



February 9, 2026

To: **Members of Committee of the Whole**  
City of Burlington, 426 Brant St  
Burlington, ON L7R 3Z6

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

**WE HBA Letter: Options for the temporary elimination of Development Charges - DGM-03-26**

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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 300 member companies made up of all disciplines involved in land development and residential construction. In the Hamilton CMA in 2024, which includes Burlington, residential construction contributed over \$4.6 billion in investment value and provided over 21,000 jobs paying about \$1.6 billion in wages. These jobs and investments now stand in grave jeopardy as the residential construction industry across the Greater Toronto and Hamilton Area plunges into the most severe downturns in decades.

WE HBA appreciates City staff for preparing the in depth analysis in the report (DGM-03-26). As the housing market continues to deteriorate at an alarming pace, the residential construction sector is reaching a breaking point. The cost of delivering new homes now far exceeds what the current market can support. Projects across the region have been put on uncertain holds or cancelled outright due to labour and material costs as well as the cumulative tax burden on new housing. These cost pressures have undermined project economics to the point where they no longer make financial sense to pursue. In today's economy the cost of building a new home exceeds the resale price of a comparable unit, effectively stalling new supply. To keep new units coming to market, WE HBA and our association partners at BILD strongly endorse a temporary elimination of all residential Development Charges (DCs) through an amendment to the DC by-law in Burlington (Option A in the staff report) as a necessary measure to kickstart construction activity and prevent further job losses.

Development activity is directly tied to economic conditions. WE HBA appreciates that the Mayor and City staff recognize that we are in one of the sharpest housing slowdowns in history and that decisive intervention is required to support the pipeline of new homes. Any short-term fiscal implications of reducing DCs should be understood as a strategic, time-limited investment that can help sustain the local economy, keep tradespeople working, and ensure projects can proceed rather than be abandoned.

WE HBA notes that the staff report (DGM-03-26) contains Q1-Q3 sales numbers from the past few years. We are pleased to share year end (Q1-Q4) numbers that contain updates for the full years. Unfortunately, these numbers are even bleaker than what is in the staff report in terms of market activity. The 2025 sales numbers have DECLINED from 12 in Q3 to 4 condo apartment units sold for the entire year in Burlington as some of those previously sold units were from now cancelled projects. The new housing market is essentially dead in Burlington.

	Annual			
Burlington	2022	2023	2024	2025
Apt	202	130	72*	4^
TH	11	11	43	13
Summary	213	141	115 (57*)	17

^Note sales/units returned in the fourth quarter reduced Q1-Q3 total. \*Includes sales from now cancelled project (58 units)

(Source: Zonda Urban)



As staff noted in the report, “Without action, it will likely mean development charges will not be collected given market conditions and developments will not have been able to advance to occupancy in the near term.” WE HBA concurs with staff’s assessment. Without bold intervention, residential development will remain stagnant, and Development Charges will not be collected. Further, the City will fail to realize the economic uplift from an expanded property tax assessment base. More homes built has the added benefit of more property taxes collected for the City.

WE HBA emphasizes the critical importance of assessment growth to the City’s long-term fiscal health. New residential development expands the property tax base, generating stable and recurring revenues that support municipal services, infrastructure, and community amenities well beyond the one-time collection of Development Charges. When projects stall, the City not only foregoes DC revenue, but also delays or loses years of future property tax assessment growth. “Appendix A” to this letter, includes real local examples demonstrating how advancing projects translates into meaningful assessment growth for the City over time, reinforcing that enabling construction today delivers lasting financial benefits well into the future.

Recent changes under the *Protect Ontario by Building Faster and Smarter Act (Bill 17)* give municipalities the tools they need to temporarily reduce or eliminate DCs without launching a full background study. This legislative flexibility allows Burlington to take swift action and position itself as a provincial leader in facilitating shovel-ready projects that are currently stalled due to economic conditions.

WE HBA notes a concern with the staff report (DGM-03-26) that, “any exemptions or discounts/reductions to DCs must have a tax-supported funding source to offset the reduced DC revenue.” However, WE HBA continues to advise the City of Burlington that, based on a June 6<sup>th</sup> letter from Martha Greenberg, Deputy Minister of Municipal Affairs and Housing, to Mayor Josh Morgan, City of London, that “while municipalities are responsible for ensuring that they have adequate resources to enable infrastructure necessary to support their growth, Section 5(6)3 of the DCA does not require municipalities to fund statutory and non-statutory exemptions and discounts contained in the DCA or municipal development charge by-laws through non-development charge funding sources... Generally, whether to top-up a reserve fund under these circumstances is a local decision.” Therefore, WE HBA continues to disagree with the position outlined in the staff report. We believe that the Ministry has made it clear that the legislation does not require any DC reductions to be funded from a tax-supported funding source.

WE HBA also expresses skepticism regarding the staff report (DGM-03-26) that the option A temporary relief would have an estimated “cost” of \$16.7 to \$41.3 million. Given that Q1-Q3 sales data from Zonda in the apartment category has dropped over the last few years from 202 units to 4 units, the market has truly collapsed. WE HBA respects that staff are risk adverse, but notes experience in other jurisdictions suggest that financial exposure is often over-estimated. In Peel Region, as of January 15, 2026, a total of 45 applications representing 3,970 residential units have been approved to participate in their DC deferral and Grant Program, which has an upside limit of grants-in-lieu of DCs of approximately \$97 million. To date, only 129 units have received permits for which DCs were paid, resulting in approximately \$2.9 million in actual grants-in-lieu of DCs realized.

Two other comments from the staff report: WE HBA notes and agrees that the provincial move to provide relief from the payment of DCs to occupancy is indeed helpful and reduces carrying costs. However, while the financial relief is welcome, it does not provide as much relief as a temporary elimination of DCs in terms of what can be passed onto consumers through reduced purchase prices. WE HBA further notes that if DCs are temporarily eliminated, that with the DC payable status having been shifted to occupancy, that it would apply only to projects that actually achieve the city objective of building new housing units. Secondly, with respect to the comment in the staff report regarding if the full exemption will have the desired effect of making development feasible in the near-term... WE HBA believes that “yes” it will improve feasibility, but on its own without provincial and federal action on the GST/HST, a



temporary DC elimination on its own will not “fix” the local housing market. Coordinated action where relief is stacked through municipal, provincial and federal action will be required to save jobs and turn the sector around.

By temporarily eliminating DCs, the City of Burlington would be joining other Ontario municipalities that have already stepped up with bold solutions. Hamilton adopted a 20% DC reduction; Vaughan rolled rates back to 2018 levels; Mississauga implemented a 50% cut and removed DCs entirely for 3-bedroom and rental units. Burlington has an opportunity to go further by eliminating DCs for two years which would help to restore housing starts and protect local employment. As previously mentioned, WE HBA is lock step with the City in its assertion that federal and provincial action is urgently needed to complement and support municipal measures and prevent further losses across the sector.

This targeted, temporary measure (option A in the staff report) to apply a temporary 2-year residential DC exemption through an amendment to the DC By-law to allow all residential development to receive a full exemption from City DCs, would not only help Burlington achieve its housing pledge, but it would also send a clear and positive signal to industry, investors, and other levels of government that the City is serious about enabling new housing and supporting economic growth. Burlington is in a strong position to use its DC reserve funds (now over \$51 million) to buffer the short-term impact while unlocking long-term tax revenues and community benefits that come with new development.

WE HBA acknowledges that the staff report notes that, “Staff is aware that other municipalities have entered into agreements with developers to permit DC reductions. Such agreements require that the developer pass on the DC reduction to purchasers by reducing the purchase price on a dollar-for-dollar basis and that *Agreements of Purchase and Sale* (APS) include wording disclosing this to purchasers.” WE HBA supports consumer disclosure with respect to current DC rates and any temporary DC exemption on *Agreements of Purchase and Sale* (APS).

WE HBA commends the Mayor for her leadership and again calls on the Premier and Prime Minister to match this commitment by investing in housing-enabling infrastructure in Burlington and other growing municipalities. If all three levels of government act with the urgency this crisis demands, we can stabilize the market, protect jobs, and restore housing affordability.

WE HBA stands ready to work alongside the City to advocate for the provincial and federal infrastructure funding support and we continue to call on senior levels of government to maintain their commitments to make municipalities whole as it is needed to support long term growth. We support a new approach to the *Building Faster Fund* that better supports municipalities like Burlington that are taking proactive and decisive action. A temporary elimination of DCs is exactly the bold, solution-oriented leadership we need to see in housing right now. By considering this forward-thinking approach, the City is truly meeting the moment. WE HBA encourages the Committee of the Whole to adopt Option A for a proposed two-year DC elimination on all residential developments, which should be supported by other levels of government. Doing so will reinforce Burlington’s reputation as an innovative and genuinely pro-housing municipality that is prepared to lead by example.

Sincerely,

**Mike Collins-Williams, MCIP, RPP**

Chief Executive Officer

West End Home Builders’ Association



## **Appendix A – Illustrative Property Tax Assessment Growth**

These examples are intended to show how enabling new housing construction translates into sustained, long-term assessment growth that supports City services, infrastructure, and financial stability. The assessment scenarios highlight that when projects proceed, the City benefits not only from new housing supply, but from ongoing, recurring property tax revenues.

### **Molinaro Group**

#### **Paradigm Phases 1-3 / Build in 2020s / Units 557**

- Pre-Development Value: \$10,62100 (2020 valuation)
- Pre-Development Property Tax (2020): 2095 Fairview \$18,706.35 & 2089 Fairview \$19,771.62
- Post-Development Value: \$161,677,000 (2020 dollars)
- Post-Development Annual Property Tax (Mill Rate 0.00971590): \$1,570,837.56