

Prices for new homes rise with demand as Town approves DC bylaw

By Brock Weir

Prospective Aurora residents looking to relocate to, or purchase a new home within Aurora, can expect to pay a little bit more to do so with the approval of an update in Aurora's development charges.

Council signed off on a new Development Charges bylaw last week which would raise development charges for a single detached home from \$15,748 to \$20,116.

Development charges (DCs) are funds taken by the municipality and the Region from developers to account for infrastructure and other impacts that can be directly attributed to population growth. As such, DCs can be used for an increase in recreation spaces, parks facilities, and other large scale projects where extra demand might be put on existing services.

Councillors went into last week's discussions with requests from at least one developer for rebates and other programs on the non-residential side of development charges as an incentive to attracting businesses. Those concerns, however, were taken off the table after further talks with the Town in the intervening week.

Instead, Council's focus shifted to ensuring that these new charges would provide for Aurora's future while having a minimal impact on taxpayers. Councillor Wendy Gaertner was the first to raise an alarm bell, questioning why many of Aurora's reserve accounts were in the red.

She questioned whether the negative amounts in these accounts could be attributed to not collecting enough DCs over the past 10 years, or at least not as much as had been anticipated.

"We anticipated probably a little more robust growth," said consultant Gary Scanlon, noting building and development projects they anticipated to be on the horizon took a hit. "With the economic downturn in the United States and slowdown on growth here in the GTA, a lot of the projects had been in progress, but we didn't get the corresponding growth as well. Our revenues are down, even though we put the services in place, causing a negative balance. Today, the housing market has been deemed quite robust and they are anticipating good things. I would expect the revenues that we would see in the coming year would take care of those balances quite nicely."

Aside from the fiscal impacts of Aurora's revised Development Charges bylaw, some were concerned about the deeper impacts it would have on new and perspective homeowners looking within Aurora. From the perspective of Councillor Buck, DCs have to come from somewhere and developers aren't going to be looking into their own pockets to cover the cost.

These costs, she argued, would be ultimately unloaded to the new homeowners.

"It is a tax, it is a hidden tax, and then it is included in the market value [of a home] and people are taxed on [this value] forever and a day afterwards because of that," said Councillor Buck. "Calculating it is not a moral issue, but it is for me when I think of the young families who are mortgaging. They don't even have fixed mortgages. It just sickens me to think we are collecting this amount of money and the result of collecting this amount of money we are able to think of all the extravagant wishes people might have of fixed structures for indoor tennis in the wintertime."

Added Councillor Chris Ballard: "This is a deep and complex issue and one that we look to staff and outside expertise to help us understand what the ramifications are of decisions and frankly how far we can push the envelope in terms of what we can charge while, at the same time, keeping in mind that we need to be fair and balance with pending residents in Town."

For some, the DCs are also, to some extent, a buy-in to Aurora in providing for "critical infrastructure" that is required to accommodate them.

?I don't look at it as a way of extracting tax from a newcomer,? said Councillor John Abel. ?If they don't pay a development charge that pays for roads, sewers and facilities that will come out of the existing tax base. If we didn't have a DC development, our taxes would have to go up 30 per cent to cover that.?

Added Councillor Pirri: ?The newcomers in this community have to buy in as well. You are moving into a great community. You should have to pay a premium to be doing so. As much as I don't want to be collecting more than we have to, I think this [review] has done a good job of explaining we are not, and we are collecting this amount to sustain the quality of life everyone has.?

At the end of the day, about 75 per cent of total development charges are taken by the Region of York, but if Councillors were concerned about the impacts being felt directly by new homeowners, things are moving at a rapid click in Aurora, according to Mayor Geoffrey Dawe.

?Two of the developers in 2C have already put their housing prices up because they are selling so well and they have put their prices up more than we have increased our development charges,? he said. ?Councillor Pirri is right ? Aurora is a very desirable place indeed and one of the developers had 650 people registered to purchase 50 houses. Will that continue? I think the odds are better that it will than it won't.?

The DC bylaw was approved 8 ? 1 with Councillor Gaertner the lone holdout.