May 26, 2009

Attn: Mrs. Mary-Ann Meyer, Legislative Assistant
Re: City of Hamilton DC bylaw

The REALTORS® Association of Hamilton-Burlington (RAHB) represents approximately 2,400 REALTORS® in the Hamilton-Burlington area, and on behalf of our membership we wish to make the following comments to City Council regarding the proposed DC bylaw being considered by the Committee on June 4, 2009.

We want to thank the city for taking a proactive approach in setting up a Stakeholder Committee that was able to discuss the proposed bylaw and work through the details of the proposed DC bylaw. We are pleased that RAHB was represented on that committee and participated in this important process. While we will not be able to have representation at the public meeting due to prior commitments we wish to make the following for your consideration:

We understand the need for development charges because they are the source of financing that will provide the services that new growth in this community needs. However, we have some concerns about the timing of the bylaw and the impact the increase in development charges will have on our fragile construction and new home industry. These effects will subsequently be felt in the resale housing market.

The proposed bylaw will see the DC rate for a single family dwelling increase to $27,191.00 from the current $19,573.00. This represents a $7,618 increase (or 38.92%) which will, if implemented at this time, be devastating to any economic recovery of this city. Our members represent the front line of real estate sales in our community and they have already witnessed the impact of the current economic pressure on new and resale home prices. Increasing the development charges by $7,618 will effectively increase the cost of new homes by a corresponding amount. Our members will be negatively affected by the reduction in the sales caused by such an increase both in the new and resale home industries.

We are concerned about this effect on the community as a whole because it impacts not only our membership, but all residents of Hamilton, who are employed in the housing industry. With fewer sales there are fewer jobs and therefore reduced incomes. This will have a negative impact on confidence within our community and certainly hinder the economic recovery we all hope to see; it would also have a consequential effect on the resale of existing homes.

We urge you to consider the positive implications that a strong housing market can have on the workforce in Hamilton; it casts a wide net and impacts all people in our community – from the bricklayer and the drywall installer to the real estate sales representative and the provider of equipment and materials used in housing, to the truck driver that delivers material to the job sites, and all the retail sales that accompany both new and resale home purchases.

On behalf of the REALTORS® Association, we would like to request the committee and Council to introduce a transition policy (Option 4) that would not see any development charge increases until 18 months after the adoption of the bylaw and following that, the increase would be only 50% of the proposed increase. The remaining 50% increase would come into affect on the second anniversary of the bylaw, July 2011.

We, like other concerned individuals and groups engaged in the economic progress of Hamilton, look forward to making it “the best city in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities” and believe that the option outlined above will help achieve this end.

Thank you for your consideration.

Yours truly,

REALTORS® Association of Hamilton-Burlington

Bruce King, President
Larry Szpiglas, Government Relations Chairman