 36 per cent of the cost of a new home. So, on a $1-million home, $360,000 of the price tag is due to taxes. RESCON has called on the federal and provincial governments to eliminate the sales taxes on all new homes – in addition to the steps they have taken to eliminate the taxes for first-time buyers.

"This report is an eye-opener, as it notes we are trending in the wrong direction and the situation could get even worse," says Lyall. "Builders need to be able to build homes that people can afford. Steps must be taken to get the industry back on track. Our economy depends on it."

Click here to read the report.

WE MUST GET OFF OUR HANDS

By Richard Lyall
for Canadian Contractor
Dec. 24, 2025

Most economists are of the opinion that Ontario's residential construction industry is in for another tough couple of years, with housing starts and sales expected to remain historically low.

At a recent housing summit hosted by RESCON we heard that the impact could be the loss of almost 100,000 construction jobs, which would result in a $1-billion economic hit to the province.

The federal and provincial governments have set ambitious housing targets but will be hard-pressed to achieve their lofty goals.

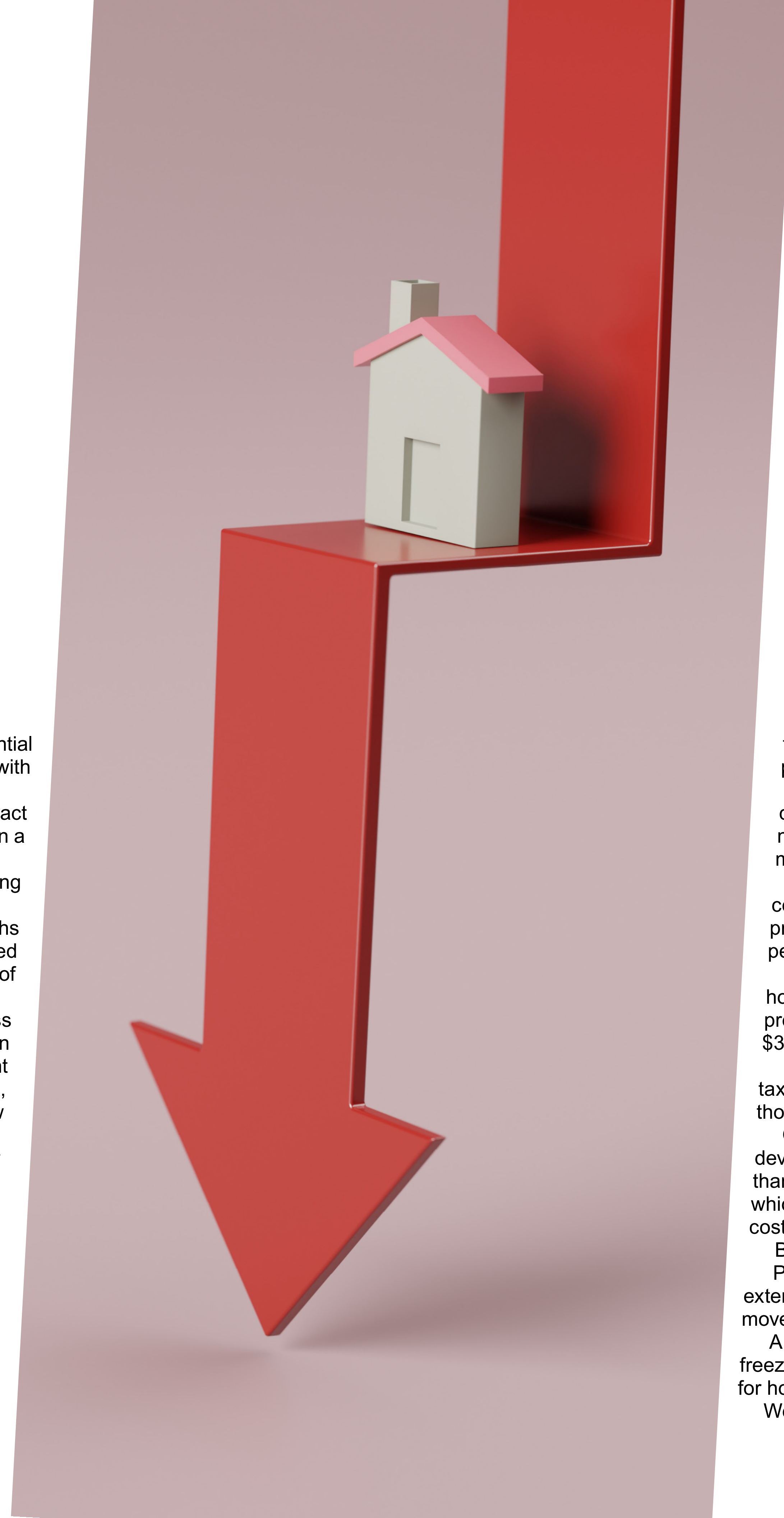
In Ontario, for example, 49,678 units were started in the first 10 months of this year - only 33 per cent of the annual 150,000 units that are required to meet the provincial goal. And that is even with various new categories of housing being added by government such as university dorms.

New home sales across the GTA sank to another low in October. Across the region, only 322 new single-family homes were sold that month, down 41 per cent year-over-year, and 248 new condos were sold, a two-per-cent decrease from October 2024. In all areas of Toronto, including North York, Scarborough, East York, Etobicoke, York, and Old Toronto, just 54 new condos were sold in October.

Urbanation has reported that the new condo market in the Greater Toronto Hamilton Area is on track to record its worst year for sales in three and a half decades.

A combination of uncertainty caused by events south of the border as well as the costs of housing due to the high tax burden have made it difficult for a working family to afford a new home.

To get an accurate picture of the situation, RESCON commissioned a report from the Missing Middle Initiative at the University of Ottawa. Using data obtained from Canada Mortgage and Housing Corporation and Altus Group, the department assessed the state of new home starts and sales across 34 municipalities in the Greater Toronto Area (GTA) and Greater Golden Horseshoe (GGH) region, and looked at the effects it would have on industry employment.



“A combination of uncertainty caused by events south of the border as well as the costs of housing due to the high tax burden have made it difficult for a working family to afford a new home.

The analysis revealed that housing starts in the first nine months of 2025 were down substantially from the same period in the previous three years, while industry job losses continued to grow.

Housing starts were down 34 per cent in the municipalities over the first three quarters of 2025, relative to the January-to-September periods in 2021-24, while condo apartment starts were down 51 per cent in 2025 relative to the same earlier time periods.

The decline in housing starts is resulting in significant job losses. The analysis estimates that the reduction in housing starts over the first nine months of this year translates into 35,377 fewer person-years of employment, compared to the same period in the previous three years.

While the findings of the report are alarming, it confirms what the residential construction industry and builders have been experiencing and saying for some time now, namely that there have been significant job losses in the industry which will have a major trickle-down effect on the economy.

In 2023, the latest year for which complete data is available, the construction industry contributed $59.1 billion to Ontario's GDP, which accounts for 6.8 per cent of the province's total. That year, the construction sector employed 596,000 people, about 7.5 per cent of Ontario's workforce.

To get the industry back on track, governments must take steps to lower the cost of housing by cutting the taxes that people pay when buying a home. Taxes, fees and levies presently account for 36 per cent of the cost of a new home. On a $1-million home, that's $360,000 of the price tag.

The federal and provincial governments took a positive step by agreeing to waive sales taxes on new homes under $1 million for first-time buyers and provide partial rebates for those between $1 and $1.5 million.

Ontario also paved the way for development charge deferrals with Bill 17, which allows developers to pay municipal fees when the property is handed over to the buyer, rather than when the building permit is issued. And, the provincial government passed Bill 60, which is aimed at streamlining approvals and site plan control, and will help to lower the costs of building.

But plenty of work remains.

Premier Doug Ford suggested recently that the sales tax break on new housing should be extended to all new home buyers - not just first-time purchasers. That would be a significant move.

A report coming out soon from the Canadian Centre for Economic Analysis notes that freezing sales taxes on all new housing for three years would produce significant savings for homebuyers.

We cannot sit on our hands. There is too much at stake.

STARTS DOWN IN 2025

By Sammy Huddes
The Canadian Press
Dec. 1, 2025

The Residential Construction Council of Ontario says housing starts in the Greater Toronto Area and broader Greater Golden Horseshoe region declined significantly in the first nine months of 2025 relative to recent years.

A report by the University of Ottawa's Missing Middle Initiative, which was commissioned by the council, said housing starts were down by more than one-third in the 34 municipalities of the region over the first three quarters, compared with the same January-to-September periods of 2021 to 2024.

The study said there were 51 per cent fewer condo apartment starts in the first three quarters, along with 43 per cent fewer ground-oriented housing starts. However, purpose-built rentals were up 42 per cent compared with the previous four years.

Council president Richard Lyall said the data shows "we are staring into the abyss" when it comes to residential construction.

"The findings of this report are alarming but confirm what the residential construction industry and our builders have been experiencing and saying for some time now," said Lyall in a press release.

"The new home market has tanked. It is a particularly dark time for those who work in residential construction.

"There have been significant job losses across the board. Projects are being shelved, and this will have a significant trickle-down effect on Ontario's economy."

The decline in housing starts comes as affordability remains a top issue holding back some potential buyers in the GTA housing market.

The average selling price of a home in the region was $1,054,372 in October, according to the most recently released data from the Toronto Regional Real Estate Board.

The University of Ottawa report was based on data obtained from Canada Mortgage and Housing Corp. and Altus Group.

It also graded the municipalities across five categories related to housing starts and sales, with half receiving an F, nine scoring a D, and eight others a C or higher.

The study suggested the decline in housing starts is leading to significant job losses. Over the first nine months of the year, the report estimated that fewer housing starts have translated into 35,377 fewer person-years of employment, compared with the same period in the previous three years. That's based on an estimate that building a single-detached home requires 3.8 person-years of employment, while an apartment unit translates to 1.5 person-years of employment.

> **"Person-years of employment in the industry are down which shows the effect that the lack of housing starts and sales is having on the industry and the economy.**

"The person-years of employment in the industry are down which shows the effect that the lack of housing starts and sales is having on the industry and the economy," said economist and Missing Middle Initiative founder Mike Moffatt in a statement.

"The negative trend in employment has continued and there is significantly less work in the residential construction sector."

It comes as the federal government aims to ramp up home construction, pledging in last month's budget to spend $25 billion on housing over the next five years.

The federal budget called attention to CMHC's current estimate that 430,000 to 480,000 new housing units are needed per year throughout the next decade in order to restore affordability to 2019 levels.

That would represent around double the current pace of home construction across the country.

Nationally, the annual pace of housing starts in October fell 17 per cent compared with September, the housing agency said last month. CMHC said the drop came as the number of starts in Ontario and British Columbia fell.

Actual housing starts in centres with a population of 10,000 or greater were down three per cent year-over-year. However, the year-to-date total for centres with a population of 10,000 or greater was 197,207, up from 188,660 in the same period in 2024.

HOUSING REPORT CARD

JOB DECLINE

A new report done for RESCON paints a dark picture of the state of the real estate construction sector, as the steep decline of new home starts in the Greater Toronto Area and Greater Golden Horseshoe makes construction jobs evaporate.

By Courtney Zwicker
Real Estate Magazine Canada
Dec. 4, 2025

A new report paints a dark picture of the state of the real estate construction sector, as the steep decline of new home starts in the Greater Toronto Area (GTA) and Greater Golden Horseshoe (GGH) makes construction jobs evaporate.

The analysis conducted by the Missing Middle Initiative at the University of Ottawa for the Real Estate Construction Council of Ontario reveals that housing starts in the first nine months of 2025 are down substantially from the same period in the previous three years, while industry job losses continue to grow.

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

Researchers examined 34 municipalities across nine separate metro areas in the GTA and GGH and assessed the state of housing sales and construction, and the effects on industry employment.

The analysis shows that housing starts were down 34 per cent in the municipalities over the first three quarters of 2025, relative to the January-to-September periods in 2021-24.

Condo apartment starts were down 51 per cent in 2025 relative to the same earlier time periods.

Bucking the trend were purpose-built rental starts, which were up 42 per cent over the same periods.

The decline in housing starts, compared to the previous four-year average at this point in the year, is estimated to have reduced the number of jobs by more than 26,000 across the Toronto Census Metropolitan Area.

The report's release is timely. Both the federal and Ontario governments have committed to significantly raising housing starts, but their targets seem out of reach and unfocused, according to experts.

RESCON president Richard Lyall said the findings of the report confirm what the construction industry and builders have been experiencing on the ground for some time.

"We are staring into the abyss. The new home market has tanked. It is a particularly dark time for those who work in residential construction," he said, noting the "significant" job losses across the board.

"Projects are being shelved, and this will have a significant trickle-down effect on Ontario's economy. We must act quickly to stem the bleeding."

The tax burden is a big part of the problem, according to RESCON. Taxes, fees and levies account for 36 per cent of the cost of a new home, according to a press release.

RESCON has called on the federal and provincial governments to eliminate the sales taxes on all new homes, in addition to the steps taken to eliminate the taxes for first-time buyers.

"This report is an eye-opener, as it notes we are trending in the wrong direction and the situation could get even worse," says Lyall.

"Builders need to be able to build homes that people can afford. Steps must be taken to get the industry back on track. Our economy depends on it."

WIN-WIN

Driving down water consumption & infrastructure costs

By Paul De Berardis
for Better Builder

It should come as no surprise to many of you that new housing in Ontario is taxed at an unprecedented level, with the net beneficiaries being all levels of government.

It's hard to keep track of all these taxes, fees and levies, but the big ones include development charges (regional and municipal), community benefits charge, parkland cash-in-lieu, land transfer tax and, of course, everyone's favourite, HST (both provincial and federal components).

When you add up all the government-imposed fees, our research shows that this accounts for approximately 36% of the cost of new housing. With this level of taxation, it makes you think whether governments are really trying all that hard to make housing more affordable for consumers.

If I didn't know any better, it's almost as if governments don't want any new housing, despite all the ambitious housing targets and pledges to build more housing.

Of all the taxes on new housing, development charges are typically the biggest ticket item, accounting for as much as $200,000 in some GTA municipalities on a single/semi-detached home.

While the provincial and federal governments are attempting to rein in some of these runaway development charges, little progress has been made to date. Recently, under Bill 17, the province implemented a deferred interest-free development charge payment from the time of building permit issuance to the time of building occupancy to assist with the financial viability of delivering housing.

The ongoing Bill 60 legislation is looking to pilot the creation of a framework for a new public corporation model for water and wastewater services, to provide broader financing opportunities to reduce reliance on development charges for water and wastewater growth-related infrastructure, but this will take years.

The federal government's election platform vowed to cut development charges in half, but the recent budget revealed the Liberals are backing away from this commitment, with no actionable plan to reduce municipal development charges with any sense of urgency.

So, with no significant relief in sight, what can be done in the meantime to reduce development charges while still supporting new housing-enabling infrastructure?

A sizeable part of that overall development charge is allocated to pay for new water and wastewater infrastructure. Typically, somewhere in the range of 30% of a development charge can be attributed to this alone but varies across Ontario municipalities. With water and wastewater infrastructure being such an expensive component of development charges, and very lengthy to construct this new infrastructure, you would think municipalities would try to incentivize and prioritize ways to minimize new infrastructure burdens.

We have seen municipalities regulating builders to construct more sustainable new housing projects, through policy tools such as green development/building standards.

However, these measures have typically resolved to limit energy usage or greenhouse gas emissions in new housing to address climate policies. Some municipalities, such as Toronto, even offer development charge rebates for achieving higher tiers/levels of emissions or energy reductions in new housing. So, using this as the underlying premise, it would also make sense for municipalities to incentivize builders through reduced development charges to minimize water usage and therefore wastewater in new housing. By reducing infrastructure burdens for water and wastewater, development charge costs for these components should be reduced, and existing infrastructure would be better utilized through supporting more homes using the same capacity. This would be a win-win situation.

Municipalities would reduce their infrastructure costs and burden, there would be savings in development charges for homebuyers, and consumers would pay lower ongoing water utility costs, all while being able to deliver more affordable housing.

So many GTA greenfield developments as well as infill re-developments alike face challenges with limited wastewater infrastructure capacity, which has led to skyrocketing development charges and infrastructure backlogs holding up new housing. When wastewater allocation is limited to accommodate new housing projects, it throttles new housing supply from coming online, adding to housing unaffordability through lengthy delays.

Or alternatively, developers are often faced with situations where water/wastewater infrastructure to support their project is planned for a future time horizon, even though growth-enabling development charges were paid in advance at execution of a subdivision agreement. In this instance, developers are faced with the decision to front-end the necessary infrastructure funding themselves or wait for some future date when the municipality completes the new infrastructure.

Many of these challenges could be minimized if municipalities prioritized water savings in new housing which would reduce infrastructure servicing requirements.

Municipalities need to better understand and recognize the benefits of water savings in new housing as opposed to being solely focussed on energy or emissions reductions. Reduced water consumption in new housing would not only have a significant impact on conveyance infrastructure, but the benefits also translate to capital cost savings with respect to building new wastewater treatment facilities or expanding existing ones. This should be a no-brainer for municipalities to incentive water savings through development charge rebates. When considering scale, the aggregation of water savings across all homes in a new subdivision would be monumental, accounting for millions of litres of water saved year after year, and thus reducing wastewater treatment needs in perpetuity.

There have been a select few municipal examples which have proven to be successful, such as East Gwillimbury offering additional servicing allocation (sewer capacity) for complying with their Sustainable Development Incentive Program (SDIP) that recognizes improved water efficiency.

Whether it be additional sewer allocation or a development charge rebate, there are different options municipalities can explore with their industry development partners to find solutions that could enable better housing affordability.

Governments want to facilitate the construction of more new housing, yet new homes sales have slumped, so there is no better time than now to explore new creative solutions.

RCCAO REPORT

- The fall legislative session at Queen's Park delivered progress on several RCCAO advocacy priorities, including passing of Working for Workers Act Seven and Fighting Delays, Building Faster Act as well as meaningful progress on the Bradford Bypass and Highway 413.
    - For 2026, RCCAO will continue to focus on tender predictability, removing burdensome red tape that impacts all varieties of construction and expanding taxation relief across new homes construction.
- On Dec. 4, RCCAO once again partnered with the Vaughan Chamber of Commerce for its annual Infrastructure Summit.
    - The event was a resounding success, bringing together leaders from government, industry, and stakeholders to discuss the critical challenges and opportunities facing Ontario's infrastructure and workforce.
    - The summit continues to be a key annual forum, focusing on the importance of infrastructure, and featuring leaders like Minister Sarkaria and Mayor Del Duca.
- December included continued progress on both Highway 413 and Bradford Bypass:
    - RCCAO was delighted to attend the government's announcement on the RFP for Highway 410's extension to support the construction of Highway 413.
    - RCCAO welcomed the Government of Ontario's announcement on the awarding of the detail design of the central and east sections of the Bradford Bypass.
- RCCAO remains focused on reforms of the immigration system to address the industry's long-term skills shortage. To that end, in December, RCCAO submitted commentary to proposed amendments to the Ontario Immigration Act as it relates to changes to the OINP streams.
- RCCAO welcomed the co-operation agreement between the Government of Ontario and Government of Canada to ensure critical and transformative infrastructure projects are built without costly duplication of multi-level regulations.
- On Dec. 3, RCCAO was pleased to celebrate the Christmas and holiday season with the board of directors, members and industry partners and colleagues.
- RCCAO hopes everyone had a great holiday break and wishes all a prosperous 2026! A new year means new regulations coming into force in Ontario. These include important industry related changes to OSHA, the Construction Act and the Protect Ontario by Cutting Red Tape Act. To view the full list, click here.
- RCCAO's fall newsletter edition is now live – to read it and subscribe, click here.
- RCCAO remains active on all of its communication channels – stay on top of infrastructure news on our LinkedIn and X/Twitter pages.

CLICK HERE

to check out RESCON's site