



May 9, 2025

Chair Kevin Ashe and  
Members of the Finance & Administration Committee  
Regional Municipality of Durham  
605 Rossland Road East  
Whitby, Ontario  
L1N 6A3

RE: Report #2025-F-7  
Medium and High-Density Residential Development Charge Deferral Program  
Finance and Administration Committee – Meeting of May 13, 2025

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The Building Industry and Land Development Association (BILD) and the Durham Region Home Builders' Association (DRHBA) are in receipt of **Staff Report #2025-F-7, 'Medium and High-Density Residential Development Charge Deferral Program'** that will be considered by the Finance and Administration Committee at its meeting of May 13, 2025, and submit the following comments below.

We would like to take this opportunity to thank Chair John Henry and staff for meeting with association and industry representatives on April 8<sup>th</sup> where our group highlighted the need to collectively address the housing crisis and cost to build challenge in order to help stimulate construction.

On Monday, May 12<sup>th</sup>, we understand that the Minister of Municipal Affairs and Housing will be making an announcement possibly related to development charges and addressing consumer affordability challenges. At time of writing, we are not aware of the specifics that will be presented, but trust that the Region will consider and adhere to those initiatives, and that the recommendations of staff as presented in the staff report may be impacted by that provincial direction.

In this period of economic and tariff uncertainty, prioritizing housing is both a strategic priority and a socio-economic win. Durham Region is facing a housing deficit, with significant affordability and cost to build challenges. We must work together to deliver meaningful change and adopt changes that will accelerate homebuilding in Durham Region, while helping new homebuyers, protecting jobs and strengthening the economy.

In that, we thank the Region for taking steps towards a development charge deferral program. However, **we offer the following necessary changes and recommendations for Committee to consider prior to this item being adopted by Council**, so that Regional initiatives can have a positive impact and affect much needed change in the current housing status:

- (a) **BILD and DRHBA recommend that the deferral program be extended to apply to ALL forms of housing types including single family dwellings and rental units.** The proposed program is set to apply to medium and high-density projects only. Given that all product types are experiencing economic and cost to build challenges as well as almost non-existent sales, and to reinforce the importance of consumer housing choice, BILD and DRHBA strongly urge Committee to consider development charge relief that extends to **all residential development and all housing types**. The entire housing market—and the broader economy—requires this support to restore stability and encourage future development. According to a



study developed by the Missing Middle Initiative, released last month, which is led by Mike Moffatt, we need to build at least 50,000 homes annually of all types to balance the market and meet the housing needs of the GTA.

(b) **BILD and DRHBA recommend that the length of the development charge deferral program extend beyond 2025.**

The escalating trade war is creating additional stress on the housing market. Consumer confidence has already been shaken, and we can anticipate impacts on materials and supply chains will increase the cost to build crisis. We must face the very real possibility that the conditions we are experiencing today will result in a more significant housing supply crisis in 2026, 2027 and beyond.

It is no secret that sales of new homes and building of new purpose built rental projects in recent years have fallen far short of the levels required to meet growth needs of the GTA. In 2024, sales were 75 per cent below the 10-year average and with sales for the first month of 2025 unfortunately following a similar if not deepening trend pattern. According to the Altus Group, high-rise sales in Durham Region have seen a staggering decline, dropping from 13 sales in January this year, from 34 at the same time last year, and numbers have not significantly increased to date. In order for these numbers to see any semblance of increase, any incentive program needs to extend to periods beyond 2025.

BILD and DRHBA recommend that Regional staff enter into conversations with the associations and industry representatives regarding the opening and comprehensive review of the current development charge by-law in order to reassess inputs such as population figures, projections and true capital program costs, and have the length of the proposed program's deferral apply to such time as that exercise is complete.

(c) **BILD and DRHBA recommend that the parameters of the proposed program be amended to exempt interest and that the Region also consider foregoing indexing of its development charge by-law/rates.**

The proposed program indicates that full payment for residential medium and high-density developments that qualify for the deferral be due at first occupancy (excluding freehold townhomes) with a security provided to the Region at building permit issuance, and that the deferral payment be subject to an interest rate of 2.6 percent that accrues from building permit issuance until payment at occupancy.

Suggesting that interest be added to a deferral in development charge payments is in essence suggesting a penalty to the applicant, and the ultimate homebuyer, in a program that is intended to serve as an incentive. Ontario's housing crisis continues to place unprecedented strain on our industry, making both building and selling homes more challenging than ever. Consumer purchasing has slowed significantly, while construction costs have reached record highs. The average condo price in the GTA at the end of January was \$1,015,231 and the average price for a single detached home was at \$1,552,846 —pushing homeownership further out of reach for buyers and creating major financial hurdles for developers trying to bring new projects to market.

This proposed interest rate of 2.6 percent is also extremely problematic as it presents a situation worse than the status quo when applicants already need to pay interest on other



financial lending options. The proposed program's requirement for security in the form of a Letter of Credit or Surety Bonds for the full amount owing will also be subject to its own interest rate for the applicant. Adding additional interest to a deferral program will only serve as an added cost at a time when we are attempting to address the cost to build challenge.

In addition, all Regional development charges are indexed annually in accordance with the annual change in the Statistics Canada Building Construction Price Index (BCPI), and they are set to be further adjusted for indexing in July. As of April, development charge rates were being indexed at 4%. This is an additional increase to the current development charge rates which runs counterintuitive to the idea of providing development charge relief.

The housing supply crisis and uncertainty of the day adds to the urgency to seek impactful solutions. There is an urgent need for government action to provide meaningful industry relief, and ensure that consumers can confidently re-enter the market. We commend the Region for acknowledging the need for action and thank staff for recognizing the difficulties faced by both the industry and consumers, but trust that you will take our recommendations into serious consideration.

Our members are not just constructing homes—they are shaping communities. We are your partners in building a Durham Region that serves all its residents, delivering a diverse range of housing options that meet the needs of families, first-time buyers, and renters alike. These initiatives are not just about supporting the industry; they are about ensuring that Durham remains a Region where people can afford to live, work, and thrive.

Thank you for the opportunity to submit this correspondence. As proud partners in shaping strong, vibrant, and sustainable communities, BILD and DRHBA members are eager to continue to build in the Region of Durham. We look forward to continuing to work with staff and Regional Council at this crucial and unprecedented time so that we can collectively arrive at additional solutions to address the housing and economic crisis for the benefit of Durham Region's residents.

Sincerely,

Paula J. Tenuta  
Senior Vice President, Policy & Advocacy  
Building Industry & Land Development Association

Stacey Hawkins  
Executive Officer  
Durham Region Home Builders' Association

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*The Building Industry and Land Development Association and the Durham Region Home Builders' Association are advocacy and educational groups representing the building, land development and professional renovation industry in the Durham Region and Greater Toronto Area. BILD and DRHBA are affiliated with the Ontario Home Builders' Association and the Canadian Home Builders' Association. Our member companies consists not only of direct industry participants but also of supporting companies such as financial and professional service organizations, trade contractors, as well as manufacturers and suppliers of home-related products.*