

To the mayor and councillors of Hamilton, Ontario:

Hope this finds you well. I write as a resident in Ward 8.

Near the end of July 2024, the paper of record reported that a local community hub for artists was to be closed, after being open for only one year, due to the financial woes of the Harriet St building's owner, the real-estate investment firm, Forge and Foster, and its Chief Executive Officer, Joe Accardi. Forge and Foster also owns the now-closed Black Forest Inn as it too has fallen into receivership and other local buildings, including The Mulberry on James St N. In December of last year, meanwhile, a city councillor in Georges River, Australia tried to ban property developers and investors, as well as real estate agents, from running for election to city council, due to the conflict of interest as many people in those occupations used their place in those occupations to influence unduly local and state governments (Andrew Taylor, "Failed bid to ban property investors from local council reignites debate," *The Sydney Morning Herald*, 3 Dec 2023). Certainly, the undue influence of developers has been felt locally, as some local developers were discovered to have had secret meetings with the province's premier about the Greenbelt and its plan to be 'open for business'. Finally, this council has declared 5 states of emergency in the city – climate change, homelessness, mental health, opioid addiction, and, most recently, affordability – and these emergencies need to be addressed with the capability of this city's council. In their July 2023 report, *State of the Sector: REITs, ESG disclosures and the Human Right to adequate housing*, authors Tamara Herman and Gabriela Ruiz found that the rents of the six TSE-traded REITs with more than 5,000 units in the Canadian residential market were uniformly too high for renters' median incomes, that new tenants paid 13% more than previous ones, and 29% more in previously-renovated units (<https://share.ca/wp-content/uploads/2023/08/SHARE-State-of-the-Sector-EN.pdf>; accessed 31 Jul 2024). It seems clear that the ownership of properties and housing by real-estate investment firms, which view those properties and housing as investments, flies in the face of the emergencies that council has declared and, crucially, makes access to those properties and to adequate housing, which is a human right, difficult, if not impossible. These investment firms purchase what limited supply is available, or, if developers, sit on these undeveloped properties for years, and both actions and institutions make it very difficult for those in need to find housing. I

Given these facts, I write to ask that council consider a ban on the operation of real-estate investment firms in the city, firms such as Forge and Foster, or, if that isn't amenable, at the very least a municipal tax on them, similar to the tax that was being explored on alcohol, tobacco, and parking by Ward 1's Councillor Wilson at one point in time. The Parliamentary Budget Office calculated, for example, that the federal government would collect \$285.8 million in additional revenue from 2023-7,

if REITs were taxed at the corporate tax rate of 38% (<https://www.pbo-dpb.ca/en/publications/RP-2324-001-M—cost-removing-tax-exemptions-real-estate-investment-trusts--estimation-couts-elimination-exemptions-fiscales-accordees-fiducies-placement-immobilier>; accessed 30 Jul 2024), and it is likely that the municipal government would also collect tax revenue from the investment firms, if an outright ban isn't amenable. Zoning by-laws could be changed, so as to allow, as has been done with other businesses, only certain businesses to operate in certain areas of the city, or to ban businesses outright. At one point in time, there was consideration of a zoning amendment to allow only the employers whose volume of sales passed a certain threshold and whose business occupied a certain amount of square feet to operate in the city if they committed to and were accountable for paying all of their employees a living wage. While the passage of an anti-renoviction by-law is excellent to see and commendable, council can go further and ensure that the very investment of firms in real estate is curtailed. Section 154.1 of the *Municipal Act* already provides for this precedent for pay-day loan establishments, for example, and Section 153 (3) allows municipalities to suspend business licences for up to 28 days for the sake of public safety and health. Council can and should act in these matters, given its declaration of emergencies, and either banning these real-estate investment firms outright or taxing them would help those in need access the adequate housing that is theirs by right.

Thank you for your time and attention to these matters. I look forward to your actions in these regards.

Respectfully,
Joshua Weresch
31 Jul 2024