TORONTO REGION BOARD OF TRADE

WHAT'S AT STAKE

TORONTO MUNICIPAL ELECTION ISSUE GUIDE

Housing and Land Use

SEPTEMBER 2026

The choices Torontonians make in the municipal election on October 26 will shape how our city grows over the next few years. To help voters understand what is at stake, the Toronto Region Board of Trade is publishing a series of three non-partisan issue guides breaking down some of the city's most complex economic challenges. Each guide explains the problem, why it matters and the actions the next mayor and council should consider.

For many Torontonians, the anxiety around housing affordability is imminent and financial: more than one in five residents worry about making their rent or mortgage payments each month.[1] The challenge is not only whether residents can afford housing, but whether they can find homes that fit their needs near their work, schools, transit and public services.

But the problem is deeper than just affordability. Four in ten Toronto residents say they are likely to leave the city entirely within the next five years because they can no longer afford to stay.[2]

Housing availability and affordability has become one of the most significant threats to Toronto's economic competitiveness and long-term growth. When workers and families cannot afford to live in the city, employers struggle to attract and retain talent, business investment becomes less attractive and economic growth slows.

Between 2014 and 2025, Toronto experienced a net loss of 240,000 residents aged 25 to 44 to other parts of the province.

Housing

Toronto has made ambitious commitments to increase the supply and diversity of available housing but has struggled to deliver on their targets. Success will require not only more homes, but a wider range of homes that cater to different household sizes, incomes, and life stages.

Closing the gap between promises and outcomes will be one of the central challenges facing the next mayor and council. Toronto's housing shortfall reflects a set of interconnected challenges involving costs, approvals, infrastructure funding, and unfinished policy commitments:

Toronto needs a long-term funding model lowering upfront development costs while still paying for the infrastructure growth required.

Zoning and approvals remain major barriers. Faster, clearer, and more predictable approvals are essential to lowering costs and restoring confidence. What is needed is a clear commitment to completing outstanding reforms.

As of April 2025, the Canada Mortgage and Housing Corporation reported that Toronto had completed less than 50% of its Housing Accelerator Fund Action (HAF) Plan. As a result, the City has had $10 million in HAF funding withheld after failing to meet key implementation commitments.[3]

The Major Transit Station Area (MTSA) zoning process is a major opportunity to add housing near transit. But, where MTSA planning meets employment lands, the stakes go beyond housing.

WHAT ARE DEVELOPMENT CHARGES (DCS)?
Development charges are fees imposed on land development and redevelopment projects to help pay for the capital costs of infrastructure that is needed to service new development.

BY THE NUMBERS

DCs for ownership housing have increased by
more than 50%

Between May 2023 and May 2026, DCs for:

A **single-detached home** increased from $91,333 to $137,846,
a 50.9% increase

A **2-bedroom ownership unit** increased from $53,463 to $80,690,
a 50.9% increase

Between 2006 to 2025, the price of housing in Toronto has tripled.

- Over the last three years, housing starts have declined 65 per cent. Toronto recorded only 4,557 housing starts between January and May 2026, compared with 12,866 housing starts between January and May 2023.
- Toronto has the highest share of households in unsuitable housing among major Canadian cities, at 12.5 per cent, with the most common gap being households in two-bedroom homes that require three bedrooms.

Employment Lands

While Torontonians need places to live, they also need places to work. Toronto can build more homes and protect the lands supporting jobs and key industries. A successful city needs both.

Toronto's employment lands support manufacturing, warehousing, logistics, and other businesses that cannot easily relocate elsewhere. They account for 92 per cent of the city's manufacturing jobs, generate $52 billion in GDP, and support 381,270 jobs and 22,530 businesses across the region.

Employment lands are finite, difficult to replace, and increasingly under pressure from the demand for land for housing. The intersection of housing growth and employment lands brings several planning and economic considerations into focus.

Toronto must resist parcel-by-parcel conversions that ignore cumulative economic impact. Piecemeal planning decisions put the city's employment land base at long-term risk.

Good planning also requires buffers and transition zones to prevent conflicts between industrial and residential uses. That makes Major Transit Station Area planning critical.

The city can add housing near transit while protecting employment lands through clear compatibility tests. Housing and employment lands should not be treated as competing priorities.

BY THE NUMBERS

Employment lands in 2006

8,314 hectares

Of those:

764 hectares
have been lost

255 hectares
are proposed for conversion to residential housing

Converting employment lands has delivered little housing.

Only about 20%

of employment lands sites converted since 2013 have ultimately resulted in residential development.

What's at Stake?

The next four years will be critical in determining whether Toronto can reverse a deepening housing crisis undermining the city's economic competitiveness and quality of life.

At a time when governments across Canada are focused on affordability, productivity, and long-term growth, Toronto has both an opportunity and an obligation to lead by building more homes, in a wider range of forms, more quickly, and at prices that work for the full range of people who live and work here.

Toronto's prosperity also depends on its ability to attract and retain talent, support businesses, and sustain growth. That, in turn, depends on residents being able to afford to build their lives in the city. The cost of inaction is already felt: a shrinking pipeline of new homes, workers and families leaving the city, firms struggling to recruit talent, and the gradual erosion of employment lands.

To address these challenges, the Toronto Region Board of Trade is advocating two priorities.

1. Modernizing Development Charges to Support a Competitive City

Toronto relies on DCs to fund infrastructure that supports growth. However, the City continues to face a widening mismatch between its infrastructure responsibilities and its fiscal capacity. While DCs fund a portion of the capital required for roads, water, wastewater, parks, and transit, they add significant upfront costs to new housing at a time when affordability pressures are intensifying.

Rising DCs increasingly require the first purchaser of a new home to finance the cost of long-lived infrastructure that will provide benefit over many decades. This approach constrains housing supply, undermines affordability and does not resolve the City's long term infrastructure funding needs. The City should pursue reforms to reduce upfront housing costs and preserve the revenues needed to support growth.

AS THE CITY PREPARES TO UNDERTAKE ITS NEXT DC REVIEW, PRIORITY ACTIONS SHOULD INCLUDE:

- **Implement land valuation reforms introduced through Bill 60.** The Province's passage of Bill 60 introduced changes to the treatment of land acquisition costs under the Development Charges Act, addressing a key cost driver identified in the Board's Priced Out report. As Toronto prepares its forthcoming DC background study, it should apply these reforms transparently and consistently to lower upfront housing costs while preserving the City's ability to fund growth infrastructure.

- **Improve transparency around benefit-to-existing assumptions.** The City should publicly disclose and clearly explain the benefit-to-existing assumptions used to calculating DCs. These assumptions determine how infrastructure costs are apportioned between existing residents and future growth and therefore shape how much of a project's cost can be recovered through DCs. Greater transparency would strengthen confidence in the DC framework, improve predictability for housing providers, and support more informed infrastructure planning.

- **Explore alternative financing approaches that better align infrastructure costs with asset lifecycles.** The City should explore financing approaches that better align infrastructure costs with asset lifecycles. Where appropriate, long-lived infrastructure should be financed through utility-style or revenue-backed models that spread costs over time among those who benefit, reducing reliance on DCs and make infrastructure funding more sustainable.

- **Maintain globally competitive non-residential development charges.** Toronto must continue to attract and retain investment, including in employment-generating sectors such as manufacturing, logistics, office, life sciences, and innovation industries. Non-residential DCs should be reviewed with a competitiveness lens to ensure they do not discourage business expansion or push investment elsewhere.

- **Pursue long-term partnerships with the Province and federal government to reduce housing costs.** Toronto should seek durable intergovernmental agreements, rather than relying on temporary or narrowly targeted measures. Any approach to reduce housing costs should support the full range of housing the city needs, including rental, ownership, family-sized, affordable, and purpose-built housing.

2. Modernize zoning and approvals to improve productivity and livability

A faster, clearer, and more permissive planning system would reduce red tape, lower the cost of delivering new housing, expand the range of housing types that can be built, and make it easier for people to live closer to where they work. Faster approvals mean more homes, greater certainty for investment, improved access to talent for employers, and a more productive regional economy.

PRIORITY ACTIONS INCLUDE:

- **Introduce clear service standards and public performance dashboards.** The City should adopt clear service standards for planning, permitting, inspections, and other business-facing processes, supported by public performance dashboards. Transparent reporting would improve accountability, identify bottlenecks, and support faster service delivery.
- **Resume quarterly reporting on development review timelines.** The City began publicly reporting development review timelines between the first quarter of 2024 and the second quarter of 2025. Quarterly reporting should be reinstated and maintained, with disaggregated data for both pre-application and formal application stages made publicly available for independent review. This would strengthen accountability and transparency by allowing Council, applicants, and the public to track whether approvals are becoming faster, more predictable, and more efficient.
- **Appoint a Regulatory Efficiency Officer.** The City should appoint a Regulatory Efficiency Officer who reports to the Mayor. This role would lead cross-divisional coordination and oversee regulatory reviews. It would also drive continuous improvement in housing, permitting, inspections, compliance reporting, and development reviews. These efforts would help reduce delays and strengthen accountability across City divisions.
- **Advance Major Transit Station Area zoning updates.** Toronto should complete its Major Transit Station Area (MTSA) zoning updates in a timely manner. Zoning changes should also preserve the long-term viability of adjacent employment lands through appropriate compatibility policies and transition areas. Together, these measures can enable more housing, and a wider range of housing, near higher-order transit while protecting key employment areas.
- **Complete outstanding Housing Accelerator Fund commitments.** Toronto has committed to reforms intended to lower regulatory barriers and support more housing options, but implementation has fallen short in key areas. For example, rather than permitting six plexes citywide, Council limited as-of-right permissions to only nine wards. The federal government subsequently reduced Toronto's Housing Accelerator Fund allocation by $10 million for failing to fully meet its agreement. The City should close remaining delivery gaps, such as by legalizing six plexes in residential neighbourhoods across the entire city. These commitments would translate into a greater variety of housing options available across the entirety of the city.
- **Improve transparency surrounding utilities service to lots.** Insufficient utilities infrastructure is emerging as a major barrier to housing development, especially infill housing such as multiplexes. The City should make it easier to determine what a lot can accommodate and what upgrades would cost to inform development decisions which would support more multiplex housing.
- **Establish a clear hierarchy of development review priorities.** The Mayor should issue a directive that ranks the City's development review priorities across departments. Applicants often face competing direction from divisions that each treat their objective as paramount, creating uncertainty and slowing approvals. A clear hierarchy would help staff resolve trade-offs faster and give applicants a more predictable path to approval.

Our Questions for Candidates

1. Housing and employment lands should not be competing priorities. Toronto can build the housing it needs to attract the best talent while protecting employment lands that support jobs and investment. How will you protect the long-term economic viability of Toronto's employment lands while delivering more housing for residents?

2. The cost to build housing in Toronto has skyrocketed since the last election, driven significantly by the increase in development charges. What plan do you have to durably reduce development costs so more housing can be built at attainable prices?

3. Toronto committed to make a series of zoning and regulatory reforms under the Housing Accelerator Fund (HAF) but has fallen behind in implementation. How will you deliver on those commitments?

Endnotes

1 https://torontofoundation.ca/vital-signs-2024-housing/

2 https://www.ipsos.com/en-ca/toronto-residents-concerned-about-housing-affordability-and-municipal-tax-burden

3 https://www.cbc.ca/news/canada/toronto/federal-housing-minister-gregor-robertson-toronto-mayor-olivia-chow-housing-fund-cut-9.7054038

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The Toronto Region Board of Trade is one of the largest and most influential chambers of commerce in North America and is a catalyst for the region's economic growth agenda. Backed by more than 10,500 members, we pursue policy change to drive the growth and competitiveness of the Toronto region, and facilitate market opportunities with programs, partnerships and connections to help our members succeed – domestically and internationally.

For more on making Toronto one of the most competitive and sought-after business regions in the world, visit **bot.com** and follow us on LinkedIn.