

# Reducing the Cost to Build Homes

Photo source: Century Group

Renting or buying a new home is out of reach for many middle-income families. While supply-demand imbalances and approval timelines compound the issue, government-imposed taxes and charges significantly add to an end user's housing cost.

Home builders need their projects to be feasible and have the numbers work. There are many factors that affect the price of the home, but taxes and fees are largely within government's control.

Government-imposed levies typically help to pay for the services and amenities needed to create complete, livable communities. New communities will lead to improved or new parks, upgraded wastewater systems, and new public amenities that benefit everyone. However, far too often, the cost of these items change and that unpredictability will unfairly burden new owners and renters.

## CHBA BC RECOMMENDATIONS

### Three ways to keep the cost of homes transparent and lower:

- **Implement a more consistent, prescribed, and predictable approach** to DCC reviews and calculated increases, including mechanisms to uphold the accountability of charges.
- Provincially establish a **fair, minimum assist factor** for all development and amenity cost levies.
- **Update the provincial rebate value** under BC's First Time Home Buyers program to at least **\$750,000**.

## FIRST-TIME HOMEBUYERS NEED MORE HELP



A property must be valued at **\$500,000 or less to qualify for the BC's First Time Home Buyers Program**, but the benchmark price for an apartment home in Metro Vancouver in July 2023 is

**\$771,600**

Source: Real Estate Board of Greater Vancouver, 2023

## BC CITIES CHARGE HIGHEST NEW HOME DEVELOPMENT FEES IN CANADA

Vancouver, Burnaby and Surrey are amongst the highest in Canada at

**\$157 psf** for a high-rise condo.

**3x** the national average of **\$52 psf**



## CASE-IN-POINT: Metro Vancouver's Reduced Assist Factor Reduces New Home Affordability

A municipal "assist factors" is the required financial assistance on growth related infrastructure that local governments are to provide. Although they can be as high as 50%, **assist factors are inconsistent in the province** and more commonly being **reduced to 1%**, shifting more cost burdens onto new home buyers.

For example, **Metro Vancouver plans to reduce their DCC assist factor to 1%**, which will result in a Vancouver townhouse seeing DCCs **triple from \$8,637 per unit to \$30,861**.



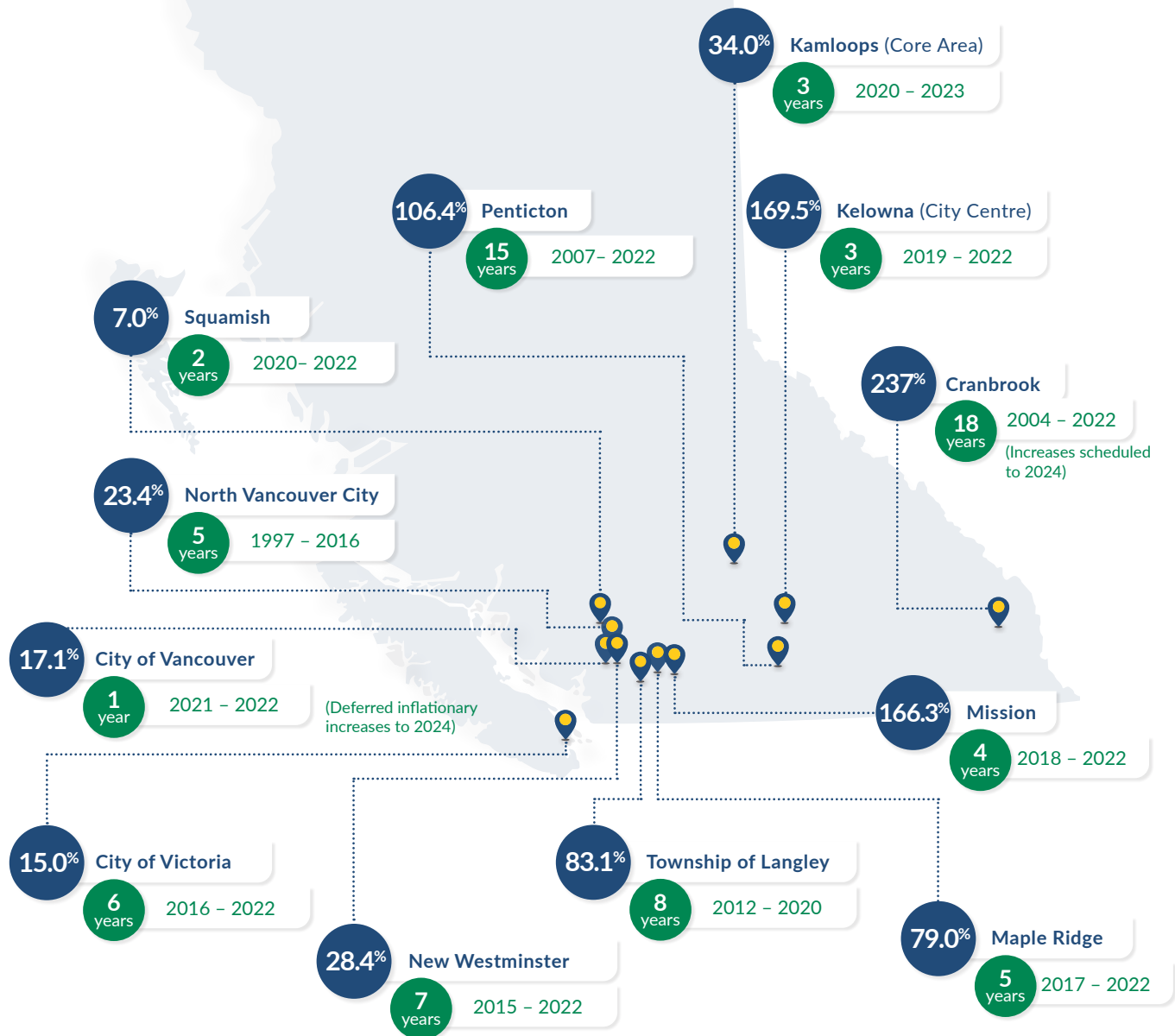
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HOME BUILDERS' ASSOCIATION  
**BRITISH COLUMBIA**

Leading Advocate of the Residential Construction Industry in BC

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## DCC Increases and Updates Across BC

Photo source: Century Group



Municipality

Average Residential Development Cost Increase

Time Period Between Updates (Previous By-law Update to Most Recent By-law Update)