September 3, 2025

West End Home Builders' Association
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Marianne Meed Ward, Mayor of Burlington
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WE HBA Letter: Burlington Review of Development Charges

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. 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 wages[1]. WE HBA notes that these economic indicators are in rapid decline as housing starts and sales continue to drop.

Over the past several years, WE HBA has appreciated the effort of the City to work collaboratively with the development industry to address the housing supply crisis. The City of Burlington has taken numerous positive actions, including the launching of Pipeline to Permit Committee, the introduction of pay-on-demand surety bonds, and previous work as part of the 2024 DC By-law review to reduce the burden of Development Charges ("DCs") on the development industry and our purchasers/renters. More than ever, this positive relationship should be leveraged to address the collapse of the new housing industry in the region and across Ontario. According to CMHC and RBC, Ontario is facing unique challenges due to elevated construction and labour costs, as well as higher municipal fees and taxes than other provinces[2].

Over the past year, municipalities across Ontario have increasingly acknowledged the substantial impact that DCs and other fees have on the feasibility and final cost of housing delivery.

Vaughan

Vaughan Mayor Steven Del Duca recently stated, "*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.*" This quote followed the City of Vaughan resetting residential DC rates to September 2018 levels. According to the City of Vaughan's calculation, residential DCs had risen 66% since 2018; the reset reduced low-rise residential DC rates from $94,466 to $50,193.

Mississauga

In January, Mississauga Mayor Carolyn Parrish stated, "*There was a 95 per cent drop in new high-rise sales in the region last year. It's clear we can no longer afford to wait. We must do what we can right now to help get shovels in the ground - our residents deserve nothing less.*" This follows action to reduce all DCs payable by 50%, reducing 3-bed and purpose-built rental DCs payable by 100%, repealing the City's Community Benefits Change By-law, and deferring the collection of residential DCs until the first occupancy permit is issued instead of the building permit.

Toronto

In April, Toronto City Council members voted in favour of freezing DCs at their current rates, effective May 1st. This came a week before DCs were set to rise by 4%. As outlined in a motion that went to Council on April 23rd and 24th, the City's Chief Financial Officer is authorized, as of May 1st, to use Section 27 agreements on all new housing developments to suspend DC increases until a "comprehensive review" has been completed and a new by-law adopted.

[1] "CHBA Economic Impacts 2023 Fact Sheet, Hamilton CMA". CHBA.
[2] "Canada isn't in a housing starts slump—Ontario is." RBC, August 20, 2025.

Hamilton

> The City of Hamilton completed a review of DCs, which through heavy consultation with industry resulted in several changes including a city-wide 20% reduction in DC rates. This review began in April, with direction to Finance staff to report to Committee on historical and projected DC collections, options for DC by-law amendments to support the development industry, risk and financial impact assessments relating to the proposed mechanisms, and annual reporting on the Council-approved amendments to the DC by-law.

Other levels of government are acting as well. The federal 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. WE HBA and our national association CHBA are advocating for broader relief for ALL new home purchasers as we are very concerned that scoping GST relief to only first-time home buyers will have little impact (especially in communities like Burlington where the vast majority of purchasers are move-up buyers or seniors downsizing).

Premier Ford has indicated the province 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. Reduced DCs are an important piece of a coordinated puzzle across all three levels of government that would significantly contribute to the economic viability of both current and future housing projects and keep applications moving through the pipeline. 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.

To meet housing targets and support economic development, the City must take decisive action. **We request that the City consider a temporary, two-year reduction in DCs to help save jobs and get shovels in the ground to avoid total market collapse. We encourage that this be facilitated through direction to Finance staff, similar to Hamilton, to report to Pipeline to Permit Committee with options for DC relief, the projected fiscal impact of various levels of DC relief, status of DC reserves and forecasted revenues for 2025 and 2026 based on current DC collection trends.** We believe that this approach will allow the City to make an informed decision that will benefit the community and assist the development industry in moving projects forward during these difficult times.

We appreciate the opportunity to share our recommendations. In partnership, we can help ensure that current and future residents have access to housing that is affordable, available, and appropriate for their needs. WE HBA is committed to working in partnership with the City to approach the provincial government and advocate for increased housing-enabling infrastructure funding through mechanisms such as the *Building Faster Fund* for municipalities that take action to reduce DCS. We strongly believe that continued action and leadership in this area are essential to achieving long-term affordability and sustainability in the housing market.

Sincerely,

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