



## ONTARIO REAL ESTATE ASSOCIATION

15 Kern Road, Toronto, ON, M3B 1S9

May 10, 2024

Hon. Paul Calandra  
Minister of Municipal Affairs and Housing  
17th Floor, 777 Bay St.  
Toronto, ON M7A 2J3

**RE: ERO #019-8371:** *Changes to the Development Charges Act, 1997 to Enhance Municipalities' Ability to Invest in Housing-Enabling Infrastructure*

Dear Minister Calandra,

On behalf of the Ontario Real Estate Association (OREA), we would like to thank you and your Ministry for your public commitment to reducing red tape in the housing sector and getting more affordable homes built faster. As you know, OREA supports nearly 100,000 REALTORS® in helping Ontarians find a great place to call home – but regulatory red tape is making it difficult to get more homes built. With *Bill 185, Cutting Red Tape to Build More Homes Act*, Ontario's sixth piece of housing legislation since 2018, the province will make significant progress on important policy solutions.

Alongside several legislative proposals arising from Bill 185, OREA supports changes such as reducing the time limit on the DC freeze to encourage quicker permitting, and therefore quicker building; and moving forward with implementation of exemptions for affordable units.

Development charges remain an onerous aspect of development, particularly when it comes to improving housing affordability. These charges can add up to an additional \$135,000 to the price tag of a new home in Ontario. Any changes to DCs cannot increase costs for future homebuyers and should be carefully considered to ensure no delays or disruptions to housing projects planned or underway occur.

Specifically, OREA strongly recommends reforming how municipalities collect and spend DCs. [A.C.D. Howe study](#) previously found that total DCs collected in 2021 were more than \$4 billion, but only a little over half were actually spent. As a next step, OREA recommends that the province consider whether legislation is required to fix any structural issues with the collection and allocation of DCs. Waiving DCs on affordable housing has set Ontario on the right path, and further action in this area is needed.

OREA was pleased to see a commitment to exploring new financing and governance for water and wastewater infrastructure in Bill 185. OREA's recent report, [Analysis of](#)

Ontario's Efforts to Boost Housing Supply, recommends the Province moves away from DCs as a funding mechanism for water and wastewater infrastructure projects, which can add up to \$50,000 on the cost of a new home.

Instead, OREA recommends the Government implements the Housing Affordability Task Force's recommendation to fund these services through a municipal services corporation model, which is already used successfully by natural gas and hydro utilities.

This is a crucial recommendation for long-term supply and affordability, as service-ready land is a key requirement for housing development. This will help ensure infrastructure is in place, but reform the funding model by removing DCs; lowering upfront costs to housing while allowing utility expansion to occur with increased financial flexibility for municipalities, as currently these services are line departments.

We appreciate the work that you and your Ministry are doing to reduce red tape, streamline planning approvals and increase housing supply across Ontario. Thank you for the opportunity to participate in this consultation process – together, we can help fulfill the dream of homeownership for many hard-working Ontarians.

***Submitted on behalf of the Ontario Real Estate Association***

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