



Community Builders...Building Communities

July 9, 2015

City of Hamilton – City Council
 Attn.: City Clerk
 71 Main Street West
 Hamilton, ON L8P 4Y5

Re: Follow up to HHHBA Delegation to AF&A re: Municipal Land Transfer Taxes

Thank you for affording the Hamilton-Halton Home Builders' Association the opportunity to make a delegation to the Audit, Finance, and Administration Committee yesterday regarding the potential for studying a municipal land transfer tax for Hamilton.

We feel very strongly that the position taken by this Committee was the right one for both the City's administration and finances, and for the current and future homeowners of the City. Municipal land transfer taxes directly affect one of our Association's two key mandates: the affordability of home ownership. In today's world there are so many pressures on home owners, whether they be first time buyers, the move up buyer, etc. In Hamilton, we have seen the price of real estate soar even while maintaining relative affordability compared to our GTA neighbors.

People who live here wonder how their children will be able to afford a new home. Many feel they can't move because it is just too costly.

In order to achieve the growth targets set by the province.... which our City has not yet been able to achieve, we need to be able to attract more people to our city. Adding a new tax, a municipal land transfer tax, is counterintuitive to this City goal. Our Association hosted a mayoral debate prior to last fall's election, and every mayoral candidate went on record saying they were opposed to implementing such a tax. That is because it's just bad for business.

OREA had indicated that a land tax imposed by the municipality would add approx. \$3,200 to the price of a home. As a percentage of the total house price that is staggering and significant. And this would be charged to people who, if they choose Hamilton as their home, will already pay more for property taxes than the comparable average or our surrounding neighbors. So why would we add an additional burden onto these people, making our city less desirable than our neighbours and potentially losing that new resident to them? This speaks nothing to the contribution this lost \$3,200 has on the local economy, where this money could instead be used for new furniture, home improvements they may wish or require, hiring a local landscaper, etc.

It is totally reasonable for the City to search out new revenue tools, or to find ways to keep property taxes down. But those tools should be fair and reasonable, and not burden a small portion of the population who choose to either relocate to Hamilton, move into home ownership, downsize due to age, etc., who benefit no more for the services in Hamilton than their neighbors who don't need to move.

Please continue down the path of good fiscal management, continuing to reduce the property tax differential between ourselves and other comparable municipalities, as has been done over the last number of years. We truly believe that a municipal land transfer tax is not the right choice for Hamilton, neither as a principle when trying to grow our city, nor as a revenue tool for city management. We ask that Council back the position taken by the Audit, Finance and Administration Committee and previously by the Mayor, and NOT proceed further in considering municipal land transfer taxes as an option for Hamilton.



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The Hamilton-Halton Home Builders' Association was established over 70 years ago, and is the voice of the residential construction and renovation industries in Hamilton and the Halton regions. We advocate for choice and affordability in new home construction.

Yours truly,

HAMILTON-HALTON HOME BUILDERS' ASSOCIATION

A handwritten signature in black ink, appearing to read "ARoshko".

Allan J. Roshko
President

A handwritten signature in blue ink, appearing to read "Suzanne Mammel".

Suzanne Mammel, MBA, CET
Executive Officer