



June 11, 2025

From:
West End Home Builders' Association
 1112 Rymal Road East
 Hamilton, Ontario L8W 3N7

To:
**Members of Audit, Finance and
 Administration Committee**
 City of Hamilton, 71 Main Street West
 Hamilton, Ontario L8P 4Y5

WE HBA Letter: Review of Development Charges and Developer Incentives – Update

The West End Home Builders' Association ("WE HBA") is the voice of the land development, new housing and professional renovation industries in Hamilton, Burlington, and Grimsby. WE HBA represents 320 member companies made up of all disciplines involved in land development and residential construction. In the Hamilton CMA in 2023, residential construction contributed over \$3.8 billion in investment value and provided nearly 17,000 jobs paying about \$1.2 billion in wages¹. WE HBA notes that these economic indicators are in rapid decline as housing starts continue to drop. As such we appreciate staff reviewing Development Charges ("DCs") and Development Incentives and how this will impact our members ability to deliver housing.

WE HBA appreciates the work staff has put into consulting with the development industry on measures that will help address the City's worsening new housing market. We appreciate the recognition that there is a need for broader relief from the extremely high DC rates. The current rates are hindering our members ability to move projects forward. For this reason, we support the proposed alternative approach to remedy the annual indexing increase with a temporary reduction to DC rates in an amount equal to the indexing percentage of 4.2%.

With the introduction of Bill 17, the *Protecting Ontario by Building Faster and Smarter Act*, the province has amended the *Development Charges Act, 1997* and removed the requirement for a background study to adjust DC rates. This legislative change empowers municipalities, including Hamilton, to respond swiftly to economic pressures by easing or modifying DC policies, such as pausing annual indexing and introducing exemptions for specific development types.

Bill 17 signals the province's strong commitment to enhancing consistency, transparency, and fairness in administering DCs. WE HBA is especially pleased that the province has adopted our longstanding recommendation to delay the collection of all non-rental residential DCs until occupancy, rather than at the time of building permit issuance. This adjustment, which would also eliminate interest on deferred payments, was formally proposed in our March 12th letter to Mayor Horwath and reinforced in our April 9th Open Letter, co-signed with the Hamilton Chamber of Commerce, the Hamilton Halton Construction Association, and the Realtors Association of Hamilton-Burlington. We now call on the City to implement interest-free deferrals as quickly as possible.

¹ CHBA Economic Impacts 2023 Fact Sheet, City of Hamilton.



WE HBA is encouraged that industry feedback for “implementing a temporary percentage-based general exemption to provide meaningful support to encourage development and protect the construction industry labour market” has been heard and is being considered. **WE HBA continues to recommend temporarily cutting DCs by 50% for a two-year period. Furthermore, DCs should be waived in their entirety for Downtown for two years.** These measures would significantly improve project viability, accelerate development and reduce the cost burden on homebuyers and renters. Other municipalities in the Greater Toronto and Hamilton Area (GTHA) are already implementing aggressive relief strategies, and we urge Hamilton to follow suit.

WE HBA remains committed to working collaboratively with the City of Hamilton to develop practical, impactful solutions to the housing supply crisis. Thank you for the opportunity to provide feedback. We look forward to continuing this important dialogue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Collins-Williams', is written over a light blue horizontal line.

Mike Collins-Williams, MCIP, RPP
Chief Executive Officer
West End Home Builders' Association