

Nation-building: the Carney-Ford housing deal and Ontario government land use planning and regulatory process reforms

MARCH 31, 2026 10 MIN READ



Related Expertise

- [Government and Public Sector](#)
- [Infrastructure](#)
- [Major Projects](#)
- [Municipal, Land Use Planning and Development](#)
- [Real Estate](#)

Authors: [Chris Barnett](#), [Evan Barz](#), [Andrew Rintoul](#), [Alex Farrant](#)

Key Takeaways

- The Ontario housing crisis has spurred major legislative announcements with potential Ontario home cost reductions of up to \$200,000.
- The Canada-Ontario Partnership to Build allocates \$8.8 billion to housing-enabling infrastructure, contingent on municipalities cutting development charges.
- Ontario's Bill 98 proposes significant reforms to land use planning, aiming to expedite the home-building process in that province.

The housing crisis in Ontario has driven both federal and provincial legislative and policy agendas for years. On March 30, 2026, a significant announcement was made that could result (according to Prime Minister Mark Carney) in the cost of new homes in Ontario being reduced by up to \$200,000.

In addition, in a separate series of announcements, the Ontario government has introduced a series of legislative changes and proposed regulations with the goal of further streamlining the development approval process. We have prepared

- a [table summarizing](#) all of the consultations announced, linked to the ERO postings for comment
- a [blackline](#) of the proposed changes to the Planning Act proposed by Bill 98

Development charge relief

Prime Minister Carney and Premier Doug Ford appeared at a joint announcement in Toronto (also attended by Mayor Olivia Chow), and they brought their cheque books. The Canada-Ontario Partnership to Build commits \$8.8 billion over 10 years — \$4.4 billion each from Ottawa and Ontario — to housing-enabling infrastructure, specifically structured to fund municipalities that cut development charges (DCs) by up to 50% for three years. The funding targets municipalities covering 80% of Ontario's population.

A key pre-condition: municipalities must cut DCs to receive any assistance. Premier Ford was

blunt: “If you don’t cut DCs, you aren’t getting any money ... but if you do, we will be there to support you”.

HST relief

The full 13% HST is removed for all new homes in Ontario valued up to \$1 million, applicable to agreements signed between April 1, 2026, and March 31, 2027. The maximum \$130,000 rebate is maintained for homes up to \$1.5 million, tapering to \$24,000 at \$1.85 million. Ontario estimates \$2.2 billion in total tax relief, 8,000 additional housing starts next year, 21,000 jobs, and \$2.7 billion in GDP contribution.

Ontario announcements

The Ontario government released a series of announcements and decisions aimed at further reforming the land use planning and regulatory process to get homes built faster. The announcements included the introduction of Bill 98, the *Building Homes and Improving Transportation Infrastructure Act, 2026*, which proposes sweeping changes to how land use policy is implemented by municipalities across the province.

We have prepared a blackline version of the *Planning Act* [PDF] showing the proposed amendments in context.

In addition to the legislative changes, there were multiple postings on the Environmental Registry of Ontario, which we have summarized and categorized with links to each posting, capturing proposed legislative amendments as well. We have also provided a table categorizing the various postings for ease of reference.

Standardized official plans

Proposed amendments to the *Planning Act* would put in place a standard structure for official plans, to be set out in Schedule 7. A summary of the structure can be found in the [ERO posting](#). The proposed structure includes a standardized set of land use designations to be used in local official plans, with the ability for the Minister to set out further direction on implementing any of these designations, including using two or more sub-designations. Otherwise, the listed designations are the only ones that will be permitted in official plans.

This represents a potential transformative shift for official plan policy, which has historically been tailored to address the unique growth, land use and development needs and objectives of local municipalities.

The proposal is for these changes to come into force January 1, 2028, for “large and fast growing municipalities”, but there is no set date in the legislation or proposal for when municipalities must amend their plans to fit this new framework.

There is the ability for municipalities include a description of “goals and objectives” for each chapter, and for the Minister to give written directions for how to comply with these new requirements.

Further consultations

In addition to the proposed legislative changes, there is a [second ERO posting](#) seeking additional feedback on a proposal to create a distinct framework with clear parameters for secondary plans and site and area specific policies with the aim of increasing consistency across municipalities while preserving development permissions. The consultation is open until April 29, 2026.

Parkland

Bill 23, introduced in 2022, proposed changes to the parkland regime which included giving landowners the ability to identify land that it proposes to convey for parkland, and giving the municipality the ability to accept or refuse that land, along with a right of appeal. Rules around encumbered land (such as strata parks) were also contemplated. Those changes have not yet been proclaimed in force, and the regulation with the criteria to be considered by municipalities and the Tribunal have not been enacted.

Bill 98 proposes updates to this proposed process, and there is now an [ERO posting of the proposed criteria for parkland](#) which states that land cannot be contaminated or hazardous land, but lands within and adjacent to natural heritage features could be eligible, providing the features have not been interfered with or compromised.

Municipalities will also be required to provide a response to a proposal for conveyance of parkland within 90 days, failing which the landowner can appeal the non-decision to the Tribunal.

If the Tribunal directs that land be conveyed to a municipality following a hearing, including encumbered land, then credit is required to be given at a factor of no less than 0.7, or a larger factor, as determined by the municipality.

The date on which these changes would come into force has not been announced .

Site plan

Two key developments related to site plans: a change to the Act regarding the scope of site plans, and a consultation on whether site plan approvals should be eliminated altogether.

Proposed Planning Act changes

The proposed change to the Act builds on earlier legislative changes and is intended to make clear that elements of "sustainable design" cannot be included as part of site plan control. The Minister also will have the power to make regulations excluding other matters from site plan control in the future.

Wider consultation on site plan approvals

There is also a [posting on the ERO](#) which seeks "...feedback on bold and transformational changes to site plan control."

Potential reforms could include

- the removal of site plan control as a land use planning tool
- if site plan remains, limiting circulations to three rounds, followed by a meeting to work through all outstanding issues
- further scoping the review process to a standardized checklist
- requiring an arbitration process as an alternative to an OLT appeal
- requiring different site plan streams with different levels of requirements

The posting is open for comment until May 14, 2026.

Complete application requirements

Study requirements

The Ontario government is consulting on a proposal for regulation(s) to provide consistency for the types of studies that can be required for an application to be considered complete. The proposed list that includes the types of information and material municipalities may require is not a mandatory list but would allow municipalities to determine what types of information may be required based on specific circumstances. Studies not in the proposed regulation may not be required.

Two categories of studies are being proposed: core and contingent.

Core studies are those studies that could always be required as planning authorities typically require these studies for most planning applications and address fundamental planning and engineering matters, such as environmental impacts, existing servicing capacity, transportation impacts, and public health and safety.

Contingent studies could only be required when a specific on-site or surrounding condition exists in the local municipality that renders the study relevant for the application. Examples include if the subject property is located on or near airports, rail corridors, significant natural hazards, or major facilities, or when the property contains certain environmental, cultural, or resource-based features. Prescribed professions

On January 22, 2026, the province prescribed professional engineers as a designated profession for the purposes of determining whether an application is complete. If a required report is prepared by a professional engineer, then the submission of that report satisfies any complete application requirement.

There is now a further posting on the ERO seeking input on whether additional professions should be added to that regulation. Municipalities can still seek further information based on the submitted reports, but the appeal timelines are not affected.

Growth management

The government had previously released a proposed update to the Projection Methodology Guideline (PMG). It has considered the input it received, and posted a further draft for comment until April 29, 2026.

The PMG is an important tool in implementing the growth projections that will guide amount of population and employment for which municipalities are planning.

Minimum lot sizes

Bill 98 proposes to give the Minister the power to make a regulation to set a minimum residential lot size in fully serviced urban areas. There is a [separate ERO posting](#) which proposes that the minimum lot size be 175m². This proposal is open for comment until May 14, 2026.

Communal drinking water and wastewater consent requirements

Bill 98 also proposes amendments to the *Municipal Act*, and *Safe Drinking Water Act* that would authorize the making of regulations that relate to the conditions and criteria to be met in order for a municipality to give consent to a non-municipal communal water or wastewater system. If the criteria were met, a municipality would be required to give consent. The proposed criteria and conditions are contained in the [ERO posting on the proposed regulation](#).

This could have an impact in areas where servicing constraints are limiting development potential,

Revocation of the Parkway Belt West Plan

The Parkway Belt West Plan was the first provincial land use plan, created in 1978 to reserve land for multi-purpose utility corridors, to act as an urban separator, and provide a linked open space system across the Greater Toronto Area. Through a series of ERO postings, the government is proposing [to revoke the plan](#) and [five remaining MZOs](#) that were used to implement the Plan. There is also [a posting related to carrying out a study](#) that will identify and protect land for future transmission infrastructure throughout the Greater Toronto Area, spanning from Hamilton in the west to Markham in the east.

Table of ERO postings

Posting (with link)	Summary	Comments due
<i>General</i>		
<u>026-300</u>	Consultation on all aspects of Bill 98 Consultation on proposed regulation removing authority to require, as a condition of land division approvals, mandatory enhanced development standards at the lot level (outside of buildings), that are not specifically required for health, safety, accessibility or protection of adjoining lands (e.g., stormwater management)	April 29, 2026
<u>026-309</u>		May 14, 2026

<u>026-0305</u>	Consultation on proposal to facilitate electronic submission of information as part of the <i>Planning Act</i> process electronically	May 14, 2026
<i>Standardized official plans</i>		
<u>025-1099</u>	Summary of proposal in Bill 98 with proposed structure for all official plans	NA
<u>026-315</u>	Consultation on possible changes that could relate to specific requirements for secondary plans and Site and Areas Specific Policies (SASPs)	April 29, 2026
<i>Site plans</i>		
<u>026-310</u>	Consultation on “bold and transformational” changes to site plan control, possibly including eliminating site plan approvals	May 14, 2026
<i>Communal servicing</i>		
<u>026-0302</u>	Constultation on potential regulations to set out requirements for municipal consent of non-municipal communal drinking water and wastewater systems and to require municipalities to consent if requirements are met	April 29, 2026
<i>Parkland</i>		
<u>026-312</u>	Consultation on proposed regulation to standardize parkland dedication requirements for landowner identified parkland, including encumbered land (strata) and POPS	May 14, 2026
<i>Complete applications</i>		
<u>026-314</u>	Consultation on potential regulation to add additional professions as “prescribed” for complete application requirements	May 14, 2026
<u>026-313</u>	Consultation on proposed regulation to provide a comprehensive list of studies that may be required as part of a complete application	May 14, 2026
<i>Projection methodology</i>		
<u>026-0304</u>	Consultation on proposed update to the Projection Methodology Guideline	April 29, 2026
<i>Minimum lot sizes</i>		

<u>026-0311</u>	Consultation on proposed regulation to establish a minimum lot size in serviced urban residential areas at 175 m2	May 14, 2026
<i>Parkway Belt West Plan</i>		
<u>026-229</u>	Consultation on proposal to revoke the Parkway Belt West Plan	May 14, 2026
<u>026-330</u>	Consultation on proposal to revoke the five MZOs associated with the Parkway Belt West Plan	May 14, 2026
<u>026-0347</u>	Consultation on study to preserve a corridor of land within and adjacent to the Parkway Belt area for future transmission infrastructure	May 29, 2026