



April 15, 2026

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 L8P 4Y5

WE HBA Letter: Development Charges Indexing Report (FCS26032)

Dear Mayor and Members of Council,

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 City of Hamilton in 2024, residential construction contributed over \$3.1 billion in investment value and provided nearly 14,000 jobs paying about \$1.1 billion in wages¹. WE HBA notes that these economic indicators are in rapid decline as housing sales and starts continue to drop.

Against this backdrop, report FCS26032 indicates that development charge (DC) rates are set to increase by 4.0% on June 1, 2026, continuing a pattern of cost escalation that directly impacts housing affordability and project viability. While indexing is technically permitted by the Development Charges Act, it demonstrates a complete lack of awareness of the current economic reality facing the residential construction sector. At a time when feasibility is already tremendously strained, even modest increases can kill a project. We are in a historic downturn that is perhaps even worse than the 1990s. Projects are being delayed and not proceeding because they are not financially viable. The economics simply do not work under current conditions

City staff have presented a clear and actionable alternative to increasing DCs. By amending the by-law to provide flexibility to delay or waive indexing, the City would signal to the development community that they are partners in delivering homes. **WE HBA strongly urge Council to adopt the alternative approach outlined in Report FCS26032 and to take immediate action to amend the Development Charges By-law to enable the deferral or reduction of DC increases.** This option is prudent and necessary.

The decision before you comes at a critical moment. There is a significant and time-sensitive opportunity before the City. Prime Minister Mark Carney has stated "By partnering with the Ontario government, we'll cut development charges by up to 50%, lower taxes on new homes, and build new transit infrastructure to reimburse municipalities who reduce development charges."

¹ CHBA Economic Impacts 2023 Fact Sheet, City of Hamilton.



Similarly, Premier Doug Ford has been unequivocal, "If you don't cut DCs, you aren't getting any money ... but if you do, we will be there to support you."

These statements outline a clear pathway for municipalities like Hamilton to unlock substantial provincial and federal housing enabling infrastructure funding through decisive action on DCs. Municipalities that move first and demonstrate meaningful reductions in development charges will be prioritized for support through programs such as the *Build Communities Strong Fund* (BCSF), where the Provincial and Federal government have allocated \$8.8 billion towards reducing municipal development charges.

Hamilton must meet this moment. We must not miss this opportunity. Deciding to raise DCs, even by a modest amount, would signal to higher orders of government that Hamilton is completely out of touch with economic or political reality and not willing to do their part to address the housing crisis and to save local well-paying jobs. Meeting the crisis requires all three levels of government, and the development industry to get people back to work building homes and all of the economic spin-off benefits that come with a functioning residential construction industry.

It is important to recognize the fundamental reality that there is no municipal cost associated with unrealized development. When projects do not move forward, the City does not collect development charges, nor does it realize assessment growth, nor does it add to housing supply, and it does not advance its strategic housing objectives. Inaction carries a cost measured in lost opportunity.

This is an opportunity for Hamilton to demonstrate that it is ready to partner, ready to build, and ready to lead. We urge Council to act swiftly and decisively to amend the by-law, defer the upcoming increase, and position the City to seize the significant opportunities currently being offered by provincial and federal partners by significantly and immediately taking steps to reduce development charges.

Sincerely,

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