



October 23, 2024

City of Kitchener
City of Waterloo
City of Cambridge
Region of Waterloo

Attention: Tim Donegani, Douglas Stewart, Matthew Blevins, Judy Maan Miedema

RE: INCLUSIONARY ZONING POLICY FRAMEWORK AND IMPLEMENTATION

To Whom It May Concern:

The Waterloo Region Home Builders Association (WRHBA) and Build Urban are writing to follow up on our meeting with our municipal policy leaders on October 17, 2024.

We respectfully request a deferral of the proposed Inclusionary Zoning (IZ) policy implementation until at least December 2025. Additionally, we suggest scheduling a meeting next year for an update before finalizing an official implementation date.

We recognize that the market environment was significantly different when this policy was first conceived, and there was potential for it to deliver affordable housing in Major Transit Station Areas (MTSAs). As an industry, we fundamentally agree that everyone deserves a place to live that they can afford. However, this is a broader societal issue that should not be solely imposed on a specific subset of the population, particularly those trying to enter the housing continuum.

As demonstrated in the NBLC report presented during our meeting, the fundamental economics of building high-density developments along MTSA are razor-thin. A single market alteration can render financial proformas unfeasible. With 556 units currently on the market and only a 10% purchase rate, it is clear that policies should incentivize this market segment rather than penalize it.

The WRHBA has previously opposed this policy for several reasons, including its potential to hinder growth, the inequity of applying it to those only a few steps up the housing continuum, and the significant fluctuations in market conditions that occur quarterly, or even monthly.



Broader societal issues contributing to this situation include Ontario's withdrawal from affordable housing initiatives three decades ago, the lingering economic impact of COVID-19, and the mismatch between housing supply and demand due to mass immigration and rigid planning policies.

We urge you to reconsider this policy with these factors in mind. At this moment, implementing a policy that does not achieve its intent—delivering affordable housing—seems premature. As one of your municipal planners aptly noted, "any percentage of 0 units is still 0 affordable units."By deferring the policy, we can explore solutions that address the concerns outlined above and develop a framework that aligns with both market realities and the community's broader needs.

We appreciate the time and effort that has gone into formulating this policy and to address our concerns. We remain committed to collaborating with our municipal partners to provide diverse housing options in a timely manner.

Respectfully submitted,



Joseph Puopolo
Co-chair, Build Urban



Marie Schroeder
Executive Officer, WRHBA

CC: City Clerks Offices, Regional Clerks Office
WRHBA Board of Directors & Member Companies