

**TIBRO GROUP**

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Date: February 27, 2018

Dear Mayor Eisenberger and Members of Council,

As a developer in the downtown Hamilton area with two purpose built rental projects and close to 200 units going into the development stages, we would like to express our concerns about the Development Charge Rebate Program. We believe it is important that the City seriously consider increasing the eligibility requirements from 150% to 175% of average market rents, based on the Province of Ontario's website.

The City of Hamilton needs new purpose-built rentals due the very low vacancy rates. As a developer that believes in purpose-built rentals, we must make these projects financially feasible in order to encourage new development. The only way we can do this is by getting incentives on the Development Charges from the City so that we can aim to provide reasonable rental rates for tenants. The current average 1 bedroom rent for Hamilton is listed at \$850/month – this is far below the actual market rent and very far below rents to make new developments feasible. In fact, we believe the rents are as much as double that rate in certain areas of Hamilton.

It is important to incentivize developers to build purpose-built rentals in Hamilton so that we can keep vacancy rates higher and thus provide longer term reasonable rents for tenants. Again, the only way to do this is through credits on Development Charges with the City to bring development costs down.

Developers like us take a very large risk in today's market when constructing new rental housing – project returns have reduced significantly due to increased land prices. By creating incentives like the waiving of Development Charges, it helps ensure the long-term feasibility of new purpose built rental development projects that are necessary in today's and our future's housing markets.

Please feel free to contact me as I would be happy to discuss this topic further with you.

Sincerely,

**Sarit Chaudharia**

A handwritten signature in black ink, appearing to read "Sarit Chaudharia", written over a horizontal line.

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