

November 26, 2025

Metro Vancouver Regional District Board
c/o Board Chair
Metro Vancouver
4515 Central Boulevard
Burnaby, BC

Sent via email

**RE: ITEM H1 – NOTICE OF MOTION – DEVELOPMENT COST CHARGE INCREASE
(PAUSE THE JANUARY 1, 2027, DCC RATE SCHEDULED INCREASE)**

Directors,

On behalf of the Independent Contractors and Businesses Association (ICBA), I am writing in strong support of *Item H1 – Notice of Motion – Development Cost Charge Increase* on the Board's November 28 agenda, which would pause the January 1, 2027, Development Cost Charge (DCC) rate increase on all categories and designations under Metro Vancouver's Regional District Development Cost Charge Bylaw No. 1369, 2023.

ICBA represents more than 4,500 construction and related open-shop businesses employing tens of thousands of men and women across Metro Vancouver and the rest of British Columbia. Our members build most of the homes, industrial facilities, and core water and wastewater infrastructure that keep this region functioning. When they slow down, the entire regional economy feels it.

For years, ICBA has been clear: British Columbia does not have a shortage of reports, strategies, and housing announcements – it has a shortage of homes. **The core problem is simple: every time a government adds another tax, fee, charge, or layer of red tape to new development and home construction, it shows up in the final price paid by families, renters, and small businesses.** You cannot say you are serious about affordability and, at the same time, continue to ratchet up the cost of getting projects approved and built.

We understand the importance of stable funding for critical regional infrastructure. But timing and affordability matter. Pushing ahead with another steep DCC increase in the current economic and market environment will make an already serious housing and construction downturn worse, put more people out of work, and further undercut your member municipalities' efforts to get badly needed projects built.

The housing and construction downturn is real – and deepening. Since Metro first debated these DCC increases, the market has deteriorated sharply:

- New-home sales across Metro Vancouver are down dramatically from 2021 levels, with both apartment and single-family markets at historic lows.
- Q3 2025 was the first time in this cycle that more units were cancelled than brought to market – more than 1,000 units were cancelled, with only a few hundred new units launched.
- Industry tracking now shows dozens of projects in court-ordered sales, receivership, or insolvency proceedings, representing many thousands of potential housing units.
- According to the Canadian Home Builders' Association, nearly four in ten homebuilders in B.C. laid off workers in 2025 with no plans to rehire in the near term.

The slowdown in new housing is already translating into a significant loss of person-years of employment in construction and related trades as well as widespread layoffs in the development sector. In short: this is not a normal cyclical cooling. It is a serious slump in a sector that governments at every level *say* they want to grow.

At the same time, Metro staff are now bringing forward revised dwelling growth projections that are lower than previously forecast, reflecting reduced federal immigration targets and changing economic conditions. That alone is a compelling reason to pause and recalibrate, rather than moving to layer on another large cost increase based on outdated assumptions.

ICBA has said consistently that there is only *one* taxpayer and only *one* project pro forma. When governments increase costs at one level, they cannot pretend it has no impact on others. When the Board approved the previous Metro DCC increase, many local councils did not fully appreciate the practical consequence: dollars that had been allocated for municipal Community Amenity Contributions (CACs), density bonusing, and local infrastructure were effectively re-routed to regional DCCs. Developers, builders, and investors have one pot of capital for a project. If Metro takes more, there is less available for municipal amenities in the very communities you represent.

Across the region, councils are now trying to “reset” their own costs to keep projects viable – for example, by lowering density bonus rates, revisiting CAC expectations, or streamlining local approvals – only to see those efforts neutralized by higher regional DCCs. Proceeding with the planned January 1, 2027, DCC increase would be to take one more step in the wrong direction at exactly the wrong time. Metro should be a partner in getting homes built, not the level of government that tips projects from “go” to “no-go.”

Construction is one of the largest employers in British Columbia. Roughly one in every ten workers in the province depends directly on construction for their paycheque; within the private sector, almost one in eight jobs is in construction. When projects stall or are cancelled, it isn't abstract: it means apprentices who never get placed, journeypersons who get laid off, and small and

medium-sized contractors who are forced to downsize or close. For ICBA members, that means fewer young people entering the trades, less investment in training, and weaker communities right across the region.

A further across-the-board Metro Vancouver DCC hike will:

- Push more marginal projects from “barely viable” to “cancelled”;
- Discourage new investment in both rental and ownership housing; and
- Ripple through the entire construction ecosystem – trades, suppliers, manufacturers, engineers, and consultants.

In a period when our Chief Economist, Jock Finlayson, has documented a broader provincial economic slowdown that began in 2024 – particularly in goods-producing sectors like construction – it makes little sense for Metro to add another cost shock to one of the region’s most important job-creating industries.

To be clear, a pause on the January 1, 2027, DCC increase is not a call to abandon infrastructure planning or long-term cost recovery. It is a practical, timely, and common-sense response to new economic realities and new policy information:

- The federal government has announced new infrastructure funding envelopes that Metro and its member municipalities are still working to fully understand and access.
- Dwelling growth and population projections have shifted, warranting a fresh look at timing, phasing, and the overall revenue model for these projects.
- The region has not yet completed the fulsome financial analysis and industry consultation that was anticipated when these increases were first put in place.

By pausing the 2027 DCC increase, the Board would create the space to:

- Re-run the numbers using updated growth projections and realistic assumptions about housing supply and market conditions;
- Align the regional DCC program with federal and provincial infrastructure funding streams; and
- Engage meaningfully with builders, contractors, and municipalities to ensure that cost recovery for infrastructure does not undermine your own housing and affordability objectives.

That is not “kicking the can down the road.” It is exactly what good governance looks like when facts and conditions change. ICBA’s message to all orders of government has been the same: if you are serious about tackling the housing crisis, you have to stop treating new housing as a convenient ATM. We need fewer cost increases and more shovels in the ground. We need to “get to yes” on viable projects, not quietly price them out of existence.

For all of these reasons, ICBA respectfully urges you to vote in favour of *Item H1 – Notice of Motion – Development Cost Charge Increase*, pausing the January 1, 2027 DCC increase; and direct staff, during the pause, to engage with industry and member municipalities to recalibrate the DCC framework so that it supports – rather than frustrates – the region's housing supply and affordability goals.

Families in Metro Vancouver are struggling with the highest housing costs in the country. Tradespeople and construction workers are watching projects they expected to work on stall or disappear. At a time of economic uncertainty, the right move is to avoid further unnecessary cost shocks and focus on policies that actually get more homes built and more people working.

Thank you for your consideration. ICBA would be pleased to participate in any further consultations Metro undertakes on housing, infrastructure, and the DCC framework.

Sincerely,
INDEPENDENT CONTRACTORS AND BUSINESSES ASSOCIATION



Chris Gardner
President & CEO