



**ONTARIO REAL ESTATE ASSOCIATION**

15 Kern Road, Toronto, ON, M3B 1S9

May 12, 2024

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

**RE: ERO #019-8462:** *Review of proposed policies for a new provincial planning policy instrument*

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 improving land use planning and supporting pro-housing, pro-growth policies that will help Ontario get 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 a historic lack of supply driven by a shortage of builders, tradespeople, and land continues to be compounded by red tape and widespread NIMBYism, pushing back against development and making it difficult to get shovels in the ground and more homes to market, quickly.

Reflecting the urgent need to solve this housing crisis, the Ontario Government has set an ambitious goal of adding 1.5 million homes by 2031. Commendable effort has been made, including accepting all 55 recommendations from the Housing Affordability Task Force. With *Bill 185, Cutting Red Tape to Build More Homes Act*, Ontario's fifth piece of legislation under the Housing Supply Action Plan, the province will make continued progress on important policy solutions.

Ontario REALTORS® are supportive of measures designed to further streamline approvals, improve Ontario's rate of supply creation, and bring affordability home for future generations. Further revisions to the Provincial Planning Act should be done carefully, through the lens of increasing supply and affordability, taking care to ensure that changes will improve both, and not delay or interfere with any housing projects already planned or underway.

Alongside several proposals arising within the proposal for revisions to the Provincial Planning Policy, OREA is pleased to see the following included solutions, many of which have been supported by Ontario REALTORS® in the past, including within OREA's recent report, *Analysis of Ontario's Efforts to Boost Housing Supply*.

- **Increasing housing supply**, by making it easier to build more garden, laneway, and basement suites; requiring municipalities to support general intensification; directing municipalities to meet minimum density targets for all major transit station areas; and requiring planning for intensification on lands adjacent to existing and planned frequent transit corridors.
- **Making more land available for development**, by streamlining and improving municipal planning processes, including through allowing redevelopment of underutilized plazas, shopping malls, etc. for mixed-use residential.
- **Providing infrastructure to support development**, by requiring more integration and consideration of infrastructure projects during the municipal planning process; and requiring municipalities to plan for water and wastewater infrastructure, and waste management systems.

These are good steps, building on the commendable efforts thus far. However, Ontario's long-standing supply challenges are now compounded by higher interest rates and construction financing costs, and we risk slowing the pace of growth that has come from efforts to date. The need to solve the Province's housing supply and affordability crisis is greater than ever, with the Government's own projections falling short of the needed 100,000 homes per year to reach the goal of 1.5 million by 2031.

Ontario must further increase housing supply and make more land available for development, by implementing bold, pro-growth, pro-housing policy that will pave the way for increased supply, and increased affordability. This includes zoning reform, in two key areas:

1. **Ontario must implement land-used changes to end exclusionary zoning**, allowing multiplexes of up to four units as-of-right across the province. There are a variety of ways this could be implemented broadly. In Toronto, the City successfully ended exclusionary zoning but opted to limit the height of multiplexes to 10 meters (or three stories) in many areas, encouraging gentle density while protecting existing low-rise neighborhoods.

All thriving communities need a mix of housing so that families can find homes that meet their needs at prices that they can afford, and ending exclusionary zoning is the biggest key to unlocking home ownership in urban areas.

2. **The Province ought to allow upzoning and commercial-to-residential conversions along major transit corridors**, aligning the commendable pro-growth work and significant investments in transit and passenger rail with

Ontario's ambitious housing goals. This has been successful in Calgary, where commercial-to-residential conversions has been embraced as a solution to both address the housing crisis and revitalizing the downtown area. For every dollar Calgary invests, they have leveraged three dollars in private investment – totaling an estimated \$567 million partner investment in the downtown core, with 17 office conversion projects in the pipeline, resulting in the creation of over 2,300 new homes and the conversion of 2.3 million square feet.

While some progress has been made in Ontario, the province should follow Calgary's lead and legislate the ability for this conversion to occur, overruling overrule any local bylaws that prohibit this conversion.

OREA was also pleased to see a commitment to exploring new financing and governance for water and wastewater infrastructure, including municipal planning requirements. This is a key first step towards reforming how we fund water and wastewater in Ontario, which are currently funded by development charges and add up to \$50,000 to the cost of a new home.

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.

Ontario has set a bold goal – now is the time for continued bold action, through implementation of new housing policy will stabilize Ontario's affordability for future generations.. 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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