

## Municipalities should exercise restraint with municipal charges on new homes

**Greater Toronto Area, June 7, 2024** – With the passing of Bill 185, the *Cutting Red Tape to Build More Homes Act, 2024*, the Building Industry and Land Development Association (BILD) urges Greater Toronto Area (GTA) municipalities to not raise development charges (DCs) on new homes in the midst of a housing crisis.

“If municipal politicians want to contribute to solving the GTA’s housing supply and affordability issues, they should exercise extreme restraint and not increase development charges on new homes,” said Dave Wikes, President & CEO of BILD. “Across the province, municipal (upper and lower tier) DCs are the highest fee, tax or charge added by any level of government to the cost of new homes. Increasing DC rates is inflationary to the cost of a new home and can also undermine project viability, preventing projects (and therefore new supply) from coming to the market.”

Development charges are fees added to the cost of a new home by a municipal and regional government. They are intended to offset the costs of growth related housing supportive infrastructure, transit and services. Over the last two decades, DCs in the GTA have escalated rapidly, rising between 250 and 900 per cent – far in excess of property tax increases.

In many GTA municipalities, these charges average around \$100,000 for a single family home and in some they approach \$150,000.

“There is a growing recognition that the current system of funding growth related costs places too much burden on the backs of new home buyers, contributing to making home ownership impossible for many in the GTA,” said Wilkes. “Existing residents also benefit from new and renewed infrastructure and services and there needs to be a frank conversation between all levels of government on a new, fair and equitable system to support growth related costs. Until that can happen we are calling on all GTA municipalities to hold or indeed lower their DC levels in recognition that we are in the midst of a housing crisis, and now is not the time to be adding more costs to housing.”

Development charges are simply one of the fees levied on new homes by municipal governments, other fees such as Community Benefit Charges (CBCs) and Parkland Cash-in-lieu fees are also levied. Fees, taxes and charges from all levels of government account for approximately 25% of the cost of a new home in the GTA.

*With 1,000 member companies, BILD is the voice of the home building, residential and non-residential land development and professional renovation industries in the Greater Toronto Area. The building and renovation industry provides 256,000 jobs in the region and \$39.3 billion in investment value. BILD is affiliated with the Ontario and Canadian Home Builders’ Associations.*

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