



July 30, 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: Urgent Need for Temporary Development Charge Reductions

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.

We want to acknowledge and thank Hamilton City Council and staff for bringing forward a proposal to reduce Development Charges (DCs) by 20%. Your efforts reflect a genuine willingness to partner with the industry and respond to the urgent needs of our city. However, WE HBA is asking you to go further to meet the need and have the necessary impact. **We urge City Council to approve a temporary 50% reduction in Development Charges.** We also encourage City Council to request bi-annual assessment reports as it would be far more effective than annual reporting in gauging the real time impacts of the temporary DC reduction. The need for action has surpassed immediate as we are hemorrhaging opportunity and jobs.

The housing market hasn't just slowed – it has stopped. The City of Hamilton recorded just 432 housing starts from January to June 2025, which is the lowest they have been in the past 10 years.² People aren't buying new homes. As a result, construction projects across Hamilton and the Greater Toronto and Hamilton Area ("GTHA") are being shelved. Builders cannot move forward. Thousands of workers employed by the industry are being laid off. Ontario's construction sector unemployment rate topped 10% in April which is higher than in the depth of the pandemic interruptions³. If sales don't rebound, up to 41,000 additional jobs could be lost in the GTHA economy.

Other municipalities have already taken bolder action on DC rate reduction. Peel Region recently approved a temporary across-the-board 50% DC reduction. Mississauga, Vaughan, and Toronto have introduced meaningful incentives to keep housing projects alive. We must do the same if we want to remain competitive and protect the economic future of our city. This is not a request we make lightly. We fully recognize the complexity of municipal budgeting and the pressures

¹ "CHBA Economic Impacts 2023 Fact Sheet, City of Hamilton". Canadian Home Builders' Association.

² "Hamilton CMA New Construction Housing Starts – June 2025". CMHC.

³ Norman, Peter. "Weak Toronto new home sales threaten construction jobs in the years ahead". Altus Group, July 2, 2025.



you face. As noted in the staff report, an up to 47.5% partial exemption can be provided without an impact on the levy. We strongly encourage Committee consider raising the exemption to at least this number to provide additional incentive to the industry while limiting the impact on the tax and rate base. A temporary 50% DC reduction is not just about helping builders. It's about ensuring homes get built, jobs are saved, and families have a future in Hamilton. Without this level of support, the market will not recover in time to avoid long-term damage to our housing supply and local economy.

WE HBA remains committed to being a constructive, transparent, and long-term partner. We are not asking the city to shoulder this burden alone. We are simply asking for a level of support that reflects the severity of the moment. We thank you for your thoughtful consideration of this urgent request. Together, with coordinated action, we can build a healthier housing market and secure a stronger future for Hamilton.

Sincerely,

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