



June 27, 2013

Kelly McCarthy
Committee Administrator
Executive Committee
Toronto City Hall
100 Queen Street West, 10th Floor
West Tower
Toronto, Ontario
M5H 2N2

Dear Ms. McCarthy:

Re: Proposed New Development Charges
Executive Committee Meeting Wednesday July 3, 2013

Please accept this letter as confirmation that we are opposed to the Proposed New Development Charges which are to be considered at the Executive Committee Meeting scheduled for Wednesday, July 3, 2013.

We currently have 230 units under construction, some of which we are still marketing, are preparing to bring to market another 90 unit project and are currently in the process of bringing a rezoning application in for a separate project of approximately 200 units, all in the downtown Toronto area.

We are very concerned with the very large proposed increases in development charges that the Executive Committee is considering.

As we are dealing with potential purchasers every day, we know, first hand, how price sensitive they are and the budget constraints and affordability issues that they are facing if they want to live in Toronto. These proposed increases, which all builders will ultimately be passing on to the Purchasers, will mean that some Purchasers will not be able to afford to buy in Toronto, leading to stalled projects, lost jobs and lost development and ongoing tax revenues for the City.

Everyone is aware of the ongoing large number of units being built and delivered in Toronto, and the associated increases in tax base and revenues, with little additional costs for City services. The City is currently receiving substantial development charges from these new developments under the existing rates, which is contributing to the City's current surplus position. One has to wonder if in a few years, when the cumulative effect of these benefits is fully realized, hindsight will determine that no, or a substantially smaller increase in development charges, should have been implemented in 2013/2014.

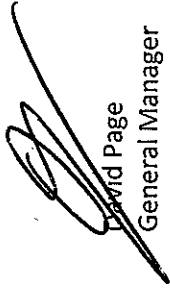
Ideally, we feel that a much smaller increase is warranted, more in the 5% range. In any event, any increases should not take place prior to April, 2014 when the current by-law expires and, at that time, any new development charges should be subject to a 2 year freeze and then a 4 year phase in, similar to the way increases have been phased in previously. As well, applicable development charges should be determined by the date on which an application is submitted.

The Toronto real estate market is at a very sensitive point currently. We feel strongly that the proposed Development Charge increases threaten the sustainability of the current level of development and sales of residential units in Toronto. This, in turn, threatens the revenue forecasting models that your future budgets are based on.

Accordingly, we recommend that the by-law not be considered on July 3rd, 2013, but deferred until further assessment of the negative impact such a large increase will have on the viability of the real estate development industry in the City and the corresponding negative impact on the City's revenue streams.

Thank you for your consideration.

Yours truly,
Aragon Properties Ltd.



David Page
General Manager