



## BILD Urges Comprehensive Solutions To Address Cost to Build Crisis in Toronto

Greater Toronto Area, November 5, 2024 – In a deputation before the City of Toronto’s Executive Committee later today, the Building Industry and Land Development Association (BILD) will be calling for a more robust approach to address pressing housing needs in the City of Toronto. The City’s current proposal, *“Expanding Incentives for Purpose-Built Rental Housing”*, is too limited and will not jump start the tens of thousands of stalled new rental and condominium units currently sidelined. The lack of a comprehensive solution is threatening the city’s pipeline of future housing supply and setting up conditions to make the housing crisis worse in the years ahead.

“While the current proposal acknowledges the challenges posed by rising cost to build, it represents a limited solution to a much larger problem,” said Dave Wilkes, President and CEO of BILD. “If the city’s own housing projects, built on city land, with federal subsidies cannot proceed without development charge and tax relief, it is no wonder that market units are struggling with costs to build, which is in turn acting as a barrier to adding the housing Toronto requires.”

The specifications of the proposed solution are narrowly defined and would only be applicable to the City’s own Housing Now projects or projects that have received a federal subsidy through its Apartment Construction Loan Program. The vast majority of rental and condominium projects, including the 29,000-37,000 units that are currently stalled in the development pipeline, will not qualify. Such a niche solution means that as the crop of new buildings currently under construction are completed, very little new residential construction activity will be able to commence, greatly diminishing new housing supply in the region over the next 3-5 years.

“Today’s costs to build are out of sync with the ability of the market to absorb. As a result, new rental projects can’t pencil and pre-construction sales for condominiums have plummeted to less than 25% of the 10-year average levels,” added Wilkes. “Housing starts are declining and without a comprehensive solution this slide will continue – putting Toronto on the cusp of a very large housing shortfall by 2027-2030.”

BILD is actively encouraging the City to urgently seek the involvement and assistance of higher levels of government to expand its solution and develop a comprehensive housing strategy that addresses the financial viability of the sidelined housing projects.

“There is a window to take action today and avert a housing crisis of tomorrow,” said Wilkes. “We stand ready to work with the City of Toronto to encourage all levels of government to come to the table and create the comprehensive housing package the City needs.”

*With 1,200 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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