



May 6, 2025

Chair Gord Perks and Members of the
City of Toronto Planning and Housing Committee
Toronto City Hall
100 Queen Street West
Toronto, Ontario
M5H 2N2

Via e-mail: phc@toronto.ca

Re: PH21.3 - Development Application Fee Review

Dear Chair Perks and Members of the Committee:

We are writing with respect to the proposed changes outlined in the Planning and Housing Committee “Development Application Fee Review” agenda item.

As you may know, RESCON is Ontario's leading association of residential builders. Our members construct the majority of new homes across the province including within the City of Toronto.

At a time when we are contending with the most serious housing affordability crisis ever experienced in Ontario, and within the City of Toronto, we are concerned that once again with this item before the Planning and Housing Committee we are witnessing yet another increase in fees when the financial viability of constructing new homes is nearly non-existent.

Recently, we presented at the City’s Infrastructure and Environment Committee with respect to new and increased road occupancy fees associated with the RoDARS system. These increased fees were yet another cost added to the price of trying to build new housing in Toronto. This, in the context that home builders are responsible for only 5% or less of road occupancy.

Add to this a myriad of other exorbitant costs levied by the City onto housing, including Development Charges and Municipal Land Transfer Tax. The City may have indicated that they were implementing a temporary freeze on DCs going forward but this in no way negates the absolutely exponential increases in this particular fee over the last decade all while the City sits on a massive DC reserve fund that rarely sees 65% of allocated annual spending actually being utilized.

The cumulative impact of all these taxes, fees and levies on new homes constitutes 36% of the cost that is then borne by consumers.

The current state of the new home market in Toronto is complete stagnation, new home sales have plummeted. When the current ongoing projects are completed there are simply few new plans in place to construct residential housing as the economics do not support any effort to do so.

In this context, escalating any fees including Development Application charges, is simply poor public policy and represents an enormous injustice to new home buyers, particularly first-time purchasers, who have been priced out of the market.

The City has significantly increased staffing levels within the Planning Division and we applaud that effort, but unfortunately the three years that it took to do this from 2022 until now has resulted in a scenario where these new hires are being put in place when development applications are generally trending down as few new projects are not viable to initiate.

It is with prevailing mystification that we watch as the City of Toronto continues to add additional costs to new home building covering every conceivable aspect of the process when clearly the construction of new homes is rapidly grinding to a halt. Existing new residents, and those coming to the City, particularly young people, simply cannot afford the cost of housing in Toronto and yet the City's response is not to seek to mitigate this crisis but rather to add more to the factors that sustain it.

We implore the City, and in particular this Committee, to recognize the impact these taxes, fees and levies are having on the ability to build new homes that people can afford to purchase and that home builders can afford to construct.

We respectfully request that the Committee either refer this matter back to staff with a cost-impact analysis being included as part of the process or better still receive the Staff Report for information to be considered at a later time when market conditions are at least more favourable for a reasonable consideration of yet more increased fees.

Thank you for this opportunity to share our concerns.

Yours truly,

A handwritten signature in black ink, appearing to read 'ML' or similar, written in a cursive style.

Richard Lyall
President
RESCON