The Pathway for Rental Housing Stock

Purpose-Built Rental Housing in the Greater Toronto Area – Second Edition

July 2025

About Building Industry and Land Development Association (BILD):

With more than 1,000 member companies, BILD is the voice of the home building, land development, and professional renovation industry in the Greater Toronto Area. The building and renovation industry provides more than 231,000 jobs in the region and $26.9 billion in investment value. BILD is affiliated with the Ontario and Canadian Home Builders' Associations.

More information is available from www.bildgta.ca.

About Urbanation:

Urbanation is a real estate consulting firm that has been providing market data, in-depth market analysis, and consulting services to the condominium and rental housing industry since 1981. Urbanation uses a multi-disciplinary approach that combines empirical research techniques with first-hand observations and qualitative information gathered through relationships built within the industry over the past 40 years. Urbanation's subscription-based reports monitor the new condominium and rental markets in the Greater Toronto and Hamilton Area and the Ottawa CMA. Urbanation actively conducts customized research and market feasibility studies across the country for new condominium and purpose-built rental apartment projects. Urbanation's clients include the GTA's largest developers as well as mid- and smaller-tier real estate organizations, institutional investors, major lenders, government agencies, and a variety of service providers.

More information is available from https://www.urbanation.ca.

About Finnegan Marshall:

Finnegan Marshall (FM) is a multi-disciplinary cost consulting company founded by Niall Finnegan and Ken Marshall. FM's collective skill sets offer a comprehensive and unique perspective that has proven to reduce risk and maximize value. With extensive industry-related experience paired with comprehensive analysis, extensive market knowledge, and proven results, our aim is to deliver high quality, professional, consultative intelligence to our clients. What differentiates FM from other cost consultants is our intimate understanding of the high-rise multi-residential condominium market and overall knowledge of current trade pricing gained through our involvement in ongoing trade negotiations, in-depth market knowledge of land values, revenue, best financing structures, and JV best practices on behalf of clients.

More information is available from https://finneganmarshall.com/.

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EXECUTIVE SUMMARY – Purpose-Built Rental Compendium Report

In mid-2025, the Building Industry and Land Development Association (BILD) collaborated with Urbanation and Finnegan Marshall to prepare a report on the current state of the market for purpose-built rental (PBR) developments.

The objective of the paper is to provide an update to our 2023 report (Purpose-Built-Rental-Whitepaper-FINAL.pdf), its projections, unit needs, financial information, and project viability for purpose-built rental housing in the Greater Toronto Area (GTA) in light of the policy and market changes since the original report.

This report makes policy recommendations for consideration by various levels of government on how to increase purpose-built rental construction in Ontario and alleviate the housing crisis that is impacting the region.

Purpose-built rental can be defined as housing built specifically for long-term rental accommodation. It forms a vital segment of the region's, province's, and country's housing stock. This report examines the current supply of PBR in the GTA, quantifies expected future demand for this type of housing, and identifies barriers to adding PBR supply.

All three levels of government have identified purpose-built rental as a priority and included it in key housing policies, strategies, and initiatives, since 2023. Specifically:

- The decision by the federal government to waive the application of the Harmonized Sales Tax (HST) to new purpose-built rentals in the fall of 2023.

- This important policy decision was matched quickly by the Government of Ontario, which also waived the provincial portion of the HST on new PBR in 2023.

- Two key municipalities in the GTA (Mississauga and Toronto) have adopted focused measures to reduce property tax and provide other condition-limited DC incentives (including the complete waiving of DCs on larger PBR apartments in Mississauga) to encourage the construction of new purpose-built rental supply.

While a number of municipalities (lower and upper tier) in the GTA have taken some actions to alleviate the impact of municipal added costs on the financial viability, or lack thereof, of new housing (both to own and purpose-built rental), the lack of support from the City of Toronto remains a key impediment. While the city has adopted some measures, they are time-bound and have very restricted eligibility. The lack of broad-based relief in Toronto, where the need for more housing is notably the greatest, as evidenced by the pro formas in this document, means new PBR and condo remain non-viable.

Between the development of the pro forma by Finnegan Marshall for the previous report in the fall of 2022 and the publishing of this report, construction inflation for high-rise apartment buildings (five or more storeys) in the Toronto CMA has increased in excess of 12% (Q4 2022–Q4 2024)[1]. Over roughly the same period (October 2022 to October 2024), average municipal fees for high-rise apartments in the GTA increased by $32,000 per unit[2].

Over the same time period, population growth, due mainly to the immigration of permanent and non-permanent residents, resulted in the Greater Toronto Area in general, and the City of Toronto specifically, ranking as the fastest metropolitan area and city in North America.

This report is a compendium document composed of three parts:

1. A purpose-built rental whitepaper, prepared by Urbanation (fall 2022) that quantifies the existing state of and the future need for PBR in Ontario.

2. A feasibility pro forma analysis, prepared by Finnegan Marshall (April 2024), providing two financial modelling scenarios for PBR and condominium developments for the City of Toronto and Mississauga.

3. A series of policy recommendations for consideration by various levels of government on how to facilitate the growth of PBR in the GTA, Ontario, and Canada. Industry representatives from BILD's purpose-built rental committee developed these policy recommendations.

Part 1 of this compendium report is a purpose-built rental whitepaper prepared by Urbanation, a company that provides industry-leading research on the condominium, rental, and land development markets (https://www.urbanation.ca). Key findings include:

- Outside of COVID-19, rental vacancy rates in the GTA reached their highest level in 15 years at 2.5% in 2024. This occurred as supply from purpose-built and condo rentals increased by the most in decades with the addition of nearly 35,000 units in 2024, more than doubling the 10-year average growth. With vacancy approaching a neutral level of 3%, rent growth became aligned with general inflation.

- Rental demand in the GTA grew by an historic amount in 2023 and 2024 due to an explosive increase in population, allowing the market to absorb the increase in rental supply. In the past two years, the GTA population increased by 550,000 persons, a level of growth normally experienced over a six-to-seven-year period.

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[1] https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1810028901

[2] https://www.bildgta.ca/wp-content/uploads/2024/09/2024-GTA-Municipal-Benchmarking-Study-Our-number-7147-Final.pdf (Planning fees, DCs, Parkland CIL, CBCs and EDCs)

- Following changes to federal immigration policy targeting a lower intake of permanent residents and reduced number of non-permanent residents, population growth in the GTA has begun to slow, which has contributed to a mild decrease in rents this year as condo and purpose-built rental completions remain high. Population projections call for growth of 726,884 residents in the next 10 years, 38% less than the latest 10-year increase of 1,177,497.

- Growth in rental supply is projected to slow substantially from its current pace in the post-2025 period, mainly due to a steep fall in condominium completions, which have represented most of the new rental supply in the GTA. Condo apartment construction starts dropped 50% in 2024 to a 25-year low of 8,792 units, while purpose-built rental construction starts increased 7% to 6,637 units, which was below the recent high of 7,061 starts in 2021.

- Using the latest population forecasts, and assuming a continuing decline in homeownership rates due to long-term structural affordability issues, rental demand in the GTA is projected to grow by 232,000 households during the next 10 years. Over the same period, the total supply of purpose-built and condominium rentals is expected to increase by 111,000 units, resulting in a supply deficit of 121,000 rental units. This adds to the supply deficit of 114,000 units accumulated between 2016 and 2024.

- With condo investors pulling back significantly, purpose-built rentals are expected to contribute most of the new rental supply in the next decade. However, to meet the goal of building at least an additional 100,000 rental units beyond what the market is already on track to deliver, purpose-built rental construction starts will need to increase to approximately 16,000–19,000 units per year.

- There are currently more than 200,000 purpose-built rental units in the planning stages that have been held back from proceeding as they await approvals and improved economic feasibility. At year-end 2024, the GTA had the lowest number of per capita purpose-built rentals under construction among Canada's six largest centres.

Part 2 of this report has been prepared by [Finnegan Marshall](), a multidisciplinary real estate and development cost consulting company. It is composed of two pro forma analyses for the City of Toronto and the City of Mississauga, each looking at comparable condominium and purpose-built rental projects.

Their financial modelling found that:

A) The viability of new purpose-built rental apartments has improved in the two municipalities modelled versus the 2022 financial modelling – due, in part, to the beneficial impact of federal, provincial, and municipal changes. The improvement was most significant in Mississauga where the scale of municipal incentives is greater.

B) Decreases in land costs[3] are having small positive impacts on the pro formas of projects across the GTA, but this is undermined by lower rents (in PBR) and lower selling prices in condos.

C) Due to the changing market demand and economics of construction, there has been an erosion of the viability for the condo modelled project (units for sale) in Mississauga that has been offset by municipal actions to lower development charges (DCs) and lower land values. In contrast, a lack of changes within the City of Toronto means that the condo modelled project does not meet profitability requirements to secure financing and is therefore non-viable.

Part 3 of the report was developed by industry representatives from BILD's purpose-built rental committee. It consists of a series of policy recommendations for consideration by various levels of government on how to facilitate the growth of PBR in the GTA, Ontario, and Canada. These recommendations are categorized by the relevant level of government, including municipal, provincial, and/or federal. These recommendations include adjustments to how PBR is treated from a tax, zoning, and approvals perspective. As an overarching objective, we suggest that all levels of government need to create an action plan to increase the supply of rental housing and make it easier to build. It would also set the foundation necessary for policy reform at each level of government.

The high-level recommendations are below and the full suite is contained in part three of this report.

Federal:

- Expand innovative CMHC programs
- Link federal infrastructure funding to the outcome of housing deliverables
- Reposition the Build Canada Homes (BCH) initiative
- Engage BILD members on upcoming work on Multi-Unit Residential Buildings
- Create capital attraction strategies
- Establish Federal-Provincial-Municipal Housing Coordination Committee

Provincial:

- Unlock existing DC funds (reserves)

Municipal:

- Eliminate or reduce DCs for rental projects, and projects with a mixed-use component
- Lower property tax rates for PBR

[3] Note that any benefit from land cost reduction would be for newly acquired land. If the land was acquired earlier, at a higher land value, this benefit would not accrue

PART 1 Purpose-Built Rental White Paper

May 2025 Update

URBANATION

Executive Summary

- Outside of COVID-19, rental vacancy rates in the GTA reached their highest level in 15 years at 2.5% in 2024. This occurred as supply from purpose-built and condo rentals increased by the most in decades with the addition of nearly 35,000 units in 2024, more than doubling the 10-year average growth. With vacancy approaching a neutral level of 3%, rent growth became aligned with general inflation.
- Rental demand in the GTA grew by a historic amount in 2023 and 2024 due to an explosive increase in population, allowing the market to absorb the increase in rental supply. In the past two years, the GTA population increased by 550,000 persons, a level of growth normally experienced over a six-to-seven-year period.
- Following changes to federal immigration policy targeting a lower intake of permanent residents and reduced number of non-permanent residents, population growth in the GTA has begun to slow, which has contributed to a mild decrease in rents this year as condo and purpose-built rental completions remain high. Population projections call for growth of 726,884 residents in the next 10 years, 38% less than the latest 10-year increase of 1,177,497.
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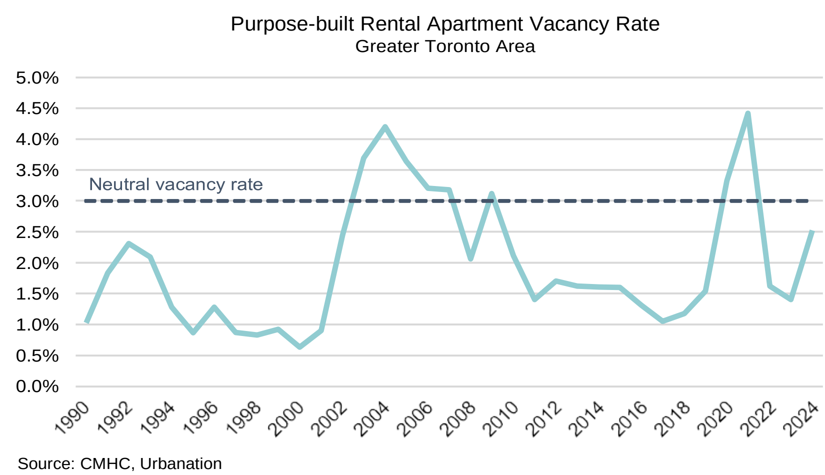
- Using the latest population forecasts, and assuming a continuing decline in homeownership rates due to long-term structural affordability issues, rental demand in the GTA is projected to grow by 232,000 households during the next 10 years. Over the same period, the total supply of purpose-built and condominium rentals is expected to increase by 111,000 units, resulting in a supply deficit of 121,000 rental units. This adds to the supply deficit of 114,000 units accumulated between 2016 and 2024.
- With condo investors pulling back significantly, purpose-built rentals are expected to contribute most of the new rental supply in the next decade. However, to meet the goal of building at least an additional 100,000 rental units beyond what the market is already on track to deliver, purpose-built rental construction starts will need to increase to approximately 16,000-19,000 units per year.
- There are currently more than 200,000 purpose-built rental units in the planning stages that have been held back from proceeding as they await approvals and for economic feasibility to improve. At year-end 2024, the GTA had the lowest number of per capita purpose-built rentals under construction among Canada's six largest centres.

1.1 Current Market Conditions

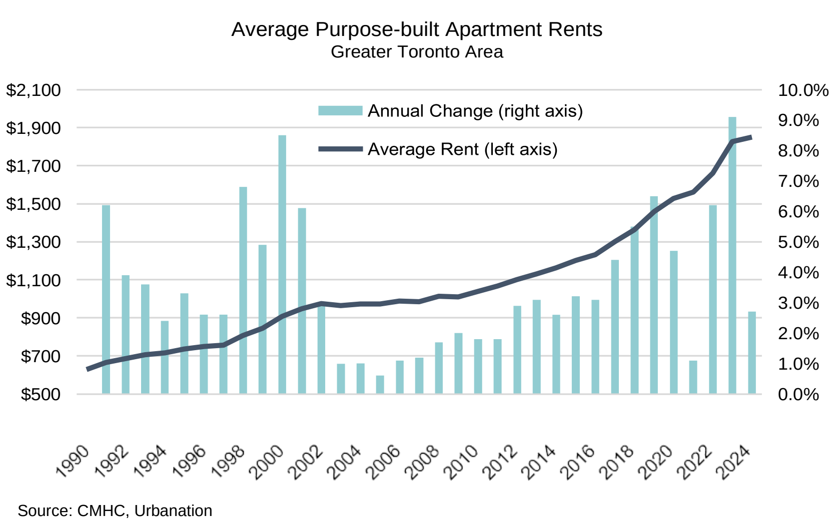
The GTA rental market became more balanced in 2024 as vacancy rates in the GTA increased for the first time since COVID-19, rising to 2.5% from 1.4% in 2023. Outside of the pandemic, vacancy rates were at their highest level since 2009, while at the same time remaining below a neutral rate of 3%. Excluding 2020 and 2021, vacancy rates averaged only 1.5% during the past decade.

Figure 1.1.1



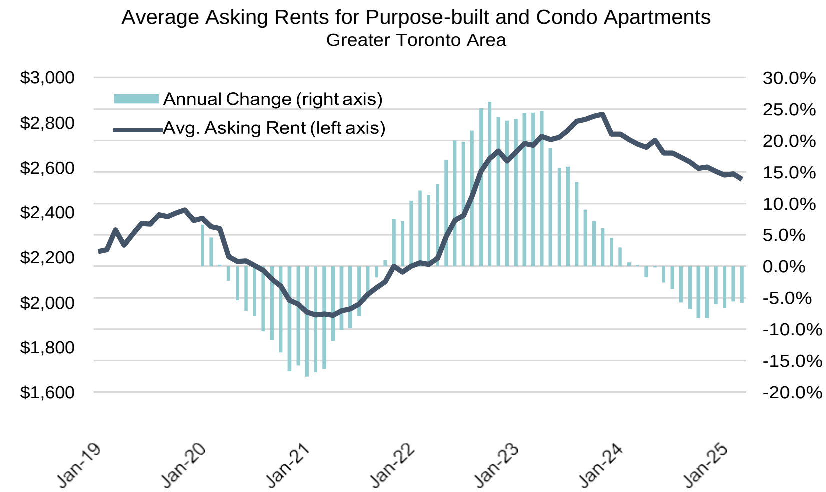
With more balanced conditions emerging, rents grew in line with the general rate of inflation in 2024 with an increase of 2.7%. This represented a large deceleration for rents following annual growth rates of 9.1% in 2023 and 6.2% in 2022, falling well below the 10-year average of 4.7%.

Figure 1.1.2



More up-to-date information on asking rents posted on Canada's largest online rental marketplace (Rentals.ca) shows that rents started to trend lower during the course of 2024 and into the early part of 2025. As of March 2025, average asking rents for available purpose-built and condominium apartments decreased 6% year-over-year to $2,548 — the lowest level in two- and-a-half years.

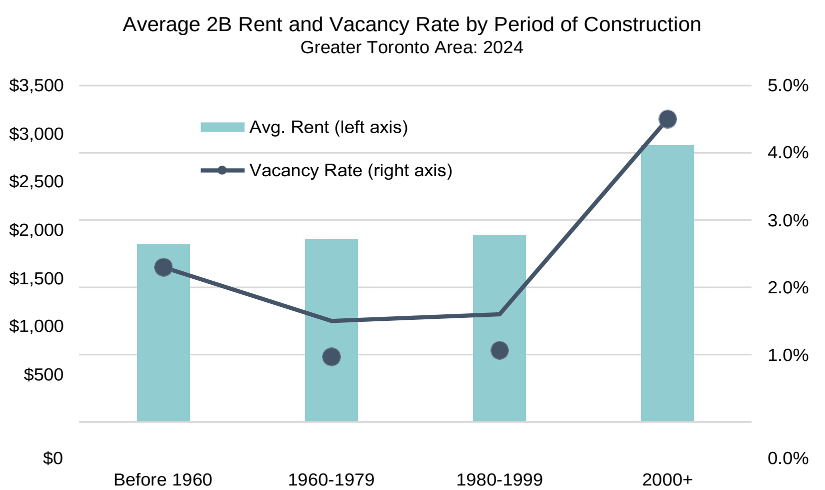
Figure 1.1.3



Source: Rentals.ca Network, Urbanation

Most of the increase in vacancy last year occurred within the newer stock of rental buildings, which had the highest rents. In 2024, vacancy averaged 5.7% in buildings completed since 2000, while older buildings completed before 2000 averaged vacancy below a balanced level of 3%. At an average of $2,877, two-bedroom rents in buildings completed since 2000 were 46% above the overall average.

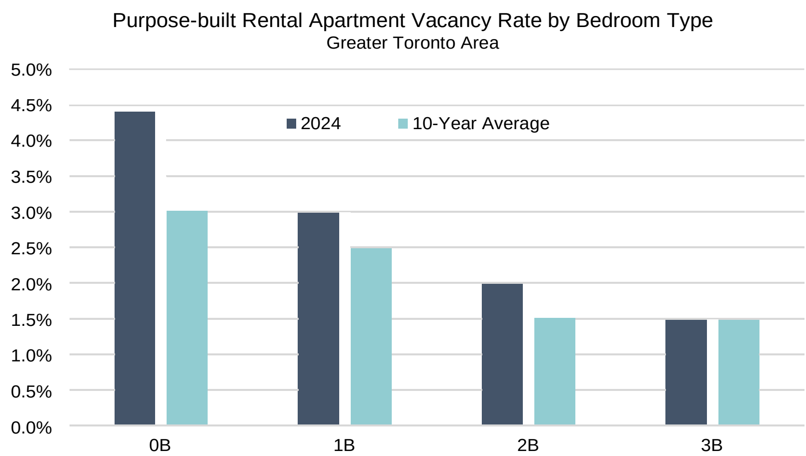
Figure 1.1.4



Source: CMHC, Urbanation

Furthermore, vacancy rates remained exceptionally low in 2024 for two- and three-bedroom apartments at 1.4% and 1.9%, respectively, in line with their 10-year averages and indicating a long-term imbalance between demand and supply for larger units. One-bedroom vacancy rose to a balanced level of 3.0% in 2024, while vacancy for bachelor units rose to 4.4%, indicating a mild degree of oversupply, with a 10-year average vacancy rate at 3.0%.

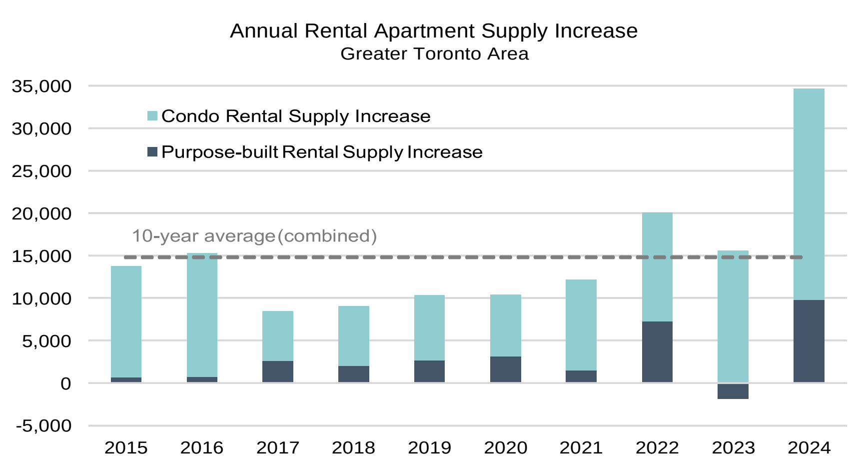
Figure 1.1.5



Source: CMHC, Urbanation

The central factor behind the easing in rental market conditions was a large increase in supply. In 2024, a total of 34,698 net purpose-built and condominium rental apartments were added to the market, more than doubling the 10-year average supply increase of 14,803 units. This included a multi-decade high net increase of 9,778 purpose-built units (which includes new completions and units re-added that were temporarily removed in 2023) and a record-high 24,920 condo rentals, driven higher by increasing completions and investor ownership.

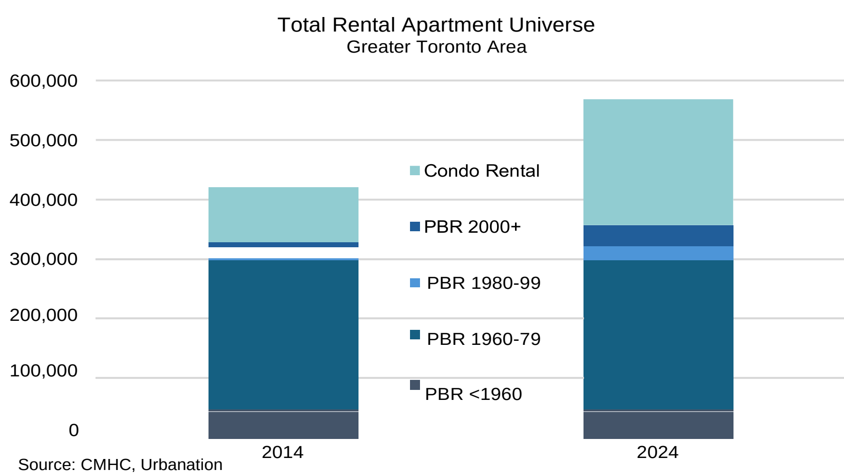
Figure 1.1.6



Source: CMHC, Urbanation

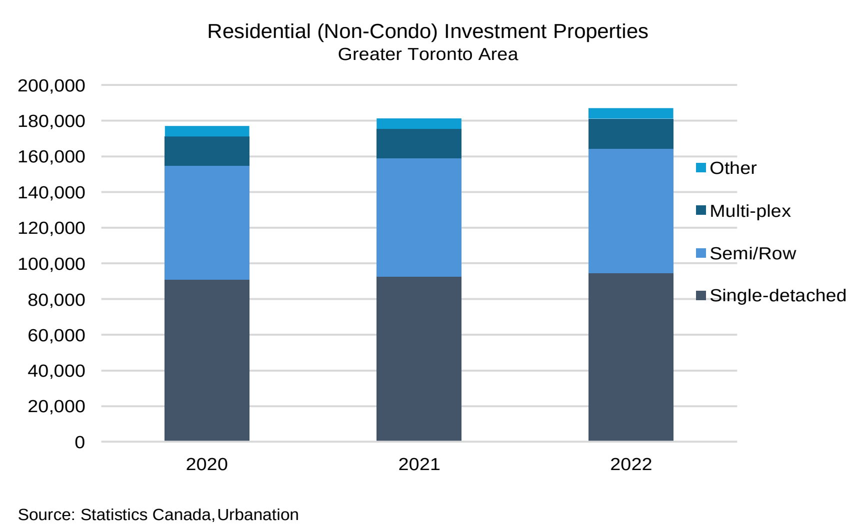
As of 2024, the universe of purpose-built and condominium apartment rentals reached a total of 568,212 units, increasing by 91,124 units (19% growth) during the previous five-year period and by a total of 148,029 units (35% growth) during the previous 10-year period. Condominiums accounted for 78% of the total increase in rental apartment supply in the latest five years and 81% in the latest 10 years. As of 2024, the condo rental stock totalled 221,740 units, while purpose-built rentals totalled 356,472 units. Of the purpose-built rentals, 35,044 units (10% share) were completed since 2000.

Figure 1.1.7



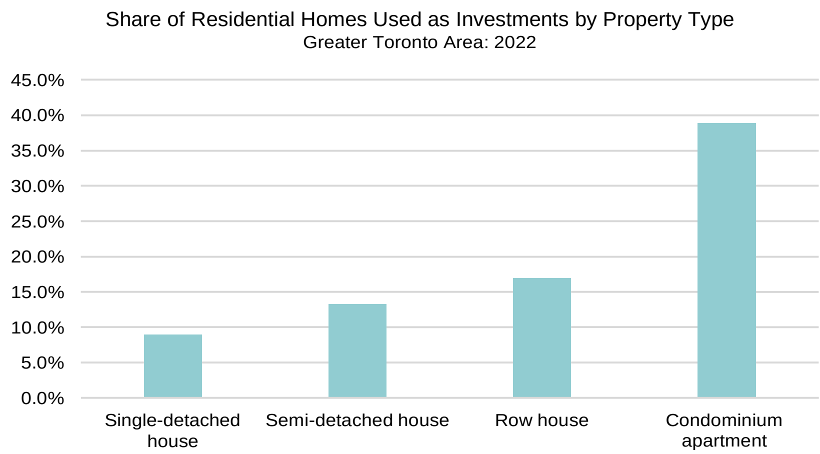
Other forms of secondary rentals are surveyed less frequently. The latest data as of 2022 reported a total of 186,960 residential investment units (excluding condominiums) in the GTA, increasing by 9,925 units from 2020. Most non-condominium investment properties were single-detached homes, totaling 94,535 units.

Figure 1.1.8



Overall, a 19% share of all residential properties in the GTA were used as rental investments as of 2022, including a 39% share of condominiums, a 17% share of row homes, a 13% share of semi- detached homes, and a 9% share of single-detached homes. This increased from an 18% share of residential properties owned by investors in 2020, mainly on account of growth in condo rentals. More up-to-date data on property transfers released by Teranet for Ontario indicates that the share of non-condominium transactions by investors has been declining for the past two years.

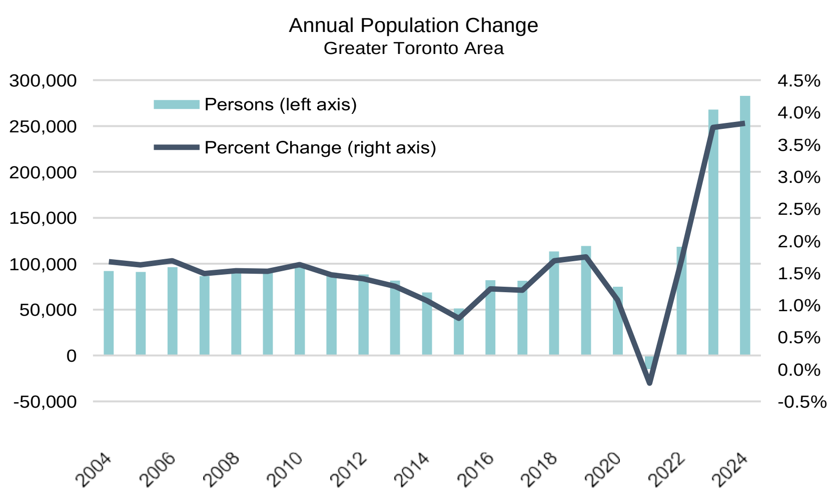
Figure 1.1.9



Source: Statistics Canada, Urbanation

At the same time as the increase in supply of purpose-built and condo rental units more than doubled in 2024, rental demand rose to a record high on account of a population surge. Last year, the GTA population grew by a total of 282,985 persons (3.8%), which followed an increase of 267,968 (3.8%) in 2023. In both years, the increase in population was nearly three times greater than the 20-year average of 103,048 (1.6%).

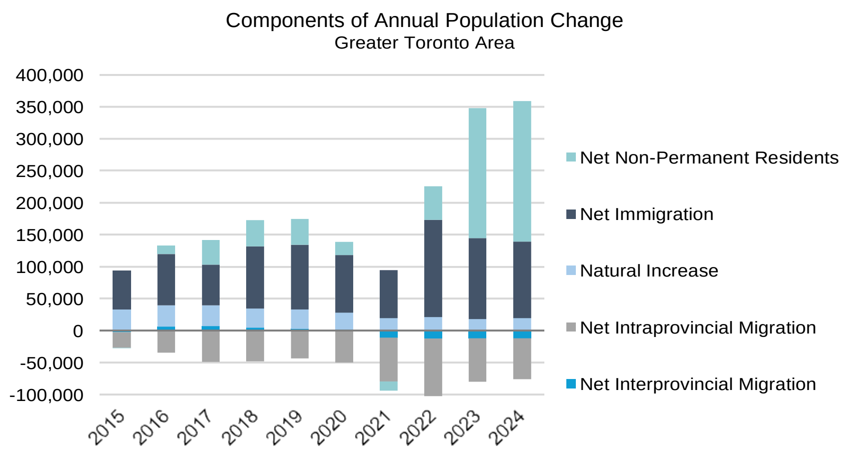
Figure 1.1.10



Source: Statistics Canada, Urbanation

Population growth in the GTA during the past two years has been mainly driven by non-permanent residents (largely represented by international students and temporary workers), averaging an annual net increase of 211,453 for 2023 and 2024 — six times higher than the 20- year average. Meanwhile, the number of net new permanent residents from international immigration declined to a three-year low of 119,775 in 2024, while still remaining near a record high. The combined net loss in population to other parts of the province and country slowed to a four-year low of 76,115 in 2024, while also remaining near record levels.

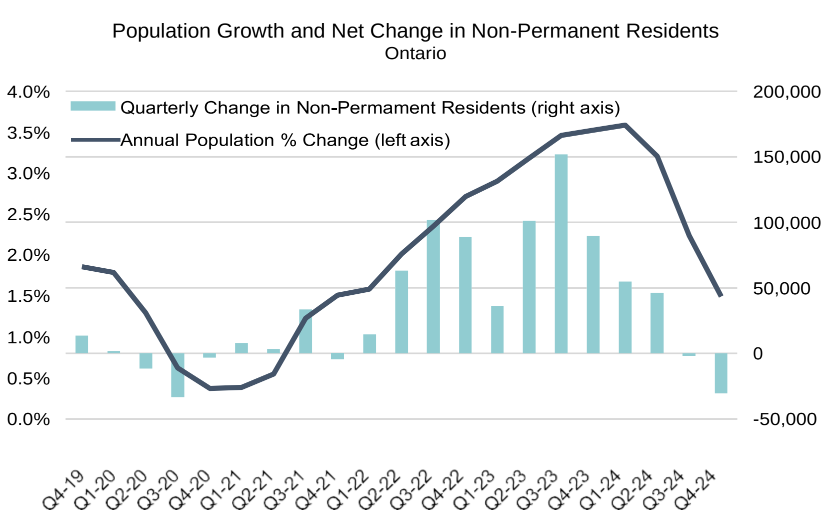
Figure 1.1.11



Source: Statistics Canada, Urbanation

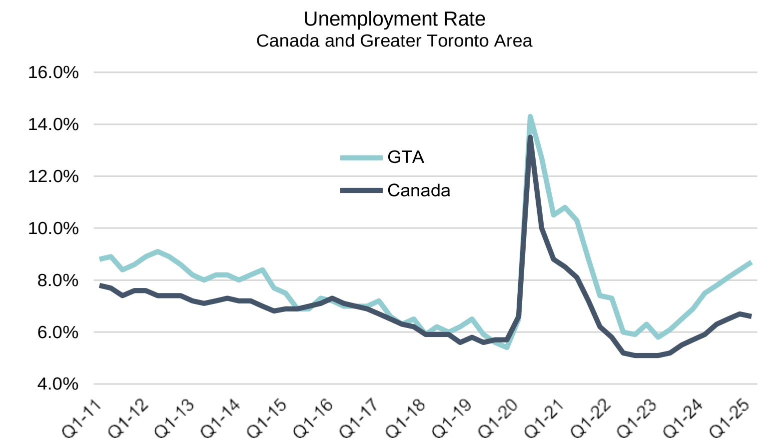
More frequent population data reported quarterly at the provincial level has shown a slowdown in growth during the second half of 2024 following the federal government's announced changes to immigration policy, including lowered targets for permanent and non-permanent residents. In Q4-2024, the Ontario population grew at its slowest annual pace in three years at 1.5% as the net number of non-permanent residents declined by its largest amount since the pandemic in 2020.

Figure 1.1.12



In addition to the recent moderation in population growth, rental demand is expected to become impacted by a slowing economy. In advance of the recent trade conflict with the U.S., employment in the GTA has been unable to keep up with the recent growth in the total labour force, resulting in a rising level of unemployment. In Q1 2025, unemployment in the GTA reached 8.7%, which was the highest level outside of the pandemic since 2012 and well above the national average of 6.6%. Although the GTA economy is deeply rooted in service-producing industries and has a small degree of direct exposure to U.S. trade, a general economic downturn caused by tariffs on both sides of the border will broadly impact local employment.

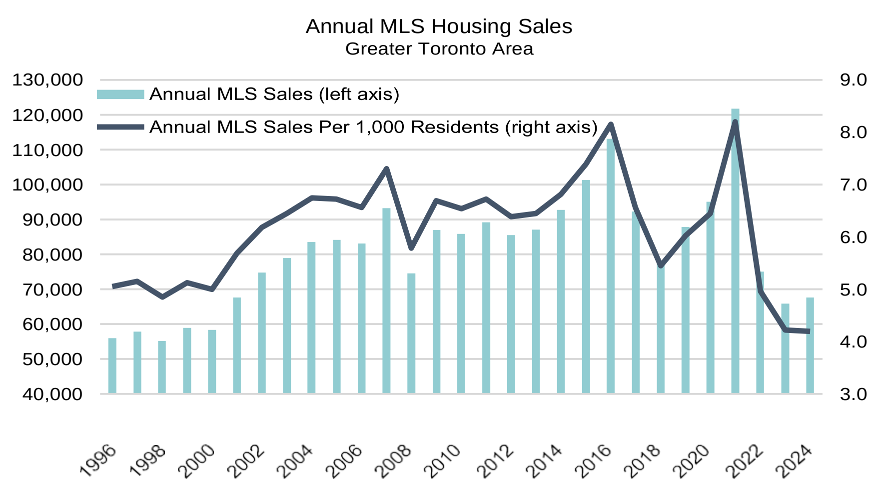
Figure 1.1.13



Source: Statistics Canada, Urbanation

However, lending further support to rental demand is the ongoing challenges for homeownership affordability. Despite recent reductions to interest rates, resale housing transactions in the GTA remained near a 25-year low in 2024, with per capita activity at a more than 30-year low and activity continuing to fall in Q1 2025 as a result of economic uncertainty. Fewer people buying homes has contributed to a rising share of the population that rents.

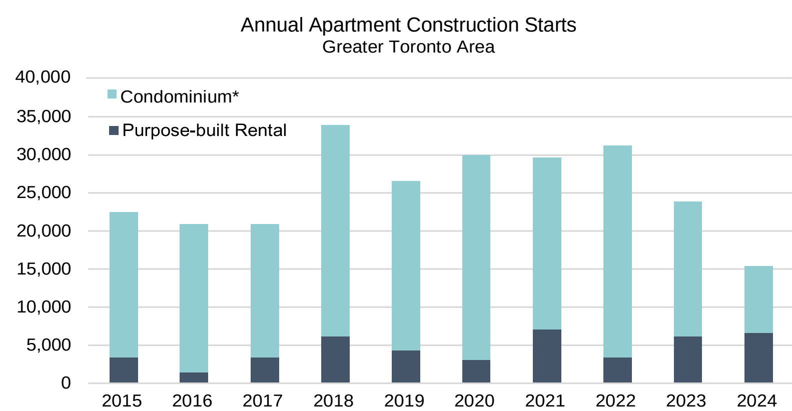
Figure 1.1.14



1.2 Supply & Demand Outlook

The outlook for rental supply in the GTA is largely determined through the volume of apartment construction starts. In 2024, total purpose-built and condominium apartment starts fell 35% from 2023 to 15,429 units — the lowest level of the past 10 years and 39% below the decade average. This was on account of a 50% drop in condominium apartment starts to 8,792 units, a 25-year low and a portion of which will be used as rentals. While purpose-built rental construction starts increased 7% year-over-year to 6,637 units in 2024, rising 48% above the latest 10-year average of 4,493 units, rental starts remained below the recent high of 7,061 units reached in 2021.

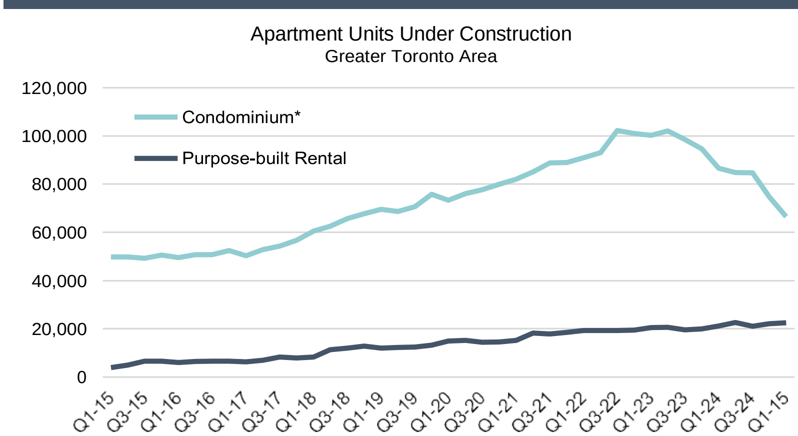
Figure 1.2.1



*Condominium includes units intended for owner occupancy and units intended for rental
Source: Urbanation

As of Q1 2025, the number of condominiums under construction in the GTA totalled 66,477 units, the lowest since 2018 and a drop of over 30,000 units during the past two years. Meanwhile, the number of purpose-built rentals under construction totalled 22,456 units, a 10% increase compared to two years earlier and 51% increased from five years earlier.

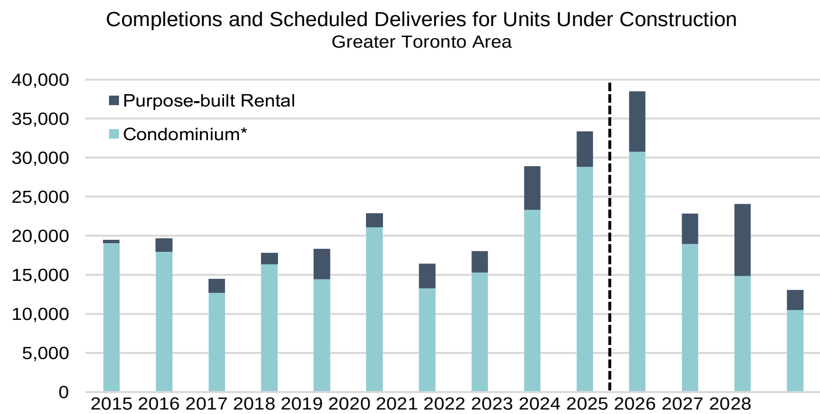
Figure 1.2.2



*Condominium includes units intended for owner occupancy and units intended for rental
Source: Urbanation

The lack of growth in condo construction is projected to result in a steep decline in completions resulting in limited future growth in rental supply. Following record highs for condo and purpose- built rental apartment completions totalling 33,384 units in 2024 and 38,528 units expected in 2025, both well above the latest 10-year average of 20,936 units, total apartment completions are scheduled to moderate to 22,860 units in 2026 and 24,065 units in 2027, before dropping to a 20-year low of 13,076 units by 2028. By 2028, condo completions are expected to fall by more than 60% from their 2024 level.

Figure 1.2.3



*Condominium includes units intended for owner occupancy and units intended for rental
Source: Urbanation

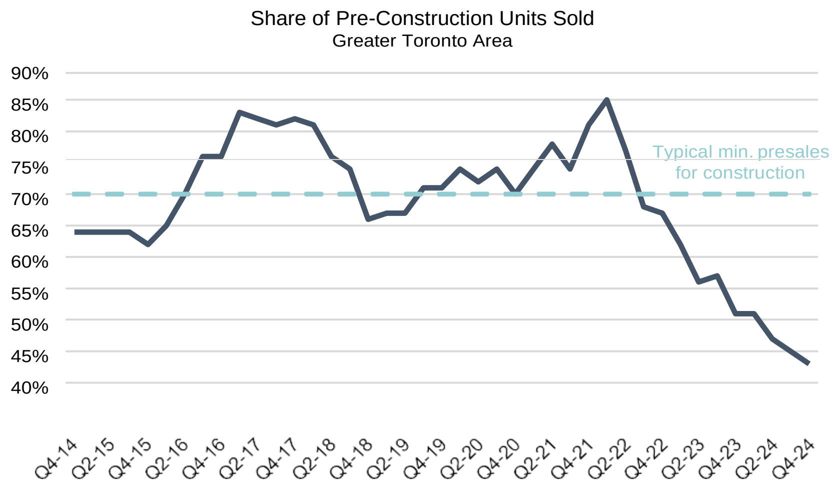
The outlook for condo completions is impacted by the current downturn in pre-sale activity. In 2024, new condo sales fell to a 28-year low of 4,285 units, representing an 85% decline compared to the market high in 2022 and falling 77% below the latest 10-year average of 20,045 sales. Activity fell further in Q1 2025 with a total of 536 sales — the lowest quarterly total in 30 years.

Figure 1.2.4

Source: Urbanation

Without sufficient pre-sales, new condominium projects are unable to qualify for construction financing. Thus, the sales environment for new condominiums dictates the future volume of construction starts and completions. The standard minimum level of presales in order to obtain a construction loan from lenders is 70%. As of year-end 2024, new condo projects in the pre-construction stage were 43% sold on average, indicating a large gap in the market for financially supported projects that will continue to have lasting impacts on new development.

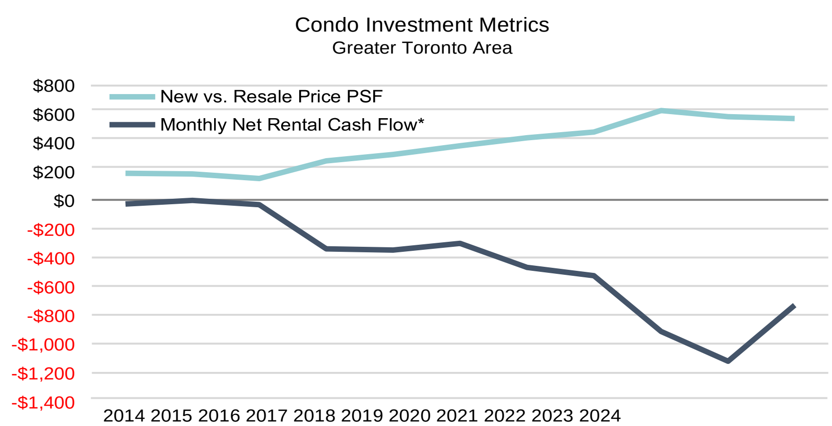
Figure 1.2.5



Source: Urbanation

The root cause of the decline in condo pre-sales is a drop in activity from investors, who have been known to represent 70% or more of new condo buyers. Following a rapid run-up in prices and interest rates in the post-COVID period, the economics of investing in new condos became unattractive. The relative price of a new condo compared to a resale unit increased to an historic high, greatly reducing the ability for purchasers of new condos to earn returns, while net rental cash flow turned deeply negative.

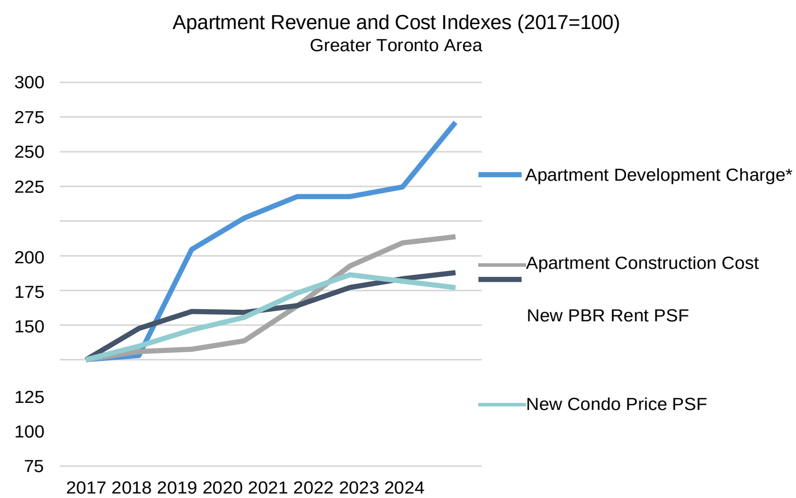
Figure 1.2.6



*Cash flow defined as rents net of mortgage payments, condo fees, and property taxes, based on a 650-sf unit
Source: Urbanation

A large escalation in costs has prevented new condo developers from lowering their prices to attract more demand, while also reducing the economic viability of new purpose-built rental projects. Between 2017 and 2024, development charges for apartments in Toronto increased by 171%, while construction costs for apartments grew 89%, despite some recent moderation. However, revenues for new projects grew by much smaller amounts over the same period, with rents for new purpose-built rentals increasing 60% and prices for new condos rising 52%.

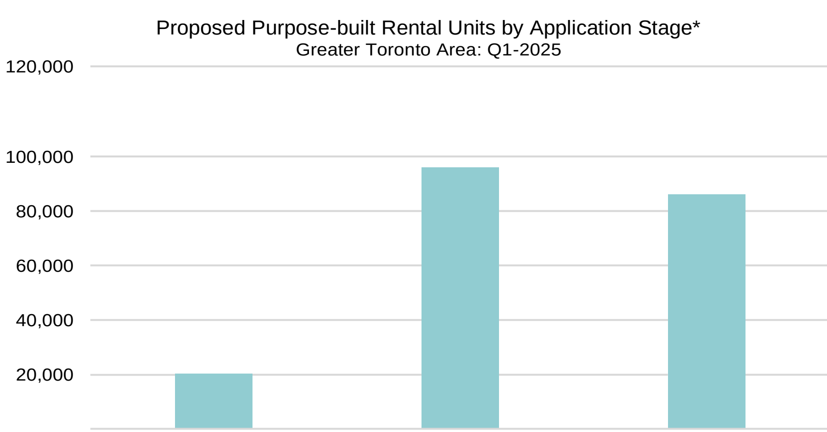
Figure 1.2.7



*Development Charges in the City of Toronto
Source: Urbanation, Statistics Canada

Despite strong interest from developers to build purpose-built rental housing, the deterioration in economic feasibility for new development and often lengthy application timelines has left a large supply of units waiting in the pipeline. As of Q1 2025, the GTA had a total of 202,586 purpose-built rental units in the proposed stage that had not started construction. This included 93,683 approved units and 108,903 units in the application and pre-application stages. This is in addition to hundreds of thousands of units in the planning stages proposed as condominium or have an undetermined tenure.

Figure 1.2.8



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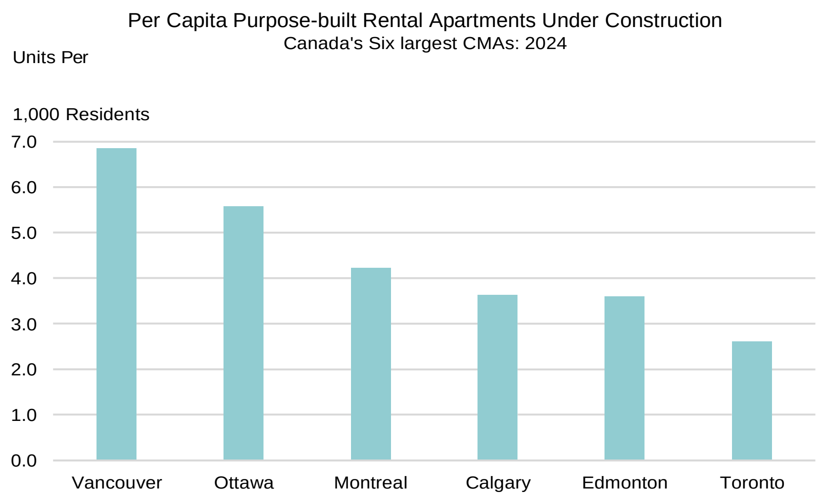
Pre-Application Application Approved

While the GTA could previously rely on condo investors to supply the market with the majority of new rental units, the downturn in new condo market activity underway suggests that won't be the case going forward and there will be a greater need for purpose-built rental construction. However, relative to the other large markets in Canada, the GTA ranks lowest in terms of per capita for rental construction. As of year-end 2024, the GTA had 2.6 rentals under construction for every 1,000 residents, which was less than half the per capita number of rentals being constructed in Vancouver and Ottawa, and more than 30% less than in Montreal, Calgary, and Edmonton. This is despite the GTA having the highest levels of immigration in the country and one of the most unaffordable markets for homeownership.

Figure 1.2.9

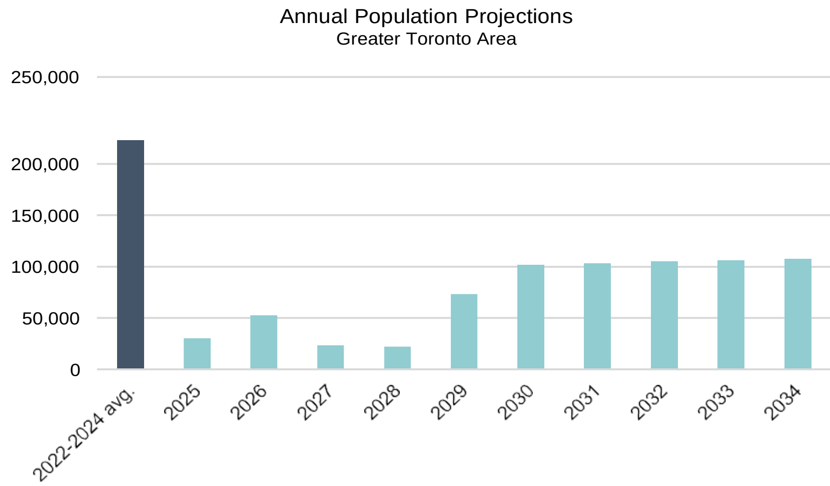


Source: CMHC, Statistics Canada, Urbanation

From a rental demand perspective, the outlook indicates continued growth, but at a more measured level relative to the last few years as population growth slows. Population projections published by the Ontario Ministry of Finance account for the federal government's lowered targets for immigration to Canada from nearly 500,000 per year in 2022-2024 to under 400,000 in 2025-2027, which is still elevated relative to pre-COVID levels, as well as a targeted decline in non-permanent residents in the next few years. As the GTA accounts for approximately 30% of all new immigration and non-permanent residents that enter the country each year, the shift in policy will heavily impact population growth locally.

According to the latest projections, the GTA population will increase from an average of 223,194 persons annually between 2022 and 2024 to an average of 40,582 persons annually between 2025 and 2029, before rising back above 100,000 per year in the 2030-2034 period.

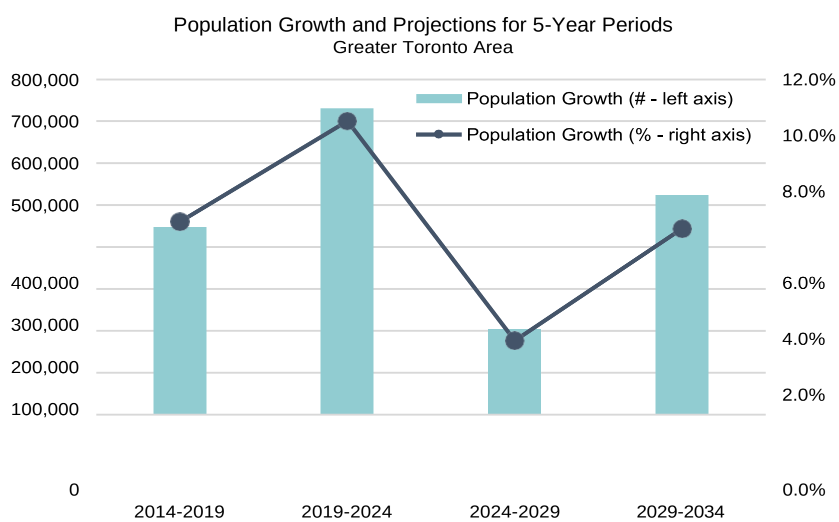
Figure 1.2.10



Source: Ontario Ministry of Finance, Statistics Canada, Urbanation

Overall, the GTA population is projected to increase by a total of 726,884 residents during the 10- year period to 2034 under the Ontario Ministry of Finance's medium growth scenario, 38% lower than the total increase of 1,177,497 experienced between 2014 and 2024 (most of which occurred during the last three years). In the next five years, population growth will slow to 202,911 persons (+2.6%) added between 2024-2029, down from a high of 729,494 persons (+10.5%) added between 2019-2024, before rising to 523,973 (+6.7%) between 2029-2034.

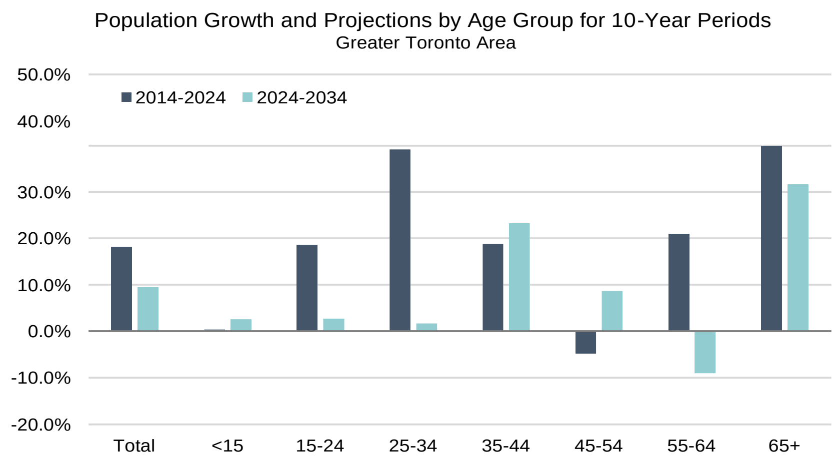
Figure 1.2.11



Source: Ontario Ministry of Finance, Statistics Canada, Urbanation

Changes in government policy and demographic shifts will cause population growth in the GTA to decelerate in the next 10 years for most age groups. According to the projections, the young adult population aged 15-24 will see growth slow from 18.6% in 2014-2024 to 2.7% in 2014-2024, with growth slowing from 39.2% to 1.7% for the 25-34 age group. The population between the ages of 55-64 is projected to decline by 9.1% in the next 10 years after growing by 21.0% in the last 10 years, with growth remaining strong at 31.6% in 2024-2034 for the 65-plus population. The 35-44 ad 45-54 age groups are the only cohorts projected to see an acceleration in population over the next decade, with 10-year growth of 23.3% and 8.7%, respectively.

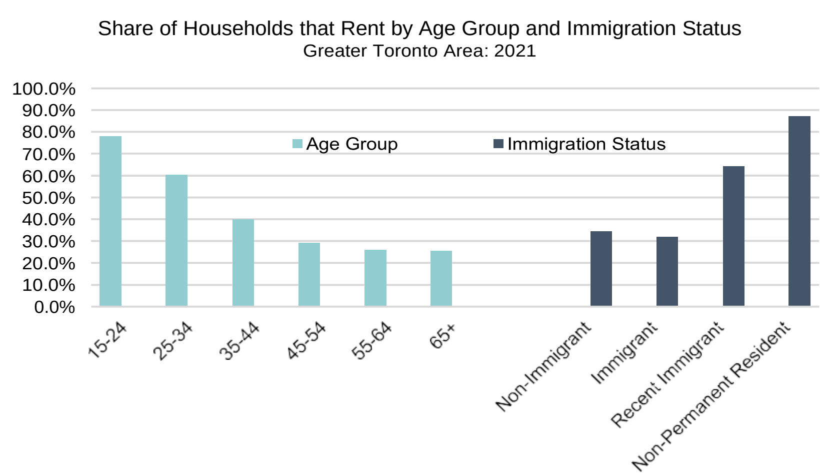
Figure 1.2.12



Source: Ontario Ministry of Finance, Statistics Canada, Urbanation

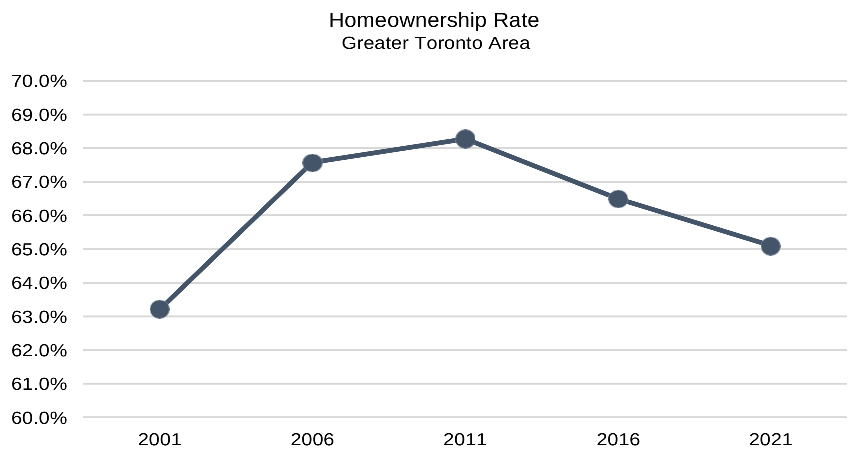
These expected population shifts have the potential to disproportionately impact rental demand as some key categories of renters experience slower growth relative to the past decade. More than half of all households under the age of 35 are renters, including a 78% share aged 15-24 and a 60% share aged 25-34. Furthermore, an 87% share of non-permanent residents and a 64% share of recent immigrants rent.

Figure 1.2.13



However, mitigating downside risks to growth in rental demand is a declining rate of homeownership. In 2021, the homeownership rate in the GTA was 65.1%, down from a high of 68.3% in 2011 and falling to its lowest level since 2001. For the key renter age group of 25-34, which represents the largest concentration of renter households in the GTA with nearly a one- quarter share, the homeownership rate has fallen the most since 2011, dropping from 48.5% to 39.8% during the 10-year period.

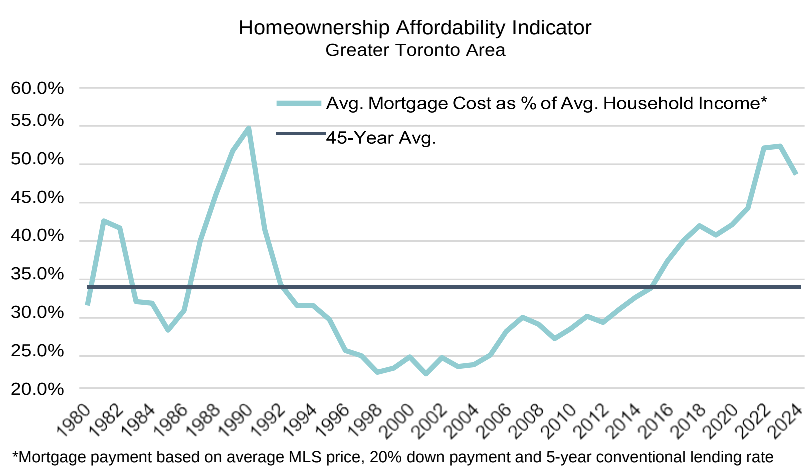
Figure 1.2.14



Source: Statistics Canada, Urbanation

Homeownership rates are expected to continue declining in the years ahead due to ongoing, long- term ownership affordability challenges. A key indicator of affordability is the average mortgage payment as a share of average household income, which dipped from its more than 30-year highs of 52% in 2022-2023 to 49% in 2024 as interest rates came down, but remained substantially higher than the long-term average of 34%. As well, down payment requirements remain onerous with average home prices in the GTA above $1 million.

Figure 1.2.15



*Mortgage payment based on average MLS price, 20% down payment and 5-year conventional lending rate

1.3 Rental Supply Gap Projections

In consideration of the analysis completed in Sections 1.1 and 1.2, the projections for estimated growth in rental demand and supply in the GTA include the following key facts and assumptions:

- The GTA rental market has been in a state of undersupply for most of the past 15 years, which has led to a large accumulation of unsatisfied demand.

- Growth in rental demand has begun to slow alongside the economy and population, which is expected to continue in the near-term. New government-imposed targets for immigration and non-permanent residents will cause the population to experience a much slower-than-normal pace of growth during the next few years.

- Rental demand will remain supported by an eventual return to long-term population growth above 100,000 per year. As well, continued restrictive levels of homeownership affordability will lead to further increases in the share of households that rent.

- In the short-term, rental supply growth will remain elevated due to record levels of condo completions and multi-decade highs for purpose-built rental completions, both driven by construction activity that began a few years ago in a lower cost environment.

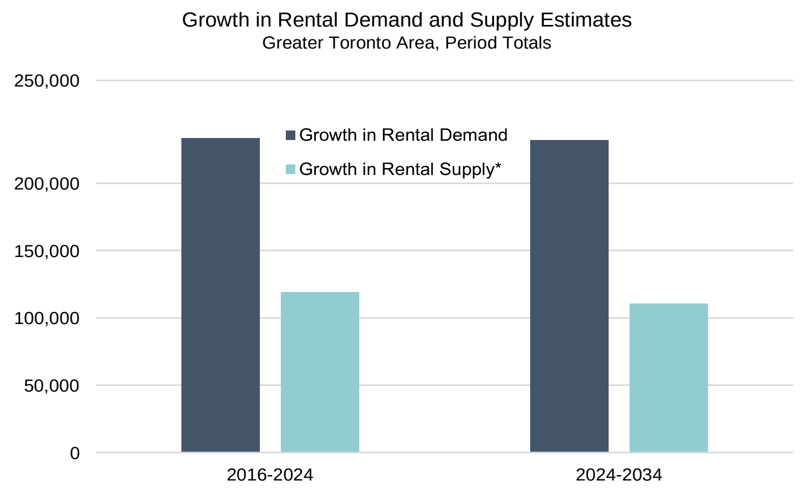
- The current slowdown in new condominium pre-sale activity is causing a profound decline in condo apartment construction activity that will result in a steep drop off in condo completions by 2028, lasting for a least a further few years given the magnitude of the current downturn in pre-sales.

- Condominium investors will remain less active in purchasing and holding units as rentals compared to previous years, limiting long-term future growth in secondary rental supply.

- A shift in attention from developers towards purpose-built rentals will help support a continued upward trend for rental construction starts. Rental construction starts are projected to continue along their growth trajectory, rising from their current pace of approximately 6,000 units per year to between 6,000-9,000 units per year during the next 10 years under the base case scenario.

Overall, the projections call for the number of renters in the GTHA to increase by 232,000 households in the next 10 years to reach a total of 1,291,000, while the total supply of purpose- built and condo rentals will increase by 111,000 units to 679,000. The growth in both rental demand and supply in the next 10 years is projected to be consistent with the growth recorded between 2016 and 2024.

Figure 1.3.1

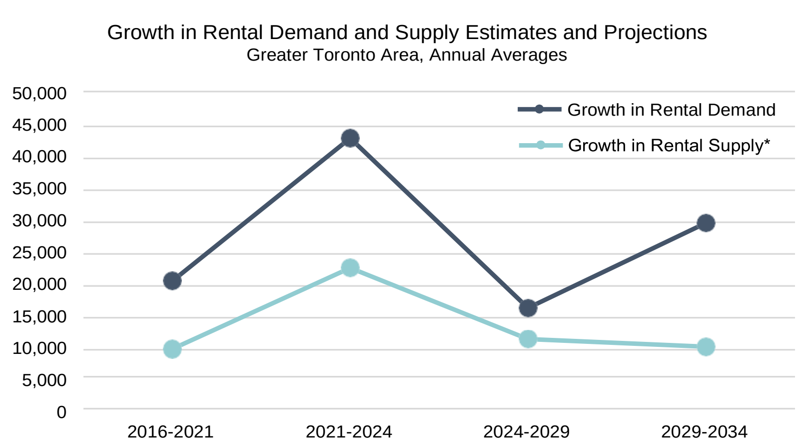


Source: Urbanation, Statistics Canada, CMHC

Growth in rental demand is projected to slow from the unprecedented and unsustainable levels recorded during the post-COVID period from 2021-2024 that averaged more than 40,000 units per year. In the 2024-2029 period, rental demand is projected to average growth of approximately 16,500 units per year, before rising to 30,000 units annually between 2029 and 2034. In terms of supply, growth in purpose-built and condo rentals is expected to slow from an annual average of nearly 23,000 units per year between 2021-2024 to approximately 12,000 units per year between 2024 and 2029, declining further in the 2029-2034 period to an average of approximately 10,000 units per year, most of which will be composed of purpose-built rentals.

As a result of these projections, the estimated gap between growth in rental demand and supply is expected to average 5,000 units per year between 2024-2029 and about 19,000 units per year between 2029-2034, with a 10-year average of 12,000 units per year for the 2024-2034 period.

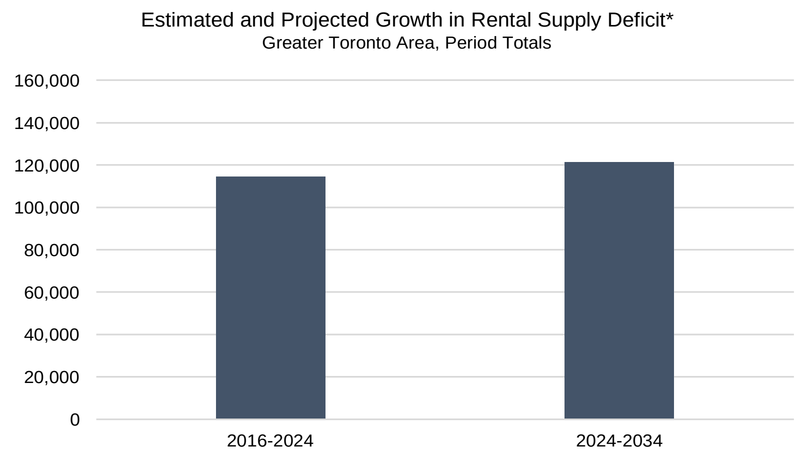
Figure 1.3.2



*Includes purpose-built and condo rentals
Source: Urbanation, Statistics Canada, CMHC

The estimated deficit for rental supply growth in the GTA during the next 10 years is projected to be 121,000 units, adding to the 114,000 unit-deficit accumulated from 2016-2024. While a portion of this deficit will continue to be supplied through other secondary rental sources, the quantity of this additional supply is expected to be relatively minimal given data showing declining purchases of non-condo investment properties.

Figure 1.3.3



*Rental supply includes purpose-built and condo rentals
Source: Urbanation, Statistics Canada, CMHC

The goal should be to create an additional 100,000 purpose-built rental units in the next 10 years, beyond what the market is already on track to deliver. This will require raising construction starts from their projected pace of approximately 6,000-9,000 units per year to 16,000-19,000 units per year. With condo construction starts falling to under 10,000 units per year for the foreseeable future, there should be sufficient capacity in the industry to accommodate this increase in rental construction. While this goal for rental supply will not correct for the past decade of underbuilding, it will help to ensure the market moves into a state of balance and rents can be affordably managed. A good place to start is the more than 200,000 purpose-built rentals currently in the planning stages that have not been able to proceed as they await approvals and for economic feasibility to support development.

PART 2 - Scenario-Based Financial Analysis

2.1 Financial Pro Forma Analysis Condo vs. Purpose-Built Rental GTA

In order to explain some of the challenges that are leading to the lack of purpose-built rental development in the region and consequently the lower rates of PBR as a percentage of the housing stock, BILD retained Finnegan Marshall to prepare a pro forma analysis. Finnegan Marshall is a multidisciplinary real estate and development cost consulting company.

In April of 2025, they prepared two pro forma financial analyses looking at a hypothetical 400-unit residential development as a condominium and then as a purpose-built rental to assess the relative financial viability.

The analysis then compares the two to determine the variance. This work was done for two geographic locations – downtown Toronto and downtown Mississauga.

Assumptions are listed in each detailed analysis.

2.2 High-Level Results for Toronto

The Toronto pro forma provides a budget estimate for the completion of a 400-unit condominium development in downtown Toronto and for a 400-unit purpose-built rental development, including its operation for year one. It then compares the two.

The one-year operating period used for the rental pro forma is to allow, as much as possible, a like-to like comparison with the condominium project.

Both contain all associated project costs from land acquisition, through planning, fees, taxes, and charges through construction. The purpose-built rental scenario includes operating costs and rental revenues for a one-year period to allow for the typical initial phase one year occupancy period.

For the condominium project, the cost to develop, build, market, and sell, including all associated legal and professional fees is $272,235,000. With a projected revenue of $283,713,175 from the sale of the 400 units at $1,150 p/sq. ft. less cost, the project yields a profit of $11,478,175 or 4.22% of project costs. Please note, this is a significant drop from the late 2022 pro forma where the same project yielded a profit of $39,772,225 or 12.50% of project costs. Based on 2025 financials, this project would likely fail to meet construction financing requirements and is likely non-viable.

For the purpose-built rental project, the cost to develop, build, rent, including all associated legal and professional fees, operating costs and maintenance for year one operations is $251,850,000. Annual revenue is projected at $14,942,283 based on an average monthly rent per unit of $2,933 plus associated locker and parking stall rentals. With this annual revenue, less annual operating costs of $4,482,655, this project yields a net operating income of $10,469,528 from which permanent project financing of $188,887,500 must be repaid (over a 45-year period at 4.25%) yielding a net annual cash flow of $974,246.

SAMPLE SITE
TORONTO, ON
400 UNIT RESIDENTIAL

Date: 28-Apr-25
Project No.: 22257
Report No.: Proforma

	A	B-A	B
EXECUTIVE SUMMARY	**CONDO BUDGET**	**VARIANCE**	**RENTAL BUDGET**
PROJECTED REVENUE	283,713,175	(37,606,631)	246,106,545
PROJECT BUDGET	272,235,000	(20,385,000)	251,850,000
PROJECTED PROFIT	**11,478,175**	**(17,221,631)**	**(5,743,455)**
PROFIT % BUDGET	**4.22%**	**-6.50%**	**-2.28%**
TRENDED NOI			**$10,459,528**
TRENDED YIELD			**4.15%**

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STABILIZATION SUMMARY	**RENTAL MLI SELECT**
PROJECTED REVENUE	
Residential	14,076,000
Revenue Escalation	1,082,312
Parking	216,000
Lockers	30,000
Less Residential Vacancy Allowance	(462,129)
Gross Income	**14,942,183**
OPERATING EXPENSES	
Expense Ratio Residential	30%
Less Operating Expenses Residential	(4,482,655)
NOI	**10,459,528**
PERMANENT FINANCING - 45 Year Period - 4.25% Interest	188,887,500
Interest Paid	(8,027,719)
Loan Repayment	(1,457,563)
Total	(9,485,282)
NET CASHFLOW	**974,246**
Debt Coverage Ratio	**1.10**

SAMPLE SITE
TORONTO, ON
400 UNIT RESIDENTIAL

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		A	B-A	B	
	PROJECT BUDGET SUMMARY	**CONDO BUDGET**	**VARIANCE**	**RENTAL BUDGET**	**ASSUMPTIONS**
	LAND				
1	Land Cost	27,000,000	0	27,000,000	Based on land value of ±$90 psf GFA
2	Land Transfer Tax	1,072,950	0	1,072,950	LTT
3	Land Closing Costs	50,000	0	50,000	Allowance per Industry standards
4	Net Operating Income Pre-Construction	0	0	0	
	LAND SUBTOTAL	28,122,950	0	28,122,950	
	MUNICIPAL FEES				
5	Parkland Dedication	2,710,000	0	2,710,000	Based on 10% of land value + City appraisal fee
6	City Development Charges (June 6, 2024 Rates + 4% Indexing)	27,419,648	(10,701,815)	16,717,833	Current Rates at June 6, 2024 + 4% Indexing - Rental assumes DCs not deferred
7	Separate Education Charges (Current Rates Dec 3, 2025 - Dec 2, 2026)	1,557,200	0	1,557,200	Current Rates - Dec 3, 2025 - Dec 2, 2026
8	Realty Taxes During Construction	824,592	0	824,592	Based on prevailing mill rates
9	Community Benefits Charge	1,080,000	0	1,080,000	4% of Land Value per By-Law
10	Neighbour Encroachments/Settlements	300,000	0	300,000	Allowance per Industry standards
11	Planning & Zoning Legal/Planning/Design etc.	500,000	0	500,000	Allowance per Industry standards
12	City of Toronto Zoning By-Law Fee	304,607	0	304,607	Based on prescribed City Rates
13	City of Toronto Site Plan Control Fee	145,496	0	145,496	Based on prescribed City Rates
	MUNICIPAL FEES SUBTOTAL	34,841,542	(10,701,815)	24,139,727	
	CONSTRUCTION				
14	Construction Below Grade	12,937,500	0	12,937,500	Allowance per Industry standards ($225 psf Below Grade)
15	Construction Above Grade	113,750,000	3,250,000	117,000,000	Allowance per Industry standards ($350 psf Above Grade Condo & $360 psf Above Grade Rental)
16	Raft Slab, Dewatering and Bathtub	2,875,000	0	2,875,000	Allowance per Industry standards ($50 psf Below Grade)
17	Construction Management	3,877,158	97,256	3,974,414	Allowance per Industry standards (2.85%)
18	Common Area Furniture & Amenity Equipment	600,000	400,000	1,000,000	Allowance per Industry standards
19	Building Permit	700,000	0	700,000	Based on prescribed City Rates
20	Miscellaneous Municipal Fees	200,000	0	200,000	Allowance per Industry standards
21	Lane & Road Occupancy	775,000	0	775,000	Based on prescribed City Rates
22	Service Connections (hydro/sanitary/water/storm)	700,000	0	700,000	Allowance per Industry standards
23	Hydro Line Protection	150,000	0	150,000	Allowance per Industry standards
24	Construction Insurance	1,156,000	29,000	1,185,000	Allowance per Industry standards
25	Bonding	0	960,000	960,000	Required as per MLI Select Application
26	TARION Enrolment	706,100	(706,100)	0	Based on Tarion rates effective April 1, 2024
	CONSTRUCTION SUBTOTAL	138,426,758	4,030,156	142,456,914	
	DESIGN				
27	Architect	1,630,000	0	1,630,000	Allowance per Industry standards
28	Structural Engineer	430,000	0	430,000	Allowance per Industry standards
29	Mechanical & Electrical Engineer	440,000	0	440,000	Allowance per Industry standards
30	Landscape Architect	70,000	0	70,000	Allowance per Industry standards
31	Interior Designer	300,000	0	300,000	Allowance per Industry standards
32	Soils, HydroG & Environmental Consultant	150,000	0	150,000	Allowance per Industry standards
33	Shoring Consultant & Monitoring Consultant	150,000	0	150,000	Allowance per Industry standards
34	Cost Consultant	80,000	0	80,000	Allowance per Industry standards
35	Inspection & Testing & Bulletin 19	300,000	(100,000)	200,000	Allowance per Industry standards
36	Code Consultant	30,000	0	30,000	Allowance per Industry standards
37	Civil Engineer	60,000	0	60,000	Allowance per Industry standards
38	Insurance Consultant	10,000	0	10,000	Allowance per Industry standards
39	Acoustic Engineer	40,000	0	40,000	Allowance per Industry standards
40	Traffic Consultant	75,000	0	75,000	Allowance per Industry standards
41	Elevator Consultant	15,000	0	15,000	Allowance per Industry standards
42	Municipal Expeditor	75,000	0	75,000	Allowance per Industry standards
43	Exterior Cladding Consultant	75,000	0	75,000	Allowance per Industry standards
44	Sustainability Consultant/Energy Model	40,000	0	40,000	Allowance per Industry standards
45	Wind Study/Microclimate Consultant	70,000	0	70,000	Allowance per Industry standards
46	Printing & Disbursements	123,000	0	123,000	Allowance per Industry standards
47	Miscellaneous Consultants	207,000	0	207,000	Allowance per Industry standards
	DESIGN SUBTOTAL	4,370,000	(100,000)	4,270,000	

SAMPLE SITE
TORONTO, ON
400 UNIT RESIDENTIAL

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	A	B-A	B	
PROJECT BUDGET SUMMARY	**CONDO BUDGET**	**VARIANCE**	**RENTAL BUDGET**	**ASSUMPTIONS**
	3.45%		3.29%	
LEGAL & ADMINISTRATION				
48 Legal Fees	950,000	(650,000)	300,000	Allowance per Industry standards
49 Land Surveyor	150,000	(60,000)	90,000	Allowance per Industry standards
50 Accountant	40,000	0	40,000	Allowance per Industry standards
51 Development Management	8,265,000	(640,000)	7,625,000	Condo: Based on 3% of Net Revenue. Rental: Based on 4% of Budget less Land, Financing & HST
LEGAL & ADMINISTRATION SUBTOTAL	9,405,000	(1,350,000)	8,055,000	
MARKETING & SALES				
52 Sales Office Construction & Furniture	600,000	(600,000)	0	Allowance per Industry standards
53 Sales Centre Operations	470,000	(470,000)	0	Allowance per Industry standards
54 Marketing & Advertising	2,000,000	(400,000)	1,600,000	Allowance per Industry standards
55 Sales Commissions - Lead Brokers	2,755,088	(2,755,088)	0	Calculated on 1% of Net Revenue
56 Sales Commissions - Outside Brokers	13,775,442	(13,775,442)	0	Calculated on 5% of Net Revenue on 100% of Units
57 Leasing Commissions	0	0	Included in 54	Included in Marketing & Advertising
MARKETING & SALES SUBTOTAL	19,600,531	(18,000,531)	1,600,000	
FINANCE				
57 Bank Loan Arrangement Fee	1,327,996	(383,559)	944,438	70 bps Condo/ 50 bps Rental
58 Bank Loan Stand By Fee	869,521	(869,521)	0	25 bps
59 Bank Loan Agency Fee	90,000	(90,000)	0	Allowance per Industry standards
60 CMHC Premium	0	6,705,506	6,705,506	3.55% - MLI Select 70 points EGI Not Met
61 CMHC Premium PST	0	536,441	536,441	8%
62 CMHC Enrollment Fee	0	50,000	50,000	Per unit charge to a maximum of $55k
63 Service Charges & Misc. Finance Fees	20,000	0	20,000	Allowance per Industry standards
64 Appraisal	12,000	13,000	25,000	Allowance per Industry standards
65 Project Monitor	205,000	(15,000)	190,000	Allowance per Industry standards
66 Letter of Credit Fees	30,000	0	30,000	Allowance per Industry standards
67 Deposit Insurance Fees	1,012,025	(1,012,025)	0	Allowance per Industry standards
68 Land Loan Finance Fee	243,000	0	243,000	Allowance per Industry standards
69 Land Loan Interest	3,134,700	(1,044,900)	2,089,800	Prime 4.95% + 1.5% spread
70 Construction Loan Interest	21,017,175	(6,487,603)	14,529,572	Prime 4.95% + 1% spread Condo/ Prime 4.95%-0.4% Rental
FINANCE SUBTOTAL	27,961,417	(2,597,661)	25,363,756	
OPERATING COSTS & INCOME				
71 Operating Costs Residential Interim Occupancy	408,000	(408,000)	0	Allowance per Industry standards
72 Occupancy Income Residential Units	(2,502,756)	2,502,756	0	1 year fixed mortgage rate 6.09%
73 Interest Earned on Deposits	(439,840)	439,840	0	Based on Prime - 2%
74 Interest Payable on Deposits	0	0	0	Included in Revenue
75 Warranty Reserve & Customer Service	1,200,000	(1,200,000)	0	Allowance per Industry standards
76 Operating Cost to Breakeven	0	6,831,000	6,831,000	Allowance for 16 month lease up period
OPERATING COSTS & INCOME SUBTOTAL	(1,334,596)	8,165,596	6,831,000	
CONTINGENCY				
77 Post Contract Construction Contingency	6,671,983	168,017	6,840,000	5% of Construction costs (Items 14-17)
78 Soft Cost Contingency	4,169,414	1,239	4,170,652	Allowance per Industry standards
79 Construction Escalation (Post April 2025)	Excluded	0	Excluded	Excluded as start date unknown. Revenue escalation excluded
CONTINGENCY SUBTOTAL	10,841,397	169,256	11,010,652	
HARMONIZED SALES TAX				
80 H.S.T. on Monthly Payables	Recovered 81	0	Recovered 81	Recovered 81
81 H.S.T. Monthly Input Tax Credit	Recovered 80	0	Recovered 80	Recovered 80
82 H.S.T. on Self Assessment	0	0	0	Assumed start before Dec 31/30 & completes before Dec 31/35
HARMONIZED SALES TAX SUBTOTAL	0	0	0	
TOTAL PROJECT BUDGET	**272,235,000**	**(20,385,000)**	**251,850,000**	
	272,235,199	(20,385,000)	251,850,204	

SAMPLE SITE
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			A	B-A	B	
	PROJECTED TOTAL REVENUE		**CONDO BUDGET**	**VARIANCE**	**RENTAL BUDGET**	
	MARKET CONDO					
1	Residential Condos					
	- Net Sellable Area (NSA)		255,000 sf	-255,000 sf	sf	
	- Total Units		400 units	-400 units	units	
	- Average Price per Unit		*$733,125*	($733,125)	*$0*	
	Residential Sale Price - per Sf NSA		$1,150	($1,150)	$0	
	Residential Condo Revenue		**$293,250,000**	**($293,250,000)**	**$0**	
2	Residential Parking Stalls					
	Total Stalls		100 stalls	-100 stalls	stalls	
	Less Visitor		-10 stalls	10 stalls	stalls	
	Stalls For Sale		90 stalls	-90 stalls	stalls	
	Parking Stalls Sale Price - per Stall		$90,000	($90,000)	$0	
	Parking Revenue from Condo		**$8,100,000**	**($8,100,000)**	**$0**	
3	Storage Lockers		50 lockers	-50 lockers	lockers	
	Storage Lockers Sale Price - per Locker		$7,500	($7,500)	$0	
	Locker Revenue from Condo		**$375,000**	**($375,000)**	**$0**	
4	H.S.T. on Sales *	-8.69%	($26,216,150)	$26,216,150	$0	0.00%
			$275,508,850	($275,508,850)	$0	
	* If HST threshold increased to $1MM per the Liberals (for 1st time homebuyers), or $1.3MM per Conservatives (for all homebuyers), the HST remitted with reduce. The conservatives new home approach is much better for the industry.					
5	CLOSING ADJUSTMENTS					
	- DC Cap (1br $15,000/2+3br $18,000)		$6,567,000	($6,567,000)	$0	
	- TARION Enrolment Fee		$700,000	($700,000)	$0	
	- Law Society		To Lawyer	$0	$0	
	- Purchasers Cheques		To Lawyer	$0	$0	
	- Meter Connections		$480,000	($480,000)	$0	
	- Closing Credits		$0	$0	$0	
	- Interest Payable on Deposits		($642,674)	$642,674	$0	
6	Smart Metering		$1,000,000	($1,000,000)	$0	
7	Telecommunications		$100,000	($100,000)	$0	
	MARKET CONDO SUBTOTAL		**$283,713,175**	**($283,713,175)**	**$0**	
	MARKET RENTAL					
8	Residential Rental					
	- Net Rentable Area (NRA)		sf	255,000 sf	255,000 sf	
	- Total Units		units	400 units	400 units	
	- Rent per Unit per Month		*$0*	$2,933	*$2,933*	
	Residential Rental Rate - per sf NRA		$0.00	$4.60	$4.60	
	Residential Rental Revenue		**$0**	**$14,076,000**	**$14,076,000**	
9	Rent Escalation - 3 yrs @ 2.5% pa compound to project completion		**$0**	**$1,082,312**	**$1,082,312**	
10	Residential Parking Stalls					
	Total Stalls		stalls	100 stalls	100 stalls	
	Less Visitor		stalls	-10 stalls	-10 stalls	
	Stalls For Rent		stalls	90 stalls	90 stalls	
	Parking Stalls Rental Rate - per Stall		$200	$0	$200	
	Parking Revenue from Rental		**$0**	**$216,000**	**$216,000**	
11	Storage Lockers		lockers	50 lockers	50 lockers	
	Storage Lockers Rental Rate - per Locker		$50	$0	$50	
	Locker Revenue from Rental		**$0**	**$30,000**	**$30,000**	
12	Less Vacancies & Bad Debts	3.00% per annum	$0	($462,129)	($462,129)	
		GROSS ANNUAL INCOME	$0	$14,942,183	$14,942,183	
13	Less Operating Costs & Realty Taxes	30.0%	$0	($4,482,655)	($4,482,655)	
		NET OPERATING INCOME	$0	$10,459,528	$10,459,528	
14	Capitalized Value	4.25% cap rate	$0	$246,106,545	$246,106,545	
	MARKET RENTAL SUBTOTAL		**$0**	**$246,106,545**	**$246,106,545**	
		PROJECTED TOTAL REVENUE	**$283,713,175**	**($37,606,631)**	**$246,106,545**	
			$283,713,175	($37,606,631)	$246,106,545	
		$ PSF/NSA TOTAL	**$1,113**	**($147)**	**$965**	

SAMPLE SITE
TORONTO, ON
400 UNIT RESIDENTIAL

Date: 28-Apr-25
Project No.: 22257
Report No.: Proforma

		A	B-A	B	
SOURCE OF FUNDING		**CONDO BUDGET**	**VARIANCE**	**RENTAL BUDGET**	
EQUITY	15.00%	40,835,250	22,127,250	62,962,500	25.00%
INSURED DEPOSITS	11.64%	31,681,000	(31,681,000)	0	0.00%
DEFERRED COSTS	3.68%	10,005,000	(10,005,000)	0	0.00%
CONSTRUCTION LOAN	69.69%	189,713,750	(826,250)	188,887,500	75.00%
		272,235,000	**(20,385,000)**	**251,850,000**	
	Loan %	**69.69%**		**75.00%**	
Deferred Costs :					
Legal Fees		420,000	(420,000)	0	
Market Sales Commissions - Lead Brokers (50%)		1,377,544	(1,377,544)	0	
Market Sales Commissions - Outside Brokers (50%)		6,887,721	(6,887,721)	0	
Deposit Insurance Fees		120,000	(120,000)	0	
Warranty Reserve		1,200,000	(1,200,000)	0	
		10,005,265	(10,005,265)	0	
	Round to	10,005,000	(10,005,000)	0	
Insured Deposits:					
100% Residential Sales		301,725,000	(301,725,000)	0	
Assume Pre-Sales Market	70.0%	211,207,500	(211,207,500)	0	0.0%
15% Pre-Occupancy Deposits Market Units		31,681,125	(31,681,125)	0	
	Round to	31,681,000	(31,681,000)	0	

SAMPLE SITE
TORONTO, ON
400 UNIT RESIDENTIAL

Date: 28-Apr-25
Project No.: 22257
Report No.: Proforma

				A	B-A	B	
	PROJECT STATISTICS SUMMARY			**CONDO BUDGET**	**VARIANCE**	**RENTAL BUDGET**	
1	FSI			12+		12+	
2	Site Area			<1 ha		<1 ha	
3	Gross Zoning Area (GZA)	- Total		300,000	0	300,000	sf
		- Residential		300,000	0	300,000	
4	Above Grade Gross Construction Area (GCA)			325,000	0	325,000	sf
5	Saleable Area (NSA)	- Residential Market		255,000	0	255,000	sf
		- Total Residential		255,000	0	255,000	sf
		- Efficiency (GCA/NSA)		78.46%	0.00%	78.46%	
		- Efficiency (GZA/NSA)		85.00%	0.00%	85.00%	
6	Suites	- Total - Average SF Area (NSA)		638	0	638	sf
		- Total Suites		400	0	400	nr.
7	Market Suite Mix	- Studio	7%	26	0	26	nr.
		- 1 Bedroom	46%	185	0	185	nr.
		- 2 Bedroom	38%	150	0	150	nr.
		- 3 Bedroom	10%	39	0	39	nr.
9	Parking Stalls	- Total (0.25)		100	0	100	nr.
		- Residential (0.225)		90	0	90	nr.
		- Visitor (0.025)		10	0	10	nr.
10	Parking/UG Area	- Total Area (sf)		57,500	0	57,500	sf
		- Average Area per Stall		575	0	575	sf
		- Stall to Suite Ratio		0.25	0.00	0.25	
11	Construction GCA	- Above Grade (sf)		325,000	0	325,000	sf
		- Underground/Parking (sf)		57,500	0	57,500	sf
		- Total Above & Below Grade(sf)		382,500	0	382,500	sf

2.3 High-Level Results for Mississauga

The Mississauga pro forma provides a budget estimate for the completion of a 400-unit condominium development in downtown Mississauga and for a 400-unit purpose-built rental development, including its operation for year one. It then compares the two.

The one-year operating period used for the rental pro forma is to allow, as much as possible, a like-to like comparison with the condominium project.

Both contain all associated project costs from land acquisition, through planning, fees, taxes, and charges through construction. The purpose-built rental scenario includes operating costs and rental revenues for a one-year period to allow for the typical initial phase one year occupancy period.

For the condominium project, the cost to develop, build, market, and sell, including all associated legal and professional fees is $236,050,000. With a projected revenue of $264,383,457 from the sale of the 400 units at $1,050 p/sq. ft. less cost, the project yields a profit of $28,333,469 or 12% of project costs.

For the purpose-built rental project, the cost to develop, build, rent, including all associated legal and professional fees, operating costs and maintenance for year one operation is $226,715,000. Annual revenue is projected at $13,126,177 based on an average monthly rent per unit of $2,550 plus associated locker and parking stall rentals. With this annual revenue, less annual operating costs of $3,937,850, this project yields a net operating income of $9,188,324 from which permanent project financing of $166,635,525 must be repaid (over a 45-year period at 4.25%) yielding a net annual cash flow of $820,460.

SAMPLE SITE
MISSISSAUGA, ON
400 UNIT RESIDENTIAL

Date: 28-Apr-25
Project No.: 22257
Report No.: Proforma

	A	B-A	B
EXECUTIVE SUMMARY	**CONDO BUDGET**	**VARIANCE**	**RENTAL BUDGET**
PROJECTED REVENUE	264,383,459	(48,187,603)	216,195,857
PROJECT BUDGET	236,050,000	(9,335,000)	226,715,000
PROJECTED PROFIT	**28,333,459**	**(38,852,603)**	**(10,519,143)**
PROFIT % BUDGET	**12.00%**	**-16.64%**	**-4.64%**
TRENDED NOI			**$9,188,324**
TRENDED YIELD			**4.05%**

SAMPLE SITE	Date: 28/Apr/25
MISSISSAUGA, ON	Project No.: 22257
400 UNIT RESIDENTIAL	Report No.: Proforma

STABILIZATION SUMMARY	**RENTAL MLI SELECT**
PROJECTED REVENUE	
Residential	12,240,000
Revenue Escalation	941,141
Parking	330,000
Lockers	21,000
Less Residential Vacancy Allowance	(405,964)
Gross Income	**13,126,177**
OPERATING EXPENSES	
Expense Ratio Residential	30.00%
Less Operating Expenses Residential	(3,937,853)
NOI	**9,188,324**
PERMANENT FINANCING - 45 Year Period - 4.25% Interest	166,635,525
Interest Paid	(7,082,010)
Loan Repayment	(1,285,854)
Total	(8,367,864)
NET CASHFLOW	**820,460**
Debt Coverage Ratio	**1.10**

SAMPLE SITE
MISSISSAUGA, ON
400 UNIT RESIDENTIAL

Date: 28-Apr-25
Project No.: 22257
Report No.: Proforma

	A	B-A	B	
PROJECT BUDGET SUMMARY	**CONDO BUDGET**	**VARIANCE**	**RENTAL BUDGET**	**ASSUMPTIONS**
LAND				
1 Land Cost	9,000,000	0	9,000,000	Based on land value of ±$30 psf GFA
2 Land Transfer Tax	176,475	0	176,475	LTT
3 Land Closing Costs	50,000	0	50,000	Allowance per Industry standards
4 Net Operating Income & Expenses Pre-Construction	0	0	0	
LAND SUBTOTAL	9,226,475	0	9,226,475	
MUNICIPAL FEES				
5 Parkland Dedication	900,000	0	900,000	Capped at 10% of land value
6 City, Region, Go Transit & Education Development Charges	24,289,395	(3,950,915)	20,338,481	Per By-law rates effective February 1, 2025 to June 30, 2025
7 Mayor's Housing Task Force - January 29th, 2025	(5,527,996)	1,035,619	(4,492,377)	50% reduction on Mississauga & 3-Bed units exempt
8 Realty Taxes During Construction	306,630	0	306,630	Based on prevailing mill rates
9 Community Benefits Charge	360,000	0	360,000	4% of Land Value per By-Law
10 Mayor's Housing Task Force - January 29th, 2025	(360,000)	0	(360,000)	Exempt at this time
11 Neighbour Encroachments/Settlements	300,000	0	300,000	Allowance per Industry standards
12 Planning & Zoning Legal/Planning/Design etc.	500,000	0	500,000	Allowance per Industry standards
13 Zoning By-Law Fee	235,610	0	235,610	Based on prescribed City Rates
14 Site Plan Control Fee	74,535	0	74,535	Based on prescribed City Rates
MUNICIPAL FEES SUBTOTAL	21,078,175	(2,915,295)	18,162,879	
CONSTRUCTION				
15 Construction Below Grade	22,785,000	0	22,785,000	Allowance per Industry standards ($175 psf Below Grade)
16 Construction Above Grade	110,500,000	3,250,000	113,750,000	Allowance per Industry standards ($340 psf Above Grade Condo & $350 psf Above Grade Rental)
17 Raft Slab, Dewatering and Bathtub	0	0	0	Not Applicable
18 Construction Management	3,988,554	97,256	4,085,810	Allowance per Industry standards (2.85%)
19 Common Area Furniture & Amenity Equipment	600,000	400,000	1,000,000	Allowance per Industry standards
20 Building Permit	680,000	0	680,000	Based on prescribed City Rates
21 Miscellaneous Municipal Fees	200,000	0	200,000	Allowance per Industry standards
22 Lane & Road Occupancy	0	0	0	Allowance per Industry standards
23 Service Connections (hydro/sanitary/water/storm)	600,000	0	600,000	Allowance per Industry standards
24 Hydro Line Protection	0	0	0	Allowance per Industry standards
25 Construction Insurance	1,189,000	29,000	1,218,000	Allowance per Industry standards
26 Bonding	0	980,000	980,000	Required as per MLI Select Application
27 TARION Enrolment	628,100	(628,100)	0	Based on Tarion rates effective April 1, 2024
CONSTRUCTION SUBTOTAL	141,170,654	4,128,156	145,298,810	
DESIGN				
28 Architect	1,630,000	0	1,630,000	Allowance per Industry standards
29 Structural Engineer	510,000	0	510,000	Allowance per Industry standards
30 Mechanical & Electrical Engineer	440,000	0	440,000	Allowance per Industry standards
31 Landscape Architect	70,000	0	70,000	Allowance per Industry standards
32 Interior Designer	300,000	0	300,000	Allowance per Industry standards
33 Soils, HydroG & Environmental Consultant	150,000	0	150,000	Allowance per Industry standards
34 Shoring Consultant & Monitoring Consultant	65,000	0	65,000	Allowance per Industry standards
35 Cost Consultant	80,000	0	80,000	Allowance per Industry standards
36 Inspection & Testing & Bulletin 19	300,000	(100,000)	200,000	Allowance per Industry standards
37 Code Consultant	30,000	0	30,000	Allowance per Industry standards
38 Civil Engineer	60,000	0	60,000	Allowance per Industry standards
39 Insurance Consultant	10,000	0	10,000	Allowance per Industry standards
40 Acoustic Engineer	40,000	0	40,000	Allowance per Industry standards
41 Traffic Consultant	75,000	0	75,000	Allowance per Industry standards
42 Elevator Consultant	15,000	0	15,000	Allowance per Industry standards
43 Municipal Expeditor	75,000	0	75,000	Allowance per Industry standards
44 Exterior Cladding Consultant	75,000	0	75,000	Allowance per Industry standards
45 Sustainability Consultant/Energy Model	40,000	0	40,000	Allowance per Industry standards
46 Wind Study/Microclimate Consultant	70,000	0	70,000	Allowance per Industry standards
47 Printing & Disbursements	123,000	0	123,000	Allowance per Industry standards
48 Miscellaneous Consultants	207,000	0	207,000	Allowance per Industry standards
DESIGN SUBTOTAL	4,365,000	(100,000)	4,265,000	

SAMPLE SITE
MISSISSAUGA, ON
400 UNIT RESIDENTIAL

Date: 28-Apr-25
Project No.: 22257
Report No.: Proforma

	A	B-A	B	
PROJECT BUDGET SUMMARY	**CONDO BUDGET**	**VARIANCE**	**RENTAL BUDGET**	**ASSUMPTIONS**
LEGAL & ADMINISTRATION				
49 Legal Fees	950,000	(650,000)	300,000	Allowance per Industry standards
50 Land Surveyor	150,000	(60,000)	90,000	Allowance per Industry standards
51 Accountant	40,000	0	40,000	Allowance per Industry standards
52 Development Management	7,725,000	(175,000)	7,550,000	Condo: Based on 3% of Net Revenue. Rental: Based on 4% of Budget less Land, Financing & HST
LEGAL & ADMINISTRATION SUBTOTAL	8,865,000	(885,000)	7,980,000	
MARKETING & SALES				
53 Sales Office Construction & Furniture	600,000	(600,000)	0	Allowance per Industry standards
54 Sales Centre Operations	468,000	(468,000)	0	Allowance per Industry standards
55 Marketing & Advertising	2,000,000	(400,000)	1,600,000	Allowance per Industry standards
56 Sales Commissions - Lead Brokers	2,574,336	(2,574,336)	0	Calculated on 1% of Net Revenue
57 Sales Commissions - Outside Brokers	12,871,681	(12,871,681)	0	Calculated on 5% of Net Revenue on 100% of Units
58 Leasing Commissions	0	0	Included in 55	Included in Marketing & Advertising
MARKETING & SALES SUBTOTAL	18,514,018	(16,914,018)	1,600,000	
FINANCE				
58 Bank Loan Arrangement Fee	1,064,346	(231,168)	833,178	65 bps Condo/ 50 bps Rental
59 Bank Loan Stand By Fee	938,125	(938,125)	0	25 bps
60 Bank Loan Agency Fee	90,000	(90,000)	0	Allowance per Industry standards
61 CMHC Premium	0	5,915,561	5,915,561	3.55% - MLI Select 70 points EGI Not Met
62 CMHC Premium PST	0	473,245	473,245	8%
63 CMHC Enrollment Fee	0	50,000	50,000	Per unit charge to a maximum of $55k
64 Service Charges & Misc. Finance Fees	20,000	0	20,000	Allowance per Industry standards
65 Appraisal	12,000	13,000	25,000	Allowance per Industry standards
66 Project Monitor	205,000	0	205,000	Allowance per Industry standards
67 Letter of Credit Fees	30,000	0	30,000	Allowance per Industry standards
68 Deposit Insurance Fees	950,650	(950,650)	0	Allowance per Industry standards
69 Land Loan Finance Fee	81,000	0	81,000	Allowance per Industry standards
70 Land Loan Interest	1,044,900	(348,300)	696,600	Prime 4.95% + 1.5% spread
71 Construction Loan Interest	19,135,566	(5,235,386)	13,900,180	Prime 4.95% + 1% spread Condo/ Prime 4.95%-0.4% Rental
FINANCE SUBTOTAL	23,571,587	(1,341,823)	22,229,764	
OPERATING COSTS & INCOME				
72 Operating Costs Residential Interim Occupancy	408,000	(408,000)	0	Allowance per Industry standards
73 Occupancy Income Residential Units	(2,360,953)	2,360,953	0	1 year fixed mortgage rate 6.09%
74 Interest Earned on Deposits	(410,065)	410,065	0	Based on Prime - 2.5%
75 Interest Payable on Deposits	0	0	0	Included in Revenue
76 Warranty Reserve & Customer Service	1,200,000	(1,200,000)	0	Allowance per Industry standards
77 Operating Cost to Breakeven	0	7,360,792	7,360,792	Allowance for 16 month lease up period
OPERATING COSTS & INCOME SUBTOTAL	(1,163,018)	8,523,810	7,360,792	
CONTINGENCY				
78 Post Contract Construction Contingency	6,860,000	170,000	7,030,000	5% of Construction costs (Items 15-18)
79 Soft Cost Contingency	3,562,111	(831)	3,561,280	Allowance per Industry standards
80 Construction Escalation (Post April 2025)	Excluded	0	Excluded	Excluded as start date unknown. Revenue escalation excluded
CONTINGENCY SUBTOTAL	10,422,111	169,169	10,591,280	
HARMONIZED SALES TAX				
81 H.S.T. on Monthly Payables	Recovered 82	0	Recovered 82	Recovered 82
82 H.S.T. Monthly Input Tax Credit	Recovered 81	0	Recovered 81	Recovered 81
83 H.S.T. on Self Assessment	0	0	0	Assumed start before Dec 31/30 & completes before Dec 31/35
HARMONIZED SALES TAX SUBTOTAL	0	0	0	
TOTAL PROJECT BUDGET	**236,050,000**	**(9,335,000)**	**226,715,000**	
	236,050,000	(9,335,000)	226,715,000	

SAMPLE SITE
MISSISSAUGA, ON
400 UNIT RESIDENTIAL

Date: 28-Apr-25
Project No.: 22257
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		A	B-A	B	
PROJECTED TOTAL REVENUE		**CONDO BUDGET**	**VARIANCE**	**RENTAL BUDGET**	
MARKET CONDO					
1 Residential Condos					
- Net Sellable Area (NSA)		255,000 sf	-255,000 sf	sf	
- Total Units		400 units	-400 units	units	
- Average Price per Unit		*$669,375*	($669,375)	*$0*	
Residential Sale Price - per Sf NSA		$1,050	($1,050)	$0	
Residential Condo Revenue		**$267,750,000**	**($267,750,000)**	**$0**	
2 Residential Parking Stalls					
Total Stalls		280 stalls	-280 stalls	stalls	
Less Visitor		-60 stalls	60 stalls	stalls	
Stalls For Sale		220 stalls	-220 stalls	stalls	
Parking Stalls Sale Price - per Stall		$60,000	($60,000)	$0	
Parking Revenue from Condo		**$13,200,000**	**($13,200,000)**	**$0**	
3 Storage Lockers		50 lockers	-50 lockers	lockers	
Storage Lockers Sale Price - per Locker		$7,000	($7,000)	$0	
Locker Revenue from Condo		**$350,000**	**($350,000)**	**$0**	
4 H.S.T. on Sales *	-8.48%	($23,866,372)	$23,866,372	$0	0.00%
		$257,433,628	($257,433,628)	$0	
* If HST threshold increased to $1MM per the Liberals (for 1st time homebuyers), or $1.3MM per Conservatives (for all homebuyers), the HST remitted with reduce. The conservatives new home approach is much better for the industry.					
5 CLOSING ADJUSTMENTS					
- DC Cap (1br $12,000/2+3br $15,000)		$5,367,000	($5,367,000)	$0	
- TARION Enrolment Fee		$622,000	($622,000)	$0	
- Law Society		To Lawyer	$0	$0	
- Purchasers Cheques		To Lawyer	$0	$0	
- Meter Connections		$480,000	($480,000)	$0	
- Closing Credits		$0	$0	$0	
- Interest Payable on Deposits		($599,169)	$599,169	$0	
6 Smart Metering		$1,000,000	($1,000,000)	$0	
7 Telecommunications		$80,000	($80,000)	$0	
MARKET CONDO SUBTOTAL		**$264,383,459**	**($264,383,459)**	**$0**	
MARKET RENTAL					
8 Residential Rental					
- Net Rentable Area (NRA)		sf	255,000 sf	255,000 sf	
- Total Units		units	400 units	400 units	
- Rent per Unit per Month		*$0*	$2,550	*$2,550*	
Residential Rental Rate - per sf NRA		$0.00	$4.00	$4.00	
Residential Rental Revenue		**$0**	**$12,240,000**	**$12,240,000**	
9 Rent Escalation - 3 yrs @ 2.5% pa compound to project completion		**$0**	**$941,141**	**$941,141**	
10 Residential Parking Stalls					
Total Stalls		stalls	280 stalls	280 stalls	
Less Visitor		stalls	-60 stalls	-60 stalls	
Stalls For Rent		stalls	220 stalls	220 stalls	
Parking Stalls Rental Rate - per Stall		$0	$125	$125	
Parking Revenue from Rental		**$0**	**$330,000**	**$330,000**	
11 Storage Lockers		lockers	50 lockers	50 lockers	
Storage Lockers Rental Rate - per Locker		$0	$35	$35	
Locker Revenue from Rental		**$0**	**$21,000**	**$21,000**	
12 Less Vacancies & Bad Debts	3.00% per annum	$0	($405,964)	($405,964)	
	GROSS ANNUAL INCOME	$0	$13,126,177	$13,126,177	
13 Less Operating Costs & Realty Taxes	30.00%	$0	($3,937,853)	($3,937,853)	
	NET OPERATING INCOME	$0	$9,188,324	$9,188,324	
14 Capitalized Value	4.25% cap rate	$0	$216,195,857	$216,195,857	
MARKET RENTAL SUBTOTAL		**$0**	**$216,195,857**	**$216,195,857**	
	PROJECTED TOTAL REVENUE	**$264,383,459**	**($48,187,603)**	**$216,195,857**	
		$264,383,459	($48,187,603)	$216,195,857	
	$ PSF/NSA TOTAL	**$1,037**	**($189)**	**$848**	

SAMPLE SITE
MISSISSAUGA, ON
400 UNIT RESIDENTIAL

Date: 28-Apr-25
Project No.: 22257
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		A	B-A	B	
SOURCE OF FUNDING		**CONDO BUDGET**	**VARIANCE**	**RENTAL BUDGET**	
EQUITY	15.00%	35,407,500	24,671,975	60,079,475	26.50%
INSURED DEPOSITS	11.62%	27,426,000	(27,426,000)	0	0.00%
DEFERRED COSTS	4.01%	9,471,000	(9,471,000)	0	0.00%
CONSTRUCTION LOAN	69.37%	163,745,500	2,890,025	166,635,525	73.50%
		236,050,000	**(9,335,000)**	**226,715,000**	
	Loan %	**69.37%**		**73.50%**	
Deferred Costs :					
Legal Fees		420,000	(420,000)	0	
Market Sales Commissions - Lead Brokers (50%)		1,287,168	(1,287,168)	0	
Market Sales Commissions - Outside Brokers (50%)		6,435,841	(6,435,841)	0	
Deposit Insurance Fees		128,000	(128,000)	0	
Warranty Reserve		1,200,000	(1,200,000)	0	
		9,471,009	(9,471,009)	0	
	Round to	9,471,000	(9,471,000)	0	
Insured Deposits:					
100% Residential Sales		281,300,000	(281,300,000)	0	
Assume Pre-Sales Market	65.0%	182,845,000	(182,845,000)	0	0.0%
15% Pre-Occupancy Deposits Market Units		27,426,750	(27,426,750)	0	
	Round to	27,426,000	(27,426,000)	0	

SAMPLE SITE
MISSISSAUGA, ON
400 UNIT RESIDENTIAL

Date: 28-Apr-25
Project No.: 22257
Report No.: Proforma

				A	B-A	B	
	PROJECT STATISTICS SUMMARY			**CONDO BUDGET**	**VARIANCE**	**RENTAL BUDGET**	
1	FSI			12+		12+	
2	Site Area			<1 ha		<1 ha	
3	Gross Zoning Area (GZA)	- Total		300,000	0	300,000	sf
		- Residential		300,000	0	300,000	
4	Above Grade Gross Construction Area (GCA)			325,000	0	325,000	sf
5	Saleable Area (NSA)	- Residential Market		255,000	0	255,000	sf
		- Total Residential		255,000	0	255,000	sf
		- Efficiency (GCA/NSA)		78.46%	0.00%	78.46%	
		- Efficiency (GZA/NSA)		85.00%	0.00%	85.00%	
6	Suites	- Total - Average SF Area (NSA)		638	0	638	sf
		- Total Suites		400	0	400	nr.
7	Market Suite Mix	- Studio	7%	26	0	26	nr.
		- 1 Bedroom	46%	185	0	185	nr.
		- 2 Bedroom	38%	150	0	150	nr.
		- 3 Bedroom	10%	39	0	39	nr.
9	Parking Stalls	- Total (0.70)		280	0	280	nr.
		- Residential (0.55)		220	0	220	nr.
		- Visitor (0.15)		60	0	60	nr.
10	Parking/UG Area	- Total Area (sf)		130,200	0	130,200	sf
		- Average Area per Stall		465	0	465	sf
		- Stall to Suite Ratio		0.70	0.00	0.70	
11	Construction GCA	- Above Grade (sf)		325,000	0	325,000	sf
		- Underground/Parking (sf)		130,200	0	130,200	sf
		- Total Above & Below Grade(sf)		455,200	0	455,200	sf

PART 3 – Rental Housing Policy Recommendations

The following recommendations are based on extensive input from BILD's Purpose Built Rental Committee members, reflecting both common themes and unique priorities across jurisdictions. While there is general support for municipal and provincial actions—particularly related to property tax relief and development charge (DC) deferrals—our strongest focus is on federal-level reforms, especially around construction and take-out financing. Without reliable and attainable debt financing options and a national strategy to attract foreign capital, the development of rental accommodations through the primary (PBR) and secondary (private condo rentals) rental markets will continue to struggle, regardless of local incentives.

This section presents coordinated recommendations for all three levels of government, with the goal of creating an integrated, effective framework for encouraging the development of rental accommodation, increasing housing supply, and improving affordability across Canada.

These are the tools that will solve the housing crisis.

<u>Federal Recommendations:</u>

- Expand Innovative CMHC Programs
  - Refocus CHMC programs to ensure alignment with core mandate of building housing and securing financing risk.
  - Expand innovative CMHC programs (Apartment Construction Loan Program) to ensure:
    - Certainty of construction, term financing at stabilization, and greater loan capacity.
    - Removal of excessive "strings-attached" (e.g., affordability, environmental criteria).

- Link federal infrastructure funding to the outcome of housing deliverables
  - Tie any additional infrastructure funding to tangible housing delivery targets (instead of systemic policy changes that don't deliver supply).
  - Make good on the commitment to cut DCs by 50% (i.e., to a value of up to $65,000 for high-rise and low-rise housing).
  - Make reductions of DCs permanent, broaden to all housing types, and not limited to a five-year period, to permanently reset the cost to build.

- Reposition the Build Canada Homes (BCH) initiative
  - Leverage the expertise and speed of the private sector by:
    - Prioritizing private sector empowerment over government-led construction.
    - Focusing on removing regulatory barriers and accelerating local approvals.
    - Partnering with local builders to accelerate the construction of housing supply on surplus government lands suitable for that purpose.

- Engage BILD members on upcoming work on MURBs
    - We are encouraged by the reintroduction of incentives for Multi-Unit Residential Buildings (MURBs), a proven tool that successfully delivered over 200,000 rental units in the 1970s. When combined with the existing GST/HST rebate on purpose-built rentals, we know this approach can accelerate much-needed rental housing construction across the GTA and beyond. Lean on the industry for expertise on how this worked previously.

- Capital Attraction Strategy
    - Launch a campaign to attract foreign direct investment in housing. Emphasize housing as critical infrastructure to encourage pension funds and global capital inflow.
    - Lift the foreign buyer ban.

- Federal-Provincial-Municipal Housing Coordination Committee
    - Establish a permanent tri-level task force involving all orders of government and private-sector partners to ensure policy alignment and rapid execution.
    - Doubling housing start requires a strategy, modular is not the answer, especially on a high-rise scale and supply, moreover we have an employment/trades deficit forthcoming that will require a clear strategy.

<u>Provincial Recommendation:</u>

- Unlock Existing DC Funds (reserves)
    - Compel municipalities to redeploy development charges reserves to project-ready initiatives, especially those with a rental/mixed use component.

<u>Municipal Recommendations:</u>

- Eliminate or Reduce DCs for Rental Projects, and Projects With a Mixed-use Component
    - Implement a DC waiver for all new rental construction projects.
    - Reform DC policy to align with provincial and federal housing affordability initiatives.

- Lower Property Tax Rates for PBR
    - All municipalities are encouraged to employ the “New Multi-Residential Subclass” discount of up to 35% of the property tax rates (this can be improved in the City of Toronto where the discount is currently 15%).
    - Offer Tax Increment Financing (TIF) for PBR projects (e.g., 0–100% abatement).

These recommendations, particularly those at the federal level, reflect a growing consensus: the provision of rental housing, particularly through purpose-built rental developments, cannot succeed without urgent action to improve financing conditions and reduce government-imposed cost burdens. Coordinated, bold, and responsive policies are required across all levels of government to reverse declining housing starts and unlock the capital and capacity needed to build at scale.