

From: [Watson & Associates Economists Ltd.](#)
Subject: Updated Bulletin for August 1, 2025 - Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin
Date: Friday, August 1, 2025 11:41:43 AM

To our Municipal Clients,

This email is being distributed to provide our clients with an update regarding the Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin posted by the Ministry of Municipal Affairs and Housing (“MMAH Affordable Unit Bulletin”).

As part of previous changes to the *Development Charges Act, 1997*, the Province implemented mandatory exemptions for affordable owned and affordable rental units. If the proposed units are to be sold or rented at or below the amounts set out in the MMAH Affordable Unit Bulletin, the units would be exempt from development charges, subject to an agreement to ensure the units remain affordable for a period of 25 years. The Province committed to updating the MMAH Affordable Unit Bulletin on an annual basis. **Beginning August 1, 2025, the bulletin has been updated to reflect updated market values and income levels.** The bulletin can be found here: [Municipal development and community benefits charges, and parklands | ontario.ca](#).

When entering into new agreements on or after August 1, 2025, the new data will be utilized to confirm if the exemption applies. For established agreements, the new data will be used as follows (subject to the specific provisions of the agreement):

- Affordable Owned Units – if the unit will be sold after August 1, 2025, the data would be used to confirm if the sales price is at or below the level set out in the bulletin.
- Affordable Rental Units – after August 1, 2025, when the municipality checks to confirm the rent is at or below the level set out in the bulletin, the new data will be used.

Note for **ownership housing**, a unit would be considered affordable when the purchase price is at or below the lesser of:

- Income-based purchase price: A purchase price that would result in annual accommodation costs equal to 30% of a household’s gross annual income for a household at the 60th percentile of the income distribution for all households in the local municipality; and
- Market-based purchase price: 90% of the average purchase price of a unit of the same unit type in the local municipality.

For **rental housing**, a unit would be considered affordable when the rent is at or below the lesser of:

- Income-based rent: Rent that is equal to 30% of gross annual household income for a household at the 60th percentile of the income distribution for renter households in the local municipality; and

Market-based rent: Average market rent of a unit of the same unit type in the local municipality.

We are currently reviewing the datasets and will provide some supplementary summary analysis next week.

We trust that this information has been useful and would be pleased to discuss further if you have any questions.

Yours very truly,

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