

August 15, 2006

Development Cost Charge Increases in City of Victoria

The Issue

Development Cost Charges (DCCs) continue to be a major addition to the cost of home construction. This particular policy for VREB arises out of a decision at City of Victoria Council in 2006 to consider raising their DCCs from \$2.80 per sq. metre to \$23.18 per sq. metre in one year for commercial buildings.

The full policy paper produced by the City is found at www.victoria.ca/common/pdfs/planning_bylaw0665_info.pdf

VREB Position

The VREB 2006 President, Scott Kendrew, wrote to the City on August 15, 2006 to advise against making the fee change in one year, stating, “ These increased fees immediately force a disproportionate amount on new infrastructure costs onto owners of development properties, driving up the cost of both commercial and residential real estate for end users.”

Kendrew also pointed out that the VREB’s Commercial Division thought that significant municipal infrastructure should be funded through general tax collection to ensure that all property owners share in improvement to the City’s benefit.

Update

The City of Victoria made the decision to increase DCCs at its Council meeting of May 24, 2007 despite advice not to do so from the VREB, the Canadian Home Builders Association, The Rental Owners and Managers Society of British Columbia, The Urban Development Institute and The Greater Victoria Chamber of Commerce

Ratification

Position ratified by the VREB Directors, September 2007.