

Chair and Members of Hamilton's Development Charges Stakeholders Subcommittee
City of Hamilton
71 Main Street West
Hamilton, ON L8P 4Y5

November 1, 2023

Over the past several decades, Melrose Investments Inc. and Rosehaven Homes Limited have developed and built new communities within the City of Hamilton in several neighborhoods including Ancaster, Stoney Creek and Downtown Hamilton. We are proud to contribute to the changing landscape of the City by delivering high-quality homes and mixed-use developments.

In the past five years, the City of Hamilton has experienced a boom of new development and investment in its Downtown Core, primarily due to the innovative municipal programs such as the CIPA Exemption Program and the ERASE Redevelopment Grant Program. We have recently completed a 266-unit condominium development at 212 King William Street in Hamilton (KiWi Condos) and are soon launching a new 477-unit condominium development at 71 Rebecca Street (Rebecca Condos). Without the availability of these municipal programs, these developments would not be financially viable.

We have been advised that the Development Charge Stakeholder Committee is currently in the process of reviewing the CIPA Exemption Program and are proposing to remove all exemptions on development charges within the CIPA area. We believe that this decision will severely impact the affordability of housing in Hamilton and may jeopardize any current or future development in the Downtown Core.

As the council is aware, the housing market is in a state of crisis. There is a limited supply of land that is readily available for development, and the cost of construction has risen dramatically in the past two years. Together, these concerns have directly caused the average sales price for a new home in Ontario to increase and have limited the ability for builders to bring new projects to market.

It is important to remember that **the cost of construction (hard costs) is the same in any municipality, whether you are building in Hamilton, Mississauga, or Toronto.** However, statistically the average sales price for condominium apartments is lower in Hamilton (\$451,331) than in Mississauga (\$652,280) or Toronto (\$736,566).

With a lower average sale price, as well as several properties being subjected to contamination and remediation costs, the cost of development will quickly exceed the market sale price for housing in Hamilton, causing new developments to be stalled, delayed or cancelled. In order to keep builders from looking to develop in other municipalities with less risk, the City of Hamilton must provide tools to keep the cost of development down.

We strongly believe that a decision to remove the CIPA Exemption Program will directly increase the cost of development in the City of Hamilton and may jeopardize future residential construction. Furthermore, the removal of this program will directly contribute to the lack of affordable housing in the City of Hamilton.

The City of Hamilton is in the midst of a revitalization within the urban Downtown Core through new investment and development. Now is the time to maintain the momentum, not take a step back. We hope that the Council will elect to maintain this program to continue to encourage investment within the City of Hamilton.

Sincerely,



Stefano Guglietti
Project Manager
Melrose Investments Inc., High-Rise Division