



Ontario
Home Builders'
Association

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Good morning, Committee members. My name is Luca Bucci and I am the CEO of the Ontario Home Builders' Association better known as the OHBA. I am glad to be here today to speak in favour of Bill 23, the *More Homes Built Faster Act, 2022*.

With more than 4,000 member companies, OHBA is the voice of the home building, land development and professional renovation industries across the province of Ontario. To put residential construction's impact in perspective, consider that the home building and renovation industry provides more than 554,000 jobs in the province pays over \$37 billion in wages annually and generates over \$76 billion in direct investment value.

OHBA is proudly affiliated with our twenty-seven local associations including the Building Industry and Land Development Association, West End HBA and the Greater Ottawa HBA as well as the Canadian Home Builders' Associations. OHBA members construct the vast majority of new housing in the province, which represents approximately half of the housing starts throughout Ontario in any given year. Our members also renovate the existing housing stock and construct purpose built rental homes.

OHBA has for years been raising awareness about the growing housing supply problem across the province which is a significant contributor to the affordability challenges we are experiencing. In 2021, OHBA worked



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with the Smart Prosperity Institute to better understand the disparities between housing supply and projected family formations in Ontario. The numbers we found were staggering. Over 2.2 million more people will call Ontario home by 2031, however Ontario simply is not building enough homes fast enough to meet future demand. Since 2021, we have seen demand further accelerate. By the time the province's Housing Affordability Task Force report was released, we all learned that 1.5 million homes were needed in the next decade. In addition, the federal government announced earlier this month that it plans to increase immigration targets to 500,000 people per year by 2025.

Consider that 2021 was the best year for housing starts in Ontario in a generation. In that year, the industry built slightly more than 100,000 new homes. This means we need to increase housing starts by 50 per cent and keep building at that rate for a decade—a monumental challenge. However, not meeting that objective would have a real and significant negative impact on Ontario's competitiveness, Ontarians' quality of life and on economic sustainability.

What this means is that meeting the goal of 1.5 million homes in the next ten years is an enormous challenge that requires bold changes and innovative thinking. It requires significantly increasing the pace and volume of home construction in Ontario.



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We have arrived at this housing supply crisis because of three longstanding challenges faced by both new home buyers and the residential construction industry.

First, there are too many added costs on new housing, in the form of fees, taxes and charges from all layers of government.

Second, it takes too long to obtain approvals to build new homes, with too many parties involved and too much duplication.

Finally, land supply in Ontario is severely constrained or land is zoned in such a way that adding density or new homes is exceedingly difficult. This not only makes it challenging to add supply, but also significantly drives up the cost of land.

OHBA supports Bill 23 because it will make it faster, easier, and more affordable to build new homes.

First, Bill 23 addresses rising costs for buyers. In many areas of Ontario, upwards of 25 per cent of the cost of an average new home is government fees, charges, and taxes. Municipal fees and charges have also been escalating significantly, with development charges increasing radically, with little notice to builders or buyers. These are fees which are ultimately baked into the cost of new housing and are placed on the backs of new home buyers. Bill 23 adds predictability for new home buyers by defining what should and should not be paid for by development charges and limits future increases through freezing and



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limiting numerous levies, including development charges, community benefits charges and conservation authority fees.

Second, Bill 23 makes it easier to add supply and density with new as-of-right zoning provisions. Currently, there are vast areas of our province where existing neighbourhoods are experiencing declining population density. This is occurring as young families are forming and are searching for housing, they can attain which they often cannot find where they may currently live. The *More Homes Built Faster Act* enables and promotes greater density within urban boundaries, with new as-of-right provisions across existing neighborhoods and around major transit areas. These measures are the very definition of anti-sprawl, adding gentle density across existing neighbourhoods and greatly increasing density around transit infrastructure will help enable the highest and best use of land.

Finally, Bill 23 will help spur the construction of more housing by introducing a culture change that is desperately needed. This legislation signals to municipalities that they must approve new housing in a timely manner, as required by provincial legislation. Put simply, it makes housing an imperative. It also encourages parties such as conservation authorities to remain focused on their core priorities. It rejects the status quo of “Not In My Backyard” and even the ideology of BANANAS (Build Absolutely Nothing Anywhere Near Anyone) that hinders the addition of new homes. Finally, it focuses on more homes for people



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and particularly the different variety of homes for people at all stages in life. This is the housing culture change that is required across our province, and we are glad to see the provincial government leading this charge.

In conclusion, we have on our hands a significant housing supply crisis that is taking place in communities big and small across Ontario. The remedies are grounded in increasing the supply of homes by speeding up approvals and building, therefore improving affordability and securing the long-term competitiveness and livability of Ontario. Bill 23 puts forward a bold vision and provides real solutions to help us address the housing supply crisis so that more Ontarians can find a home in a community where they can live, work and play.

I want to thank the Committee for the opportunity to speak here today and am happy to answer any questions you may have.