



REPORT FIN-2014-01

TO: Mayor and Members of Council

FROM: Mary Hasan, Director of Finance/Treasurer

SUBJECT: Annual Indexing of Development Charges

RECOMMENDATIONS

That Report FIN-2014-01 regarding the Annual Indexing of Development Charges be received.

BACKGROUND

Development Charges are collected for the Township under By-law 40/09. Section 5 of the Township of Puslinch's By-law states that the development charges imposed shall be adjusted annually, without amendment to this By-law, on January 1st of each year, in accordance with the prescribed index in the Act.

The Development Charges Act, 1997, s.7. states the following:

"The Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-007 is prescribed as the index for the purposes of paragraph 10 of subsection 5 (1) of the Act.
O. Reg. 82/98, s. 7."

DISCUSSION

The adjustments are made based on the most recent twelve-month change in the Statistics Canada Quarterly, "Construction Price Statistics" (catalogue number 62-007). The index has increased by 0.30% from the third (3rd) Quarter of 2012 to the third (3rd) quarter of 2013.

Therefore, Township of Puslinch staff will implement an indexing factor increase of 0.30% effective January 1, 2014.

Residential Development: \$3,881.87/dwelling unit * 1.003 = \$3,893.52/dwelling unit

Non-Residential Development: \$1.96/square foot * 1.003 = \$1.97/square foot

Please see the table below for the indexing of the residential and non-residential development charges from By-law 40/09 to the amount effective January 1, 2014.

Effective Date	% Inc./Dec. from Previous Year	Residential	Non-Residential (per sq. foot)
Per 40/09 By-law		\$3,627.00	\$1.84
January 1, 2011	0.8%	\$3,656.02	\$1.85
January 1, 2012	4.3%	\$3,813.23	\$1.93
January 1, 2013	1.8%	\$3,881.87	\$1.96
January 1, 2014	0.3%	\$3,893.52	\$1.97

Financial Implications

Development Charges are an important way of funding facilities and services directly related to new development in the Township of Puslinch. The annual indexing provision in By-Law 40/09 helps to offset increases to initial development cost estimates identified for various growth-related capital projects.

Applicable Legislation and Requirements

Section 7 of the Development Charges Act, 1997 states that The Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-007 is prescribed as the index for the purposes of paragraph 10 of subsection 5 (1) of the Act. O. Reg. 82/98, s. 7.

ATTACHMENTS

Table 1: Non-residential Building Construction Price Index – Not seasonally adjusted

**Statistics Canada**

Home > The Daily > Tuesday, November 12, 2013

> **Non-residential Building Construction Price Index, third quarter 2013****Table 1
Non-residential Building Construction Price Index¹ – Not
seasonally adjusted**

	Relative importance ²	Third quarter 2012	Second quarter 2013 ^r	Third quarter 2013 ^p	Second quarter to third quarter 2013	Third quarter 2012 to third quarter 2013
	%	(2002=100)			% change	
Composite index	100.0	151.0	152.1	152.3	0.1	0.9
Halifax	2.4	144.4	145.6	145.7	0.1	0.9
Montréal	16.3	143.0	144.2	144.0	-0.1	0.7
Ottawa –Gatineau, Ontario part ³	5.7	156.0	155.4	155.5	0.1	-0.3
Toronto	40.4	151.7	152.1	152.1	0.0	0.3
Calgary	10.9	171.1	172.2	173.4	0.7	1.3
Edmonton	11.0	168.0	169.1	169.9	0.5	1.1
Vancouver	13.3	142.9	146.9	147.3	0.3	3.1

^r revised^p preliminary

1. Go online to view the census subdivisions that comprise the **census metropolitan areas** (CMAs).
2. The relative importance is calculated using a price adjusted three-year average of the value of building permits for each CMA.
3. For the Ottawa–Gatineau metropolitan area, only Ontario contractors are surveyed for the Non-residential Building Construction Price Index because of different provincial legislation and construction union contracts.

Date modified: 2013-11-12