

What Ontario's Bill 108 means for developers

by Kasi Johnston
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Changes to Ontario's housing policy through Bill 108, More Homes, More Choice Act are not going unnoticed.

The bill, which Ontario Real Estate Association (OREA) CEO Tim Hudak calls “the most pro-homeownership legislation in a decade”, was passed in June, and some key amendments came into force in September. The province introduced the bill with sweeping changes across 13 statutes with hopes of cutting red tape, reducing costs and increasing the housing supply in Ontario.

The changes that have come into play include amendments to the Planning Act, which gives municipalities less time to review and approve development applications and changes to zoning. The bill also allows additional residential units for detached, semi-detached, and row houses in both the primary building and an ancillary structure.

Richard Lyall, president of the Residential Construction Council of Ontario (RESCON) says Bill 108 is a small step in the right direction.

“The bill was a brave move by the current government. It reflects the complexity of the problem, but it’s very broad in scope. A lot of the details have not been worked out, and that needs to get done as quickly as possible,” he said.

[Bill 108 also makes it easier to build more homes around public transit by focusing the use of inclusionary zoning to high-growth areas and major transit station areas.](#)

“It’s a no-brainer. In Toronto, we’ve got transit stations that have low-rise housing around them and that just doesn’t make sense. We can’t build a great city doing that,” Lyall said. He says major zoning issues are yet to be addressed and more needs to be done to ease redevelopment and allow for higher density development.

Reflecting on the past couple months, Lyall said he’s noticed an uptick in applications for rental developments and a positive change in mood within the industry.

“The low-rise housing industry has recovered somewhat because it really took a beating in 2018. Even though that’s not necessarily a direct result of the bill, I think investors and developers are seeing a government that gets the complexity of the issue and is doing something complex to try and fix it,” he said.

Other amendments introduced through Bill 108 include changes to section 37, although it’s yet to come into force. Previously, if a developer was seeking additional height or density, a municipality could ask for benefits through a bonus regime. Lyall called it a scheme to encourage under zoning. Under the new rules, section 37 is being replaced with a “community benefit charge.” Charges will no longer be tied to height or density but will instead be capped at a percentage of the value of the property being developed, with that percentage to be set by regulation.

Another notable change, yet to come into force, is in the Development Charges Act which allows municipalities to charge developers for services like water, roads and public works. [Under the new legislation, these charges will be calculated at the time of filing, which would make costs much more predictable.](#) The payment schedule for these charges will also be overhauled with extra allowances for affordable housing, in hopes of providing certainty to builders. With these changes, the government hopes that savings from lower development charges will be passed on to new homebuyers.

Everyone is being affected by the housing crisis, according to Lyall.

“Millennials are being penalized unfairly, kids are growing up in substandard occupancies, new Canadians are living in unsafe, third-world conditions and it’s unnecessary. The goal is not the policy, the goal is market equilibrium.”