

New report says Ontario infrastructure faces “delivery capacity crisis”

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At a roundtable event featuring Ontario’s Minister of Transportation Prabmeet Sarkaria, the Vaughan Chamber of Commerce released its [2025 Infrastructure Report](#), which warns that province’s infrastructure challenge has evolved from a funding gap into a delivery capacity crisis.

According to the report, Ontario currently faces approximately \$56 billion annually in congestion-related economic and social costs, and without a shift in how projects are approved, tendered, and built, those annual costs are projected to rise to \$108 billion by 2044 if congestion levels remain unchanged.

The findings identify “servicing capacity”, specifically water and wastewater systems, as the nonnegotiable ceiling on housing starts. As demonstrated by the recent servicing moratorium in Waterloo Region, underinvestment and misaligned sequencing in core infrastructure can result in a pause in housing and employment growth even where planning approvals exist.

“The era of performative planning is over,” said Abdus Samad, vice president of Government Affairs and Strategic Initiatives at the Vaughan Chamber. “We have shovel-ready housing and trade projects stalled by the ‘inefficiency incarnate’ of fragmented local rules and slow approvals. We need to treat infrastructure as a foundation for competitiveness, not an administrative afterthought. We need action. Now.”

Key Recommendations from the report include:

- **End Fragmentation:** Standardize municipal construction specifications across the GTHA to eliminate inefficiency and reduce risk pricing.
- **Stabilize the Pipeline:** Institutionalize early tendering, with a majority of awards completed by Q4 or early Q1, to protect the construction season and the workforce.
- **Modernize Approvals:** Shift to parallel permit processing and implement “one-window” visibility into permit status and timelines to reduce sequential delay.

- Fiscal Discipline: Re-focus development charges exclusively on core growth-enabling infrastructure and introduce mandatory province-wide transparency standards for development charge background studies.

Beyond these recommendations, the report identifies delivery constraints as a central issue across Ontario's infrastructure landscape. Addressing these constraints requires coordination across all orders of government. Provincial initiatives, including recent legislation to streamline approvals and support housing enabling infrastructure, have established progress at the system level. The findings highlight the importance of continued alignment at the municipal level in construction standards, approvals, and development charge administration, alongside alignment of federal infrastructure funding programs with local servicing capacity and growth priorities.

“The Vaughan Chamber of Commerce’s annual Infrastructure Report is a valuable resource that underscores an important reality: building critical infrastructure is not just about funding — it’s about strengthening how projects move from approval to construction,” said Nadia Todorova, executive director of the Residential and Civil Construction Alliance of Ontario (RCCAO). “When servicing capacity, municipal standards, and permitting processes fall out of alignment, growth slows. Industry will continue working with all orders of government to strengthen coordination, accelerate delivery, and turn infrastructure investment into homes, jobs, and long-term economic prosperity for all Ontarians.”