

March 18, 2025

Executive Committee
City of Toronto
100 Queen Street West
Toronto, Ontario
M5H 2N2

Re: Support for Deferral of Development Charges for Affordable Ownership Housing Projects

Dear Mayor Chow and Executive Committee Members,

The Toronto Regional Real Estate Board (TRREB) strongly supports the report from the Deputy City Manager, Development & Growth Services, and the Chief Financial Officer and Treasurer regarding the deferral of development charges (DCs) for 3,000 condominium units within the development review pipeline. These units have submitted a complete site plan application as of March 1, 2025, and include at least 5–10 per cent affordable units. This initiative is timely, especially as the city faces increasing uncertainty in the housing market.

With rising construction and financing costs, declining pre-construction sales activity in the condo market, escalating tariffs, and a volatile economic landscape, this strategic move to provide temporary relief to builders is crucial. It will help ensure the feasibility of essential housing projects needed to increase Toronto's housing supply.

TRREB believes the proposed DC deferral will foster the creation of mixed-income communities by enabling these projects to move forward, thus supporting the ongoing increase in housing supply and improving housing affordability overall. The recent slowdown in development has significantly impacted the condo segment, compounded by challenges like higher interest rates and shifting trade dynamics. These factors are already affecting Toronto's ability to meet the housing needs of current and future residents. Without intervention, we risk losing critical capital and labour capacity needed to address our housing needs in the coming years.

In addition to supporting the proposed measure, we encourage the city to consider expanding this initiative to include the remaining 11,000 units at various stages of the development review process that also include an affordable housing component. This could be achieved through further DC deferrals or permanent reductions to DC levels.

The challenges facing home builders are substantial, and addressing the financial pressures arising from volatile market conditions is vital to ensuring Toronto has the diverse housing supply it needs over the next decade. TRREB also acknowledges the ongoing discussions with provincial and federal governments and urges continued collaboration to respond to the need for more housing options within Toronto's fiscal capacity.

Together, we can create a robust and resilient housing market that supports Toronto's growing population and strengthens our local economy. We urge the Executive Committee to take this

vital step and TRREB looks forward to working with the city to explore additional solutions for enhancing housing affordability in Toronto.

Sincerely,

Elechia Barry-Sproule
President
Toronto Regional Real Estate Board