



URBAN
DEVELOPMENT
INSTITUTE

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VANCOUVER, BC V6E 3S7

March 25, 2026

Mayor Lahti and Council
City of Port Moody
100 Newport Dr
Port Moody, BC V3H 5C3

Re: City of Port Moody Consultation on Major Initiatives

Dear Mayor and Council,

On behalf of the Urban Development Institute (UDI), we are writing to express our concern over the financial analysis, timing, and consultation related to several major City initiatives scheduled for adoption in 2026.

UDI represents thousands of professionals across the full spectrum of land development and planning. Our members have consistently emphasized that the current housing market is under significant strain, with the worst market in four decades.

This is largely due to a cost-of-delivery crisis. Purchasers and renters have “*hit a wall*” in terms of what they can afford to pay for housing, as our members can no longer deliver new housing at purchase prices or rents that British Columbians can afford. One of our members noted that in the District of North Vancouver, the cost to deliver a new multi-family housing project – assuming no land costs or profit – was \$900 per ft², which can hardly be considered affordable for most BC households.

Furthermore, market activity is declining:

- *“In metropolitan Vancouver, there are currently 2,500 condo units completed and unsold and that number could climb to 3,700 by the end of the year;”*¹
- According to [CMHC](#), *“...In 2024, condominium apartment unit cancellations were 5- and 10- fold higher than they were in 2022 in Toronto and Vancouver, respectively;”*

¹ CBC News, “*We can no longer build what people can afford: Warning for Vancouver real estate as 2,500 condos sit unsold,*” October 1, 2025,

- Avison Young [shared](#) that 22% of land sales over \$5 million in Q1 2025 were court-ordered, more than double the rate from the same period last year; and
- *“The BC Financial Services Authority ... is monitoring the challenging environment impacting the development industry as a consequence of economic uncertainty and rising construction costs.”²*

This is leading to declining project viability that is materially impacting the delivery of new homes. In this context, the introduction of new policies, which increase costs or complexity, risks further constraining housing supply at a time when the market is already under significant pressure.

By June 30, 2026, the City is aiming to have adopted or advanced to Third Reading several significant policy changes, including:

- A new *Amenity Cost Charge Bylaw*;
- A *Development Cost Charge Bylaw* update;
- An *Inclusionary Zoning Policy* update; and
- A *Density Bonus Policy* update.

Individually, each of these policies has meaningful implications for project economics. Taken together, their combined impact is substantial and risks rendering many projects unviable. Furthermore, this is added to other cost impacts such as new building code requirements related to seismic standards, accessibility, and step codes.

We have heard clearly from our members that the priority at this time should be stabilizing the development environment. This includes pausing the introduction of new cost layers and, where possible, considering the rollback or recalibration of measures that are hindering project viability. This is critical, because if the proposals drive up cost and stop projects, the City will not be receiving the anticipated revenues, infrastructure, amenities, and affordable housing – on top of fewer market homes being built.

UDI and the City of Port Moody have an established Liaison Committee to support ongoing consultation on development-related initiatives. Through this forum, we have requested more details on these initiatives as well as the opportunity to review the cost assumptions and inputs used to inform the City’s financial testing. Considering the June timeline, we are concerned there may not be sufficient time for full consultation on the changes.

Under the *Local Government Act*, municipalities are required to conduct financial feasibility testing to ensure bylaw requirements are appropriately calibrated to local conditions and do not discourage development.

² The Globe and Mail, “New condo market in Greater Vancouver in dire shape,” (2025)

We recommend a robust analysis that aligns with current market realities and accounts for the cumulative impact of all government-imposed costs. This needs to include careful attention to key inputs and assumptions, so that revenues are not overstated and costs understated, an issue that has arisen in other reviews by municipalities. To support this analysis, ***we strongly urge the City to engage directly with the development industry to provide meaningful input on the financial analyses that inform these policies before they are brought forward for consideration.***

Introducing any new requirements and fees in the current economic climate risks stalling housing delivery and increasing costs for buyers and renters. Any changes being contemplated need to be done with caution and detailed analysis. We would welcome the opportunity to work with City staff to review these analyses and provide practical feedback that supports effective policy outcomes while maintaining viable housing delivery. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'm. drummond', followed by a decorative flourish.

Michael Drummond
Interim President and CEO, Urban Development Institute