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DEVELOPMENT  
INSTITUTE

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May 19, 2026

Mayor Sim and Council  
City of Vancouver  
453 W 12th Ave  
Vancouver, BC V5Y 1V4

**Re: *Eliminating Regulatory Barriers to Housing Affordability Through  
Alignment with the Provincial Building Code***

Dear Mayor and Council:

The Urban Development Institute (UDI) is writing in favor of the [motion](#) calling for “*Eliminating Regulatory Barriers to Housing Affordability Through Alignment with the Provincial Building Code*,” and we ask that Council support it.

Our sector is facing a cost-of-delivery crisis. Our members cannot provide new housing at a price or rent that homebuyers and tenants can afford. This is why many projects that the City has approved are not proceeding. While changes in the market and construction cost inflation have been factors, government imposed charges, taxes and requirements have undermined development viability.

Building code/policy requirements, specifically, are being cited by our members as a major government-controlled cost driver. One builder has [reviewed their project proformas](#) over the past 15 years. Construction costs have soared to over \$562.59/ft<sup>2</sup> from under \$204.19/ft<sup>2</sup>, which is well beyond the Consumer Price Index rate of inflation.

Step codes have also impacted costs. One builder at the Planning Institute of BC (PIBC) Conference last June noted that “... *moving from Step 1 to Step 3 can add \$3 million to a project budget.*”<sup>1</sup> This is why UDI has also [called](#) for a pause to the implementation of the step codes.

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<sup>1</sup> *Planning West Magazine*, Summer 2025, p. 14.

We need to reduce costs to allow projects to become viable, so they can proceed, and needed housing can be delivered to Vancouverites. As such, we strongly support directing “... staff to undertake a comprehensive review, through an affordability lens, of the City’s housing and energy regulations – including the Vancouver Building By-law, the Energize Vancouver Program, and exploring alignment with the baseline provincial Energy Step Code, to identify opportunities to reduce duplication, costs, and delays.”

The “... focus on identifying opportunities to enable greater standardization ...,” is also critical, and not just of modular and prefabricated construction. Builders, who operate in Vancouver and multiple other local governments in Lower Mainland, would benefit from increased standardization of rules and requirements – as would their design consultants and construction contractors.

At the same time, there are some elements of the *Vancouver Building By-law (VBBL)* that are better and more cost-effective than the *BC Building Code (BCBC)*. For example, because of the City’s long-time experience and familiarity with higher density buildings, many of the provisions for these types of buildings are more flexible than the *BCBC*. We would not want them to be removed, so are pleased that the motion focuses on eliminating and harmonizing “... provisions that add cost, delay, or complexity without a compelling local justification ...”.

Consultation with our sector, as directed in the motion, will be key to the success of this initiative, and UDI would be pleased to participate in those discussions.

Today, project viability is being driven by mitigating the cost-of-delivery crisis. Saving costs can save housing projects, so we request Council approve the motion. We look forward to working with the City on this and other measures that support the construction of more new homes in Vancouver.

Yours sincerely,



Michael Drummond  
Chief Executive Officer, Urban Development Institute