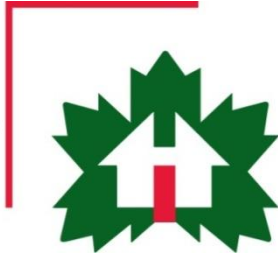


Waterloo Region
Home Builders'
Association



**Waterloo Region Home
Builders' Association**

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WATERLOO REGION HOME BUILDERS' ASSOCIATION

DEPUTATION TO:

Region of Waterloo

Sustainability, Infrastructure and Development Committee

COUNCIL MEETING DATE:

13 JANUARY 2026

RESPONDING TO:

Mannheim Service Area Water Capacity Constraint on
Housing Delivery and Regional Growth

Report No.

EES-WAS-26-001

ASSOCIATION COMMENTS PRESENTED BY:

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Waterloo Region Home Builders' Association

*Promoting building excellence and tradition
in Waterloo Region since 1946*



Chair James and Members of Committee,

My name is Larry Masseo, and I'm a policy advisor to the Waterloo Region Home Builders' Association.

For 80 years, WRHBA has been the voice of the new residential development and construction industry in this Region. We are one of the primary economic engines driving Waterloo Region's prosperity — supporting thousands of jobs, billions of dollars in investment, and delivering the housing supply that families, employers, and institutions depend on. Our members build over 90 percent of all new housing stock in this Region, and I am speaking here today on behalf of those members.

To begin, the water capacity constraints identified in the Mannheim system — and the resulting freeze on development — has put our members in a completely untenable situation.

This decision will trigger a cascade of severe, long-lasting consequences: constraining housing supply, driving up costs, destabilising municipal finances, exposing the Region to significant legal risk, and undermining Waterloo's economic competitiveness for years to come.

This moment requires clear, decisive leadership from Regional Council and direct provincial oversight. This will help to restore community confidence using transparent data and establish a credible path forward.

WRHBA is here today because we are the Region's largest development and housing partner.

We are ready to help — directly, constructively, and with solutions.

But we cannot accept a complete halt to development without sufficient, credible evidence.

We are already in a housing crisis and we need forward momentum – not a freeze.

Today, I want to address three primary issues:

1. How the Region is framing this situation
2. The real-world effects — which amount to a development freeze
3. The technical, financial, and economic consequences

1. How the Region Is Framing This Matter

The staff report concludes that the Mannheim system exceeds “sustainable capacity” only after applying a new, untested resiliency target.

The Region has stated it cannot enter new servicing agreements. Without these agreements, there can be no registrations — and no new housing. This is a complete halt to development.

Across the Mannheim service area, this freeze affects the delivery of up to 10,000 new homes, impacting ongoing projects, investments, and local families.

We suggest the issue should be framed as engineering challenge that will be addressed in a staged manner, with the least community impact possible.

2. Technical Concerns and Missed Engineering Solutions

We appreciate the January 9 meeting with regional staff. However, the technical basis provided for the freeze raises serious concerns.

First, this is not a water emergency.

There is no water-quality or public-health crisis, and new developments already meet strict water balance and infiltration requirements.

Second, the peer review relies on extreme, highly unlikely scenarios — such as losing an entire treatment plant or multiple well fields for years — scenarios that are not standard planning assumptions in Ontario.

Third, the 20 to 30 percent resiliency buffer is extraordinary, undefined, and double-counts risks already addressed through the Province's Permit to Take Water process.

Fourth, the Region's own peer review notes that the Mannheim plant is operating at only 40 percent of its intended capacity due to asset limitations. If a public asset is underperforming, the solution is to repair the asset and accelerate upgrades — not halt housing development.

The report also does not adequately evaluate interim engineering solutions such as pumping, transfer mains, or operational modifications.

Given the modelling issues now coming to light, and the lack of clarity around assumptions, direct provincial involvement is essential in the technical review process.

Independent, third-party validation is the only way to restore public confidence.

3. Financial, Legal, Labour, and Economic Implications

Over the past 10 years, builders have paid hundreds of millions in Regional Development Charges specifically for water infrastructure based on approved growth plans. We now question whether those funds were directed to the appropriate and required infrastructure.

Freezing development after collecting these funds further erodes confidence in the system.

A prolonged freeze will:

- Reduce development charge revenue
- Delay growth-related capital projects
- Undermine housing supply and affordability
- Harm the Region's ability to attract talent and investment

- Create legal exposure where executed servicing agreements guarantee capacity
- Push skilled trades and construction workers to other municipalities — a trend already underway

Once labour capacity leaves, it does not automatically return – it could be gone forever. Any loss of employment will continue to impede housing delivery long after the current water issue is resolved.

Housing is essential economic infrastructure.

If workers cannot find affordable housing, employers will struggle to recruit, investment will shift elsewhere, and the local economy will be seriously harmed.

Closing and Path Forward

In closing, the WRHBA is not here today to focus on how we got to this situation.

We are here because the consequences of inaction are too great — and because inaction is what has brought us to this point.

These are engineering constraints, not permanent limits. Engineering problems have engineering solutions — both interim and long-term.

We are not asking Council to compromise public safety.

We are asking for proportionate risk management, transparent assumptions, and progressive interim solutions to prevent housing from completely stalling while long-term fixes are implemented.

We also ask that an industry focused, technical working group, comprising the WRHBA and other key partners, be established to evaluate and guide specific actions, and to ensure workable interim solutions that ensure new housing can be delivered.

The WRHBA supports provincial assistance — not only to fast-track environmental assessments and support necessary infrastructure funding, but to ensure transparency and directly provide critical, independent oversight.

Waterloo Region can protect its water system while keeping critical housing supply moving. This will also protect the local economy.

We are ready to work with you — directly and constructively — to achieve this goal. **But new housing must proceed.**

Thank you for your attention.