September 2, 2025

To:
Town of Grimsby Finance Department
160 Livingston Avenue
Grimsby ON, L3M 0J5
CC: Mayor and Members of Council, Planning Department

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

WE HBA Letter: Reduction of Development Chargers and Development Incentives

The West End Home Builders' Association (WE HBA) is the collective voice of the land development, new home construction, and professional renovation sectors in Hamilton, Burlington, and, in partnership with the Niagara Home Builders' Association, in Grimsby. Our Association represents over 300 member companies across the full spectrum of residential construction, including builders, developers, renovators, trade contractors, suppliers, and consultants.

In 2023, residential construction in the Hamilton Census Metropolitan Area (CMA) generated over $3.8 billion in investment and supported nearly 17,000 jobs, delivering approximately $1.2 billion in wages[1]. However, these economic contributions are now at risk. Housing starts are falling sharply, with just 13 housing starts in Grimsby thus far in 2025[2], and the implications for jobs and investment are severe. We urge the Town of Grimsby to take immediate steps to support housing development and preserve economic stability by reducing development charges ("DCs").

Recent provincial changes, specifically Bill 17, the *Protecting Ontario by Building Faster and Smarter Act*—modernize the *Development Charges Act, 1997*. These updates remove the requirement for a background study before reducing DC rates, giving municipalities like Grimsby greater flexibility to respond to shifting economic conditions. Several municipalities, including Hamilton, Mississauga, and Vaughan have already leveraged this flexibility to reduce their DCs. Peel Region council recently voted to cut development charges in half. Grimsby is now well-positioned to follow suit.

It's not only large cities acting decisively. On July 14th, the Municipality of Bluewater passed a by-law reducing DCs by 45% across the board. WE HBA recommends that Grimsby take a similar bold step and implement a **temporary 50% reduction in development charges for two years** and **explore additional incentives in areas near the Grimsby GO Major Transit Station Area (MTSA) and Downtown.** These measures would enhance Grimsby's competitiveness, demonstrate to the provincial government a strong commitment to transit oriented development and help attract development that might otherwise be diverted to neighbouring municipalities.

Working in conjunction with Niagara Region to reduce DCs and offering targeted incentives would improve the financial feasibility of both current and future residential projects and thus keep applications active and construction viable. These actions would also help ease the cost burden on prospective homeowners and renters. We note that other governments are acting as well. The federal

[1] *CHBA Economic Impacts 2023 Fact Sheet*, City of Hamilton
[2] *CMHC Housing Market Information Portal*

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government recently introduced a new GST rebate for first-time homebuyers, the First-time Home Buyers' ("FTHB") GST/HST rebate, eliminating GST on homes up to $1 million and reducing it for homes priced between $1 million and $1.5 million. The provincial government has indicated they will consider eliminating the provincial portion of the HST to align with this federal initiative. A coordinated response across all levels of government is critical to addressing the urgent affordability and supply challenges we face.

Over the past year, Ontario municipalities have increasingly recognized how development charges affect housing affordability and delivery. In November 2024, Vaughan City Council approved a reduction of DCs by up to 47%. Mayor Steven Del Duca noted, *"Development Charges have become an unfair tax burden on homebuyers... We have a housing affordability crisis and it is time for us to get real about the solutions needed to solve it."*

In Mississauga, Mayor Carolyn Parrish launched the Mayor's Housing Taskforce in September 2024. The Taskforce's recommendations led to swift action:

- **50% DC reduction** on all residential developments with foundation permits
- **100% DC exemption** for three-bedroom and purpose-built rental projects with permits
- A request for the Region to match incentives and introduce a **35% property tax reduction** for purpose-built rental housing

Mayor Parrish summarized the urgency by stating, *"We must do what we can right now to help get shovels in the ground – our residents deserve nothing less."*

Municipalities are also increasingly introducing and funding Community Improvement Plans ("CIPs") to provide incentives for development tied to desired outcomes in the community. Hamilton and Burlington have each developed robust CIP programs such as the Housing For Hamilton CIP and the Burlington Affordable Rental Housing CIP. Incentives include grants, forgivable loans, and fee waivers. We strongly encourage the Town to consider exploring CIPs to encourage and facilitate development where it is needed most, especially in the Downtown at the future Grimsby GO station.

To meet housing targets and support economic development, Grimsby must take decisive steps. DCs have a measurable impact on project feasibility and housing supply. Municipalities that maintain elevated rates risk seeing fewer homes built and ultimately will collect less revenue than anticipated due to reduced activity. The principle of price elasticity applies here: higher costs result in suppressed output.

We appreciate the opportunity to share our recommendations and remain committed to working alongside the Town of Grimsby. In partnership, we can help ensure that current and future residents have access to housing that is affordable, available, and appropriate for their needs.

Sincerely,

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