

# COMPETITIVENESS BRIEF



Date: April 13<sup>th</sup> 2026

To: Members of Council and Economic Development Heads

cc.: Marko Micic (Urban Insights Inc.), Clients and Collaborators

From: [Ryan O. Mounsey CEO. BES.MUDS.MCIP.RPP](#) with Joe Benninger, Vice President, CBRE

Dear Members of Council and Staff,

**Re: March 30<sup>th</sup> 2026 Ontario and Federal “DC” Reduction Announcement  
A Waterloo Region Call To Action re Building Implications**

## **Executive Summary**

This Brief has been prepared for information and discussion. All governments are reviewing the tools in their toolboxes to reduce the cost of housing. On March 30<sup>th</sup> the Federal and Provincial governments announced a plan to provide financial contribution to those municipalities who have maintained or reduced their development charge rates. With this announcement, Waterloo Region is at a critical inflection point in its ability to deliver housing and compete for investment. Development Charges (“DCs”) have emerged as one of the most significant and controllable cost drivers in housing delivery. Locally, these fees have reached up to \$90,922 per single-detached unit and over \$4.1 million for a typical 100-unit apartment building. These costs, which are passed down to the end user, are materially impacting project feasibility, housing affordability, and the pace at which new supply can be delivered.

The goal of the Federal-Provincial DC Program is to reduce upfront development costs to accelerate housing supply. The March 30, 2026 Federal–Provincial framework links municipal eligibility for funding to the reduction or stabilization of DCs. In response, leading municipalities across Ontario—including Peel, Mississauga, Vaughan, Hamilton, Toronto, and Kitchener—are actively reducing or freezing DCs to unlock housing supply.

In contrast, most municipalities within Waterloo Region have increased DC rates in 2026, placing the Region at a growing competitive disadvantage. Combined with ongoing servicing constraints, including the Mannheim water limitation, this has contributed to a pause or delay in many housing units. ‘Capital’ is already responding to these conditions, with investment shifting toward municipalities offering greater cost certainty and lower barriers to development.

Council is now faced with a clear and immediate choice: (1) maintain current DC rates and risk ineligibility for senior government funding and continued loss of investment, or (2) proactively adjust rates—through a temporary freeze or targeted reduction—to align with

provincial and federal priorities and restore competitiveness. This is not simply a financial decision; it is a strategic economic development issue that will directly influence housing supply, job creation, and long-term economic growth in Waterloo Region.

To respond effectively, this brief recommends that Council initiate a coordinated, Region-wide review of Development Charges within 30 days well before any potential “lame-duck” period, with the objective of implementing a temporary 36–84 month freeze or reduction aligned with senior government criteria. In parallel, advancing a short-term water allocation strategy will enable ready-to-proceed projects to move forward immediately. Together, these actions will help unlock stalled housing supply and position Waterloo Region to compete for the next cycle of investment. The window for action is immediate. Decisions made in the coming weeks and months will determine whether Waterloo Region captures or loses significant housing investment and associated economic benefits.

### **Introduction**

The Competitiveness Brief has been prepared to present two options for our local and regional governments: 1. remain status quo, or; (2) to amend local development charge rates to be eligible for senior government DC funding.

In 2026, a single-detached home in Waterloo Region pays up to \$90,922 in Development Charges (“DCs”) before construction begins, while a new 100-unit apartment building incurs approximately \$4.1 million in DCs—equivalent to \$41,232 per unit . This is relative to our local market - these costs have escalated significantly in recent years, particularly for infill and apartment development, and are now materially impacting housing affordability, project financing, and overall development viability.

As one of the largest upfront cost components, DCs are directly influencing whether projects proceed or stall. Importantly, reduced construction activity driven by high DCs does not strengthen municipal finances—instead, it compounds long-term fiscal pressure by slowing growth, reducing economic activity, and ultimately placing upward pressure on future rates.

Over the past several years, the Government of Ontario has introduced a series of legislative reforms to improve housing affordability and accelerate supply. These changes—including Bill 23, Bill 185, Bill 17 and related regulatory updates—have focused on reducing barriers, streamlining approvals, and lowering upfront development costs. A summary of these key initiatives are provided in Appendix 1. In parallel, the Government of Canada has advanced a national housing strategy that includes the Housing Accelerator Fund (“HAF”), released the CMHC National Housing Design Catalogue, and most recently, announced new funding frameworks that strongly incentivize municipalities to reducing DCs as a condition of funding eligibility.

Each year, municipalities have the authority to increase Development Charge rates, while also retaining the discretion to implement targeted incentives—through established Community Improvement Plans or direct Council action. Given the housing landscape in 2026, this is the time to reconsider the role and funding sources of DCs, and how these DC rates relate to, senior government incentives announced in March 2026.

Across Ontario, a number of municipalities have taken proactive steps to reduce or stabilize DCs in order to accelerate housing supply and improve affordability. Municipalities such as the [Region of Peel](#), [City of Mississauga](#), [City of Vaughan](#), [City of Hamilton](#), have implemented reductions ranging from approximately 20% to 50%, and in some cases up to 100% for purpose-built rental housing, while others such as the [City of Toronto](#) and [City of Kitchener](#) have stabilized costs by freezing or maintaining increases. These municipalities are using DCs as a strategic tool to unlock housing and compete for investment, establishing a clear benchmark for municipal leadership in the current housing environment.

At current 2026 rates, DCs for a single apartment unit adds between \$33,997 - \$56,291 in Waterloo Region—costs that are directly passed on to the end user (owner or renter). If the Waterloo Region municipalities do not act within the next 30 days, it is very possible that the local building industry is at risk of being excluded from hundreds of millions in federal and provincial housing funding tied directly to DC reductions which represent direct benefit to project viability and savings to the end user.

### **The Two Options**

At present, only one municipality in Waterloo Region is positioned to align with the recent senior government Development Charge (DC) reduction framework. Specifically, the City of Kitchener has elected to maintain its DC rates through to 2032, while all other municipalities in the Region have proceeded with rate increases in 2026.

This divergence presents a clear and immediate policy choice: (1) maintain current DC rates and risk ineligibility for senior government funding tied to cost reductions, or (2) proactively amend rates—through Council direction or by-law updates—to align with emerging provincial and federal incentives, as demonstrated by Kitchener and other leading municipalities across Ontario.

This is not simply a financial or administrative decision; it is a strategic economic development question that will directly influence Waterloo Region's competitiveness, access to funding, and ability to attract and deliver housing investment in the near term

### **Implementation**

If Council is open to reduce or freeze DC rates, this can be accomplished through a Section 27 Agreement through the Development Charges Act which allows municipalities to defer,

reduce, or fix the timing of development charge payments. In practice, it enables municipalities to support development by locking in lower rates or delaying payments—typically in exchange for security and construction timelines—without amending the DC by-law. As demonstrated in the [City of Vaughan policy](#), it is a practical mechanism to improve project feasibility and accelerate housing delivery and demonstrate that DC reductions can be implemented without full by-law overhaul.

### **The Development Charge (“DC”) Question**

A DC is a fee imposed by municipalities on new development to help fund the infrastructure required to support growth (e.g. roads, water and other infrastructure), and it is paid by developers at key stages such as building permit or occupancy. While charged to developers, these costs are passed on to buyers and renters, significantly increasing housing prices and affecting overall affordability.

On March 30 2026, the Federal and Provincial Governments announced a new framework aimed at reducing DC costs by up to 50% for municipalities that have reduced or maintained their DC rates. This announcement introduces two immediate and critical questions:

1. when will this framework be implemented; and,
2. what are the implications for municipalities that have indexed or increased their DC rates in 2026?

A simplified proforma comparison is provided in [Appendix 2](#) which showcases the construction cost breakdown to build new apartment construction ranging between 10, 50, 100, 200 and 400 unit buildings. A 50% reduction to DCs would have a profound impact to these projects saving \$178,997.50 to \$7,209,000 per project (based on a 50% maximum price reduction). Having said this, municipalities that have increased DC rates in 2026 may now be ineligible under this framework. This must be confirmed and acted on.

### **Purpose**

Please note that [Urban Insights Inc.](#) represents over 20 clients with active development projects in the Waterloo Region, totaling more than 2,500 purpose-built rental apartment units currently under review. The purpose of this brief is to urgently raise concerns regarding the local regional economic competitiveness and its potential eligibility under the March 30 Federal–Provincial DC reduction framework, given recent local decisions related to DC rates.

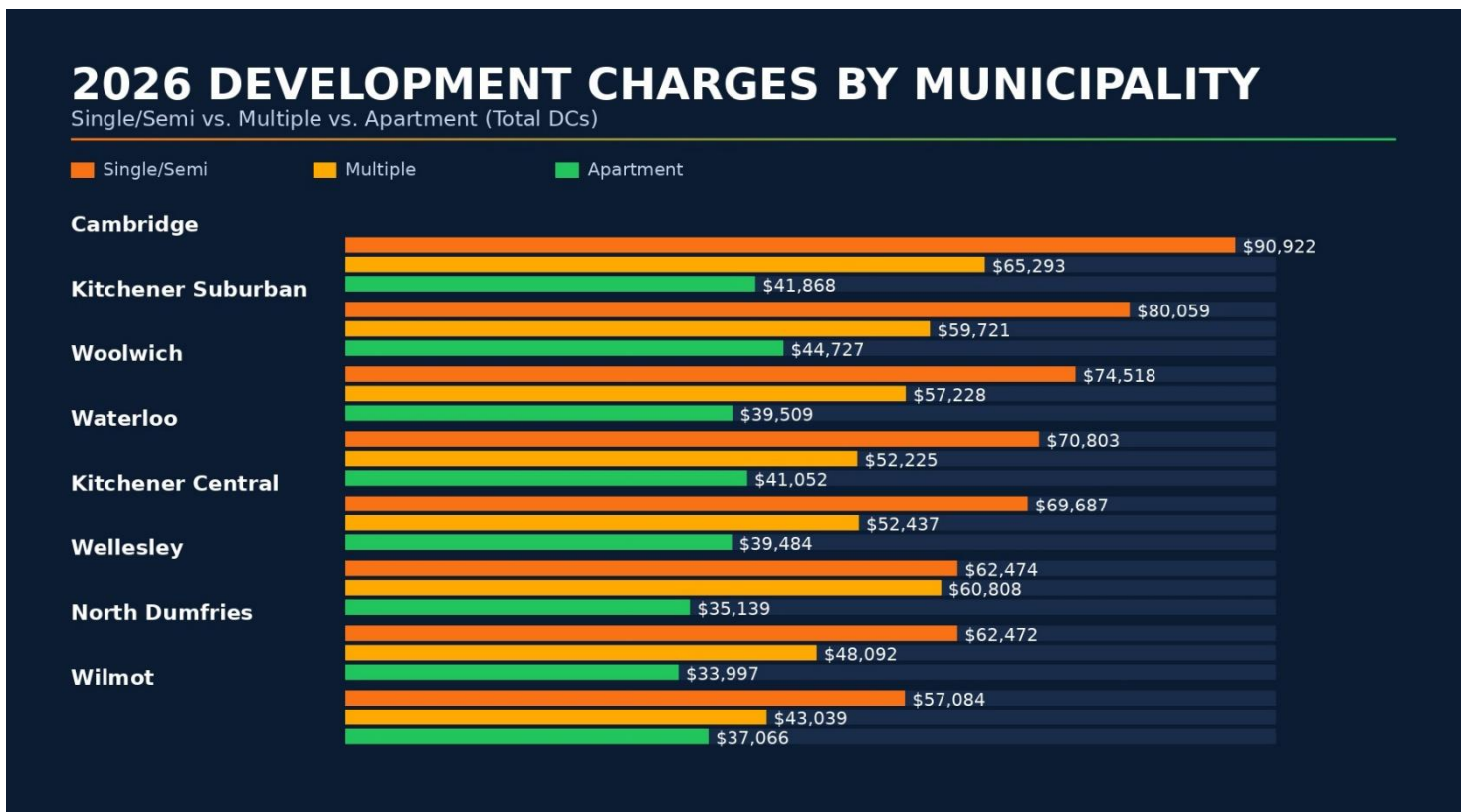
### **Current Facts**

1. Provincial and Federal Governments are actively driving cost reductions
2. DCs Are Increasing as a Share of Total Project Cost—Not Just in Absolute Terms

3. DCs are now one of the largest barriers to housing delivery
4. Waterloo Region is moving in the opposite direction of leading municipalities
5. The Mannheim Water Constraint has frozen housing supply
6. Waterloo Region is no longer economically competitive for housing investment

Every delayed project drives a cycle of fewer homes, weaker economic output, rising housing costs, and increasing pressure on future DC rates.

Collectively, The Region of Waterloo and select municipalities (City of Cambridge, City of Waterloo and the Townships) are currently failing on all three critical housing delivery metrics: cost, servicing capacity, and competitiveness. Please review [Appendix 3](#) for more information on these facts with supporting information.



#### **Emerging Federal – Provincial Direction and Announcement**

On March 30 2026, recent federal and provincial policy direction established a clear expectation that municipalities reduce DC costs by up to 50%, to align with funding eligibility and national housing objectives.

While not legislated as a mandatory requirement, this framework creates a direct link between municipal competitiveness and access to funding, as well as the ability to attract private-sector housing investment.

The weblinks for the Federal and Provincial announcements are available at:

- Prime Minister’s Office: <https://www.pm.gc.ca/en/news/news-releases/2026/03/30/prime-minister-carney-secures-new-partnership-ontario-cut-taxes>
- Ontario News Release: <https://news.ontario.ca/en/release/1007227/ontario-and-canada-sign-historic-partnership-to-build-homes-transit-and-communities>
- Details of the Canada-Ontario Partnership: <https://news.ontario.ca/en/backgrounder/1007226/details-of-the-canada-ontario-partnership-to-build>

### **A Municipal Leadership Response**

A growing number of municipalities have already taken decisive action to respond to current market conditions and housing affordability challenges, including:

- DC reductions ranging from approximately 20% to 50%, and in some cases up to 100%, as implemented by the [Region of Peel](#), [City of Mississauga](#), [City of Vaughan](#) (set at 2018 rates until Nov. 2029), and [City of Hamilton](#);
- Temporary freezes or stabilization of DC increases, as introduced by the [City of Toronto](#) and [City of Kitchener](#), providing cost certainty and supporting near-term development feasibility; and
- Full or partial exemptions for purpose-built rental housing, including programs in the [City of Mississauga](#) and Region of Peel (up to 100% exemptions), as well as the [City of St. Catharines](#) (15%–25% reductions), targeted specifically at increasing rental housing supply.

These actions reflect a growing recognition that DC are a key lever in influencing housing supply, and that reducing or stabilizing these costs can play a direct role in advancing housing delivery and improving affordability. A summary of these municipalities is provided in [Appendix 4](#) with the following additional trends are provided:

- High upfront development costs are a primary constraint on housing supply, with municipalities such as the Region of Peel and City of Mississauga implementing reductions of up to 50%, and up to 100% for purpose-built rental housing, to directly improve project feasibility;
- Targeted incentives can accelerate near-term housing delivery, as seen in time-limited programs in Mississauga and Peel that are designed to advance building permit activity and stimulate construction in the current market cycle;
- Purpose-built rental housing requires specific financial support, with municipalities such as the City of St. Catharines offering 35%–50% DC reductions and others providing full exemptions to address rental supply shortages;

- Cost certainty is critical to maintaining development momentum, as demonstrated by the City of Toronto, which has stabilized DCs by freezing annual indexing to support project underwriting and investment decisions; and
- DCs are increasingly being used as a competitive economic tool, with municipalities such as the City of Vaughan resetting rates to earlier levels to attract investment based on sound economic foundations to build new housing.

Collectively, these examples illustrate a clear shift in municipal practice—from relying solely on DCs as a cost-recovery mechanism to leveraging them as a strategic tool to unlock housing supply, improve affordability, and compete for investment. In short, these municipalities are not reacting—they are competing.

### **Waterloo Region – A Diverging Approach**

In contrast, the majority of Waterloo Region municipalities have increased their 2026 DCs, including:

- ↑ Regional Municipality of Waterloo
- ↑ Cities of Cambridge and Waterloo
- ↑ Townships of Woolwich, Wilmot, Wellesley and North Dumfries

Across these municipalities, DCs are generally indexed annually based on construction cost indices, resulting in typical increases in the range of approximately 2% to 5% per year, depending on the applicable index and timing of by-law updates.

These increases reflect a continuation of traditional cost-recovery approaches at a time when other municipalities across Ontario are actively reducing or stabilizing DCs to stimulate housing supply.

[The City of Kitchener is the only municipality in the Region to maintain its DC rate \(to 2032\).](#) This timeline is important as 2032 is the forecasted year when the [Mannheim Service Area](#) will be a full strength in terms of having sufficient water capacity to support development.

Waterloo Region operates within a two-tier municipal framework, where DCs are applied at multiple levels, including the Regional Municipality of Waterloo, its seven local area municipalities (three cities and four townships), and the two school boards. As a result, the total DC burden on new housing is cumulative and reflects decisions made across all levels of local government.

Importantly, the Region of Waterloo typically represents approximately 60% of the total DC rate, making it the single largest cost component within the overall structure.

In this context, the effectiveness of any DC strategy—particularly one aimed at improving housing affordability or aligning with emerging federal and provincial funding frameworks—

requires a coordinated and unified approach across all tiers of government. Isolate actions at the local municipal level, without corresponding alignment at the regional level, will have limited impact on overall project costs and feasibility.



## **200-UNIT APARTMENT BUILDING**

**PAYS OVER**

**\$8.2 MILLION**

**IN DEVELOPMENT CHARGES**

To meaningfully reduce financial barriers and enhance competitiveness, it is imperative that all levels of government within Waterloo Region either maintain or reduce DC rates in a coordinated manner. A summary of local 2025-2026 DC rates is provided in [Appendix 5](#).

### **An Inflection Point**

This is no longer a long-term policy discussion—it is a real-time market shift. We are observing:

- Projects being delayed (paused);
- Capital being reallocated to other municipalities; and
- Increasing feasibility challenges for both ownership and rental housing.

Each project that does not proceed represents:

- Lost housing supply to support growth;
- Reduced economic activity;
- Increased pressure on affordability; and,
- Reduced DC revenue creating upward pressure on future rates.

The window for action is now—decisions made in the coming weeks will determine whether Waterloo Region captures or loses the next cycle of housing investment – Ryan Mounsey, CEO. Urban Insights Inc.

These impacts are occurring, not projected.

### **Consequences of Inaction**

Failure to act will compound in continued impacts on housing delivery and economic performance across Waterloo Region. Projects will continue to be delayed or cancelled as rising DCs and servicing constraints undermine feasibility, while capital shifts to

municipalities that have reduced costs and improved certainty. This will lead directly to fewer housing starts and reduced economic activity within the Region. Over the medium term, inaction will widen the competitiveness gap and limit access to federal and provincial funding tied to housing outcomes. The combined effect of higher costs and constrained servicing will further suppress housing supply and worsen affordability. These impacts are already emerging—and without decisive action, they will intensify.

### **A Call To Action**

Councils have two options:

- 1) Either maintain the status quo and likely be ineligible for Provincial-Federal DC incentives; or,
- 2) To proactively reduce the DC rates to be in alignment with recent Provincial-Federal DC financial incentives.

As a proactive approach, and on behalf of our clients and the broader development and investment community, we respectfully recommend that Council with Economic Development staff initiate an immediate and time-driven response to address DC competitiveness and housing delivery constraints with coordinated engagement with the Province of Ontario.

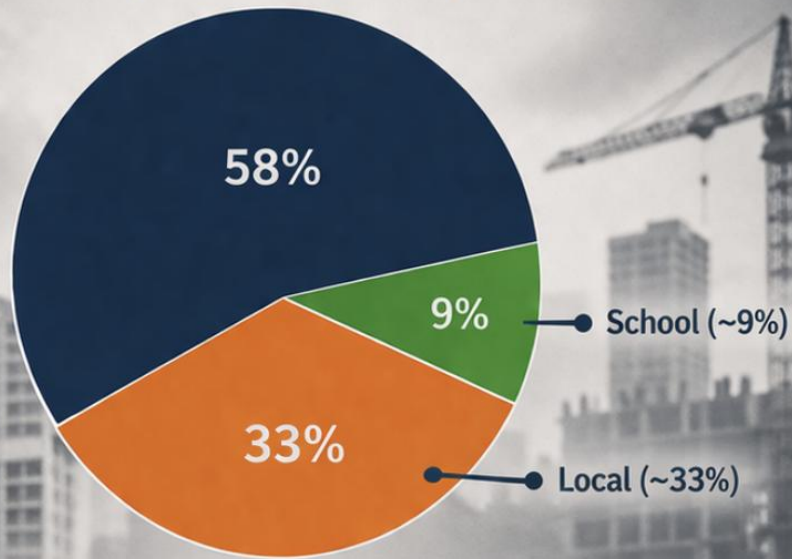
Specifically: we recommend that Council direct staff to undertake a 30-day review of current DC rates (well before a potential “lame-duck” period, with the objective of evaluating options for a temporary 36–84 month freeze or targeted reduction aligned with emerging federal and provincial funding criteria, and, coordinated with the Mannheim Water Service Capacity Constraint. This review should be conducted in coordination with the Regional Municipality of Waterloo and all area municipalities to establish a unified, truly region-wide DC strategy, recognizing the cumulative nature of DC costs.

If supported, Staff should be advised to report back on the Region’s eligibility and positioning under the March 30 Federal–Provincial framework, including implications for funding and investment attraction prior to a potential lame-duck period.

In parallel, Regional and Local Councils should prioritize the advancement of a short-term water allocation strategy for all scale housing projects to enable immediate housing starts where impacts on the system are minimal in 2026. This coordinated and time-sensitive approach will provide clarity, restore competitiveness, and demonstrate leadership in aligning local policy with provincial and federal housing objectives.

The most current Region of Waterloo Risk Based Water Allocation Assessment report (EES-WIM-26-006) is available at: <https://pub-regionofwaterloo.escribemeetings.com/FileStream.ashx?DocumentId=16774>

### Development Charge Composition



## REGION CONTROLS ~60% OF DEVELOPMENT CHARGES

### A CALL TO ACTION

### REGIONAL DC IMPACT (50% REDUCTION)

- **\$117K SAVINGS** (10 Units)
- **\$1.2M SAVINGS** (100 Units)
- **\$4.7M SAVINGS** (400 Units)

#### Immediate Actions:

- 30-Day DC Review
- 36-84 Month Freeze / Reduction
- Regional Alignment Strategy
- Funding Eligibility Report Back
- Water Allocation Strategy



#### Outcome:

- ✓ Restore Competitiveness
- ✓ Unlock Housing Supply
- ✓ Align with Provincial & Federal Direction

## **A Developer Perspective**



This technical competitiveness brief has been shared with experienced developers, builders and consultants who have provided input into this document. As part of this engagement, Spurline Developments and Momentum Developments, provide the following direct comments into the importance of reducing the cost of DC fees in Waterloo Region noted below.

## **SPURLINE DEVELOPMENTS**

*Spurline Developments Inc. supports & endorses your initiative, and thanks you for your awareness regarding development challenges. Municipal development charges significantly affect the viability of any purpose-built rental project, and may have the single most direct impact on unit rental rates. As an infill developer we often feel our projects have a softer impact on the municipality because they utilize existing infrastructure and parkland spaces, enhancing urban centers by creating gentle density nearby—an impact not reflected in municipal fees. Participating in a Development Charge reduction is very important to Spurline. Thank you,*

Ben Eby  
President at **Spurline Developments Inc.**

## **MOMENTUM DEVELOPMENTS**

*Waterloo Region is at a critical inflection point. While neighboring municipalities are aggressively reducing development charges to attract investment, our current path of increasing costs risks redirecting vital housing capital elsewhere. We are no longer just reacting to a housing crisis; we are competing for the investment required to solve it.*

Brian Prudham  
Principal at Momentum Developments

## **Economic Development**

In Canada, the construction industry contributes approximately \$170 billion<sup>1</sup> annually to GDP—representing about 7.5% of the national economy—and employs over 1.6 million people, making it one of the country’s largest drivers of economic activity (StatsCan).

Across Ontario, leading municipalities and senior levels of government are increasingly recognizing that the ability to deliver housing at scale, at pace, and at a reasonable cost is directly tied to economic performance. Labour force growth, talent attraction and retention, business expansion, and overall investment confidence are all contingent on the availability of attainable housing. When housing supply is constrained or financially unviable, the impacts extend beyond the residential sector affecting employment growth, business productivity, and the broader economic trajectory of a region.

In recent years DC have emerged as one of the most significant, and controllable, cost inputs influencing whether housing projects proceed. As outlined in this brief, DCs in Waterloo Region represent a substantial share of total project costs affecting project feasibility and financing. When combined with current servicing constraints, these costs are not only delaying projects but are actively influencing where capital is deployed. In a market where investment is highly mobile, developers, institutional investors, and builders are making location decisions based on cost certainty, speed to market, and overall financial viability. Municipalities that can reduce barriers and provide a clear path to delivery are increasingly capturing this investment.

This is why a DC policy is no longer being treated solely as a cost-recovery mechanism, but rather as a strategic economic development tool. Recent actions by municipalities such as Peel, Mississauga, Vaughan, and Hamilton—implementing targeted reductions—reflect a shift toward using DCs to stimulate housing supply and improve affordability outcomes. At the same time, the March 30, 2026 Federal–Provincial announcement reinforces this shift by explicitly linking DC reductions to funding eligibility and broader housing objectives. This alignment signals a clear and coordinated policy direction: reducing upfront costs is essential to accelerating housing delivery and supporting economic growth.

From an economic development perspective, targeted strategy represent one of the most effective tools available to municipalities to influence near-term outcomes. Unlike long-term actions, these measures can have an immediate impact on project feasibility, enabling developments that are currently stalled to proceed to construction. This, in turn, generates a cascade of economic benefits, including job creation in the construction sector, increased demand for local goods and services, expanded municipal assessment base over time, and improved housing availability to support workforce growth. Importantly, these incentives are not simply a reduction in revenue; they are an investment in economic activity. A strategic and coordinated approach to DC reductions will better position Waterloo Region to re-enter the competitive landscape for housing investment.

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<sup>1</sup> [https://www150.statcan.gc.ca/n1/en/daily-quotidien/260331/dq260331a-eng.pdf?st=jdN\\_hVB9](https://www150.statcan.gc.ca/n1/en/daily-quotidien/260331/dq260331a-eng.pdf?st=jdN_hVB9)

## **Collaboration**

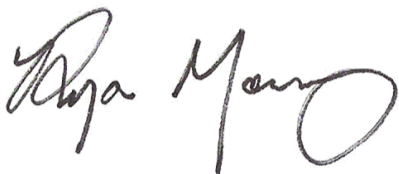
This “call to action” is first supported by the Urban Insight Inc. clients outlined in [Appendix 6](#) which will be updated, as well as, supported by active land development and consulting companies invested in Waterloo Region identified in [Appendix 7](#). Several endorsement letters are provided in [Appendix 8](#) which highlight the importance of Waterloo Region remaining a competitive investment community.

## **Closing**

Waterloo Region Councils have to options to consider in response to the Federal-Ontario DC partnership. Councils can choose to remain status quo and most likely be ineligible for senior government DC funding incentives, or, to consider reducing the 2026 DC rates to previous year rates or further reduction to be eligible for senior government DC incentives. The decisions made in the coming weeks and months will determine whether Waterloo Region remains competitive for housing investment—or falls behind municipalities that have already acted. This is not a future policy discussion; it is an immediate economic reality. Capital is already responding to cost signals, and jurisdictions that are reducing barriers are capturing that investment now. There is an opportunity to review recent DC decisions and course correct to be in alignment with Federal-Provincial housign goals.

The data is clear: development charges are among the most significant controllable cost drivers in housing delivery. Recognizing that DC rates vary from market to market, and in a market where capital is highly mobile, even modest differences in municipal cost structures are determining where projects proceed. Without immediate action to reduce or stabilize development charges, Waterloo Region risks continued project delays and the permanent redirection of investment to competing municipalities aligned with provincial and federal priorities. These impacts are not speculative—they are occurring. The result is fewer homes, reduced economic activity, and worsening affordability.

Waterloo Region is competing for investment at the exact moment other municipalities are reducing costs by 20% to 100%. The window for action is immediate. Decisions made ahead of the Spring–Summer 2026 construction cycle will determine whether projects proceed, deferred or sold. At current DC rates, Waterloo Region is not competitive. We respectfully request that our local governments initiate a coordinated, Region-wide development charge reduction or freeze strategy aligned with the March 30 Federal–Provincial framework. Of note, all information is subject to change (E&OE). Sincerely,



Ryan Mounsey, CEO.BES.MUDS. MCIP, RPP  
[Urban Insights Inc.](#)

**APPENDIX 1: PROVINCIAL AND FEDERAL HOUSING REFORMS (2019-2026)**

Since 2019, both the Government of Ontario and the Government of Canada have introduced a broad series of legislative reforms, land use policy changes, infrastructure programs, financing tools, and design initiatives aimed at increasing housing supply, reducing barriers to approvals, lowering development costs, and improving affordability. Taken together, these measures show a sustained shift away from traditional regulatory and funding approaches toward a more housing-enabling framework focused on faster approvals, greater density, infrastructure readiness, and reduced upfront costs.

**2019 – More Homes, More Choice Act (Bill 108).** In 2019, the Province enacted the *More Homes, More Choice Act, 2019 (Bill 108)*, which introduced significant amendments to the *Planning Act* and related legislation aimed at accelerating housing delivery and reducing approval timelines. A central component of Bill 108 was the shortening of statutory decision timelines, including reducing the timeframe for zoning by-law amendments from 150 days to 90 days and for official plan amendments from 210 days to 120 days, thereby establishing the modern baseline for expedited planning approvals in Ontario. The legislation also introduced broader reforms to streamline development processes, including changes to parkland dedication, community benefits frameworks, and development charges. Collectively, Bill 108 marked a foundational shift toward a more time-sensitive and efficiency-focused planning system, setting the stage for subsequent reforms that further strengthened accountability and reduced barriers to housing development.

**2022 – Ontario Housing Affordability Task Force.** In February 2022, Ontario released the [Housing Affordability Task Force Report](#), which became an important policy foundation for the Province’s later housing legislation. The Task Force recommended major structural changes to increase housing supply, including permitting more density as-of-right, reducing exclusionary zoning, streamlining approvals, scaling up missing middle housing, and changing municipal processes that were seen as constraining supply. Although the report itself was not legislation, it set the tone for the Province’s later reform agenda and framed housing affordability primarily as a supply problem requiring faster approvals and more permissive planning rules.

**2022 – More Homes for Everyone Act (Bill 109).** In April 2022, Ontario enacted the *More Homes for Everyone Act, 2022 (Bill 109)* to streamline development approvals and accelerate housing delivery. The legislation introduced planning application fee refunds where municipalities fail to make decisions within statutory timelines, creating stronger accountability and incentives to process applications more quickly. The current approval timelines—generally 60 days for site plan, 90 days for zoning by-law amendments, and 120 days for official plan amendments—build on earlier reforms under the *More Homes, More Choice Act, 2019 (Bill 108)*, which significantly reduced decision timelines. Bill 109 reinforced these timelines by introducing mandatory fee refunds and standardizing the 60-day site plan process, strengthening compliance and improving predictability in the

planning system. Together, these reforms reflect a clear provincial direction to reduce delays, increase certainty, and support faster housing delivery across Ontario.

**2022 – More Homes Built Faster Act (Bill 23).** In November 2022, Ontario enacted the More Homes Built Faster Act, 2022 (Bill 23), one of the most significant housing reform statutes in decades. Bill 23 amended the Planning Act, Development Charges Act, City of Toronto Act, and other statutes to increase as-of-right housing permissions and reduce development costs. Key changes included permitting up to three residential units as-of-right on many urban residential lots, limiting site plan control for developments with 10 residential units or fewer, restricting municipal authority over certain exterior design matters, introducing development charge discounts for purpose-built rental housing, exempting additional residential units from certain charges, and deferring some development charge payments for rental housing from building permit to occupancy. The Province, through Bill 23 and related policy reforms, effectively eliminated or constrained minimum parking requirements in Major Transit Station Areas, shifting development toward higher-density, transit-supportive forms and reducing costs associated with structured parking. The Province positioned Bill 23 as a foundational measure to increase supply, enable gentle density, and reduce barriers to missing middle and rental housing.

**2022-2023 – Housing Supply Action Plan implementation and Bill 97.** In 2023, Ontario moved from broad legislative reform toward implementation. The Province established a Housing Supply Action Plan Implementation Team to advise on progress and next steps in addressing the housing supply crisis.

That same year, Ontario passed the Helping Homebuyers, Protecting Tenants Act, 2023 (Bill 97). Bill 97 made further amendments touching housing and planning, including measures affecting the Planning Act, municipal powers, and other housing-related statutes. While narrower than Bill 23, Bill 97 continued the Province’s pattern of using legislative amendments to remove obstacles, clarify powers, and support faster delivery of housing and infrastructure.

**2023 – Federal Housing Accelerator Fund (HAF).** At the federal level, 2023 marked the launch of the Housing Accelerator Fund, a major program designed to encourage municipalities to adopt pro-housing reforms in exchange for funding. The HAF was structured to reward actions such as permitting more density, accelerating approvals, modernizing planning systems, and removing barriers to housing starts. In practice, it helped shift federal policy from passive funding toward performance-based municipal reform, linking local planning change directly to housing supply outcomes.

**2023–2024 – Ontario Building Faster Fund.** In August 2023, Ontario announced the Building Faster Fund, a three-year \$1.2 billion program designed to reward municipalities that meet or exceed their provincial announcement assigned housing targets. Funding can be used for housing-enabling and community-enabling infrastructure, and the program is explicitly intended to encourage municipalities to speed up approvals and get more homes

built faster. This was an important policy shift because it connected provincial financial support to measurable housing delivery performance.

**2024 – Provincial Planning Statement, 2024.** In 2024, Ontario introduced the Provincial Planning Statement, 2024 (PPS 2024), which came into effect on October 20, 2024. The PPS 2024 replaced both the previous Provincial Policy Statement, 2020 and A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019, consolidating them into a single province-wide land use policy framework. The Province describes PPS 2024 as a more streamlined, housing-supportive framework that gives municipalities greater flexibility to plan for growth, intensification, transit-supportive development, infrastructure alignment, and investment-ready communities. This was a major planning policy reset and is highly relevant because it embedded housing supply and infrastructure coordination more directly into the provincial policy framework that governs local planning decisions.

**2024 – Budget 2024 federal housing measures.** In 2024, the Government of Canada significantly expanded its housing policy toolkit through Budget 2024. Key measures included an additional \$15 billion in financing for the Apartment Construction Loan Program (ACLP), bringing total program funding to over \$55 billion and positioning the program to support more than 131,000 rental homes. Budget 2024 also launched the Canada Housing Infrastructure Fund (CHIF) with \$6 billion over 10 years to fund housing-enabling water, wastewater, stormwater, and solid waste infrastructure. It also included further support for the Affordable Housing Fund, the Canada Rental Protection Fund, and reforms intended to make it easier to add secondary suites. Collectively, these measures aimed to lower financing costs, unlock infrastructure, and accelerate both rental and infill housing supply.

**2024 – Cutting Red Tape to Build More Homes Act (Bill 185).** In 2024, Ontario enacted the Cutting Red Tape to Build More Homes Act, 2024 (Bill 185). Bill 185 continued the Province’s housing reform agenda by amending multiple statutes to streamline approvals, reduce administrative burdens, and provide greater certainty for development. Among other changes, the legislation amended the Development Charges Act to allow municipalities to extend development charge by-laws without undertaking a full replacement exercise, amended the Planning Act and municipal statutes to address lapsing approvals and process matters, and introduced provisions enabling municipalities to adopt policies for the allocation of water and sewage capacity. The Province framed Bill 185 as part of its effort to reduce red tape, simplify municipal approvals, and prioritize infrastructure and housing projects that are ready to proceed.

**2025 – Protect Ontario by Building Faster and Smarter Act (Bill 17).** In June 2025, Ontario enacted the Protect Ontario by Building Faster and Smarter Act, 2025 (Bill 17). Bill 17 further amended the Planning Act, Development Charges Act, Building Code Act, and transit-oriented communities legislation. The Province stated that the Act was intended to simplify and standardize municipal development approval processes and charges, speed up the construction of infrastructure and homes, and support economic growth. For

housing delivery, one of the most important practical changes was the expanded shift of residential development charge payment timing from building permit issuance to occupancy, improving cash flow for developers but also delaying municipal collections. Bill 17 also introduced additional planning and building code refinements and expanded tools for transit-oriented communities and infrastructure delivery.

**2025 – National Housing Design Catalogue / Housing Design Catalogue.** A major federal innovation in 2025 was the rollout of the Housing Design Catalogue, led by CMHC and the Government of Canada. In October 2025, the federal government released the full technical design packages. The Catalogue provides more than 50 standardized, regionally tailored designs for gentle-density housing types such as accessory dwelling units, rowhouses, fourplexes, and sixplexes. CMHC states that the Catalogue is intended to reduce the time and cost of developing plans, help local governments streamline review processes, and make it easier for builders and communities to add missing middle housing more quickly. It is one of the clearest non-legislative federal tools intended to reduce design costs, speed approvals, and support infill housing delivery.

**2026. No HST on New Homes (March 25 2026).** The removal of HST on new housing in Ontario involves coordination between the Government of Canada (which administers the federal portion of the HST) and the Province of Ontario (which governs the provincial portion), with implementation typically delivered through rebate programs or policy changes. Eliminating HST lowers the upfront purchase cost of new homes—often by tens of thousands of dollars—improving affordability for buyers and enhancing project feasibility for builders. This is important because it directly reduces the cost of delivering housing, stimulates demand and supply, and aligns with broader efforts to remove financial barriers and accelerate housing construction across the province.

**2026 – Federal–Provincial Development Charge Reduction Framework (March 30 announcement).** On March 30, 2026, the federal and provincial governments announced a new collaborative framework aimed at reducing development-related costs, including development charges, by up to 50% in municipalities that have reduced or maintained their rates. While this framework is not yet a stand-alone statute, it signals a major policy evolution: development charges are no longer being treated solely as a municipal cost-recovery tool, but increasingly as a strategic lever affecting affordability, competitiveness, and access to senior government support. For municipalities, the implication is clear: those that reduce or stabilize development charges may be better positioned to align with federal-provincial housing priorities and attract housing investment.

**APPENDIX 2: THE PROFORMA FOR DISCUSSION PURPOSES**

A development proforma (for illustration and principle based purposes only) is a financial model used to evaluate the feasibility of a real estate project by estimating all costs (land, construction, DCs, financing, etc.) against projected revenues (sales or rental income). It is important because it determines whether a project is financially viable before any major investment is made. Developers, lenders, and municipalities use proformas to assess risk, set pricing, test scenarios (like changes in development charges or interest rates), and ultimately decide whether a project should proceed, be redesigned, or be cancelled.

Table: A Basic Development Proforma for a 10-400 apartment unit project in Waterloo Region (all information subject to change and excludes finance costs and marketing costs)

Cost Input	10 unit project	50 unit project	100 unit project	200 unit project	400 unit project
Land	\$800,000	\$2,000,000	\$3,000,000	\$7,000,000	\$9,000,000
Building Sq.ft.	7,000	35,000	70,000	140,000	280,000
Construction Cost (building) (@300 psf)	\$1,400,000	\$10,500,000 (@350 psf)	\$24,500,000 (@350 psf)	\$56,000,000 (@400 psf)	\$112,000,000 (@400 psf)
Parking Cost**	\$30,000	\$400,000	\$3,000,000	\$6,000,000	\$12,000,000
Consulting Cost (6% const.)	\$84,000	\$630,000	\$1,470,000	\$3,360,000	\$6,720,000
Parkland Fee (est)	\$80,000	\$400,000	\$800,000	\$1,600,000	\$3,200,000
DC Fees***					
Region of Waterloo	10 x \$23,570 = \$235,700	50 x \$23,750 = \$1,187,500	100 x \$23,750 = \$2,375,000	200 x \$23,750 = \$4,750,000	400 x \$23,750 = \$9,500,000
City Apt Rate	10x12,295 = 122,295	50 x 12,295 = \$614,750	100 x \$12,295 = \$1,229,500	200 x \$12,295 = \$2,459,000	400 x \$12,295 = \$4,918,000
Public School***	10 x \$3,448 = \$34,480	50 x \$3,448 = \$172,400	100 x \$3,448 = \$344,800	200 x \$3448 = \$689,600	400 x \$3,448 = \$1,379,200
Catholic School***	10 x \$1,739 = \$17,390	50 x \$1,739 = \$86,950	100 x \$1,739 = \$173,900	200 x \$1,739 = \$347,800	400 x 1,739 = \$695,600
<b>Total DC Cost</b>	<b>\$409,865</b>	<b>\$2,061,600</b>	<b>\$4,123,200</b>	<b>\$8,246,400</b>	<b>\$16,492,800</b>
Total Cost	\$2,803,865	\$15,991,600	\$36,893,200	\$76,206,400	\$159,412,800
DC Cost (%)	14.6%	12.9%	11.2%	10.8%	10.3%
DC % of building	29.3%	19.6%	16.8%	14.7%	\$14.7%
<b>Potential DC cost saving</b>	<b>\$178,997.50</b>	<b>\$901,125</b>	<b>\$1,802,250</b>	<b>\$3,604,500</b>	<b>\$7,209,000</b>

\*for discussion purposes only. Pricing is based on basic assumptions and subject to change.

\*\* Parking cost is based on \$5,000 per surface parking space, \$20,000 per ground floor structure space and \$60,000 per underground space (could be as high as \$80,000 per space impacting budget).

\*\*\*for discussion purposes, based on the City of Waterloo 1-2 bedroom DC rate. The DC rate for the City of Kitchener and Cambridge are higher than the City of Waterloo DC rate. Does not include the fixed reduction % for purpose built rental housing as per Provincial legislation. School Board DCs subject to change in 2026,

The development charge rate for each project:

- Represents half the land cost for missing middle projects more than the cost of land for higher density projects
- Represents approximately 1/3 of the building construction cost for smaller projects which have a lower construction cost
- Represents approximately 15% of higher density construction project which has a more expensive construction cost

## **APPENDIX 3: CURRENT TRENDS**

### **1. Provincial and Federal Governments Are Actively Driving Cost Reductions**

Both the Province of Ontario and the Government of Canada have clearly shifted policy direction toward reducing development-related costs as a core strategy to improve housing affordability and accelerate supply. Legislative reforms such as the *More Homes Built Faster Act (Bill 23)*, *More Homes for Everyone Act (Bill 109)*, and *Cutting Red Tape to Build More Homes Act (Bill 185)* have reduced barriers, deferred development charges, and streamlined approvals. At the federal level, programs such as the Housing Accelerator Fund, Canada Housing Infrastructure Fund, and the Housing Design Catalogue further reinforce this direction by linking funding to municipal actions that lower costs and enable faster housing delivery. Most recently, the March 30, 2026 Federal–Provincial announcement explicitly identified development charge reductions—targeting up to 50%—as a key condition for funding alignment and housing acceleration. Collectively, these actions signal a coordinated and sustained effort by senior levels of government to reduce upfront costs and improve project feasibility.

### **2. Development Charges Are Increasing as a Share of Total Project Cost—Not Just in Absolute Terms**

Beyond absolute increases, development charges are representing a growing share of total project costs—particularly for low- and mid-rise and infill developments. As illustrated in Appendix 2, DCs now account for approximately 10% to 15% of total project costs for larger apartment buildings, and up to nearly 30% of building construction costs for smaller-scale projects. This shift is significant: while construction, land, and financing costs have all increased, development charges have grown at a rate that is now materially altering project cost structures. As a result, DCs are no longer a secondary cost input—they are a primary feasibility determinant. This is especially critical for infill and missing middle housing, where smaller project scales provide less ability to absorb fixed costs. In this context, rising DCs are disproportionately impacting the very forms of housing that provincial and federal policy are seeking to encourage, further constraining supply and reinforcing affordability challenges.

### **3. Development Charges Are Now One of the Largest Barriers to Housing Delivery**

Development charges have become one of the most significant cost components in new housing construction, often representing tens of thousands of dollars per unit in low- and mid-rise developments and substantially more in high-density projects. As these charges are typically payable upfront or at critical financing stages, they directly impact project feasibility, timing, and risk. In the current high-cost environment—characterized by elevated interest rates, construction costs, and financing constraints—development charges are increasingly cited by the development industry as a primary barrier to advancing projects. Importantly, these costs are not absorbed by developers; they are ultimately passed on to end users through higher home prices and rental rates, further exacerbating housing affordability challenges.

#### **4. Waterloo Region Is Moving in the Opposite Direction of Leading Municipalities**

While a growing number of municipalities across Ontario are reducing or stabilizing development charges to stimulate housing supply, the Regional Municipality of Waterloo and its area municipalities—including the City of Waterloo, City of Cambridge, and Township of Woolwich—have increased development charge rates through recent by-law updates and annual indexing. These increases, typically in the range of 2% to 5% annually, reflect a continuation of traditional cost-recovery approaches at a time when other jurisdictions are actively lowering costs. This divergence places Waterloo Region at a competitive disadvantage relative to municipalities that are using development charges as a strategic tool to attract housing investment and accelerate supply.

#### **5. The [Mannheim Water Constraint](#) Has Already Frozen Housing Supply Starting December 2025**

The Mannheim Service Area water capacity constraint represents a significant and immediate [barrier](#) to housing delivery within Waterloo Region. With [limited](#) available servicing capacity, many development projects are unable to proceed to building permit issuance despite having advanced through planning approvals. This constraint has effectively paused or delayed a substantial volume of housing units and has introduced uncertainty into the development process. The inability to secure water allocation has become a critical bottleneck, preventing otherwise viable projects from moving forward and compounding broader challenges related to cost and approvals.

#### **6. Waterloo Region Is No Longer Economically Competitive for Housing Investment**

Taken together, the combination of rising or maintained development charge costs in the local market place, and constrained servicing capacity, has materially impacted Waterloo Region's competitiveness in attracting housing investment.

In a market where capital is mobile and developers are actively comparing jurisdictions, municipalities that reduce costs, provide certainty, and enable timely approvals are increasingly capturing investment. Conversely, jurisdictions with higher cost structures and infrastructure limitations are experiencing project delays, reduced feasibility, and capital reallocation.

The current conditions in Waterloo Region—when compared to municipalities actively reducing development charges and enabling development—indicate a growing competitiveness gap that risks delaying housing delivery, reducing economic activity, and worsening affordability outcomes.

**APPENDIX 4: MUNICIPAL DC LEADERS**

**● ● ● Municipal DC Leaders**

Municipality / Region	Date	Measure	Amount / Impact
<a href="#">Region of Peel</a>	June 27, 2025	Temporary DC reduction + deferral	<b>50% reduction</b>
<b>Region of Peel</b>	Jan 23, 2026	Rental incentive	<b>Up to 100% DC grants</b>
<a href="#">City of Mississauga</a>	Extended to Dec. 2027	DC incentive program	<b>50% reduction (all residential)</b>
<a href="#">City of Mississauga</a>	Extended to Dec. 2027	Rental incentive	<b>100% DC reduction (rental)</b>
<a href="#">City of Vaughan</a>	Nov 19, 2024 to Nov. 19 2029	DC rollback policy	<b>Reset to 2018 rates (major reduction)</b>
<a href="#">City of Hamilton</a>	To Aug. 31 2027	Temporary DC exemption	<b>20% reduction (all development)</b>
<a href="#">City of Brampton</a>	Sept. 10, 2025- Nov. 13 2026	Purpose-built rental DC program	<b>50-100% reduction (rental only)</b>
<a href="#">City of St. Catharines</a>	2024–2026	HAF DC program	<b>15–25% reduction (rental-focused)</b>
<a href="#">City of Toronto</a>	2025–2026	Removal of indexing and reset to 2024 rate	<b>Maintains 2024 rates with &lt;7 units DC exempt</b>
<a href="#">City of Kitchener</a>	March 30, 2026 to 2032	DC By-law extension	<b>Holds 2022 rate up to 2032</b>
<a href="#">York Region</a>	<b>Proposing 2026 DC rate reductions. Pending more information.</b>		

**● Aggressive Cost Reduction**

- Peel
- Mississauga
- Vaughan

**● Moderate**

- Hamilton
- Brampton
- St. Catharines

**● Maintaining (No Reduction)**

- Toronto
- Kitchener

**APPENDIX 5: WATERLOO REGIONAL DC RATES**

Average Development Charge Composition

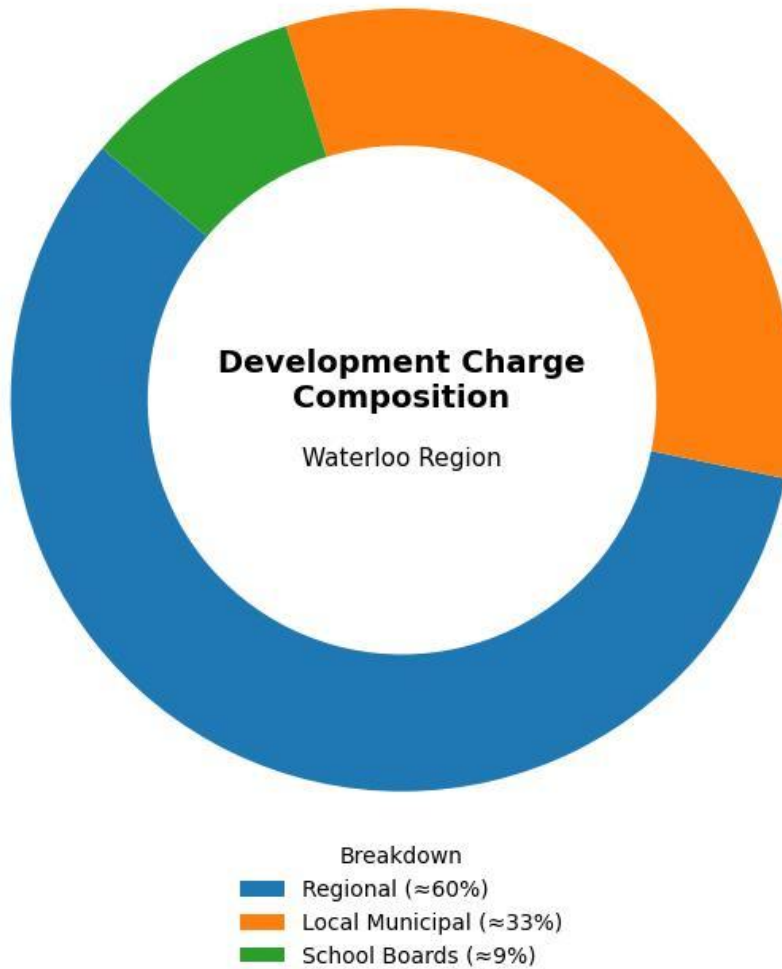


Table 4.1: [2026 Regional Municipality of Waterloo DC Rates \(Full Services\)](#)

Single-Semi		Townhouse*		Apartment Dwelling	
City	Township	City	Township	City	Township
43,285	39,542	32,350	29,553	23,570	21,533

Table 4.2 2025 Regional Municipality of Waterloo DC Rates (Full Services)

Single-Semi		Townhouse		Apartment Dwelling	
City	Township	City	Township	City	Township
41,660	38,057	31,135	28,443	22,685	20,724

**THE COST OF BUILDING IN WATERLOO REGION: DCs, Competitiveness & Immediate Action**

Table 4.3: 2026 Local Area Residential DC Comparison:

Local Area Municipality	Unit Type	City Rate	Regional Rate	Public School Board*	Catholic School Board	Total
<b>Waterloo</b>	Single& Semi	\$22,331	\$43,285	\$3448	\$1,739	\$70,803
	Multiples	\$14,688	\$32,350*	\$3448	\$1,739	\$52,225
	1 BR	\$12,295	\$23,570	\$3,448	\$1,739	\$41,052
	2-3BR	\$12,295				\$41,052
	4 more	\$27,534				\$56,291
<b>Cambridge</b>	Single/Semi	\$42,450	\$43,285	\$3,448	\$1,739	\$90,922
	Other Multiples	\$28,386	\$32,350*	\$3,448	\$1,739	\$65,923
	Apartment: Bachelor/ 1BR	\$13,111	\$23,570	\$3,448	\$1,739	\$41,868
	2 BR & >	\$24,141				\$65,923
<b>Kitchener Central</b>	Single or Semi	\$21,215	\$43,285	\$3,448	\$1,739	\$69,687
<b>Kitchener Central</b>	Townhouse	\$14,900	\$32,350	\$3,448	\$1,739	\$52,437
<b>Kitchener Central</b>	Multiple	\$10,727	\$23,570	\$3,448	\$1,739	\$39,484
<b>Kitchener Suburban</b>	Single or Semi	\$31,587	\$43,285	\$3,448	\$1,739	\$80,059
<b>Kitchener Suburban</b>	Townhouse	\$22,184	\$32,350	\$3,448	\$1,739	\$59,721
<b>Kitchener Suburban</b>	Multiple	\$15,970	\$23,570	\$3,448	\$1,739	\$44,727
<b>Woolwich</b>	Single/Semi	\$29,789	\$39,542	\$3,448	\$1,739	\$74,518
	Multiple	\$22,488	\$29,553	\$3,448	\$1,739	\$57,228
	Bachelor or 1 BR	\$12,339	\$21,533	\$3,448	\$1,739	\$39,059
	2 BR >	\$19,042	\$21,533	\$3,448	\$1,739	\$45,762
<b>Wilmot</b>	Single/Semi	\$24,566	\$39,542	\$3,448	\$1,739	\$69,295
	Townhouse	\$18,708	\$29,553	\$3,448	\$1,739	\$53,448
	Apartments: <2BR	\$10,346	\$21,533	\$3,448	\$1,739	\$37,066
	Apartments: >2R	\$16,719	\$21,533	\$3,448	\$1,739	\$43,439
<b>Wellesley</b>	Single/Semi	\$22,359	\$39,542	\$3,448	\$1,739	\$67,088
	Other Multiples	\$15,344	\$29,553	\$3,448	\$1,739	\$50,084
	Bachelor & 1BR	\$8,419	\$21,533	\$3,448	\$1,739	\$35,139
	2BR>	\$12,994	\$21,533	\$3,448	\$1,739	\$39,714
<b>North Dumfries</b>	Single and Semi	\$17,743	\$39,542	\$3,448	\$1,739	\$62,472
	Other Multiples	\$13,352	\$29,553	\$3,448	\$1,739	\$48,092
	Bachelor & 1BR	\$7,277	\$21,533	\$3,448	\$1,739	\$33,997
	2 BR>	\$11,766	\$21,533	\$3,448	\$1,739	\$38,486

\*Subject to change in June 2026.

**THE COST OF BUILDING IN WATERLOO REGION: DCs, Competitiveness & Immediate Action**

Table 4.4: 2025 Local Area Residential DC Comparison (some rates unavailable):

Local Area Municipality	Unit Type	City Rate	Regional Rate	Public School Board	Catholic School Board	Total
<b>Waterloo</b>	Single& Semi	\$21,429	\$41,660	\$3,148	\$1,739	\$67,976
	Multiples	\$14,095	\$32,350*	\$3,148	\$1,739	\$51,332
	1 BR	\$11,797	\$23,570	\$3,148	\$1,739	\$40,254
	2-3BR	\$11,797				\$40,254
	4 more	\$26,422				\$54,879
<b>Cambridge</b>	Single/Semi	NA	\$41,660	\$3,148	\$1,739	NA
	Other Multiples	NA	\$32,350*	\$3,148	\$1,739	NA
	Apartment: Bachelor/ 1BR	NA	\$23,570	\$3,148	\$1,739	NA
	2 BR & >	NA		\$3,148		NA
<b>Kitchener Central</b>	Single or Semi	NA	\$41,660	\$3,148	\$1,739	NA
<b>Kitchener Central</b>	Townhouse	NA	\$32,350	\$3,148	\$1,739	NA
<b>Kitchener Central</b>	Multiple	NA	\$23,570	\$3,148	\$1,739	NA
<b>Kitchener Suburban</b>	Single or Semi	NA	\$41,660	\$3,148	\$1,739	NA
<b>Kitchener Suburban</b>	Townhouse	NA	\$32,350	\$3,148	\$1,739	NA
<b>Kitchener Suburban</b>	Multiple	NA	\$23,570	\$3,148	\$1,739	NA
<b>Woolwich</b>	Single/Semi	\$27,013	\$38,057	\$3,148	\$1,739	\$69,957
	Multiple	\$22,577	\$28,443	\$3,148	\$1,739	\$55,907
	Bachelor or 1 BR	\$12,826	\$20,724	\$3,148	\$1,739	\$48,437
	2 BR >	\$19,015	\$20,724	\$3,148	\$1,739	\$44,626
<b>Wilmot</b>	Single/Semi	NA	\$38,057	\$3,148	\$1,739	NA
	Townhouse	NA	\$28,443	\$3,148	\$1,739	NA
	Apartments: <2BR	NA	\$20,724	\$3,148	\$1,739	NA
	Apartments: >2R	NA	\$20,724	\$3,148	\$1,739	NA
<b>Wellesley</b>	Single/Semi	\$21,458	\$38,057	\$3,148	\$1,739	\$64,402
	Other Multiples	\$14,726	\$28,443	\$3,148	\$1,739	\$48,056
	Bachelor & 1BR	\$8,080	\$20,724	\$3,148	\$1,739	\$33,691
	2BR>	\$12,470	\$20,724	\$3,148	\$1,739	\$38,081
<b>North Dumfries</b>	Single and Semi	\$16,415	\$38,057	\$3,148	\$1,739	\$59,359
	Other Multiples	\$12,353	\$28,443	\$3,148	\$1,739	\$45,683
	Bachelor & 1BR	\$6,732	\$20,724	\$3,148	\$1,739	\$32,343
	2 BR>	\$10,885	\$20,724	\$3,148	\$1,739	\$36,496

**APPENDIX 6: LOCAL DC COST SAVING IMPLICATIONS**

An illustrative summary of development charge cost savings is provided below on various development applications underway in different stages of approvals. This summary identifies the financial impact on small to mid-size developments. The DC fee is based on a one bedroom room apartment (multiple) rate. Rates and units may vary over time.

Address	Municipality	Units	Estimated Total DC Rate	Potential DC (maximum saving)
167 Park St.	Waterloo	78	78 x \$41,052 = \$3,202,056	\$1,601,028
371 Erb St	Waterloo	26	28 x \$41,052 = \$1,149,456	\$574,728
392-398 Erb St	Waterloo	73	73 x \$41,052 = \$2,996,796	\$1,498,398
25 Stanley	Kitchener	18	18 x \$44,727 = 805,086	\$402,543
184 Doon Valley Drive.	Kitchener	20	20 x \$44,727 = 894,540	\$447,270
41-47 Queen St.	Cambridge	±50	50 x \$41,868 = \$2,093,400	\$1,046,700
51 Isabella	Woolwich Twp	12	12 x \$39,059 = \$468,708	\$234,354



APPENDIX 7: COLLABORATORS



**APPENDIX 8: SUPPORT LETTERS**

1. IN8 Developments, Darryl Firsten
2. CBRE, Joe Benninger
3. AMC Services, Leslie Dibling



April 9, 2026

Regional Clerk / Chair and Members of Regional Council Region of Waterloo 150 Frederick Street, 2nd Floor Kitchener, ON N2G 4J3

**Subject: Request to Reduce Development Charges to Support Responsible Housing Growth and Economic Vitality in Waterloo**

Dear Chair and Members of Regional Council,

From our perspective on the ground, development in Waterloo is not simply construction; it is the direct, necessary response to profound community demand for housing. As stewards of growth, we are uniquely positioned to meet this critical need.

Yet, realizing this potential requires the Region to demonstrate exceptional resourcefulness and innovation—particularly in swiftly overcoming systemic obstacles to sustain its growing economy. To maintain momentum and secure our future, we must address core operational barriers, specifically those related to water capacity and the prohibitive weight of development charges.

Consequently, reducing current development charges is not merely a subsidy; it is a necessary and proactive step designed to stabilize costs, protect the financial health of both our citizens and local businesses, and ensure that development can proceed responsibly while continuing to support the dynamism of the entire Region.

We respectfully urge the Region to take bold action on this issue. Lowering development charges will unlock much-needed housing supply, strengthen economic resilience, and demonstrate leadership in addressing one of our community's most pressing challenges.

Thank you for your time and consideration. We are available to meet and discuss this matter in greater detail and look forward to working collaboratively with the Region to achieve sustainable growth.

Sincerely,

Darryl Firsten  
CEO

A handwritten signature in black ink that reads 'Darryl Firsten' in a cursive script.

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www.cbre.ca/joe.benninger

April 10, 2026

To: Members of Council and Senior Economic Development Staff

Re: Letter of Support – Development Charge Competitiveness and Housing Delivery

Dear Members of Council and Staff,

I am writing in support of the memorandum titled “*Economic Competitiveness re Waterloo Region and Development Charge Rates*,” and to offer a land-market perspective on the role development charges play in housing delivery and long-term competitiveness.

I am a commercial real estate professional with CBRE, specializing in the sale of development land across Waterloo Region and Southwestern Ontario. My work involves advising local, regional, and national developers on site acquisitions, land valuations, and project feasibility. In nearly every transaction, development charges are a primary factor influencing whether land trades, projects advance, and capital is committed.

From an underwriting standpoint, the current level and projected trajectory of development charges represent a growing future risk to the Region’s competitiveness. Waterloo Region continues to benefit from strong fundamentals, institutional investment interest, and long-term growth demand. However, without proactive action on development charges, there is a real concern that the Region will become less competitive over time compared to peer municipalities that are actively stabilizing or reducing these costs.

Development charges have a direct and measurable impact on residual land values. As DCs rise, developers must underwrite lower land prices in order to maintain feasibility. When this gap becomes too wide, transactions stall, land remains underutilized, and housing projects are delayed or deferred before reaching the planning or building stage. Over time, this dynamic risks slowing land absorption and constraining the pipeline of housing-ready sites.

Conversely, municipalities that provide cost certainty through development charge freezes or reductions are increasingly viewed by the market as more predictable and investable. These jurisdictions are positioning themselves to attract future housing investment by responding to present-day financial realities and policy direction. Without similar action, Waterloo Region risks being at a comparative disadvantage as developers assess where to allocate capital in coming years.

The recent federal and provincial announcement linking development charge reductions to funding eligibility further underscores the importance of timely local decision-making. Municipalities that align development charge policy with this framework are likely to be better positioned to attract both senior-government funding and private investment. Delayed or incremental responses may limit future opportunities.

I support the recommendation for an immediate, coordinated review of development charge policy across all tiers of government within Waterloo Region, including consideration of temporary freezes or targeted reductions aligned with federal and provincial objectives. Providing near-term cost certainty

04/10/2026



would support land transactions, improve project feasibility, and help maintain a competitive development environment.

From a land-market and investment perspective, proactive action on development charges would send a clear signal that Waterloo Region intends to remain responsive, competitive, and committed to enabling housing delivery as market conditions evolve.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe Benninger', with a long horizontal flourish extending to the right.

Joe Benninger  
Vice President, Commercial Real Estate  
CBRE Waterloo Region

04/10/2026



**April 10, 2026**

**To:** Members of Council and Senior Economic Development Staff

**Re:** Letter of Support – Development Charge Competitiveness and Housing Delivery

Dear Members of Council and Senior Economic Development Staff,

In more than 19 years navigating public- and private-sector institutions through cycles of genuine disruption, I have rarely witnessed a strategic misalignment as stark—or as costly—as the one now confronting Waterloo Region.

Ryan Mounsey’s memorandum is not advocacy; it is a clinically precise diagnosis of a jurisdiction that has allowed its operating model to drift out of alignment with the very market and policy signals reshaping housing investment across Ontario. With single-detached homes now carrying up to \$90,922 in development charges and a 100-unit apartment building facing \$4.1 million—\$41,232 per unit—while peer municipalities from Peel to Vaughan implement 20- to 100-percent reductions or freezes, the data speaks with unmistakable clarity. The Region’s continued indexing and increases stand in direct contrast to the March 30 federal-provincial framework that explicitly ties funding eligibility to DC moderation. This is not a nuance; it is divergence.

Thank you, Ryan, for the unflinching clarity and data-driven rigor you and the Urban Insights team have brought to this brief. You have handed Council something far more valuable than another polite policy summary: an unvarnished mirror reflecting where local practice now sits relative to the housing economy that exists in 2026.

When senior governments link hundreds of millions in funding to DC, reductions and capital reallocates toward jurisdictions that have already acted, continued adherence to the old cost-recovery playbook is no longer neutral—it is actively counterproductive. The measurable consequences are already visible: stalled projects, redirected investment,

frozen supply under the Mannheim constraint, and affordability pressure that will only intensify. Institutional inertia at this scale does not merely delay outcomes; it compounds against them.

At this critical inflection point, the Region faces a defining strategic choice. Defending an operating model that has grown increasingly misaligned with the rapidly evolving external environment carries real and measurable risk. The evidence now before us leaves little room for polite consideration—it demands a candid, rigorous assessment of whether our prevailing approaches remain fit for purpose in the housing economy of 2026.

This memorandum deserves serious, immediate consideration. Ryan and the Urban Insights team have done the Region a genuine service by presenting it.

Sincerely,



**Leslie Dibling, MBA, LEED AP+, NCSO**  
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