



URBAN
DEVELOPMENT
INSTITUTE

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April 14, 2026

Chair Mayor Hurley and Members of the Metro Vancouver Board of Directors
Metro Vancouver
Metrotower III, 4515 Central Boulevard
Burnaby, BC V5H 0C6

Re: MVRD Development Cost Charge Amendment Bylaw No. 1452, 2026

Dear Chair Hurley and Members of the Board,

On behalf of the Urban Development Institute, we are writing to express our strong support for the proposed rollback of Metro Vancouver Development Cost Charges (DCCs) as presented in MVRD DCC Amendment Bylaw No. 1452, 2026, ahead of the April 15, 2026, Special Joint Board Meeting.

We want to recognize something important. As mayors and city councillors, Metro Vancouver Board members have a front-row view of market conditions in their communities. You are seeing the same pressures your municipal colleagues have been responding to, a development sector under severe and measurable stress.

Many of you have already acknowledged the impact that rising development costs, including DCCs, are having on housing delivery within your communities. In response, you have taken concrete steps to support viability, including freezing, deferring, discounting, or rolling back DCCs. These are not theoretical discussions; they are direct policy responses to projects no longer proceeding under current conditions.

However, without alignment at the regional level, these actions are being directly undermined. Metro Vancouver DCC increases negate these efforts, reintroducing the very cost pressures that your local governments are actively trying to reduce and, in many cases, eliminating any viability gains achieved at the municipal level. This creates a structural mismatch where local governments are attempting to enable housing, while regional policy is actively preventing it from moving forward.

The Board's decision to act in kind with these municipal measures begins to address this misalignment and reflects a genuine, ground-level understanding of what is happening, and we commend that leadership.

We do, however, take issue with staff's characterization of the proposed changes as creating a "funding gap of approximately \$389 million." That figure rests on the assumption that development activity would have proceeded at previously forecast levels. That assumption is not grounded in current conditions. A more accurate framing is that this is not a funding gap, but a backward-looking revenue projection based on a fundamentally different market environment. Development activity is declining materially, and DCC revenue will decline with it. The Board's consideration should reflect this reality.

At the core of current market conditions is the cost of delivery crisis. Buyers and renters have reached their affordability limits, and there is no remaining capacity in the market to absorb further cost increases. Each additional increase, or failure to address rising costs, deepens this constraint, further eroding viability and delaying any path to a market recovery.

In Q1 2026, pre-sales across Metro Vancouver totalled just 87 units, compared to a ten-year average of approximately 3,900 — a decline of more than 95 percent. For all of 2025, pre-sales totalled 5,822, representing a 61 percent decline from the long-term average of over 15,000. Without pre-sales, construction financing does not flow. Without financing, housing starts do not happen. The \$389 million was not going to materialize in any scenario. The rollback helps prevent a further decline in the activity upon which all future DCC revenue depends. In this context, the rollback is not a concession — it is a necessary correction.

It is also important to recognize that the anticipated decline in housing starts will have broader economic consequences. Residential construction is a major driver of employment and economic activity across the region. A sustained slowdown will have material impacts on jobs, investment, and overall economic growth in Metro Vancouver.

We would have expected the severity of current conditions, and the extensive industry engagement conducted over the past year through working groups with UDI and HAVAN, to be more prominently reflected in the options presented to the Board. We encourage the Board to go further where circumstances permit, and to direct staff toward a full recalibration of DCC rates that reflects current market realities rather than pre-2024 growth assumptions.

There is also a structural solution worth putting on the table. Metro Vancouver can reduce development cost charges without raising property taxes. The answer is straightforward: amortize new water and sewer infrastructure over its useful economic life. These are assets with 50–100 year lifespans currently being paid off over 15 years, or 30 years in

the case of the North Shore wastewater treatment plant. Financing them the way BC Hydro finances its infrastructure, through long-term debt spread across the full rate base, would dramatically reduce the upfront charge on new housing without shifting the burden to existing taxpayers. That is not a radical idea. It is basic infrastructure finance. (Implementing this approach would require a change at the Municipal Finance Authority.)

We remain committed to working collaboratively with Metro Vancouver staff and the Board to find a sustainable path forward. The road to housing supply, and the infrastructure revenue that depends upon it, runs through project viability.

Sincerely,



Michael Drummond
Interim Chief Executive Officer
Urban Development Institute

cc:

Metro Vancouver CAO Jerry Dobrovolny
Metro Vancouver Deputy CAO Heather McNeil
The Honourable Gregor Robertson, Minister of Housing, Infrastructure and
Communities
Premier David Eby
MLA Hon. Christine Boyle, Minister of Housing