

RESIDENTIAL BUILDER

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SPECIAL REPORT

*New approach needed to help boost
apprenticeship completion rates ... Pg 10*



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Builder Briefs

RESCON president attended announcement on DCs

RESCON president Richard Lyall attended an event June 23 to announce that Toronto is receiving up to \$1.5 billion in recognition of the city's commitment to reduce development charges by 40 to 60 per cent for more than three years.

The money is part of the Development Charge Reduction Program announced by the senior levels of government earlier this year to help municipalities reduce development charges while continuing to invest in the infrastructure required to support growth.

The city worked with the province to identify eligible housing-enabling infrastructure projects and successfully secured \$1.5 billion in funding over 10 years. The funding will reduce the city's reliance on development charge revenues to fund existing capital investments. As a result, the city will be able to implement substantial development charge reductions between 2026 and 2029, depending on the unit type.

[Click here](#) for the press release.



Regulations released for Enhanced Sales Tax Rebate

Regulations and other resources have now been released by the federal and provincial governments regarding the Enhanced Sales Tax Rebate for all new home buyers.

In a typical builder-sale scenario, buyers will be able to assign the full 13-per-cent HST rebate and Ontario top-up to the builder. The builder will provide the benefit at closing, complete the required GST/HST return, and submit the necessary forms to the Canada Revenue Agency (CRA), including the signed GST190 and associated RC7190 Ontario form.

The CRA will then process the submission, verify buyer eligibility, and share the relevant



information with Ontario. CRA will not directly administer the program for the province but will conduct the required eligibility verifications after which Ontario will then issue the five-per-cent top-up payment directly to the builder.

[Click here](#) for the federal

information (technical regulations).

[Click here](#) for the provincial information (technical regulations).

[Click here](#) for a federal government infographic outlining the process.

[Click here](#) for a federal government notice about the rebate.



SOME ENCOURAGING PROGRESS FOR ONTARIO'S HOUSING SECTOR

Richard Lyall
President

While global headlines continue to be dominated by uncertainty and disruption, there have been several encouraging developments closer to home for Ontario's residential construction industry.

Most notably, the expanded HST rebate for new homes has officially been launched following a lengthy wait, and both the federal and provincial governments have begun rolling out funding through the Development Charge Reduction Program (DCRP) to municipalities committed to significantly lowering development charges.

RESCON worked closely with all levels of government to support the implementation of the Enhanced Sales Tax Rebate for all new homebuyers. Regulations have now been released by the federal and provincial governments.

With the necessary regulations now in place, purchasers can assign the full 13-per-cent HST rebate, along with the Ontario top-up, directly to the builder. The benefit is then applied at closing, reducing the final purchase price for buyers.

To help stakeholders understand the program, the federal government has released an [infographic](#) outlining the process, while the Canada Revenue Agency has published technical regulations [here](#). The province has published technical regulations [here](#). We also plan to host a member webinar in the near future to provide further clarity on the program and its implications.

Early indications suggest the rebate is already having a positive impact. According to reports, while some buyers initially delayed purchasing decisions following the announcement in March, new home sales in the GTA have since gained momentum.

The DCRP, meanwhile, should provide an additional boost to housing construction activity.

I recently attended an announcement with Premier Doug Ford, federal Housing and Infrastructure Minister Gregor Robertson, and Toronto Mayor Olivia Chow, where it was revealed that Toronto will receive \$1.5 billion through the program. The funding recognizes the city's commitment to reducing development charges by 40 to 60 per cent, depending on housing type, for a period exceeding three years.

The City of Toronto estimates these reductions will save approximately \$83,000 on the construction of a new single or semi-detached home. When combined with the 13-per-cent HST reduction, the overall cost of building a new home in Toronto could decrease by up to \$200,000 in key Ontario markets like Toronto.

We still have a huge challenge facing us in ensuring that the temporary tax rebates and DC reductions are

made permanent. That is because the taxation of new housing in Ontario increased way beyond other provinces and states in North America apart from B.C. Then there remains the fact that the approvals process needs to be modernized, streamlined and digitized according to province-wide standards.

Apprenticeship report

A new independent [report](#) prepared for RESCON highlights the need for a fundamental overhaul of Canada's apprenticeship system.

The report concludes that the current model focuses largely on providing opportunities rather than actively supporting participation and completion. The study recommends incorporating behavioural science into apprenticeship design and delivery, so policymakers and industry leaders can develop more effective interventions that improve completion rates and encourage more young people to pursue careers in the skilled trades.

Apprenticeship completion rates in Canada have remained stagnant since 2013, with only about 20 per cent of registered apprentices successfully completing their programs.

Housing summit

We have started to line up speakers for virtual Housing Summit 6.0, which is scheduled for Wednesday, Sept. 23 from noon to 5 p.m. The summit will examine whether the housing reforms introduced to date are delivering the results needed to meet housing supply targets. You can register for the summit [here](#).

Event participation

I recently participated in a roundtable on digital transformation, AI and robotics in Canada's construction sector at George Brown Polytechnic's Limberlost Place in Toronto.

The invitation-only event brought together leaders from construction, government, academia, and the technology sector to explore how emerging technologies can help address ongoing productivity, competitiveness, and workforce challenges facing the industry.

The following day, I participated in a Site Summit housing panel hosted by Site News, an event separate from the roundtable, that was held at George Brown's Waterfront Campus. The panel examined how developers and municipalities are adapting to today's evolving housing landscape.

These conversations are critical as the industry continues to navigate economic pressures while embracing innovation and new approaches to delivering homes.



MUNICIPALITIES SHOULD REMOVE SOME RESTRICTIONS IN EXTREME HEAT

Andrew Pariser
Vice President

RESCON members go above and beyond to plan and execute heat mitigation plans to keep workers safe on-site.

Life in Canada means constantly adjusting to the weather. In July, that means preparing for the summer heat. This month, I want to highlight the efforts of RESCON members who continue to lead the way in health and safety.

Specifically, RESCON members go above and beyond to plan and execute heat mitigation plans to keep workers safe on-site.

In addition to specific heat safety policies, toolbox talks, and heat plans created by Joint Health and Safety Committees, RESCON members put their Costco memberships to the test, providing thousands of freezies, popsicles, cold water, and anything else they can get their hands on to keep workers cool.

In addition, many members, where possible, shift hours of work to avoid work during the hottest part of the day. However, this is not possible on all jobsites as many municipalities have overly restrictive bylaws with respect to hours of work. They are ignoring North American best practices and could show leadership in safety with simple changes.

What can municipalities do?

Municipalities can simply remove restrictions, including but not limited to noise bylaws during extreme heat events. This simple change would allow all builders to enhance worker health and safety and shift work away from the hottest parts of the day.

Currently, hours of work are often restricted by noise bylaws. These bylaws, while well intentioned, have historically created safety issues. Some of these issues were addressed during the COVID pandemic when hours were expanded. This expansion had several benefits, including staggering of work on-site (social distancing), reduction of traffic congestion (more work and deliveries could be done outside of rush hour), and improved productivity which meant projects finished faster, reducing the impact of construction on neighbours.

Flexible bylaws are already employed across leading North American jurisdictions, including San Antonio, Texas and New York City. Both allow for earlier start times or overnight work allowing employers to shift their production schedules.

Current best practices and resources

Heat stress can occur wherever work operations involve heavy physical labour in hot, humid environments. The locations may be indoors or outdoors. Protective clothing can also contribute to the problem. Best practices from the IHSA can be found [here](#) and include:

- Wear light, loose clothing that permits the evaporation of sweat.
- Drink small amounts of water - 8 ounces (250 ml) - every half hour or so. Don't wait until you're thirsty.
- Avoid beverages such as tea, coffee, or any drink that can make you pass urine more frequently.
- Where personal PPE must be worn,
 - use the lightest-weight clothing and respirators available;
 - wear light-coloured garments that absorb less heat from the sun; and
 - use PPE that allows sweat to evaporate.
- Avoid eating hot, heavy meals. They tend to increase internal body temperature by redirecting blood flow away from the skin to the digestive system.
- Don't take salt tablets unless a physician prescribes them. Natural body salts lost through sweating are easily replaced by a normal diet.

As you can tell, I am honoured to chair the RESCON health and safety committee and thankful for all the efforts the committee and all RESCON members make when it comes to keeping workers safe.

This month, I am asking municipalities to step up and give employers additional tools to keep workers safe.

“Municipalities can simply remove restrictions including but not limited to noise bylaws during extreme heat events. This simple change would allow all builders to enhance worker health and safety and shift work away from the hottest parts of the day.”



FOCUS HAS BEEN ON CUTTING DCS AND MODERNIZING APPROVALS SYSTEM

Grant Cameron
Senior Director of Public Affairs

For years, development charges have climbed relentlessly, making housing less affordable.

Cutting development charges, boosting apprenticeships and modernizing development approvals through a province-wide AI-enabled permitting platform were the big picture items this past month for RESCON.

A [report](#) prepared for RESCON highlighted the need for a new approach to help boost apprenticeship completion rates. We distributed a [press release](#) on the report

The report suggested that Canada should look to behavioural science to significantly boost apprenticeship recruitment and completion rates in the skilled construction trades.

Behavioural science is the study of cognitive constraints, social pressures, and behavioural barriers that shape human decision-making.

According to the report authors, Canada's apprenticeship framework is built on a set of traditional economic assumptions: give people the right information, reduce the cost of participation, and they will behave rationally and follow through. Yet the evidence tells a different story.

A behavioural approach would focus on reducing friction at every stage of the apprenticeship journey by making pathways clearer and easier to navigate. It would ensure that financial supports are not only available but accessible at the moments when they matter most, and provide structured mentorship and exam preparation support.

Articles on the report ran in [Canadian HR Reporter](#) and [Timmins Daily Press](#).

In a [column](#) in Canadian Contractor, we explained why Canada is losing skilled workers and what it will take to get more youth into the system and complete their training. Meanwhile, in a [column](#) in On-Site magazine we laid out why the apprenticeship pipeline is broken.

Development approvals

In June, RESCON joined a One Ontario coalition that is planning to modernize the development approvals process through a province-wide AI-enabled permitting platform.

A [press release](#) was distributed on the announcement.

Cumbersome planning approvals and restrictive regulatory policies have been identified as major barriers to delivering the homes Ontario needs. A province-wide

permitting platform built on standardized processes and shared data can help remove the friction that slows housing delivery.

The coalition would like to see a single permitting dashboard that manages the approvals process from start to finish. The platform would identify requirements, prepare and submit applications, co-ordinate reviews, and track progress through to decision. Rather than navigating multiple systems and agencies, applicants would have one clear, centralized path through approvals.

Development charges

In a [column](#) in Daily Commercial News, we welcomed the decision by the federal and Ontario governments to move forward with the new Development Charge Reduction Program (DCRP), as it is one of the most significant housing affordability measures introduced in years and will help remove a major barrier to new home construction across the province.

For years, development charges have climbed relentlessly, making housing less affordable, slowing construction activity and undermining the financial viability of projects that communities desperately need.

In a [column](#) in Real Estate Magazine Canada, meanwhile, we explained how development charges are out of control, increasing by more than 1,000 per cent in Toronto since 2009.

Skilled trades shortage

A [column](#) on the skilled trades shortage facing the forestry, wood products and engineered wood manufacturing industries ran in Canadian Forest Industries. The piece recommended a number of ways to fix the system.

Policy changes

In a [column](#) in Storeys, we highlighted how five policy changes could actually fix Ontario's housing market and in a [piece](#) in Senso magazine we suggested changes to policies that are affecting the residential construction industry.

Land scarcity issue

A [column](#) in The Toronto Sun explained that Ontario doesn't have a land scarcity problem.

Rather, it has a serviced, approved and buildable land problem - one largely created by decades of public policy choices.



POLITICIANS HAVE A LOT RIDING ON HOUSING INITIATIVES

Michael Giles
Director of Government Relations

If things don't change expect severe political consequences in the months and years ahead and it won't be pretty to watch.

Over the course of history in all countries there are major issues that drive the political agenda and ultimately impact electoral outcomes.

One has only to gaze over political history to see this manifested. Look upon the Goods and Services Tax introduced during the era of Prime Minister Brian Mulroney. Or the major Free Trade debate during the 1988 election that the same prime minister was able to use to defeat then Liberal Leader John Turner.

Scandal often drives these kinds of issues. Think of Watergate under President Richard Nixon and subsequently Gerald Ford. In Ontario's history, an early election call combined with some scandals sealed the fate of then Liberal Premier David Peterson who went from an historic win to a devastating loss.

One common thread that impacts electoral success is the economy and issues related to it. Think of former Premier Bob Rae whose NDP government was wiped out in 1995 after five years of perceived fiscal mismanagement and a very challenging economy for voters.

One can also point to the presidency of George H. W. Bush which in 1992 saw him lose to then Governor Bill Clinton, an election that was all about the domestic economy. Keep in mind that the year before (1991) following the first Gulf War, Bush had a 90-per-cent approval rating.

The point being that while there are broad forces that drive the political winds, these manifest themselves in specific issues that directly affect voters. And the price to pay for governmental failure or ineffectiveness can be very high.

The issue of housing is unquestionably one of those issues. Think back to only a few years ago when everything in the housing sector seemed to be moving along well. It did not take long for a major shift to take place, and we find ourselves now firmly implanted in one of the most impactful housing affordability and supply crises ever seen. In fact, it could be well argued that the Greater Toronto Hamilton Area and southwestern British Columbia are among the worst regions in the world in terms of housing.

While all three levels of government in Canada, particularly in these areas, were slow to recognize the seriousness of the situation they sure do now. Two or

three years ago, governments started announcing things like an elusive commitment in Ontario to build 1.5 million homes over 10 years. The federal government under former Prime Minister Justin Trudeau launched a number of relatively mediocre initiatives and municipalities made proclamations that were really just noise.

Recognizing that Canadians in all parts of the country had transitioned from being concerned to outright panic, governments started really paying attention.

In Ontario, new measures were introduced but this became highly intensive under current Municipal Affairs and Housing Minister Rob Flack who is undoubtedly the most impactful provincial housing minister in generations.

At the federal level, things accelerated enormously with the ascendancy of Prime Minister Mark Carney. There has been a flurry of initiatives from the federal government since he took office last year.

Municipally, there was the usual foot-dragging and mediocrity until both the feds and Ontario ignited a fire under them and began to impose new policies to support residential housing construction. Their apparent slumber has been involuntarily interrupted.

What does all of this mean?

Politically, much has changed. Housing is now a third-rail issue and with all the initiatives that governments have advanced, all eyes will be on if and how this moves the dial in terms of addressing the housing affordability and supply crisis in this country.

This issue also operates in parallel to broader affordability concerns. Bottom line is simple – with all that has been done, if things don't change expect severe political consequences in the months and years ahead and it won't be pretty to watch.

Housing is now a third-rail issue and with all the initiatives that governments have advanced, all eyes will be on if and how this moves the dial in terms of addressing the housing affordability and supply crisis.



TO POLY OR NOT TO POLY: THAT IS THE QUESTION

*Dave Henderson
Senior Manager, Technical Services*

RESCON is undertaking a (potentially) groundbreaking study to finally answer the question.

There has been an ongoing debate for longer than I care to remember about the use - or rather need to use - polyethylene under concrete basement floor slabs as a means to control soil gas entry into the home.

There are two camps: one says the concrete in and of itself is an effective barrier; the other argues poly is absolutely necessary. Which side is right? Where is the proof?

I may not be correct, but I believe the debate started in the U.S. decades ago when poly was required to address dampproofing.

In the U.S., they generally pour their concrete basement slabs directly on the ground, so they don't get the benefit of the capillary break provided by the gravel layer. Because they were using poly for dampproofing, it naturally morphed into protection against soil gas entry as well. And because they did it, we adopted it as well. I don't know that this was the sequence of events, so I admit it might have happened differently.

Sometimes we adopt things because we think they make sense. In the absence of facts, we make judgement calls based purely on speculation, and that's never good.

Of course, everyone in Ontario is now acutely aware of the change to the Ontario Building Code which requires polyethylene under the basement floor slab.

However, what most people don't realize is it landed there not necessarily to prevent radon entry into the house, even though that was part of the rationale. The main reason it is there is to facilitate radon mitigation in the event radon accumulation in the house becomes a problem in the future.

Traditionally, we have relied on the concrete basement floor slab to be an effective air barrier.

What changed? Why is the concrete no longer acceptable as an air, and consequently, soil gas barrier?

The short answer is, the National Building Code of Canada changed. Plain and simple. The logic is concrete cracks so therefore it can not be considered an effective air barrier. The odd flaw in their logic is that they are quite happy to recognize normalized leakage rate (NLR) when measuring building air tightness.

NLR fundamentally acknowledges there are cracks and resulting air leakage in buildings, and that's okay

provided the air tightness tests produce acceptable NLR results.

So yes, concrete cracks but we have literally thousands of houses built in Ontario that easily meet or exceed the stringent air-tightness requirements for high-performance housing programs - all of them built without poly under the basement floor slab.

The proponents for the use of poly under the slab also maintain that because concrete cracks, it is not possible to connect a sub-slab radon mitigation fan to create depressurization in the gravel layer because the cracks in the concrete mean the fan will simply draw air from within the house, potentially making the radon concentration worse.

When you ask radon mitigation contractors if they are able to extract radon from below a basement slab without poly, they will say, "Of course." They do it all the time.

What changed between those older houses and houses built today? Some argue increasingly greater air tightness of new construction, but the answer is perhaps speculation won out over facts.

RESCON is undertaking a (potentially) groundbreaking study to finally answer the question. In true Mythbusters fashion, we are going to test the efficacy of a code-built concrete basement floor slab to act as an effective air barrier. Conversely, we can use the test data to determine what difference the addition of poly makes in terms of being able to depressurize the gravel layer under the slab.

We have a unique opportunity while the market is slow to use existing inventory housing to do some field testing and air-tightness testing of basement floor slabs constructed to both the old OBC requirements without the poly as well as new OBC homes that have it. By using two sets of houses of similar size and parameters built by builders using the same trades and crews, workmanship becomes more consistent and less of a potential contributing factor.

We will also be able to measure air distribution throughout the gravel layer by placing sensors in all four corners of the house.

The testing will take place over the summer, so stay tuned for an update on the results of the study in an upcoming issue. Hopefully this will finally settle the debate one way or the other.

ARE WE READY TO BUILD CANADA?

New approach needed to help boost apprenticeship completion rates

June 18, 2026, Vaughan, Ont. – The current apprenticeship system is flawed, with the number of workers who complete training and receiving certification on the decline, so we need to look beyond traditional approaches and redesign the system, says RESCON president Richard Lyall.

“Canada should look to behavioural science to significantly boost apprenticeship recruitment and completion rates in the skilled construction trades,” he says. “By embracing behavioural science, we can achieve better training outcomes and improve how youth view the skilled construction trades.”

Lyall was responding to an independent new report prepared for the [Residential Construction Council of Ontario \(RESCON\)](#). The report, *Are We Ready to Build Canada? A Behavioural Analysis of Canada’s Construction Talent Pipeline and Skills Training Policy*, was authored by Nathaniel Barr, professor of creativity

and senior advisor, innovation at Sheridan College; Michael McNamara, professor of creativity and director of the Community Ideas Factory at Sheridan; and James K. Stewart, economist and a senior fellow at the C.D. Howe Institute.

The authors examined the apprenticeship journey through a behavioural lens to identify barriers to recruitment, challenges within training, and issues affecting retention.

They maintain that policy and program design must better reflect the human factors influencing training outcomes in the years ahead.

Improved outcomes and a more skilled workforce are critical to the success of Canada’s evolving economic landscape - shaped by tariffs and other adverse U.S. policy shifts, rapid advances in artificial intelligence, and long-standing productivity challenges.

Yet, despite billions of dollars in public investment and strong demand



for skilled labour, the deeper problem is the rate at which individuals enter and complete their apprenticeship training.

As the report highlights, “The training challenges for the construction skilled trades are behavioural as well as economic. They are shaped by the uncertainty, time pressures, self-doubt, and inertia that many people face, and by the system’s misaligned incentives and lack of support at key junctures in the skills journey.



“Canada needs to overhaul its system from one that merely provides opportunities to one that actively facilitates meaningful usage and completion.

“The missing ingredient is an understanding of why people behave as they do.”

The report states that behavioural science — the study of cognitive constraints, social pressures, and behavioural barriers that shape human decision-making — could help

address the growing challenge that is made more urgent by the economic pressures and opportunities facing Canada in 2026 and beyond.

With apprenticeship completion rates in Canada stuck since 2013 at 20 per cent of registrations, despite the demand for workers, the damage is billions of dollars in lost GDP, worker incomes and tax revenues.

Lyall says the low completion rates can’t be overlooked, and applying behavioural science to the

construction talent pipeline and skills training policy could significantly improve outcomes.

“While increased funding for apprenticeships is important, the greater challenge lies in how training policies and programs are designed and delivered,” he says. “The behavioural recommendations outlined in this extensive and well-researched report would help address these weaknesses.”

[Click here](#) to view the report.

BEHAVIOURAL SCIENCE:

Is it the solution to Canada's apprenticeship problems?



*By Sarah Dobson
Canadian HR Reporter
June 18, 2026*

“This is a framework that is underapplied across not only skills training and policy decisions overall, but just in society in general.”

So says Nathaniel Barr, professor of creativity and senior advisor, innovation at Sheridan College, speaking to Canadian HR Reporter about a new report on Canada's apprenticeship crisis.

“We often build systems and ecosystems focusing on the externalities and the realities that we face as business leaders, policymakers, and all the rest. But it's easy to lose sight across that journey on what the lived reality is for the individuals that have to navigate this

system.”

Are We Ready to Build Canada? A Behavioural Analysis of Canada's Construction Talent Pipeline and Skills Training Policy is an independent report prepared for the Residential Construction Council of Ontario (RESCON) and released June 18. It argues that Canada's persistent apprenticeship crisis is not primarily a funding problem — it is a design problem because the system has been built around economic assumptions about human behaviour that the evidence does not support.

The report was co-authored by Michael McNamara, professor of creativity and director of the Community Ideas Factory at Sheridan, and James Stewart, economist and senior fellow at the C.D. Howe Institute.

Canada's apprenticeship

completion rate has been stuck at roughly 20 per cent of registrations since 2013, despite strong [demand for skilled labour](#), the report states. Skill shortages are estimated to have caused GDP to be \$2.6 billion lower in 2024 alone, and to have contributed about seven per cent of Canada's growing labour productivity gap with the United States since 2014.

The federal government in 2026 projected excess demand of over 1.4 million skilled trades workers versus supply by 2033.

Yet Canadian training policy has long relied on the same tools — subsidies, tax credits, and awareness campaigns — built on the assumption that people, given enough opportunity, information, and incentive, will make sound decisions and follow through on them, the

report argues: “The evidence says otherwise.”

Behavioural science — the study of cognitive constraints, social pressures, and structural frictions that shape human decisions — starts from the premise that people are not the rational, information-processing agents that training policy tends to assume, the report states. Rather, people are “boundedly rational”: decisions are shaped by limits of time, attention, cognitive energy, and available information.

“Canada needs to overhaul its system from one that merely provides opportunities to one that actively facilitates meaningful usage and completion,” the report states. “The missing ingredient is an understanding of why people behave as they do.”

Several specific barriers recur throughout the apprenticeship journey, according to the report.

Choice overload is among the most significant. Ontario alone has 144 designated trades across seven distinct construction sectors, each with different certification requirements, employer structures, union arrangements, and working conditions, the report states.

It’s taxing for people to make these important decisions, according to Barr.

“Right off the hop, when considering a path in the skilled trades, there’s immense psychological challenge in winnowing down that choice set to something manageable,” he says. “There’s not a clear roadmap laid out for people.”

Loss aversion - the tendency to weigh potential losses more heavily than equivalent gains - discourages both new and mid-career entrants from committing to multi-year training programs, the report also states.

In voluntary trades, apprentices can often reach near-full wages before earning formal certification, making early exit feel financially rational.

“The rational move, from the apprentice’s perspective, frequently

points toward stopping before completion,” the report states.

Present bias — the tendency to overweight immediate costs relative to future rewards — compounds this further. When apprentices attend mandatory in-school training blocks, they lose employment income. For those managing family obligations and fixed financial commitments, that short-term cost is acute, and the distant credential struggles to offset it, the report states.

Social norms add another layer. For decades, the cultural weight in Canada has sat firmly on the side of post-secondary academic credentials, with the trades treated as a fallback rather than a first choice.

“If your family is not familiar with these pathways, not only will they not be able to help you navigate this, not only will they not be able to help you navigate this, perhaps they won’t be in a position to give you tactical advice on who you need to talk to and where to go,” Barr says.

Financial precarity intensifies all of these barriers, he says.

“Not only is this a large, unwieldy, complex system that requires knowing the right people - a lot of people are under stress and pressure, and all of those things compound to make this a journey that requires a real centering of the individual trying to navigate it if we hope to reach our national goals.”

The report flags two additional challenges the system is poorly designed to handle.

Mid-career workers displaced by AI-driven disruption or US tariff shocks represent a growing potential source of skilled trades entrants, the report states, noting that AI is displacing entry-level work in many sectors while construction demand is rising.

But the psychological and financial cost of trading an established professional identity for a new one is high - and the system was not designed to receive this group.

“Their loss aversion is higher as the stakes of getting it wrong are greater when one has dependants,

a mortgage, and an established professional identity to surrender,” the report states.

On the other end of the career spectrum, roughly 700,000 skilled trades workers across Canada are expected to retire by 2028, removing decades of accumulated knowledge that cannot easily be taught in a classroom, [according to the report](#). That knowledge transfer challenge was not built into the training pipeline’s design.

Barr outlined three broad categories of change the report recommends.

The first is systems-level redesign. “We have to imagine from the beginning the blueprint again,” he says. Federal investment creates a timely opportunity for governments, unions, colleges, and employers to coordinate on what structural changes are needed — potentially reaching as far back as elementary school.

“That’s that big systems redesign level stuff that takes time, concerted political energy, and money,” he says.

The second is embedding behavioural insights throughout programs to reduce friction at each stage - what the report calls rethinking “choice architecture.”

“How do we build choice environments for people where they can benefit from the way it’s designed rather than have to fight against it?” says Barr.

The third, and perhaps the most neglected, he says, is a genuine commitment to testing what actually works.

“Absent a broad commitment to testing, iterating, and continually innovating across the entirety of the system, we won’t know until it’s often years down the line whether these investments are mapping to the outcomes we hoped,” he said.

The history of skills training policy is “littered with programs that were designed with good intentions, implemented at scale, and never rigorously evaluated,” the report states.

SOLVING THE SKILLED LABOUR SHORTAGE



*By RESCON
for Canadian Forest Industries
June 17, 2026*

The forestry and wood products industries are facing stiff headwinds these days as a result of the Trump-era tariffs but - like many others across Canada - finding skilled labour is more difficult.

From sawmills and engineered wood manufacturers to homebuilders and infrastructure contractors, employers across the province are struggling to find qualified workers, particularly in specialized and skilled trades. The crisis is driven by a wave of baby boomer retirements.

Sawmills, pulp and paper facilities, engineered wood manufacturers and harvesting contractors rely heavily on industrial trades such as millwrights, electricians, welders and heavy equipment technicians.

The employers compete for talent with construction, mining and manufacturing.

Statistics show that thousands of skilled trades workers are set to leave the workforce over the coming decade, which will only exacerbate the problem. Meanwhile, the pipeline of workers who complete their apprenticeship training and receive certification is shrinking dramatically.

In Ontario, for example, the stats show that fewer than half of apprentices in the industrial trades heavily used by sawmills, pulp and paper operations and wood manufacturing facilities completed their programs. Only 20 per cent achieve certification within the expected program duration.

The apprenticeship completion gap is not simply an education problem. It is an economic problem.

Funds are being pumped into programs. but they are producing too

few certified journeypersons.

A revealing statistic is the Certificate of Qualification examination pass rate in Ontario. In fiscal year 2023-24, only 44.5 per cent of candidates passed. That means many apprentices who have already invested years completing workplace and classroom requirements still fail to obtain certification.

The result is a system that leaks talent at every stage.

There are better models.

Austria, Germany and Switzerland operate the world's most respected apprenticeship systems. Their final examination pass rates typically range from 79 to 95 per cent, while true dropout rates are estimated at between five and 17 per cent. Switzerland's apprenticeship dropout rate is roughly five per cent.

We cannot simply copy these systems as there are many factors at play. Their success rests on



institutional foundations built over generations, including employer chambers, extensive labour-market coordination and a cultural respect for vocational education that does not currently exist in North America.

But we can adopt practical elements that have proven successful overseas.

The first priority is fixing the bottlenecks that discourage apprentices from completing their training.

Exam access remains a serious problem. Ontario, for example, currently operates only a limited number of testing locations, creating scheduling delays that can stretch for months, particularly in Northern Ontario. Apprentices who have completed all requirements should not be waiting indefinitely for an opportunity to write their certification exam.

Government needs to expand

testing capacity, eliminate scheduling backlogs and review examination quality. A pass rate below 50 per cent raises legitimate questions about whether exam design, administration and preparation supports are aligned with the skills apprentices are expected to demonstrate.

Financial support is another urgent priority.

In Austria, Germany and Switzerland, apprentices receive consistent financial support throughout their training. Here, apprentices frequently face weeks without income while attending mandatory in-school training blocks.

For mature apprentices supporting families, mortgages and household expenses, that loss of income can be devastating.

The \$6-billion Team Canada Strong initiative announced recently by the federal government recognizes this challenge by

proposing a \$400 weekly income top-up during mandatory training and a \$5,000 certification bonus. These are positive steps, but more must be done to help.

Expanding in-school training capacity is paramount. Delays in obtaining classroom placements can unnecessarily lengthen apprenticeship timelines and increase the likelihood that apprentices abandon their programs before completion.

One of the most transferable lessons from Europe is the importance of early career guidance.

In Switzerland, vocational education is presented as a respected first-choice pathway beginning in early adolescence. Students receive meaningful exposure to skilled trades careers long before graduation.

By comparison, many of the apprentices enter our system around age 30, often after pursuing other educational or career options first. Research consistently shows that late, unplanned entry into apprenticeship correlates with higher dropout rates.

We must integrate structured skilled-trades exploration into the secondary school curriculum beginning in Grades 8 and 9. Students need greater exposure to careers in forestry operations, millwrighting, industrial maintenance, heavy equipment operation, carpentry and other occupations critical to the resource and construction sectors.

Employers also need better support. Managing apprenticeship paperwork, compliance requirements and training obligations can overwhelm smaller firms.

The reforms will not transform our apprenticeship system overnight. The European countries spent decades building their systems. But we do not need to replicate Europe. We just need to adapt some of their best ideas.



THE APPRENTICES PIPELINE IS BROK

By RESCON
for On-Site Magazine
June 3, 2026

“Houston, we have a problem.” The iconic phrase certainly captures the state of our skilled trades apprenticeship system these days.

While politicians celebrate apprenticeship registrations and recruitment campaigns, they ignore the deeper failure behind the headlines. The construction industry - both ICI and residential - is simply losing far too many apprentices before they ever become certified tradespeople.

The numbers are staggering.

In Ontario, the auditor general found that only 47 per cent of apprentices complete their programs. Statistics Canada reports that only 19.9 per cent of apprentices complete certification within the expected program duration. Another 30.9 per cent discontinue altogether.

Ontario’s skilled trades crisis is no longer a looming problem. It is here - and getting worse - not better.

Nationally, the shortage of certified journeymen

is expected to exceed 100,000 over the next decade. Ontario alone faces a projected construction workforce shortfall of 52,000 workers by 2034.

Although governments are spending heavily to recruit apprentices, subsidize training and encourage youth into the trades, they’re failing at the most important task of all: getting apprentices across the finish line.

The “last mile” is where the system collapses. Ontario’s Certificate of Qualification exam pass rate sits at just 44.5 per cent. In other words, even among apprentices who complete years of on-the-job and classroom training, fewer than half pass the final certification exam on their attempt.

Imagine training for five years as an electrician, plumber or steamfitter, accumulating 9,000 hours of work experience and hundreds of classroom hours, only to be stalled by exam bottlenecks, inconsistent preparation or a poorly designed testing system.

To compound matters, the U.S. is increasingly rolling out the welcome mat for skilled Canadian tradespeople.

The Americans have quietly eased pathways for



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skilled workers through programs like the EB-2 National Interest Waiver and E-2 investor visas. These routes allow many skilled tradespeople to self-petition for residency or establish businesses south of the border with far less friction than traditional immigration streams.

We need to fix the problem. The good news is that we don't need to reinvent the wheel. There are already successful models operating in countries that have spent decades building world-class apprenticeship systems.

Germany, Switzerland and Austria, for example, consistently achieve apprenticeship completion and final exam success rates far above ours. They offer practical lessons that can be adapted here.

These countries treat apprenticeship completion as a system-wide responsibility, not merely an individual apprentice's problem.

In Switzerland, vocational education enjoys social prestige comparable to university education. Roughly two-thirds of young people voluntarily enter vocational training pathways. Germany and Austria embed career guidance into secondary schools early, exposing students

to trades careers at ages 13 to 15 rather than treating them as fallback options later in life.

Ontario, by contrast, still pushes generations of students toward university-first thinking while treating the trades as secondary.

Many apprentices here enter programs later in life, often after other career paths fail. That delay contributes directly to higher dropout rates.

But cultural change alone is not enough. Ontario's apprenticeship system also suffers from serious structural flaws.

Small and medium-sized employers - which make up the majority of trades employers - often lack the administrative capacity to manage apprenticeships effectively. Unlike Germany or Austria, we have no equivalent system to coordinate training, support employers, standardize quality or oversee progression.

We also lack a modern apprentice tracking system capable of identifying struggling apprentices before they disappear from the system entirely.

And then there are the practical barriers: insufficient in-school training capacity, months-long waits for exam slots, financial hardship during classroom training periods and inconsistent mentorship support.

But these are solvable problems.

We need to expand exam access dramatically. In Ontario, moving from 13 testing sites to at least 25 province-wide would reduce delays that currently leave apprentices waiting months after completing training requirements.

We must also invest heavily in exam preparation and exam quality review. A 44.5-per-cent pass rate is not merely a reflection of apprentice preparedness; it may also signal flaws in exam design and delivery.

Meanwhile, apprentices should be provided meaningful financial supports during in-school training blocks. Germany and Austria cushion this transition far more effectively. Ontario can too.

We should also consider structured mentorship and coaching programs modeled on Austria's successful system, which provides targeted support to apprentices at risk of dropping out.

In addition, small employers must receive administrative support so that taking on apprentices becomes operationally manageable, not bureaucratically burdensome.

Finally, we must reform career guidance in secondary schools. Students should be exposed to skilled trades careers early on - not as a backup plan after university pathways fail.

The cost of failing to act is enormous. Every apprentice who drops out represents lost productivity and one fewer skilled worker available to build homes, hospitals, transit lines and energy infrastructure.

Unless Ontario fixes the apprenticeship pipeline quickly, the workers we fail to certify today may soon be building America's future instead of our own.

APPRENTICESHIP



FIVE STEPS TO MORE TICKETS

By RESCON
for Canadian Contractor
June 4, 2026

Canada is spending billions to recruit apprentices into the skilled trades - only to see a hefty chunk of them disappear before ever becoming certified journeymen.

That is not simply a policy failure. It is an economic threat.

The construction industry in Ontario alone will need 154,100 workers over the next decade and is likely to end up with a shortfall of 52,000, according to figures from BuildForce Canada. Nationally, Canada is expected to need more than 1.4 million additional skilled workers by 2033.

The country continues to operate an apprenticeship system that loses

enormous numbers of trainees before the finish line. Yet, at the same time, governments are trying to accelerate housing construction, rebuild infrastructure and strengthen domestic manufacturing capacity.

In Ontario, the auditor general found that only 47 per cent of apprentices complete their programs. Statistics Canada reports that only 19.9 per cent of apprentices complete certification within the expected program duration. Another 30.9 per cent discontinue altogether.

This is happening while Canada is also losing skilled workers to the United States. American immigration pathways such as the EB-2 National Interest Waiver have become increasingly attractive to skilled Canadians seeking higher wages, lower taxes and better economic opportunities.

Governments have invested heavily in awareness campaigns, apprenticeship grants and incentive programs. But the troubling reality is that recruitment is only the front end of the pipeline. The real crisis is completions.

Ontario's apprenticeship system, for one, is filled with structural obstacles that make certification unnecessarily difficult. Apprentices spend years accumulating workplace hours and technical training, only to encounter bottlenecks, financial stress and examination barriers near the end of the process.

The Certificate of Qualification exam pass rate in Ontario currently sits at just 44.5 per cent. That means fewer than half of apprentices who complete all required training pass the final certification exam on their attempt.



“ The country continues to operate an apprenticeship system that loses enormous numbers of trainees before the finish line. In no other major professional pathway would this be considered acceptable.

consistently achieve apprenticeship completion and certification outcomes far superior to Canada's. Final exam pass rates in those countries range between 79 and 95 per cent. Switzerland's apprenticeship dropout rate is estimated at just 5.2 per cent.

These countries succeed not because apprentices are inherently more capable, but because the systems are built to support completion rather than merely registration.

We cannot replicate the Germanic apprenticeship model wholesale but there are several practical elements we can copy.

First, we must dramatically improve career guidance at the secondary school level. In Switzerland and Germany, vocational education is introduced early and treated as a respected first-choice pathway, not a fallback option. Students receive structured exposure to trades careers between ages 13 and 15 through workplace placements and career-streamed guidance.

In Ontario, apprentices often enter the trades much later - around age 30 on average - frequently after unsuccessful experiences elsewhere. That delayed and unstructured entry increases dropout risk.

Second, there needs to be meaningful financial supports during apprenticeship training blocks. Financial hardship remains one of the top reasons apprentices discontinue. Germany and Austria provide stronger financial continuity throughout training, reducing the pressure to abandon certification midway through a program.

The Canadian government's proposed \$400 weekly income top-up for apprentices during mandatory classroom training is a step in the right direction. But support must also extend to exam preparation and completion.

Third, exam access must be expanded. In Ontario, there are 13 test sites. That must be boosted to 25. Structured coaching and diagnostic preparation systems need to be established to boost completion outcomes. Authorities also need to look at the design of exams.

Fourth, small and medium-sized employers need hands-on support. In Ontario, only 16 to 30 per cent of eligible employers sponsor apprentices. Many smaller firms lack the administrative capacity to manage apprenticeship paperwork, training requirements and regulatory compliance.

Finally, Ontario needs real-time apprentice tracking and mentorship systems. Right now, the province lacks the ability to identify struggling apprentices early and intervene before they leave the system. Austria's mentorship and coaching programs provide structured third-party support for at-risk apprentices long before dropout becomes inevitable.

The apprenticeship completion gap is real and consequential - and it will have economic consequences.

The lesson from Austria, Germany and Switzerland is simple: successful apprenticeship systems must do more than recruit trainees; they must graduate them. Canada must start doing the same.

In no other major professional pathway would this be considered acceptable.

Months-long delays for exam scheduling contribute to the problem. Ontario currently has only 13 exam sites province-wide, creating major backlogs, especially in Northern Ontario. Apprentices who have already invested four or five years into training can end up waiting months to sit for certification. During that time, many continue earning apprentice wages rather than journeyman salaries, a difference that can amount to tens of thousands of dollars annually.

To fix the problem, we don't need to reinvent apprenticeship from scratch. We can borrow some of the most transferable elements from systems that already work exceptionally well.

Austria, Germany and Switzerland

GOVERNMENTS ARE STEPPING IT UP.

Decision by the federal and Ontario governments to move forward with the new Development Charge Reduction Program and Enhanced Rebate Program welcomed by RESCON.

**DEVELOPMENT CHARGE
REDUCTION PROGRAM**

**ENHANCED HST
REBATE PROGRAM**

Ontario's housing crisis has many causes, but one factor has become impossible to ignore: the soaring cost of government-imposed fees that are added to the price of every new home. For years, development charges (DCs) have climbed relentlessly, making housing less affordable, slowing construction activity and undermining the financial viability of projects that communities desperately need.

That is why the Residential Construction Council of Ontario (RESCON) is welcoming the decision by the federal and Ontario governments to move forward with the new Development Charge Reduction Program (DCRP). It is one of the most significant housing affordability measures introduced in years and will help remove a major barrier to new home construction across the province.

The program, announced as part of the Canada-Ontario Partnership to Build, will provide up to \$8.8 billion in federal and provincial funding over the next decade for housing-enabling infrastructure. Municipalities that agree to reduce DCs on all residential housing types by 30 to 50 per cent or more, and maintain those reductions for at least three years, will be prioritized for funding.

In practical terms, the program offers municipalities a powerful incentive. Cities can lower DCs that have become a significant burden on homebuyers and receive financial support for critical infrastructure such as roads, water systems, sewers and other services needed to accommodate growth.

The importance of this initiative cannot be overstated.

DCs were originally intended as a tool to help municipalities pay for growth-related infrastructure. Over time, however, they have evolved into one of the largest costs embedded in the price of a new home. In some

Ontario municipalities, development charges have increased by more than 5,000 per cent over the past several decades. In many communities, these charges can add up to \$200,000 to the cost of a new home before a shovel even enters the ground.

Those costs do not disappear. They are passed directly to buyers.

For young families trying to enter the housing market, the exorbitant add-ons have become yet another obstacle to homeownership. They push mortgage requirements higher, increase monthly payments and place new homes beyond the reach of many middle-class households.

RESCON has long argued that DCs have become an affordability challenge that far exceeds the ability of homebuyers to absorb them. Our assessment reflects a growing consensus among economists, builders and housing experts who recognize that reducing unnecessary costs is essential if Ontario hopes to restore housing affordability.

The DCRP is particularly important because it addresses a structural problem rather than offering a temporary fix.

Unlike demand-side measures that may stimulate purchasing activity without increasing supply, reducing DCs directly improves project economics. Builders evaluating whether to proceed with new housing developments often face razor-thin margins amid high interest rates, elevated construction costs and economic uncertainty. Excessive DCs can be the difference between a project moving ahead or remaining on the drawing board.

The potential impact extends beyond housing affordability.

The residential construction industry supports hundreds of thousands of well-paying jobs across a broad network of trades, suppliers, manufacturers and professional services.

When housing projects stall, the consequences ripple throughout the economy. Construction workers lose opportunities, suppliers see declining orders and municipalities miss out on

future tax revenue generated by new development.

The DCRP helps to protect these jobs while stimulating economic growth. Equally important is the way the program balances municipal concerns.

Some municipalities have resisted reducing DCs because they rely on the revenue to fund infrastructure investments. The DCRP addresses that concern by replacing a portion of the lost revenue with federal and provincial funding. Municipalities that participate can continue investing in growth-supporting infrastructure without forcing homebuyers to shoulder the entire burden.

The application-based nature of the program also encourages municipalities to compete for funding by demonstrating meaningful reductions in DCs and identifying housing-supportive infrastructure projects that can unlock new housing supply. Housing-enabling projects that facilitate the construction of significant numbers of homes will receive priority consideration.

The DCRP complements Ontario's enhanced HST rebate program, which can save purchasers of new homes up to \$130,000. Together, these measures tackle two major cost components of housing and provide meaningful incentives for both builders and buyers.

There is no single solution to Ontario's housing shortage. Increasing supply will require action on approvals, zoning, labour availability, infrastructure investment and financing. Yet reducing DCs addresses one of the most immediate and measurable costs embedded in housing prices.

For municipalities, the program is an opportunity to lower housing costs, stimulate construction activity and support infrastructure development. For buyers, it offers hope that the dream of homeownership may become more attainable.

Most importantly, though, it demonstrates that all levels of government can work together to tackle the housing challenge.

NEW BUYERS PAYING THE PRICE

By RESCON
for Real Estate Magazine
June 12, 2026

There have been recent upticks, but we're still not building enough homes to meet set targets. Regulatory red tape, exorbitant taxes, fees and development charges are the main reasons.

Canada requires up to 4.8 million new homes by 2035 but is only building 250,000 to 260,000 units a year, which will result in a significant deficit. Ontario is projecting 64,800 total new builds this year - far short of the pace needed to meet the target of 1.5-million homes over a decade.

Meantime, investment in residential construction is also declining across Canada. Data from Statistics Canada shows that the nation's real estate sector saw \$22.6 billion invested in building construction in March, a drop of \$304.6 million, or 1.3 per cent, compared with February.

An analysis from Canada

Mortgage and Housing Corporation highlights that government regulations and red tape have slowed the industry's response to changes in housing demand. In other words, the bureaucracy has gummed up the system and made it difficult to build.

Alarmingly, the report found that housing starts in Canada could have been nearly 30 per cent higher from 2006 to 2024, and home prices close to 10 per cent lower, if the Canadian housing industry had been as responsive as the U.S. sector. Regulatory conditions, along with economic and demographic structural factors, are singled out as the reasons for the decline.

Canada has tighter rules when it comes to land use compared with the U.S. which makes it more difficult to add new housing supply quickly. This puts the housing crisis in perspective and explains why - when it comes to new home supply - Canada is one of the worst-performing developed countries.

The good news in all of this is

that the solution to unravelling this Gordian Knot lies within our control.

For years, the RESCON team and its allies have been advocating for change to cut bureaucracy, speeding up, simplifying and digitizing the approvals system, and cutting taxes, fees and levies like development charges (DCs) on new housing, as they only add to the cost of a new home.

We have driven cutting-edge research, done by the Canadian Centre for Economic Analysis (CANCEA) in 2024, that showed 36 per cent of the cost of new housing in Ontario is due to government-imposed taxes, fees and levies - a 16-per-cent increase from 2021 when the average rate was 31 per cent.

Another report done by CANCEA showed that if the HST was cut for three years on new housing in Ontario, the government would still have net positive revenue, more than 25,000 residential construction jobs would be preserved, and \$3.9 billion revenue would be generated for the





“ Regulatory red tape and exorbitant taxes, fees and development charges are the main reasons we are still not building enough homes to meet set targets. The good news in all of this is that the solution to unravelling the Gordian Knot lies within our control.

economy.

Response has been favourable from some political leaders and government bodies. Others, not so much. Some jurisdictions are also tackling the problem while others have their heads in the sand. Helpful policies have also been announced but we are still waiting for them to be

implemented.

For example, it has been more than a year since the HST rebate was first announced and the regulations are still not available.

In our opinion, the temporary HST rebates that have been announced must become permanent. Out-of-control DCs must also be substantially reduced and offset with a new and fair government funding formula to pay for growth-related infrastructure. The present system is unfair and unfairly saddles new home buyers with the cost of funding public services.

Recently, we received some positive news with the announcement that the Ontario and federal governments are opening applications for the Development Charge Reduction Program that will deliver funding over 10 years to municipalities that reduce DCs for all residential types by 30 to 50 per cent or more and maintain them for at least three years.

The help can't come soon enough. In Toronto, for example,

development charges alone have increased more than 1,000 per cent since 2009, rising from roughly \$12,000 to nearly \$138,000 for a single-detached home. The costs are embedded in the purchase price paid by buyers, many of whom are stretched financially.

The development approval process is still painfully slow. In the GTA, such approvals routinely take 14 to 25 months, nearly double the national average. Every month of delay adds carrying costs, financing risk and uncertainty that builders must recover through higher prices.

It is time for more action - and speedy implementation.

The decentralized nature of Canada presents a challenge as it leaves the door open for inaction. It is sometimes like the Wild West with one level of government pointing the finger at another. Instead of playing the blame game, though, it is time for governments to work together.

After all, there is strength in numbers.

HOUSING CRISIS CAN BE FIXED

By RESCON
for *Senso Magazine*
June 4, 2026

Ontario's housing crisis won't fix itself. That may sound obvious to anyone trying to buy a home in the GTA, but it runs against the long-standing political assumption that markets eventually correct on their own.

In normal economic cycles, they often do. Prices rise too far, demand cools, supply catches up, and affordability gradually returns.

But Ontario is no longer dealing with a normal cycle. It is dealing with a structural affordability crisis that has been decades in the making - one built, layer by layer, through public policy.

That distinction matters because it changes both the diagnosis and the solution. If the crisis were simply cyclical, governments could step back and wait for lower interest rates or weaker demand to restore balance. Instead, the evidence now suggests the market has become so burdened by taxes, delays, regulatory

friction and declining productivity that meaningful affordability will not return without aggressive government intervention.

The good news is that a policy-constructed crisis is also policy-addressable.

Ontario's housing affordability ratio - measured as ownership costs as a share of median household income - peaked at roughly 63 per cent in 2022, far above the long-run historical norm of approximately 38 per cent.

Although conditions have improved somewhat, affordability still sits above historic averages and is unlikely to normalize before the mid-2030s without structural reform.

The problem is that governments at every level have added enormous costs to producing housing while simultaneously slowing the pace at which homes can be approved and built.

Government taxes and fees now account for 35.6 per cent of the cost of a new home in Ontario. In practical terms, governments now make nearly four times more from a new home



sale than the developer building it.

In Toronto, development charges alone have increased more than 1,000 per cent since 2009, rising from roughly \$12,000 to nearly \$138,000 for a single-detached home. Over the same period, inflation rose only about 41 per cent.

These costs are embedded directly into the purchase price paid by buyers, many of whom are already stretched beyond financial sustainability.

At the same time, the approval process has become painfully slow. In the GTA, development approvals routinely take 14 to 25 months, nearly double the national average. Every month of delay adds carrying costs, financing risk and uncertainty that builders must recover through higher prices.

The consequences are increasingly visible. Housing starts remain far below provincial targets. New condominium sales are frozen. Builders cannot secure financing because pre-sale thresholds are no longer being met. The market is not functioning normally because the



“ Ontario is dealing with a housing affordability crisis that has been decades in the making - one built layer by layer, through public policy.

economics no longer work.

Recent government interventions, while welcome, are insufficient on their own.

The new \$8.8-billion Canada-Ontario Housing Partnership and temporary HST relief measures represent important acknowledgements that affordability has become a public policy emergency. But temporary relief cannot solve structural problems. Once these programs expire, many of the underlying cost pressures will simply reassert themselves.

To fix the problems, the following reforms could be introduced.

First, Ontario should permanently

restructure development charges. Infrastructure costs should be financed over the life of the asset - the same way governments finance roads, transit and water systems - rather than forcing upfront payment onto individual homebuyers. Today's system effectively treats new buyers as infrastructure financing mechanisms for municipalities.

Second, the province should impose statutory approval timelines below 12 months across Ontario. Municipalities that fail to meet those timelines should face automatic fee rebates and deemed approvals.

Third, the removal of HST on new homes under \$1 million should be made permanent. Temporary tax holidays may stimulate activity for a year, but permanent reform changes long-term affordability calculations for first-time buyers and builders alike.

Fourth, governments need to aggressively modernize construction itself. Ontario cannot solve a housing shortage using methods that are becoming less productive every year.

Large-scale incentives for

modular, prefabricated and off-site construction could reduce project timelines.

Fifth, Ontario should adopt single-stair building code reform for midrise buildings up to six storeys. This would unlock thousands of missing middle housing opportunities on urban lots.

Without intervention, Ontario could become a province where home ownership is inaccessible to much of the middle class and economic growth slows because workers cannot afford to live near jobs.

The market alone can not solve the problem because the barriers are policy-created.

Markets can respond to supply and demand signals, but they cannot independently remove taxes, accelerate permits or modernize building codes.

The encouraging reality is that the path forward already exists. Ontario still has a window to act.

The question is whether governments are willing to pursue reforms large enough to match the scale of the problem.

5 WAYS TO FIX THE CRISIS

Ontario has reached the tipping point. Excessive policy costs are suppressing the supply needed to restore affordability.

By RESCON
for Storeys
June 5, 2026

Ontario's housing market is no longer experiencing a temporary downturn. It is confronting the consequences of a structural policy failure decades in the making.

The evidence is now overwhelming: the market is unlikely to self-correct without significant intervention because government policy itself has become one of the principal drivers of unaffordability.

The latest numbers paint a stark picture. Ontario recorded about 12,700 housing starts in the first quarter of 2025 - the weakest quarterly performance since the aftermath of the 2008 financial crisis. In the GTA, new home sales collapsed to just 5,314 units in 2025, an all-time low.

At the same time, the province remains dramatically short of its own housing targets, delivering barely a third of the 175,000 homes annually

envisioned under Ontario's housing plan.

This is not simply a cyclical downturn caused by interest rates. It is a systemic breakdown.

For years, many policymakers assumed the housing market would normalize on its own.

Rising prices would attract more supply, builders would respond, and affordability would gradually improve. That logic no longer holds because the cost structure underpinning new housing has become fundamentally distorted.

The key issue is not that homes should return to 1990 prices in nominal terms. They will not. Construction standards are higher, land is scarcer, infrastructure costs are larger, and population growth is stronger than a generation ago.

The relevant measure is the ratio between housing costs and incomes. That ratio has drifted far beyond historical norms.

Ontario's housing affordability ratio - measured as ownership costs relative to household income



- peaked at roughly 63 per cent in 2022, compared to a long-run historical average near 38 per cent. Although conditions have modestly improved as interest rates stabilized, the ratio still sits around 42 per cent today. Without structural reform, a full return to historical norms may not occur until well into the 2030s.

Markets can absorb temporary imbalances but cannot efficiently correct when governments continuously layer taxes, delays, fees, regulatory uncertainty, and productivity constraints onto the cost of delivering housing.

The burden now imposed by government charges is extraordinary. Analysis shows that governments collectively account for more than 35 per cent of the purchase price of a new Ontario home through taxes, development charges, fees and levies. Municipal development charges in Toronto alone have risen more than 1,000 per cent since 2009 - vastly outpacing inflation.

These costs are not absorbed by developers. They are passed directly



“ The burden now imposed by government charges is extraordinary. Analysis shows that governments collectively account for more than 35 per cent of the purchase price of a new Ontario home through taxes, development charges, fees and levies. ”

onto buyers in the form of higher prices.

In some GTA municipalities, government-imposed charges add between \$102,000 and \$196,000 to the price of a single new home. Worse still, buyers then pay HST on top of those embedded charges, creating a compounding tax-on-tax effect that further inflates costs.

At the same time, Ontario's approval system has become a machine for delay. Development approvals in major GTA municipalities now routinely stretch between 14 and 25 months, nearly double national averages. Every month of delay adds thousands of dollars in financing and carrying costs.

The result is paralysis. The pre-construction condo market has effectively seized up. Most projects require 70 to 80 per cent pre-sales to secure financing. Yet collapsing consumer confidence and unaffordable carrying costs have made those thresholds nearly impossible to achieve.

This will not magically reverse

itself through market forces alone. But the good news is that this crisis is substantially policy-constructed - and therefore policy-addressable.

Five reforms are essential if governments hope to restore housing affordability toward its long-run historical norms.

First, Ontario must permanently restructure development charges. Infrastructure costs should be financed over the long lifecycle of public assets rather than loaded upfront onto the price of a new home. Temporary rebates help, but they are not enough. Without permanent reform to the Development Charges Act, affordability gains will evaporate once short-term relief expires.

Second, the province must impose hard statutory approval timelines. Municipalities should be required to process applications within 12 months, with deemed approvals and automatic fee rebates for non-compliance.

Third, governments should permanently remove the provincial portion of HST from new homes under

\$1 million, while pressing Ottawa to eliminate the federal component as well.

Fourth, Ontario must modernize construction itself. Modular and off-site construction technologies can reduce project timelines by as much as 30 to 50 per cent while lowering labour requirements. Governments should deploy targeted incentives to scale industrialized construction.

Finally, Ontario should adopt single-stair building code reform for mid-rise housing. The current double-stair requirement severely limits the viability of missing-middle housing on urban lots.

The current housing collapse should dispel any illusion that the market will heal itself. Ontario has reached the tipping point. Excessive policy costs are suppressing the supply needed to restore affordability.

The path forward exists if governments are willing to act with seriousness and consistency.

What remains uncertain, though, is whether the political will exists to follow it.

LAND SCARCITY PROBLEM IS A MYTH

By RESCON
for *The Toronto Sun*
June 12, 2026

American writer and humourist Mark Twain once said, “The trouble with the world is not that people know too little; it’s that they know so many things that just aren’t so.”

That premise, it seems, can be applied to the thinking around land supply for housing.

For years, a popular narrative has dominated Ontario’s housing debate: we are running out of land. It is a convenient explanation for soaring home prices, shrinking affordability and a chronic shortage of new housing.

But it is, as they say these days, an alternative fact - just plain wrong, fiction, a fabrication, a falsehood.

Ontario does not have a land scarcity problem. Rather, it has a serviced, approved and buildable land scarcity problem - one largely created by decades of public policy choices that have made it increasingly difficult, expensive and time-consuming to transform land into housing.

That distinction matters because if policymakers misdiagnose the problem, they will continue prescribing the wrong solutions.

The evidence is increasingly clear.

Research comparing residential development land costs across Ontario, Alberta, British Columbia, Texas and Colorado found that serviced buildable housing land in the GTA and the broader GTHA is among the most

expensive in North America. Yet this premium cannot be explained simply by geography or a lack of physical land.

Instead, Ontario’s housing market has accumulated layer upon layer of regulatory costs, approval delays, zoning restrictions and infrastructure financing obligations that have dramatically increased the cost of bringing new housing to market.

Consider government charges alone. In the GTA, municipal fees, development charges and related costs can add between \$144,000 and \$195,000 per housing unit. Comparable charges in Alberta are often less than half that amount. In Texas, they are a fraction of Ontario’s levels. These costs do not disappear. They are ultimately reflected in higher home prices.

The approval process tells a similar story. Ontario’s average residential approval timeline is nearly 19 months, with projects in Toronto and Hamilton often taking more than two years for approval. By contrast, approvals in Calgary and Edmonton are typically completed within four months.

Time is money in housing development. Every month of delay adds financing costs, carrying costs and uncertainty. Developers must absorb these expenses long before a shovel enters the ground. The result is that fewer projects proceed, fewer homes are built and affordability deteriorates.

The consequences are visible across Ontario. The province continues to fall behind in housing starts.

Even more striking, the GTA is experiencing a paradox. High-density development land values have fallen



significantly from their peak, yet condominium launches remain at historic lows. The reason is simple. Lower land prices alone cannot offset the combined weight of construction costs, development charges, financing expenses and regulatory delays.

The economics no longer work. This is why the housing crisis should concern not only prospective homebuyers and renters, but also construction workers, skilled tradespeople and the broader economy.

When projects do not launch, work does not materialize. Ontario's residential construction sector employs hundreds of thousands of tradespeople, including electricians, plumbers, carpenters, equipment operators and labourers. Every stalled project means fewer jobs, reduced economic activity and a thinner pipeline of future work.

Meanwhile, consumers pay the price through higher housing costs and reduced supply.

The comparison with Alberta is particularly instructive. Alberta operates under the same constitutional framework and many of the same economic conditions as Ontario. Yet Calgary and Edmonton consistently produce more housing relative to population growth while maintaining significantly lower land costs.

Why?

Alberta has lower government charges, faster approvals and a planning framework that allows housing supply to respond more readily to demand. The result is greater supply elasticity and a market that produces homes when people need them rather than merely

bidding up prices.

In Texas, the infrastructure financing system is different from Ontario's. However, its permissive land-use environment and streamlined approvals produce substantially more housing per capita than Ontario. Housing supply responds to demand because regulatory barriers are lower.

By contrast, Ontario's combination of growth boundaries, intensification mandates, discretionary zoning processes and lengthy approval systems has produced one of the least responsive housing markets in North America. When demand rises, supply struggles to keep pace.

None of this suggests environmental protections, growth planning or infrastructure investments should be abandoned.

Nor does it imply that every acre of undeveloped land should become a subdivision. But it does mean policymakers must recognize that housing affordability is inseparable from housing supply, which is inseparable from the regulatory environment governing land development.

Ontario needs a comprehensive strategy to expand the supply of serviced and zoned land. Policymakers must abandon the misconception that the province is simply running out of land.

The province possesses ample land. What it lacks is enough land that can be efficiently serviced, approved and transformed into housing at a price families can afford. That must change.

EXPLAINING THE RATIONALE



*By Paul De Berardis
VP, Building Standards &
Engineering
RESCON*

Ontario's Bill 98, the Building Homes and Improving Transportation Infrastructure Act, received royal assent on June 2, 2026. Bill 98 represents the most recent omnibus legislation by the Province of Ontario aimed at increasing the housing supply by speeding up planning approvals.

Bill 98 consists of several schedules corresponding to legislation amended by the bill. RESCON has focussed on summarizing certain changes to the Planning Act, City of Toronto Act, Building Code Act (BCA), and Municipal Act.

Climate Change Policies, Sustainable Design & EV Charging

Bill 98 removes the requirement that official plans contain policies identifying goals, objectives and actions to mitigate greenhouse gas emissions and to provide for adaptation to a changing climate. Companion amendments to the Planning Act, Municipal Act, City of Toronto Act, and the BCA further restrict the tools available to municipalities to regulate development from an environmental perspective.

Bill 98 amends the Planning Act and the City of Toronto Act, to scope a municipality's ability to impose green construction standards, by removing reference to "sustainable design." Related amendments have been made to the Municipal Act, the City of Toronto Act, and the BCA to repeal municipal authority to pass by-laws prescribing construction standards for the protection or conservation of the environment. These changes impact a municipalities scope of review of new development applications, as well as their ability to implement "green building standards".

These changes will affect municipalities such as Toronto, which mandate the Toronto Green Standard (TGS) as part of its site plan approval process. The City of Toronto has already issued a [staff report](#) acknowledging their new inability to mandate the TGS. Updates to the City of Toronto website and application documentation are in progress. In the interim, contact the Community Planner assigned to your file for any questions and guidance for new or under review Site Plan Control applications. We expect other Ontario municipalities with green building standards to follow suit bringing their policies into compliance with Bill 98 in due course.

With the absence of specific

municipal requirements in the approval process, it is likely that the implementation of sustainability measures will be dependent on market demand and builder sentiment.

Site Plan Process

Through the ERO, the Province is consulting on significant reforms to the Planning Act and the City of Toronto Act, promising transformative reforms, that could include the removal of site plan control as a planning tool in its entirety.

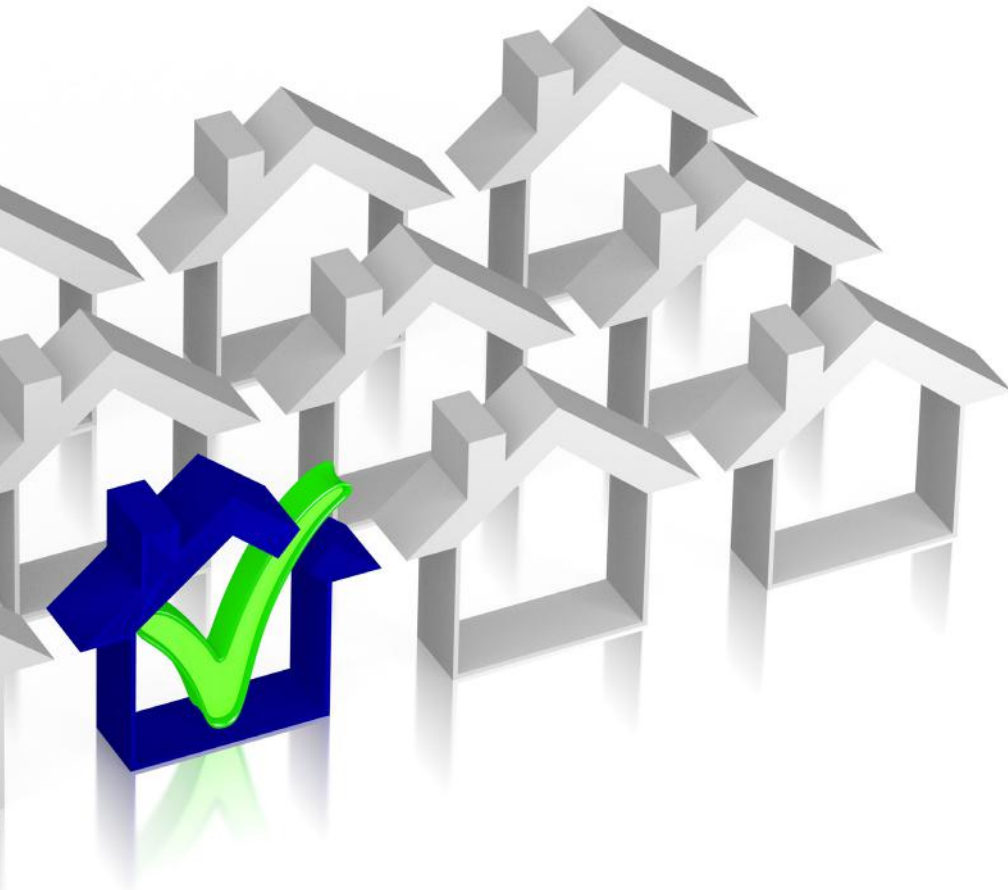
Other proposed changes to increase efficiency of the site plan approval process include:

- imposing a maximum of three circulations before moving to a mandatory meeting to resolve all outstanding issues;

- further scoping the site plan review process to a standard checklist of items and limits on municipalities' ability to request additional materials;

- establishing a municipal arbitration process for applications that exceed the 60-day timeline and specified number of circulations; and

- requiring municipalities to create site plan approval streams based on the type of proposed development (e.g., requiring less-complex developments to be a triaged



to an expedited stream or exempted from site plan control altogether).

These changes align with the province's goal of expediting the municipal development approvals process.

Standardizing Official Plans

Bill 98 introduces a standardized structure for the contents of an official plan, including a prescribed list of 12 land use designations. The goal is to make official plans simpler and easier to understand, more consistent across municipalities, more permissive and concise. The amendments are aligned with the overall goal of encouraging housing and reducing processes associated with delays in the approval process.

Existing official plans are developed by municipalities through a public consultation process and are intended to set out long-term goals and objectives for how that specific municipality will grow and develop in accordance with provincial plans and policies, including the Provincial Planning Statement. Moving forward, Bill 98 will require municipalities to implement the new standardized official plan framework through amendments to existing official plans or as part of a new official plan.

Bill 98 includes the following transition deadlines for municipalities to complete their standardization exercises. Namely, January 1, 2028, for the 29 largest and fastest-growing municipalities in the Greater Golden Horseshoe; and January 1, 2029, for all other municipalities. Until a new standardized official plan framework is adopted, existing official plans will remain in effect.

Additionally, the Province continues to consult, through the ERO posting on proposed standardized chapters and sections for official plans. Notably, the proposed list does not include sections which are commonplace in many municipalities, including those related to urban design and heritage conservation.

Ongoing Proposals & Consultations Complete Applications (ERO 0260313)

Through this ERO, the Ministry of Municipal Affairs and Housing (MMAH) is exploring standardizing what planning authorities can require at the "complete application" stage, with requirements to be prescribed through regulation. The stated objective is predictability for applicants, while maintaining

access to information municipalities need to evaluate applications. The proposal reflects an effort to narrow and streamline the frontend of the approvals process by separating the issue of "completeness" from substantive review.

The proposed framework distinguishes between "core studies" needed for most planning applications and "contingent studies," triggered by contextual or site factors. This distinction will be central to how far municipalities can shape application requirements in practice.

We will be watching for where future regulations ultimately land and if they differ materially from current practice.

Prescribed Professionals (ERO 0260314)

As a companion to the Province's complete application reforms, MMAH has introduced "prescribed professions" as a further limit on municipal intake discretion. As of January 22, 2026, professional engineers became the first prescribed profession, meaning studies and materials prepared and signed by a professional engineer must be accepted at intake and an application cannot be deemed incomplete on that basis, even where substantive concerns remain.

While municipalities may still review and comment, disputes over quality are pushed to the application review stage.

The Province has indicated that the list of prescribed professions is expected to expand, reinforcing a broader shift away from the negotiated intake of development applications and toward a more rigid, regulation-driven entry point.

Enhanced Development Standards (ERO 026-0309)

The Enhanced Development Standards proposal mirrors Bill 98's broader approach of limiting municipalities' ability to require sustainability and performance measures through land division conditions, instead confining such requirements to narrowly defined, provincially sanctioned circumstances.

TECHNOLOGY

INTO ^{THE} FUTURE

Ontario is spending millions to digitize fragmentation. We need to rethink this.

By One Ontario

Ontario's housing challenge cannot be solved with yesterday's approval systems. That is why [RESCON](#) and [One Ontario](#) are proud to be partnering in the AI for Housing Coalition, which is actively building a bold new vision: a province-wide AI-enabled permitting platform built on shared infrastructure.

For years, governments have invested billions of dollars in housing programs, municipal modernization, and development approval reform. Yet builders continue to face the same reality: fragmented systems and unpredictable timelines that slow housing delivery and increase costs. Development approvals in Ontario still take nearly 19 months on average.

Across Ontario, hundreds of municipalities are independently implementing digital permitting systems, each with its own workflows, forms, and processes. These systems rarely communicate with one another, creating confusion, duplication, and delays for applicants trying to navigate an already fragmented approvals landscape.

Now, as municipalities begin adopting AI, we risk repeating the same mistake. Instead of creating shared intelligence, we're building disconnected AI systems on top of disconnected permitting systems.

We continue to approach the problem municipality by municipality, system by system. The result is duplication at scale. Ontario is spending millions to digitize fragmentation. We need to rethink this.

The AI for Housing Coalition brings together organizations with a shared vision for one unified



approvals platform for every municipality.

- **RESCON:** Representing the builders responsible for more than 70% of Ontario's new homes, and who are ready for a permitting system overhaul.
- **One Ontario:** The non-profit organization that has been championing shared infrastructure and collaboration for development approvals since its inception in 2020.
- **LandLogic:** Providing the AI and data infrastructure powering this next generation of permitting workflows, making province-wide data normalization possible.
- **York University's RCI Lab:** Bringing together research focused on what the future of regulatory compliance intelligence means for shared permitting infrastructure.

This conversation has never been more timely.

Canada's new AI initiatives, including the federal government's [AI for All](#) agenda and Ontario's emphasis on building Canadian technology through legislation like [Bill 72](#), recognize that the next generation of public infrastructure should be designed and built here, by Canadian organizations that understand our municipalities, regulations, and housing challenges.

Permitting is no exception. The opportunity before us is larger than digitizing forms. AI gives us the ability to fundamentally rethink how approvals are delivered. For decades, applicants have been responsible for managing the process. The future is where the process manages itself.

Imagine describing a project in plain language. AI



“ AI gives us the ability to fundamentally rethink how approvals are delivered. For decades, applicants have been responsible for managing the process. The future is where the process manages itself.

identifies applicable approvals, determines required documents, checks compliance upfront, prepares forms, coordinates with reviewers, and tracks progress - all through one interface. One shared experience across the province.

Historically, creating one standard platform for every municipality has been impossible. Each municipality maintains its own data systems, which rarely communicate with one another. This is where AI infrastructure comes in. LandLogic specializes in standardizing land and property data, and has already normalized zoning, planning and land-use data across 80+ Ontario municipalities. The foundation is already being built.

This is no longer theoretical.

The technology exists, and the first phase is already available. Users can discuss project feasibility through conversational AI, understand requirements, and submit permit requests. RESCON members are invited to [test the platform for free](#), apply for permits and provide feedback that will help shape the platform around the real-world

needs of builders.

From here the platform will continue to grow. For municipalities and reviewing agencies, this means better applications, less back-and-forth, and more efficient workflows. For builders and property owners, it means greater certainty, fewer delays, and a clearer path to delivering housing.

Most importantly, it means creating infrastructure that benefits everyone.

Rather than continuing to invest in hundreds of disconnected systems, we are building shared infrastructure that scales across the province and serves as a model for Canada and beyond. Ontario has the talent, research capacity, and AI expertise to become a global leader in AI-enabled development approvals.

The work has already begun, but the greatest opportunity lies in building together. We invite municipalities, conservation authorities, provincial ministries, federal agencies, and industry leaders to [join us](#) in shaping this province-wide, AI-enabled permitting platform. Early participation ensures the platform reflects operational realities and creates value for applicants and reviewers alike.

We've waited long enough. The choice is no longer whether permitting modernization will happen. It is whether we continue investing in hundreds of disconnected systems, or come together around one shared infrastructure designed to help Ontario build more housing.

Visit [oneontario.ca](#) to learn more about the platform, try it for free and join the coalition.



HOUSING SUMMIT 6.0

HOUSING REFORM: IS IT WORKING?

SEPTEMBER 23, 2026
12 PM - 5 PM
ZOOM WEBINAR

SPONSORED BY



Building on the momentum of previous summits, this year's virtual conference focuses on whether housing reforms introduced to date have been effective relative to supply targets and, if not, what are next steps.

Key industry leaders, policy makers and experts will examine the crucial factors shaping residential construction and what it will take to keep building.

The summit will focus on the critical

Speakers include:

Ana Bailão - Build Canada Homes

Daniel Foch - Valery Real Estate

David Coletto - Abacus Data

John White - Nova Scotia minister of housing

Ian Lee - Carleton University

Jason Mercer - Toronto Regional Real Estate Board

Marlon Bray - Clark Construction Management

Paul Smetanin - Canadian Centre for Economic Analysis

Tony Irwin - Federation of Rental Housing Providers of Ontario

intersection of legislation, regulations and market realities.

Attendees will be provided insights into evolving HST/GST policies, regulatory updates and practical strategies for navigating these evolving times.

The summit will also address current market pressures from the shift in sales and growing gap between housing costs and incomes and what this means for housing delivery in Ontario.

[**CLICK HERE TO REGISTER**](#)

RCCAO REPORT

- RCCAO was proud to once again [support](#) the Canadian Automobile Association (CAA) as a technical partner for the 2026 CAA Worst Roads advocacy campaign. The [annual campaign reflects the importance of sustained](#) funding to improve state-of-good-repair work on Ontario's road infrastructure.
- In mid-June, RCCAO was delighted to host its [annual golf day](#) and enjoy the greens with members and guests.
- This month, the Ontario Legislature rose for its summer break, but not before passing several key policy measures that [RCCAO has advocated for](#), including HST relief on new homes, improvements to the underground utility locate system, and the advancement of transformational infrastructure projects such as the Bradford Bypass and Highway 413.
- RCCAO [commends](#) the Ontario government's ongoing modernization policy reforms across the 400-series highways. The safe increase of speed limits across the network improves its efficiency and decreases travel times for drivers.
- In early June, [RCCAO was pleased](#) to see the federal and provincial governments collaborate to address the need for critical housing-enabling infrastructure investment.
- RCCAO remains committed to ensuring that critical infrastructure projects, from transformational ones like [Highway 413](#), to state-of-good-repair work, [continue to advance in Ontario](#).
- RCCAO's newsletter is now published monthly – to read and subscribe, click [here](#). We also remain active on all communication channels - [LinkedIn](#) & [X/Twitter](#).



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Check out our newly revamped website

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Future



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