



You Can Change City Hall This Fall



Chris Gardner
ICBA President

Less than two years since the last provincial election and barely a year since the last federal one, British Columbians are again being asked to head to the polls – this time municipally. For contractors – and anyone who cares about

the state of B.C.’s construction industry and housing market – it’s time to get out and vote.

Municipalities may be the junior level of government, but their policies and procedures have a big influence on the

viability and cost of construction projects. City-set fees, regulations and red tape are the key drivers of housing availability and affordability.

The affordability crisis in housing starts at City Hall.

For many voters, this reality is out-of-sight and out-of-mind. But the research is clear and the scope of the impact is frankly shocking.

According to the CMHC, the last time

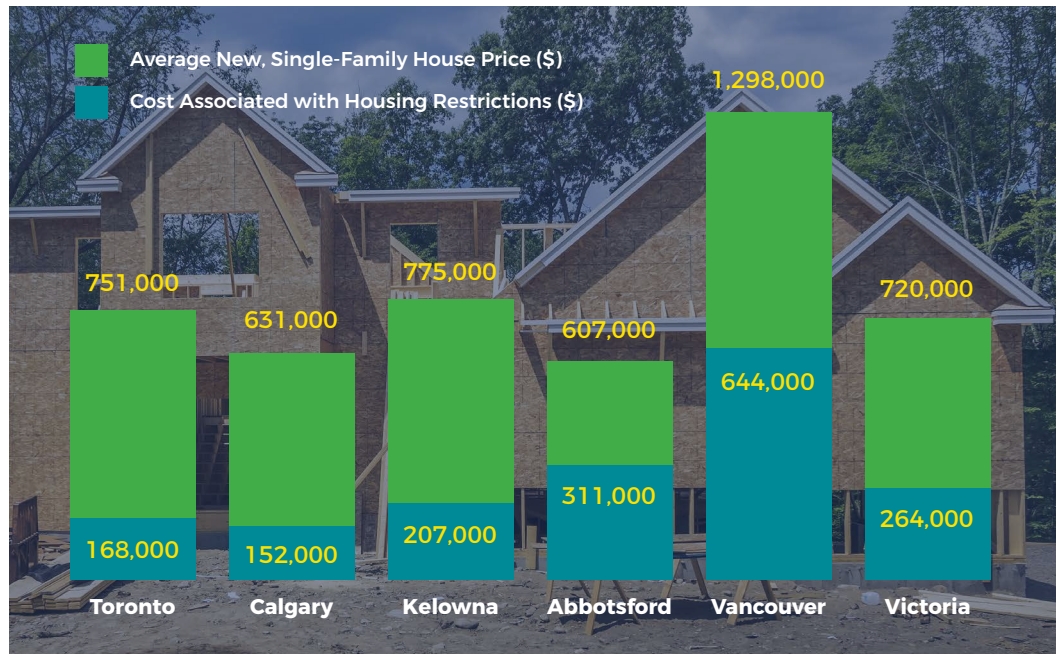
housing was affordable was in 2003/04, nearly two decades ago! The regulatory burden adds significantly and largely unnecessarily to the cost of housing, particularly here in B.C.

Municipalities have many levers at their disposal to reduce the regulatory burden on housing affordability – not the least of which is better efforts to rein in their own run-away spending.

This October’s municipal elections are an opportunity to get affordability on the table. Candidates across the province need to be asked what they will do to reduce fees, to speed approvals, and re-think housing in order to tackle the affordability crisis head-on.

Restrictions Double the Cost of Vancouver Housing

Permitting delays, fees and red tape contribute significantly to the housing affordability crisis. One recent assessment concluded that half of total housing costs can be accounted for by the regulatory burden. In Vancouver these added costs are “by far the largest in Canada... and among the largest internationally”.



Source: "Through the Roof: The High Cost of Barriers to Building New Housing in Canadian Municipalities", C.D. Howe Institute, 2018.

High Charges and Slow Approvals Drive Housing Out of Reach

A national benchmarking study confirms that B.C. cities are mainly in the bottom quartile on overall performance, and are depressing supply and accelerating prices. The City of Vancouver topped the list for high direct charges on housing, and along with other Lower Mainland cities, has approval timeframes that far exceed those in many other Canadian cities.

Overall Ranking of 23 Major Canadian Cities – Based on

Progressive Planning Practices, Low Charges, Quick Approvals

- 1 Regina
- 2 Edmonton
- 3 Calgary
- 3 London
- 5 St. John's
- 5 Charlottetown
- 7 Winnipeg
- 7 Saskatoon
- 7 Oakville
- 10 Ottawa
- 10 Halifax
- 12 Hamilton
- 13 Moncton
- 14 Toronto
- 14 Pickering
- ▶ 16 Surrey
- ▶ 17 Delta
- 18 Brampton
- 19 Markham
- ▶ 20 Burnaby
- ▶ 20 Bradford West Gwillimbury
- ▶ 20 Coquitlam
- ▶ 23 Vancouver

Direct Municipal Charges per High-Rise Unit¹

\$100,679

Vancouver

\$32,800

Average for 17 Cities

For most cities in the sample, these charges are

<\$20,000 and for many **<\$10,000**

Added Costs for Each Month Project is in Approval Process²

\$344,756

Vancouver

\$216,321

Average for 13 Cities

¹ Including infrastructure charges, school charges, planning and approval fees, parkland contributions, land transfer taxes, and density bonusing.

² Benchmark project is a 125-unit high rise.



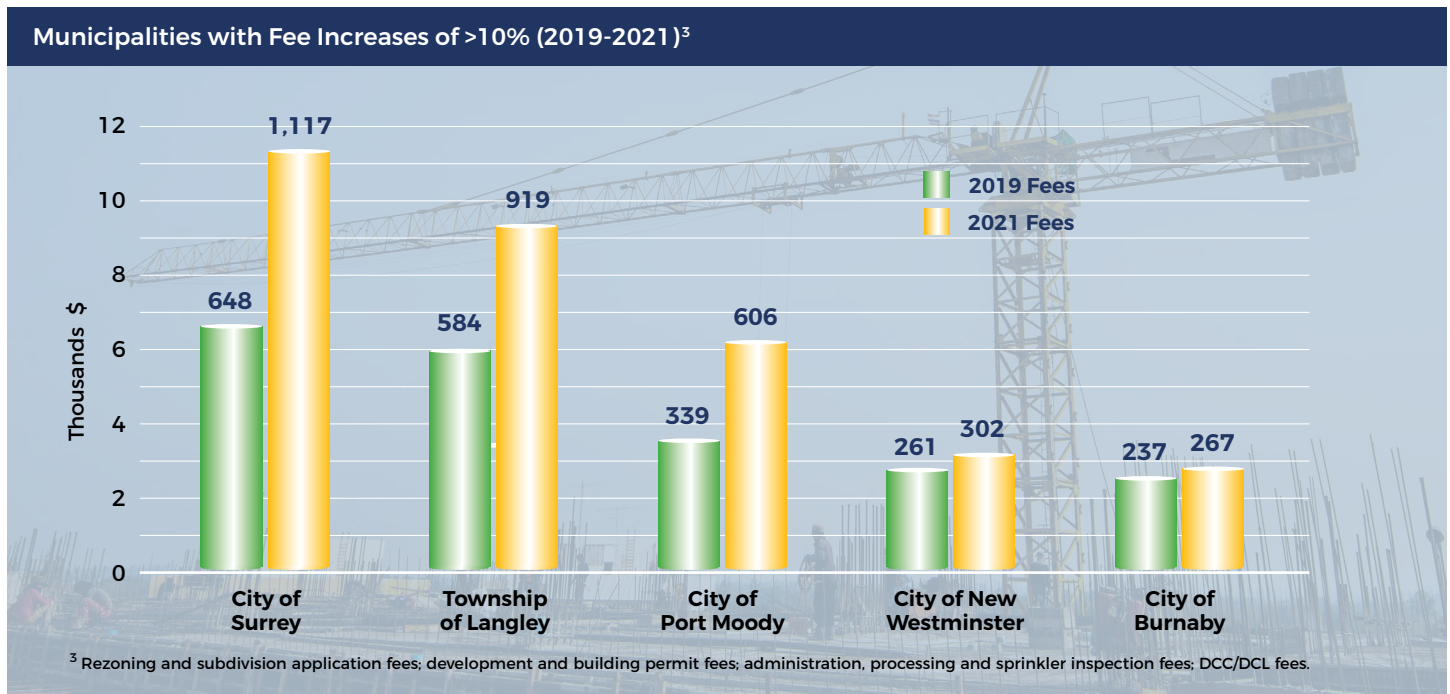
Make Sure Your Vote Counts

Municipal elections take place every four years in B.C., and will be held this year on Saturday, October 15. Residents and property owners, who meet other eligibility requirements, can vote in advance polls or on voting day, or by mail ballot in some municipalities.

For more information, please visit the web site of your municipality, or refer to: https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/governance-powers/voter_guide_english.pdf

Municipal Fees are High and Climbing

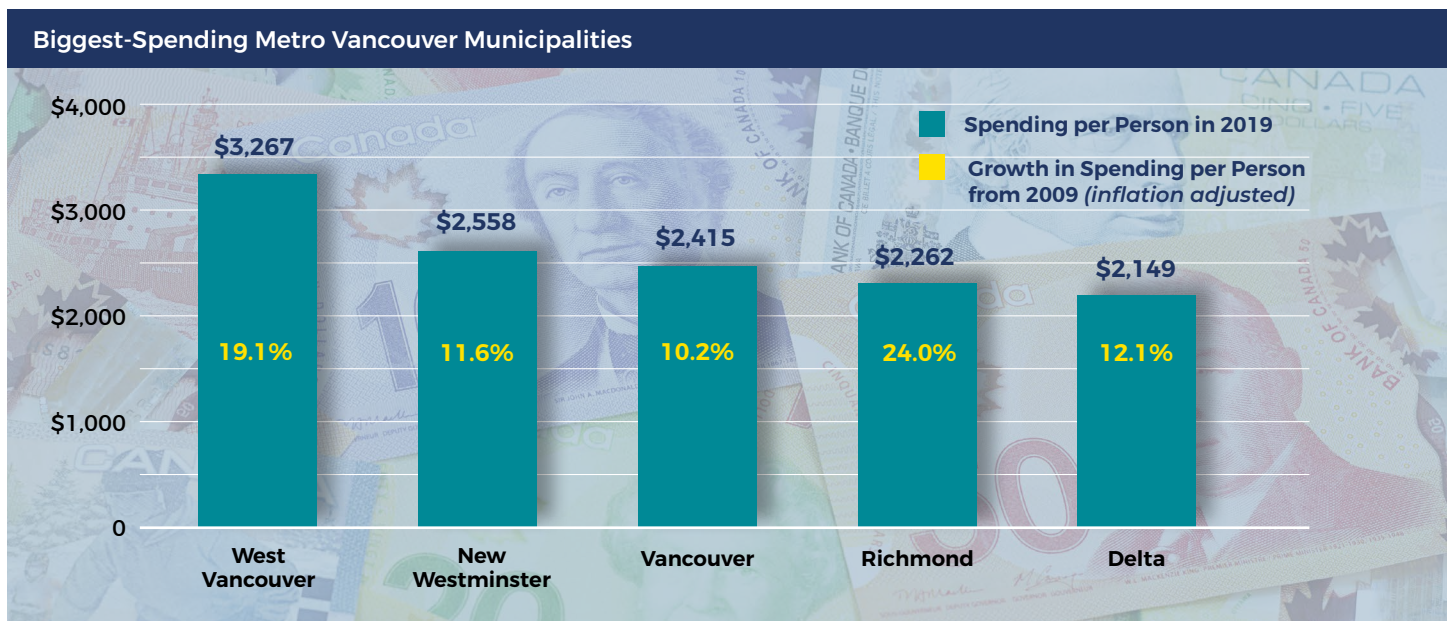
Municipal development fees jumped 17% on average from 2019 to 2021 in 18 Lower Mainland and Fraser Valley municipalities – compared to an average annual inflation rate of 1.7% in the decade ending in 2021. Average approval timelines were up 18.1%.



Source: Regional Industrial Cost of Business Survey, NAIOP Commercial Real Estate Development Association, 2021.

Feeding the Beast of Municipal Spending

While various housing-related fees are theoretically tied to costs incurred for such things as inspections, the need for revenues to fund ever-escalating municipal spending is also a driver of the fees tacked on to new housing.



Source: Comparing Per-Person Spending and Revenue in Metro Vancouver, 2009-2019; Fraser Institute, 2022.

HOUSING CRISIS SOLUTIONS

Increase the Supply and Re-think Land Use

Municipal governments can do a lot to ease upward pressures on housing costs, including reducing red tape, regulations and fees. But most importantly we need to increase the supply of new housing, and optimize land-use and densification. As the Bank of Canada has recently stated: “Supply is the key to solving the housing problem.”

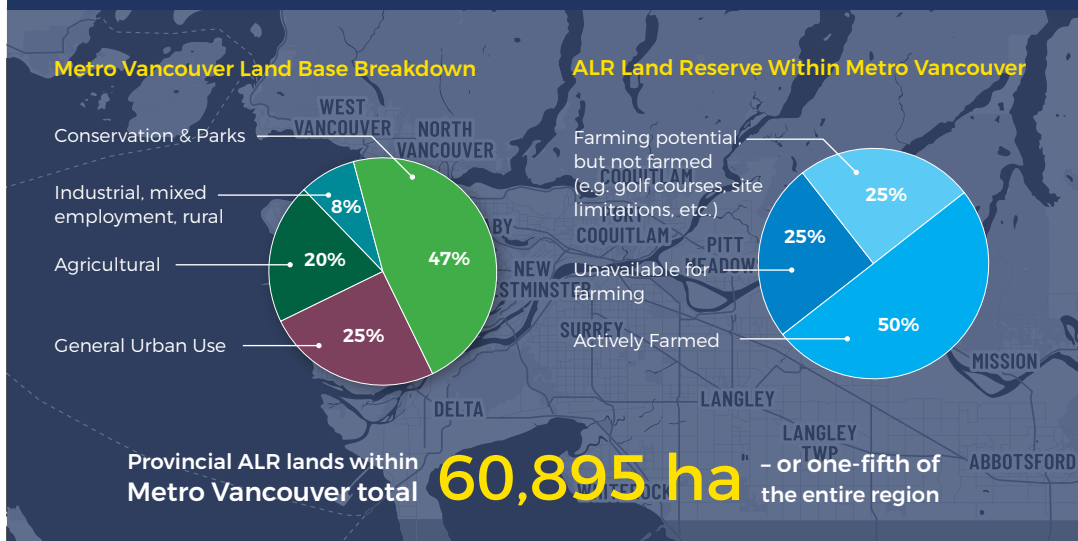
The BC CONSTRUCTION MONITOR is an ICBA publication providing ahead-of-the-curve information and statistics on the B.C. construction industry and issues relevant to it.

To Make Housing Affordable in British Columbia by 2030:



Source: CMHC research as cited in the rennie brief, July 2022.

Land Set-Asides in Metro Vancouver



Source: www.metrovancouver.org/metro2040/sustainable-economy/agricultural-land/land-use/Pages/default.aspx
www.metrovancouver.org/metro2040/land-use-designation/Pages/default.aspx

“There needs to be a drastic transformation and an ‘all-hands-on-deck’ approach to increasing the supply of housing.”

– Canada Mortgage and Housing Corporation, June 2022



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