



January 16, 2026

City of Guelph  
1 Carden St, Guelph  
ON, N1H 3A1

Attn: Mayor Guthrie and Members of Council

**Re: Downtown Community Planning Permit System**

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Dear Mayor Guthrie and Members of Council,

Fusion Homes is an active home builder and owner of land within the boundaries of Downtown Guelph being considered by the new Community Planning Permit System By-Law.

The purpose of this letter is to provide written comments on the proposed CPPS By-law for Council and staff consideration as part of Council's Planning meeting on January 20, 2026.

Fusion recognizes the need for affordable housing solutions in the city, including but not limited to downtown. We are currently having exploratory discussions with City staff regarding opportunities at the Guelph Innovation District.

We were surprised to see that future housing units created from increased height allowances applied through OPA 106 are to be 33% affordable. This creates an effective inclusionary zoning percentage of 15% - 25% for some sites. We feel strongly, especially under current and forecasted market conditions, that this rate will not be financially viable for market rate builders and developers and will ultimately prevent any meaningful residential development downtown. Please note that lands owned by Fusion did not receive any increase in height permissions through OPA 106. It is also worth noting the Province of Ontario is currently proposing to exempt/delay Inclusionary Zoning measures in Toronto, Mississauga and Kitchener in response to current market conditions to help spark housing development.

We have reviewed the Downtown CPPS materials, including the feasibility study conducted by Watson & Associates. We have a number of concerns with the assumptions and conclusions of the feasibility study stemming from our experience in high density residential development in downtown Guelph. We encourage staff and council to further explore and question the assumptions and resulting financial information presented. Some of those assumptions, include:

*Love the journey*

- Parking: the November 2025 feasibility assessment assumes no parking will be constructed for the various building scenarios. We do not believe this is a realistic assumption and both condominium and purpose built rental will require some level of parking to be marketable;
- Market sales price assumptions are extremely aggressive and not consistent with current market pricing and activity. For example, an 18-storey condo building uses a price/sf assumption ranging from \$810 to \$953. This is not achievable and even more challenging if no parking is being provided;
- Development costs appear to be low. Basic condominium development costs appear to be missing, such as marketing and sales/commissions costs, which are significant. In addition, construction, financing, legal, and Tarion all appear to be low or missing;

Overall, we believe significant adjustments to the financial modelling would be required to present more realistic scenarios and determine viable affordable housing capacity. Unfortunately, current market conditions suggest that high density condo development is not viable in any form. Fusion supports work being done to investigate and implement meaningful affordable housing measures in Guelph, however, it is important that targeted rates are realistic and support feasible housing development.

If you have any questions or would like to discuss our comments in the meantime, please do not hesitate to contact me.

Sincerely,

**Fusion Homes**



Ryan Scott  
Senior Vice President, Development & Finance