

Options for the temporary elimination of Development Charges (DGM-03-26)

February 12, 2026

Honourable Gregor Robertson
Minister of Housing and Infrastructure
180 Kent Street, Suite 1100
Ottawa, ON K1P 0B6

Honourable Rob Flack
Minister of Municipal Affairs and
Housing
17th Floor, 777 Bay Street
Toronto, ON M7A 2J3

Dear Minister Robertson and Minister Flack,

Burlington shares your focus on one outcome: more homes built, faster—so more people can find a home they can afford, and our communities can grow in a healthy, sustainable way.

Current market conditions are presenting real challenges, particularly across the GTA, as many projects are struggling to move from approvals to construction. New home sales in the GTA hit record lows in 2025 – in May 2025, total new-home sales in the GTA were 87% below the 10-year average—with condominium apartment sales 93% below and single-family (ground-oriented) sales 74% below the 10-year average. CMHC's 2026 Housing Market Outlook points to ongoing headwinds, including trade uncertainty, slower population growth, and a softer job market, which are expected to keep demand below historical averages this year.

What that means on the ground is that the project math often doesn't work. Financing is harder to secure, construction and servicing costs remain high, and for many multi-residential projects it's harder to reach the pre-sale thresholds needed to start construction. The result is delay, pause, or cancellation—even where approvals are in place.

In that context, Burlington is moving quickly with a practical, time-limited measure designed to improve project feasibility and help get more shovels in the ground. On February 10, 2026, Burlington's Committee of the Whole endorsed a motion directing staff to bring forward a by-law amendment for a two-year, 100% residential Development Charge (DC) exemption for units that:

- pull a building permit; and
- demonstrate active construction within the two-year period.

This is a significant step for our city. We're doing it for a clear purpose: to reduce upfront costs so more projects can move to construction in today's market—and so those costs aren't simply passed along in the price of a new home. It's about improving affordability so that people are able to achieve the dream of home ownership – whether that be for first time homebuyers or families that want to move into our community.

This matters for Burlington, as our future housing supply depends on redevelopment and intensification. With the city largely built out, most new homes will come from

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building within the city. These projects are often more complex and more sensitive to broader economic and market conditions. When factors such as interest rates, construction costs, or financing, projects can slow down or pause, directly affecting the number of homes that actually get built.

That's why Burlington is taking bold action and doing our part to create the right conditions by focusing on what we can control locally: reducing upfront costs that can help more projects reach construction in today's market. This is where senior government partnership matters. We can reduce upfront costs to help projects move—and protect homeowners from a cost shift—if we do this together.

We recognize that both orders of government have introduced important housing measures aimed at improving affordability and increasing supply including the removal of the PST and GST relief for first-time buyers on new homes. At the same time, the current economic environment means we need additional, targeted actions that directly improve project feasibility.

Development charges help pay for the growth-related infrastructure that new housing requires—water and wastewater capacity, roads, parks, community facilities, and through Educational Development Charges under provincial legislation, land for new schools.

If Burlington waives DCs without replacement funding, the infrastructure still has to be built. The shortfall is absorbed through municipal reserves and can eventually put pressure on the property tax base. At the same time, Educational Development Charges continue to apply. The cumulative impact of all growth-related charges is an important consideration as we work to improve project feasibility and accelerate housing starts.

Without coordination, homeowners and renters through pass-through costs, end up paying for housing-enabling infrastructure in a less transparent way. Burlington wants to avoid that outcome. Our goal is to support housing starts without creating new financial pressure for households who are already managing higher costs.

Based on City of Burlington staff estimates, a full waiver of residential development charges could reduce Burlington's DC revenue by approximately \$16M to \$41M annually, depending on uptake. Even using a more restrained scenario—grounded in 2025 activity and a lower-uptake assumption—the impact is estimated at closer to \$6M. That is a significant pressure on municipal finances.

Under the Development Charges Act, 1997, when DC revenue is not collected, municipalities must still fund the growth-related infrastructure those charges were intended to support. In practice, that means drawing from municipal reserves or identifying other sources of funding. This is the challenge municipalities face: we can take steps to improve project feasibility and accelerate housing starts, but without

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replacement funding, the financial impact can flow back to homeowners and the community over time.

Despite this, Burlington is prepared to take decisive, time-limited action with a two-year, 100% residential DC exemption because we believe it can help move more projects to construction in today's market.

However, the legislative requirements under the Development Charges Act, 1997 were designed to ensure fiscal discipline during normal market conditions. Without replacement funding during the exemption period, this measure cannot be implemented in a financially sustainable way.

That is why Burlington is calling on both orders of government to fulfill their public commitments related to development charge relief in a coordinated approach to cover the DC exemption value for eligible units over the two-year period.

Specifically:

- Federally, Burlington is requesting that the Government of Canada fulfill its commitment to cover 50% of municipal DC reductions, including the program mechanism, how funding will be calculated and distributed, and when municipalities can expect those supports to flow.
- Provincially, Burlington is requesting the Province of Ontario fulfill its commitment to keep municipalities whole by covering the remaining 50% of the DC relief, or any amounts not covered by the federal government. As the Building Faster Fund (BFF) is currently under review and has been underutilized due to market conditions and the broader housing slowdown, a revised BFF framework could serve as an appropriate source of funding for municipal DC relief measures.

Burlington has not qualified for BFF funding to date, in large part because our housing supply is predominantly multi-residential—and that segment has been the most constrained under current market conditions. This is despite Burlington achieving a record 10-year high in housing starts.

Burlington is committed to enabling housing through practical tools and policy choices, and we believe this is an opportunity to demonstrate what effective intergovernmental partnership looks like: municipalities taking immediate steps to unlock projects, with provincial and federal governments providing the predictable funding support needed to make those steps workable and durable.

We respectfully request your response outlining any commitments each of your governments may be prepared to offset the financial impacts of Burlington's two-year residential DC exemption. The City of Burlington remains committed to working collaboratively with the Province and the Government of Canada to build our way out of this housing crisis, while ensuring communities continue to have the infrastructure and services that new housing depends on.

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Sincerely,

INSERT SIGNATURE

Mayor Marianne Meed Ward
City of Burlington

CC:

Honourable Mark Carney, Prime Minister of Canada
Honourable François-Philippe Champagne, Minister of Finance and National
Revenue
Honourable Adam van Koeverden, Secretary of State for Sport
Honourable Karina Gould, M.P. Burlington
Honourable Doug Ford, Premier of Ontario
Honourable Peter Bethlenfalvy, Minister of Finance
Honourable Graydon Smith, Associate Minister of Housing
Honourable Zee Hamid, Associate Solicitor General for Auto Theft and Bail

Reform

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