REPORT FIN-2022-036

TO: Mayor and Members of Council

PREPARED BY: Mirela Oltean, Deputy Treasurer

PRESENTED BY: Mary Hasan, Director of Finance/Treasurer

MEETING DATE: December 21, 2022

SUBJECT: Annual Indexing of Development Charges
File No. F21 DEV

RECOMMENDATIONS

THAT Report FIN-2022-036 entitled Annual Indexing of Development Charges be received; and

THAT the indexed development charge rates outlined in Schedule B to Report FIN-2022-036 be approved.

DISCUSSION

Purpose

The purpose of this report is to provide the Development Charge rates effective January 1, 2023. The rates are determined by applying the Construction Price Index to the 2022 rates.

Background

Development Charges are collected for the Township under By-law No. 044-2019. Section 5 of the By-law states that the development charges imposed shall be adjusted annually, without amendment to the By-law, on January 1st of each year, in accordance with the prescribed index in the Act.

Section 7 of Ontario Regulation 82/98 of the Development Charges Act, 1997, states the following:

> "The Statistics Canada Non-residential Building Construction Price Index for Ottawa-Gatineau or for Toronto, as appropriate, is prescribed for the purposes of paragraph 10 of subsection 5 (1) of the Act. O. Reg. 454/19, s. 2."

Analysis

The adjustments are made based on the most recent twelve-month change in the Statistics Canada Quarterly, "Building Construction Price Indexes" attached as Schedule A to this Report.

The Toronto non-residential buildings construction price index has increased by 15.6% from the third quarter of 2021 to the third quarter of 2022. Therefore, Township staff will implement an indexing factor increase of 15.6% effective January 1, 2023. This is consistent with the indexing factor utilized by the County of Wellington. The current rates for 2022 compared to the indexed rates for 2023 are outlined in Schedule B to this Report.

Residential Development: $6,142/dwelling unit * 1.156 = $7,100/dwelling unit

Non-Residential Development: $1.89/square foot * 1.156 = $2.18/square foot

Please note, the non-residential indexing factor is used to index development charges as the intent is to index the capital costs underlying the Development Charges By-law (ie. facilities, bridges, roads, trails, etc.) which are encompassed by the non-residential index.

Financial Implications

Development Charges are an important way of funding facilities and services directly related to new development in the Township. The annual indexing provision in By-law No. 044-2019 helps to offset increases to initial development cost estimates identified for various growth-related capital projects.

Applicable Legislation and Requirements

Section 7 of Ontario Regulation 82/98 of the Development Charges Act, 1997

Attachments

Schedule A – Building Construction Price Indexes

Schedule B – Schedule of Development Charges

Respectfully submitted:

Mary Hasan
Director of Finance/Treasurer

Reviewed by:

Glenn, Schwendinger
Chief Administrative Officer

Building construction price indexes, percentage change, quarterly[1]

Frequency: Quarterly

Help

Table: 18-10-0135-02

Save my customizations

Release date: 2022-11-01

Geography: Census metropolitan area, Census metropolitan area part

▼ Customize table

Type of building :

Non-residential buildings

Reference period

Time :

Q3

2022

Apply

Add/Remove data

Download options

Showing 12 records

Filter

Reset

Type of building	Non-residential buildings				
Geography[2]	Q3 2021	Q2 2022	Q3 2022	Q2 2022 to Q3 2022	Q3 2021 to Q3 2022
	Index, 2017=100				
Eleven census metropolitan area composite	118.5	130.6	133.3	2.1	12.5
St. John's, Newfoundland and Labrador (map)	111.8	118.2	120.9	2.3	8.1
Halifax, Nova Scotia (map)	117.5	126.4	128.1	1.3	9.0
Moncton, New Brunswick (map)	114.0	125.3	127.7	1.9	12.0
Montréal, Quebec (map)	124.8	138.4	141.0	1.9	13.0
Ottawa-Gatineau, Ontario part, Ontario/Quebec (map)	129.8	143.1	146.1	2.1	12.6
Toronto, Ontario (map)	125.0	140.9	144.5	2.6	15.6
Winnipeg, Manitoba (map)	114.8	121.7	123.7	1.6	7.8
Saskatoon, Saskatchewan (map)	108.7	117.6	118.8	1.0	9.3
Calgary, Alberta (map)	109.7	118.3	120.0	1.4	9.4
Edmonton, Alberta (map)	115.2	127.1	129.3	1.7	12.2
Vancouver, British Columbia (map)	116.2	125.4	127.6	1.8	9.8

How to cite: Statistics Canada. Table 18-10-0135-02 Building construction price indexes, percentage change, quarterly
DOI: https://doi.org/10.25318/1810013501-eng

Related information

▶ Source (Surveys and statistical programs)

▶ Related products

▶ Subjects and keywords

Date modified:
2022-12-01

Schedule B to Report FIN-2022-036

January 1, 2022 - December 31, 2022

Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per sq.ft. of Gross Floor Area)
Municipal Wide Services:					
Roads and Related	$3,342	$1,817	$1,545	$2,500	$1.16
Fire Protection Services	$1,625	$883	$751	$1,216	$0.55
Parks and Recreation Services	$787	$428	$363	$588	$0.05
Administration - Studies	$388	$211	$179	$290	$0.13
Total Municipal Wide Services	**$6,142**	**$3,340**	**$2,839**	**$4,595**	**$1.89**

January 1, 2023 - December 31, 2023

Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per sq.ft. of Gross Floor Area)
Municipal Wide Services:					
Roads and Related	$3,864	$2,101	$1,786	$2,890	$1.34
Fire Protection Services	$1,879	$1,021	$868	$1,406	$0.64
Parks and Recreation Services	$909	$495	$420	$680	$0.05
Administration - Studies	$449	$244	$207	$335	$0.15
Total Municipal Wide Services	**$7,100**	**$3,861**	**$3,282**	**$5,311**	**$2.18**