



Committee Chair & Members
Executive Committee
City of Toronto
100 Queen Street West
Toronto, Ontario
M5H 2N2

July 3rd, 2013

Dear Chair and Members:

Re: City of Toronto Development Charges Review 2013

We are writing this letter to the Executive Committee in response to the City of Toronto's draft proposal to increase the development charges in 2013.

Rockport is now in its' 57th year of successful real estate investment activity and over that time has developed thousands of residential units as well as numerous commercial, industrial, and retirement home properties in the City of Toronto and other parts of the GTA.

This vast and long term success and experience has been in part, due to our firm's ability to understand trends in the marketplace over the economic cycles as well as the evolving planning policy framework from the different levels of government.

It is with this in mind that we inform you of our profound concern in respect of the proposed increase to the City's development charges. The proposed increases are simply too great over too little time to be reasonably accommodated by the market place.

Currently, one-fifth of the cost of a new home or condo is comprised of government imposed fees of which the majority is development charges as well as other application and permit fees and various other taxes and charges. According to the Building Industry and Land Development Association, the average price of a new condo in the City of Toronto was \$406,900 in February 2013, \$74,700 of which represents municipal charges and fees. The proposed increase would increase this ratio to a point that cannot be sustained by our industry and ultimately, by homebuyers.


The new home and condo sales sector has been in a steady decline over the past several quarters due to factors relating to the affordability of product.

Moreover, the growth of residential development in the City of Toronto over the last five years has brought with it the return of businesses providing employment opportunities as well. This has delivered a significant tax benefit to the City. We recognize that infrastructure is required to be upgraded to support the continuing influx of people that will live, work and play in the City. To that end, we hope to work with the City to find a formula for phasing in the rate increase in order to help maintain affordability, construction jobs and other economic benefits that the industry is a catalyst in a manner that fairly allocates the benefits between the current and future residents of the City.

Thank you for the opportunity to submit our concerns to you. Please feel free to contact the undersigned if you have any questions.

Yours very truly,

Rockport Group Inc.



Michael Tucci

Director, Acquisitions & Development