

July 7, 2025

Christopher Radziminski, Building Policy Engineer, and
Peter Alm, Senior Rainwater Management Engineer
City of Vancouver
453 West 12th Ave
Vancouver, BC V5Y 1V4

Dear Messrs. Radziminski and Alm:

Re: Proposed Rainwater Management Amendments to the Building By-law

I would like to thank you and Vancouver staff for involving the Urban Development Institute (UDI) in your consultation on the proposed rainwater management amendments to the *Vancouver Building By-law (VBBL)*. We understand and support the intent behind the proposals, which is “*Improving sewer review to reduce costs and delays ...*,” by focusing the management of “*... rainwater directly on-site, reducing strain on the City’s sewer system and helping projects avoid costly off-site upgrade requirements.*” However, we need to ensure that these cost savings are realized – given that builders will be paying more for larger and complex detention tanks.

The Cost-of-Delivery Crisis

Cost savings are critical to builders. The City has [acknowledged](#) that our sector is facing “*... rising construction costs, inflation, and high interest rates, which are making it increasingly difficult to build new housing,*” and noting that:

“Current market conditions are putting pressure on the financial feasibility of many housing projects—particularly rental and strata developments aimed at middle-income households. Construction cost escalation has far outpaced consumer inflation since the pandemic, and additional factors such as impending tariff implications and elevated interest rates continue to challenge new housing projects. Without action, supply will continue to lag behind demand, exacerbating affordability pressures as the cost of new homes may climb even further out of reach.”

We agree with the City’s assessment. There is a cost-of-delivery crisis for new homes. Purchasers and renters have “*hit a wall*” in terms of what they can afford to pay for

housing, as our sector is effectively selling and renting to cost – not to the market – with the price of new projects exceeding what homebuyers and tenants can afford.

This issue is also important for the City if it is going to achieve its housing targets. As referenced in the City's own report of last September, there are approximately 19,300 units with approved rezonings that are not necessarily moving forward. This backlog of unrealized homes highlights a critical gap between approvals and actual housing delivery.

Cost Increases and Savings with the VBBL Proposal

The City has acknowledged that because more rainwater will be managed on sites, detention tanks will be larger, costly and more complex. The example provided by the City showed a construction cost increase of approximately \$25,000 to \$39,000 (*"... excluding design, inspection and secondary costs"*) for a 0.25 Ha site that is 28% permeable. The size of the detention tank also increased - from 34 m³ to 58.1 m³ – the equivalent of an additional parking space. For sites that have high imperviousness such as zero lot line projects, the cost would increase even more as the size of the tanks could double from what is required currently.

In exchange for these increases, the City is promising much more substantial savings in *"... the financial burden of sewer upgrade conditions, which commonly range from \$400,000 to \$2 million ..."*. Staff note, *"A key financial benefit associated with the proposed criteria is that they enable a reduction in the number of sites receiving sewer capacity upgrade conditions. Also, it provides cost certainty to more developers when planning their sites."*

UDI would obviously be supportive of these overall substantive cost savings for projects, but we need to ensure that they occur. It is clearer that they will occur for residential and commercial projects up to six storeys, as there will be *"No sewer capacity review or sewer upgrade conditions,"* which has the added benefit of saving time in the development application review process. We are also pleased that proponents with instream projects before Building Permit application will have the option to eliminate their sewer capacity conditions.

It is less clear for industrial or institutional projects as well as any developments that are greater than six storeys or built under the *Sustainable Large Development Sites Policy* because staff are continuing *"... to develop and finalize the sewer capacity review process updates this summer, in time for the September Council meeting."* This includes establishing a standardized analysis process to determine how much the proposed VBBL rainwater changes *"... mitigate the system impact of the development to determine whether sewer upgrade conditions are still required."* We are concerned that these projects could potentially face increased on-site costs due to the larger detention tanks that are not offset by reduced off-site sewer upgrade conditions.

It is difficult to assess the costs and the benefits of the policy for many projects until the sewer capacity review process updates (including the standardized analysis) are released. ***We recommend further engagement with the sector at that time to discuss how sewer upgrades will be assessed and the implications for project costs/timing are understood. This needs to occur well before the proposal goes to Council.*** More transparency in the City's capital infrastructure plan would also be helpful for UDI to provide more informed feedback to the City.

Other Recommendations

UDI has several other recommendations for staff regarding the *VBBL* proposals.

- The standardized analysis for industrial or institutional projects as well as any developments that are greater than six storeys or built under the *Sustainable Large Development Sites Policy*, needs to be clear enough for proponents and their design teams to easily assess what sewer upgrade conditions will be imposed. Not only would this make it easier for the building sector to assess the costs/benefits of the proposals, but it is also important for builders to understand critical costs before they purchase sites.
- City staff need to contact proponents of in-stream projects about the potential *VBBL* changes as soon as possible, as they are proposed to come into effect on January 1, 2026. Although, "*Most projects with a 'rainwater management plan' requirement have elected to transition to the Building By-law requirements ...*," there may be some projects that may have to face surprise additional costs, and design changes late in the development review process. If there are substantive negative implications for some projects because the in-stream protections are being expired on January 1st, we recommend the Chief Building Official (CBO) consider waiving the detention tank requirements.
- If it is found for a site that the sewer upgrades would be the less expensive option, the CBO should be provided with the ability to waive the detention tank provision – in exchange for the sewer upgrades.
- To reduce the costs, space implications and embodied carbon for projects under the new approach, the City should consider allowing the detention tanks to be built within the City's setback. This would save space in the parking areas, and potentially eliminate the need to build deeper parking garages.
- The City should consider automatically eliminating sewer capacity reviews for "*industrial*" projects that are more like commercial buildings in areas such as Mt.

Pleasant.

- In the future, the City should consider providing incentive programs for builders to further enhance rainwater management on-site. For some sites, the enhancements to the City sewer capacity may be far greater than the cost of the incentives offered to builders for rainwater management upgrades.
- We would like the implementation of the policy to be monitored to determine if the promised cost savings occur, and whether further modifications to the policy or its operation are needed.
 - Related to the above, UDI would like further information on what the Utility Development Cost Levy funds versus what builders are responsible for through sewer capacity upgrades.

Thank you again for involving UDI and its members in your consultation process. If you have any questions regarding our comments, please do not hesitate to contact us. We would be pleased to meet with you and your staff. We look forward to working with the City to reduce construction costs through this and other initiatives.

Yours sincerely,



Anne McMullin
President and CEO, Urban Development Institute