



May 26, 2026

From:

West End Home Builders' Association
1112 Rymal Road East
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To: **Members of General Issues Committee,
City of Hamilton**
71 Main Street West
Hamilton, Ontario L8P 4Y5

WE HBA Letter: PED26089 – Five-Year Review of the Revitalizing Hamilton's Commercial Districts Community Improvement Plan and Associated Financial Incentive Programs

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, residential construction contributed over \$4.6 billion in investment value and provided over 21,000 jobs paying about \$1.6 billion in wages¹. WE HBA notes that these economic indicators are in rapid decline and that the Missing Middle Institute has noted that the decline in housing starts, compared to the previous four-year average, is estimated to have reduced the number of jobs in Hamilton by 1,921².

WE HBA are pleased to express our strong support for the incentives offered through the Revitalizing Hamilton's Commercial Districts Community Improvement Plan (CIP) and Financial Incentive Programs. We believe this is an important opportunity to reaffirm Hamilton's commitment to revitalizing and strengthening its commercial corridors and urban core.

Hamilton's commercial districts are vital to the health, economic stability, and vibrancy of our community. At a time when many corridors, most notably our downtown, are experiencing economic decline and significant market pressure, it is especially important to take thoughtful, proactive steps that foster resilience, confidence, and renewed private-sector investment.

Our industry plays a central role in driving local economic activity, creating jobs, delivering housing supply, and building livable communities. However, we are witnessing one of the steepest residential construction slowdowns in decades. The residential development industry is facing an extraordinarily difficult environment driven by persistently high interest rates, unprecedented construction costs, constrained financing conditions, investor caution, declining absorption rates, and broader economic uncertainty.

The report acknowledges that "growth is slowing now and for the foreseeable future," that the "development pipeline is thinning," and that fewer large-scale projects are advancing due to market conditions and financing constraints. This reality cannot be understated. The current environment is characterized by delayed investment, stalled developments, and projects that are increasingly difficult to make financially viable.

¹ CHBA Economic Impacts 2024 Fact Sheet, City of Hamilton.

² Missing Middle Institute: 2025 GTA and GGH Final Housing Report Card, April 2026



In today's challenging economic reality, municipal partnership tools like Community Improvement Plans and Tax Increment Grants are more critical than ever.

CIPs are strategic economic development investment tools. They help direct private capital to areas where it can generate the greatest positive impact for the community. By supporting intensification and infill in locations where infrastructure and servicing already exist, the City ensures that past investments in roads, transit, utilities, public facilities, and community amenities are leveraged efficiently, responsibly, and cost-effectively.

Hamilton's commercial districts continue to face substantial challenges. Vacancies, aging building stock, deferred maintenance, underutilized properties, elevated office vacancy rates, and declining retail conditions are contributing to visible economic deterioration. Without strong and predictable incentives to encourage reinvestment, these trends risk accelerating.

Importantly, the areas targeted by these programs have not yet fully achieved their revitalization potential and continue to require support. While meaningful progress has been made over the past decade, many strategic corridors and commercial districts remain in transition and still require focused public-private partnership tools to stimulate sustained investment and economic activity.

The report appropriately concludes that now is not the time to discontinue these programs, particularly given that the anticipated economic benefits associated with transformational infrastructure investments such as the Hamilton LRT have not yet had the opportunity to materialize.

WE HBA believes the Revitalizing Hamilton Tax Increment Grant (TIG) Program in particular has been a genuine success story and remains one of the City's most important economic development tools.

The results clearly demonstrate the value of the program:

- \$436 million in construction value generated through approved TIG-supported projects;
- \$294 million in increased assessment value;
- More than \$3 million annually in new municipal property tax revenue; and
- Approximately \$47 in private-sector investment leveraged for every \$1 in City grant commitment.

These are extraordinary outcomes by any public policy measure.

More importantly, a large number of projects simply would not be financially feasible without these incentives. The economics of urban development have fundamentally changed and carry substantial costs and risks that are difficult to absorb in today's market conditions.

The TIG program frequently represents the difference between a project proceeding or remaining indefinitely stalled.

We know private capital is mobile. Builders and investors can choose to deploy resources in other parts of the Greater Golden Horseshoe where market conditions present lower risk and more immediate returns. The Commercial Districts CIP plays a critical role in ensuring Hamilton



remains competitive by helping bridge project feasibility gaps, reducing risk, and reinforcing confidence in the local market.

The report confirms that municipalities across Southern Ontario continue to rely heavily on TIGs and related incentives as core economic development tools. Reducing or eliminating Hamilton's programs at this time would place the City at a significant competitive disadvantage precisely when investment attraction and retention are becoming more difficult.

We also believe it is important to recognize the broader fiscal and economic value these programs generate for Hamilton. These incentives are not simply grants to developers, they are long-term investments in economic growth, assessment expansion, housing creation, job generation, infrastructure efficiency, and downtown revitalization.

At a time when residential tax pressures remain a significant concern for residents and businesses alike, growing the City's commercial and non-residential assessment base is more important than ever.

Maintaining or enhancing these incentives as part of this review sends a clear and positive signal that Hamilton is committed to revitalization, partnership, investment attraction, and long-term prosperity.

WE HBA respectfully encourages the members of the General Issues Committee to support the staff recommendations contained in PED26089 to ensure Hamilton's commercial corridors and downtown can recover, intensify, and thrive in the years ahead.

We appreciate the opportunity to contribute to this important review and look forward to continued collaboration with the City in building a strong, vibrant, competitive, and resilient Hamilton.

Sincerely,

Amanda Stringer
Manager of Government Relations
West End Home Builders' Association