



URBAN
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INSTITUTE

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Hon Ravi Kahlon,

Minister of Housing and Municipal Affairs
HMA.minister@gov.bc.ca

February 28, 2025

Dear Minister Kahlon,

RE: Metro Vancouver Development Cost Charges (DCCs) & Changes to the Local Government Act

As you are aware, Urban Development Institute (UDI) and its member companies have repeatedly warned policymakers about the negative effects that Metro Vancouver's DCC increases will have on the sector's ability to deliver housing in the region.

We were pleased with the federal government's Fall Economic Statement that included an announcement of \$250 million in funding to support Metro Vancouver's Iona Wastewater Treatment Plant. As noted in Metro Vancouver's [Funding from the Canada Housing Infrastructure Fund Report](#), "*If in-stream protection were to be extended by an additional 12 months, the estimated foregone DCC revenue for Metro Vancouver is estimated to be \$220 million, which would be roughly offset by the \$250 million grant for the Iona projects.*"

As this funding is available, it is critical that the in-stream protection be extended a year as soon as possible. As such, there is an urgent need to **amend the Local Government Act** and any supporting legislation, so the extended timeframes are in place before the current in-stream protection ends on March 21st, 2025.

Since we first raised concerns over the DCC increases, the United States has threatened Canada with 25 percent tariffs, prompting the Federal Government to propose retaliatory measures targeting a significant number of building products, including I-beams, elevators, boilers, HVAC systems, windows, flooring, appliances, toilets, sinks, and siding.

Tariffs on key building materials will drive up costs across the sector, compounding existing affordability, supply chain challenges, and poor economic conditions. At a time when the Province is working to increase housing supply and address affordability

concerns, additional cost pressures from both tariffs and rising DCCs threaten the already declining viability of many projects currently in the pipeline.

Underscoring the downturn in development activity, BC Stats data indicates that in 2024, residential building permits declined by 8.1% in Metro Vancouver compared to 2023. Many municipalities experienced reductions exceeding 40%, including Delta (-85.9%), Maple Ridge (-57.7%), Coquitlam (-53.2%), and the City of North Vancouver (-43.6%).

Adding to these challenges, the viability of approved projects is already at risk. In Vancouver, there are 19,300 housing units with an approved rezoning or development permit that have not started construction, while Surrey has approximately 44,000 units at third reading awaiting development.

While the government is making changes to the *Local Government Act* and other supporting legislation, we also encourage policymakers to **provide flexibility on the timing of DCC payments**, allowing them to be collected at the end of a project rather than upfront to ease the financial constraints on housing projects.

In addition, tying the second in-stream protection date to Building Permit application rather than issuance would expand the number of projects that are protected and better reflect the increased time it takes to obtain municipal approvals. There is precedence for this as the Ministry of Housing and Municipal Affairs has adopted a similar approach for the BC Building Code in-stream protection.

Thank you for your attention to these important issues. Please reach out if you have any questions or require any additional information.

Sincerely,



Anne McMullin
President and CEO
Urban Development Institute