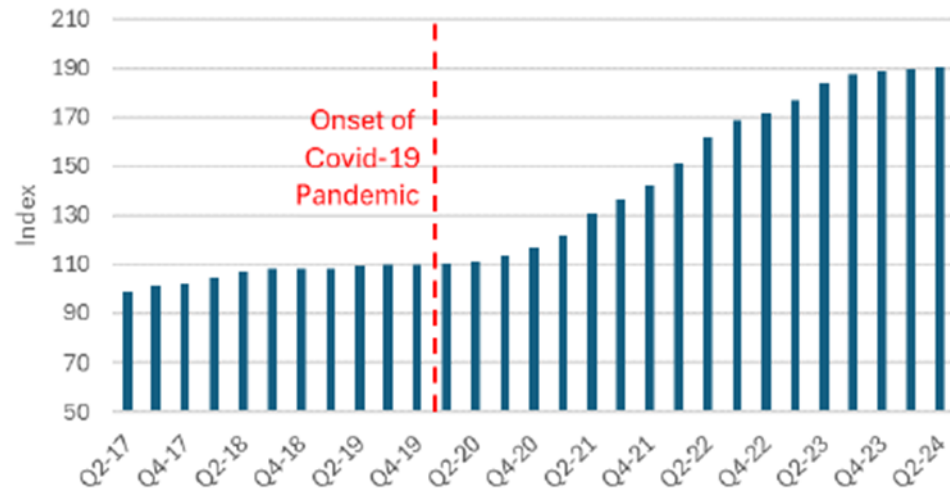


Please implement
Inclusionary Zoning (IZ)
in 2025

Appeal re: Staff Report DSD-2024-498

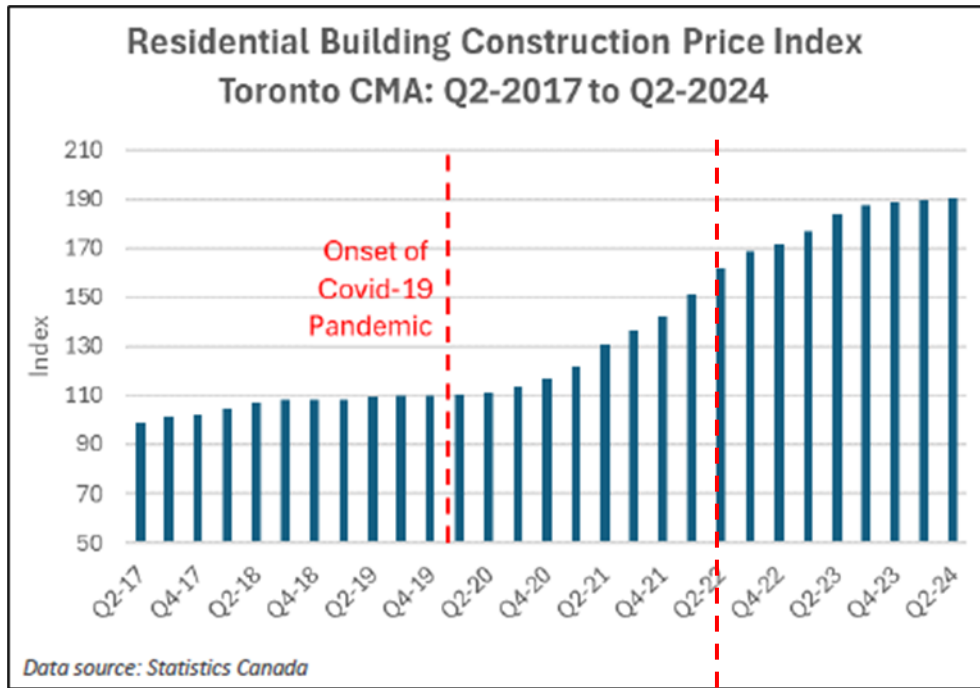
Hal Jaeger
December 2, 2024

Residential Building Construction Price Index Toronto CMA: Q2-2017 to Q2-2024

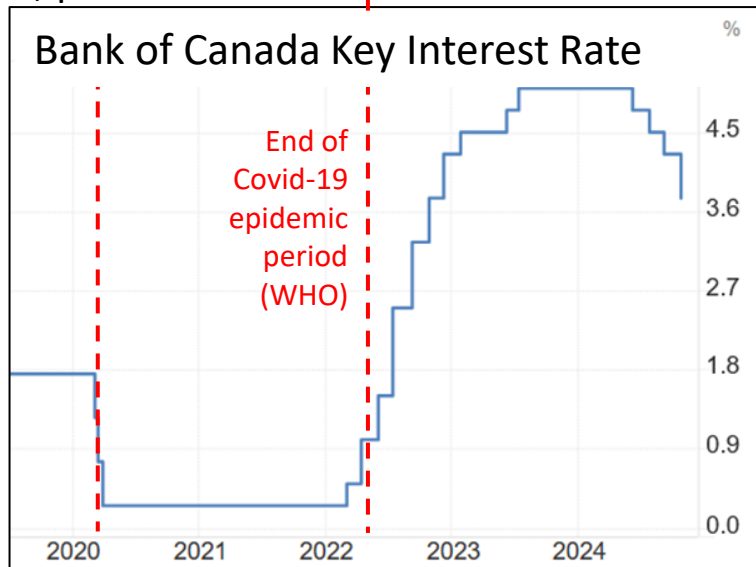


Data source: Statistics Canada

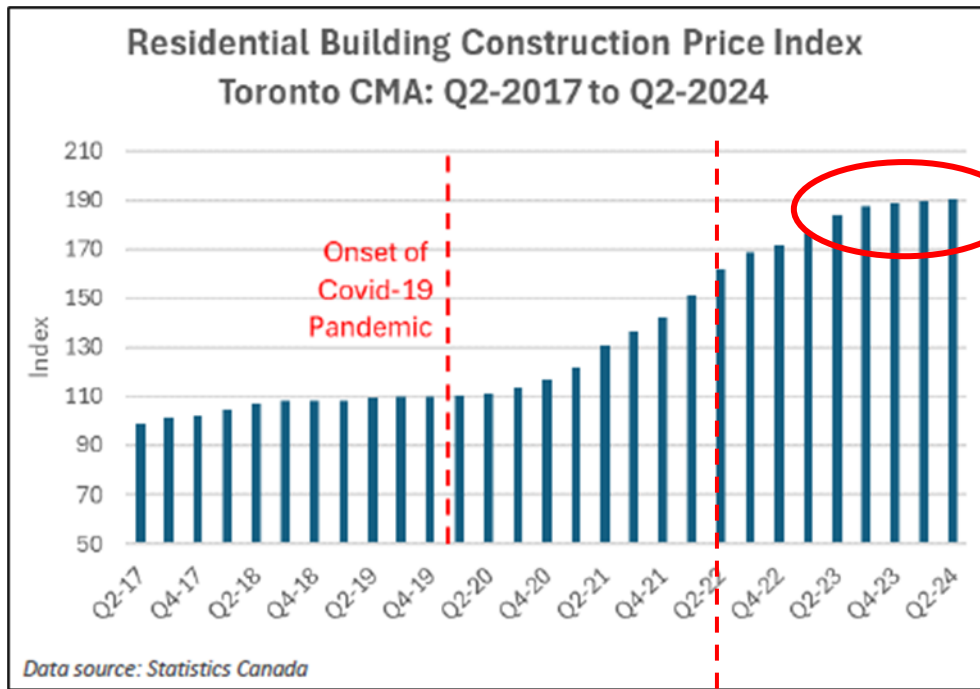
Source: NBLC Report, p. 7



Source: NBLC Report, p. 7



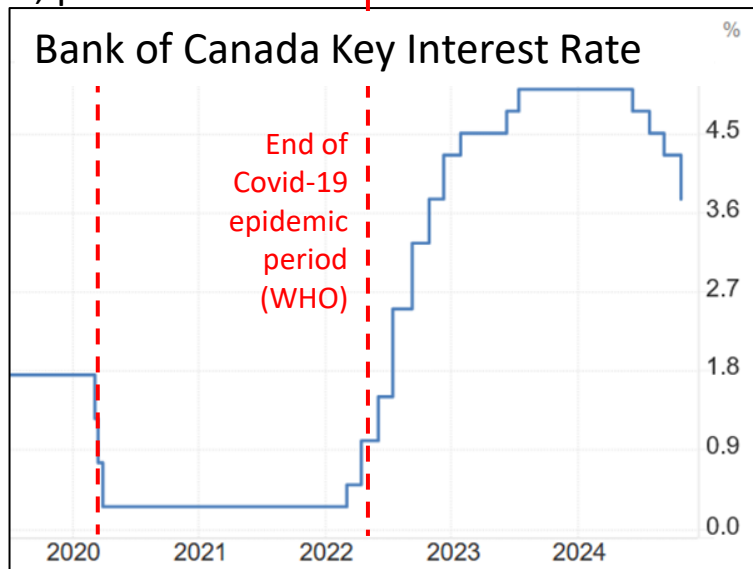
Source: <https://tradingeconomics.com/canada/interest-rate>



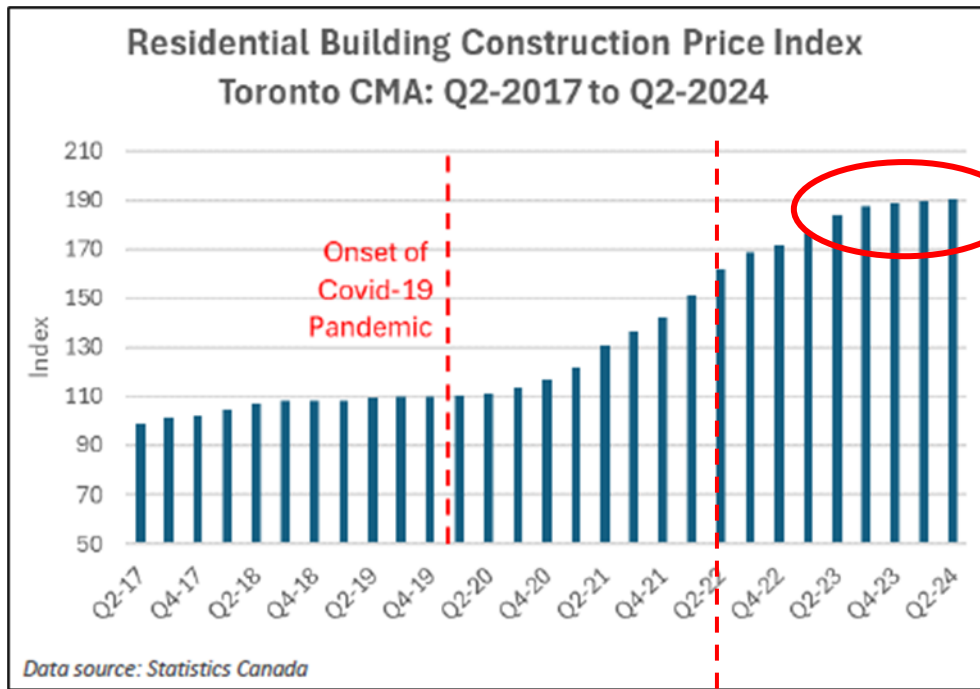
Please note:

1. Construction costs levelled off by the end of Q4 2023.

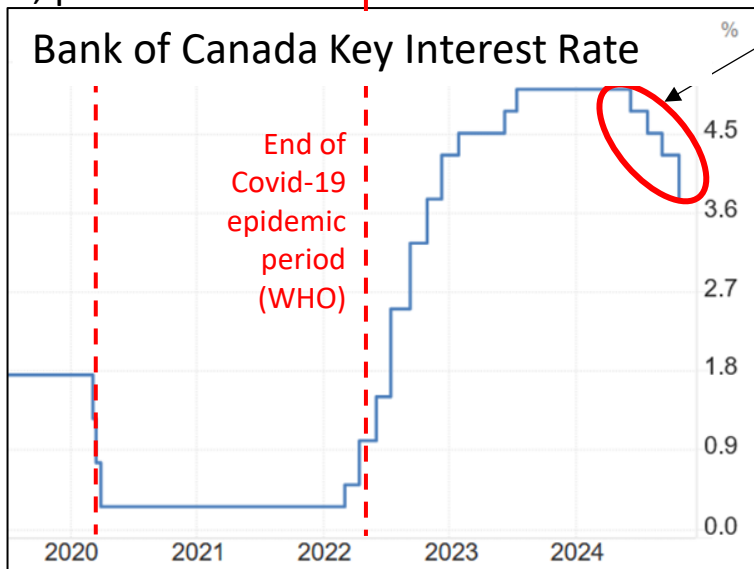
Source: NBLC Report, p. 7



Source: <https://tradingeconomics.com/canada/interest-rate>



Source: NBLC Report, p. 7



Please note:

1. Construction costs levelled off by the end of Q4 2023.
2. Interest rates have dropped after the period assessed on construction pricing.

“The Bank of Canada lowered the overnight rate to 4.75% in June 2024, followed by another reduction in July and again in October. ... the timeline for a rebound remain remains (sic) uncertain.”

NBLC report, p.6

Municipal, Provincial and Federal Discounts

- Affordable Housing Parkland Dedication Fee Exemption
- Affordable Housing Development Charge Fee Exemption
- Provincial Development Charge discounts for Purpose Built Rentals
- Removal of HST on Purpose Built Rental Construction
- Federal Rental Construction Financing Initiative Loan Program

Before taking a decision, please...

1. Determine the anticipated impact of implementing IZ in 2025,
and
2. Take into account where the market is today and the best understanding of where the market is headed.

Thank you

Reference Materials

Bill 23, More Homes Built Faster Act, 2022

[Clark, Steve](#) *Minister of Municipal Affairs and Housing*

Current status: Royal Assent received. Statutes of Ontario 2022, chapter 21

Discount, rental housing development

(1.1) In the case of rental housing development, the amount determined under subsection (1) shall be reduced in accordance with the following rules:

1. A development charge for a residential unit intended for use as a rented residential premises with three or more bedrooms shall be reduced by 25 per cent.
2. A development charge for a residential unit intended for use as a rented residential premises with two bedrooms shall be reduced by 20 per cent.
3. A development charge for a residential unit intended for use as a rented residential premises not referred to in paragraph 1 or 2 shall be reduced by 15 per cent.

At full implementation in 2031, IZ could reduce gross residential income by 1% (5% of units x up to 20% reduction in market rate rent/unit = 1% reduction in market rate rent)

The IZ allocation was agreed to be 2% in “prime” markets and 1% in “established” markets in 2025.

Using these figures, the reduction in gross residential rental income is as follows:

In prime markets, 2% of units x up to 20% reduction in market rate/unit = 0.4% reduction in market rate rent

In established markets, 1% of units x up to 20% reduction in market rate/unit = 0.2% reduction in market rate rent