

Vantage Developments Inc.  
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February 20<sup>th</sup>, 2024

**Via E-mail**

Audit, Finance and Administration Committee  
71 Main Street West  
Hamilton, ON, L8P 4Y5

**Attention: Tamara Bates, Legislative Coordinator**

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Dear Sirs/Mesdames:

**Regarding: Item 10.1 – 2024 Development Charges Background Study and By-law Update.**

We are writing to you on behalf of Vantage Developments (“Vantage”) to express our significant reservations with the proposed removal of the 40% Development Charge Exemption within the Downtown Community Improvement Area. Vantage is a recently formed residential development company with Hamilton being the location of our first development project, which is expected to include approximately 375 residential units. We believe the supply of new housing is critical to foster a vibrant, livable, and a supportive downtown ecosystem. Not only does each new unit provide an opportunity to chip away at the housing crisis across Ontario, but it also provides the City with recurring funding through property taxes to provide critical services to residents.

While we understand the pressures on the residential tax levy, it is important to note that new residential development is teetering on the brink of being unfeasible. The rising interest rate environment has significantly impaired both sales volumes and pricing. Coupled with rising construction costs, the ability to secure construction financing required to pursue construction is greatly diminished. This is happening across Ontario, with foreclosures of development sites drastically increasing.

We have serious concerns that this will result in many projects being delayed or cancelled. Barring an immediate and marked improvement in market fundamentals, which is outside of any person’s control, the removal of the Development Charge Exemption will only further suppress new building activity, delaying the delivery of housing, exacerbating the housing crisis and also limiting the available pool of property tax proceeds for the City of Hamilton.

Although the market may return in the mid-to-long term, it is imperative to maintain a competitive DC rate to keep developments moving through the pipeline. Projects that are not able to begin or proceed today will never materialize in 2-3 years. This will create a gap in the market and significantly impact in new housing supply. Further, we are concerned that in the absence of this program Hamilton will miss the Housing



Accelerator Fund unit commitments, risking the opportunity to secure available funding from the federal government.

Thank you,

Vantage Developments



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Alan Leela, Partner



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Shamil Jiwani, Partner

Cc: Carolyn Paton, Kirk Weaver, and Lindsay Gillies