



Realigning Responsibilities to Right-Size Municipal Development Charges

Upload - Amortize - Retain

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Executive Summary

Objective: Provide guidance on how to best deploy funds and financing capacity to structurally reduce Development Charges paid by developers/home builders, and permanently lower costs to new homebuyers

Approach:

- 1. Upload:** certain types of services (transit) to senior levels of government consistent with the magnitude of the works being funded
- 2. Amortize:** realign how water and sanitary sewerage costs are imposed, with growth-related costs for those services being transferred
 1. from an amount payable upfront as a “DC”, payable at permit
 2. to a recurring (monthly) cost borne directly by the homeowner, over a longer-term horizonBorrowing from best practices in other jurisdictions, and consistent with how major works are typically funded
- 3. Retain:** other services more appropriate for municipal level, maintained as municipal-directed and imposed DCs/DCCs

Principles:

1. Create meaningful and structural change to improve how DCs work
2. Reduce variance in DC rates across jurisdictions and increase certainty of cost for builders
3. Ensures infrastructure needs are fully funded
4. Fair and proportionate reductions in DCs

Actions

The \$12.2 billion in funds allocated over 5 years by the federal government in the November 2025 budget, to be matched by provincial governments to facilitate DC/DCC reductions should be targeted to the following areas

1) Uploading transit where currently funded by DCs/DCCs. For example, this would result in 42% reduction in Toronto, and 18% reduction in Ottawa, and require annual investment of ~\$1.54B

2) Amortize water / wastewater by facilitating investment in servicing system expansion by large pension and other funds. This would require no direct investment from senior levels of government. For example, in Peel Region, this would reduce DCs by \$44,300 or 51-55% (depending on local municipality)

Outcomes

DC reductions ranging from 30-50% for nearly all municipalities

Removes services (transit, water, sanitary) causing variance in DC rates

Creates structural change to how Canada, Ontario and municipalities fund infrastructure, rather than one-off piecemeal solutions

Improves economic coordination, and reduces risk profile in capital infrastructure financing

Structural reduction of DCs produces spin-off effect of reducing need for tax-funding for municipal incentive programs (DC discounts, exemptions, etc.) for certain types of development eligible for statutory or discretionary reductions

Removes “tax on tax” – imposing HST on prices that include DCs

Summary Impacts re: Upload/Amortize/Retain for 2-Bedroom Apartment

Municipality	DC per 2BR Apt		DC Reductions		Uploaded Portion of DC Reductions	Amortized Portion of DC Reductions	Monthly Household Savings (see Assumptions)		
	Current DC	Retained DC	per 2-Bedroom Apartment	% Change from Current	Transit DC	Water / Wastewater	Monthly Surcharge for W/WW	Monthly Mortgage Savings from DC Reductions = Price Reductions	Net Monthly Household Savings
Vaughan	\$ 121,305	\$ 84,046	\$ (37,259)	-30.7%	\$ 13,738	\$ 23,521	\$ (99)	\$ 218	\$ 119
Markham	\$ 107,963	\$ 69,192	\$ (38,772)	-35.9%	\$ 13,738	\$ 25,034	\$ (106)	\$ 227	\$ 121
East Gwillimbury	\$ 99,190	\$ 56,657	\$ (42,534)	-42.9%	\$ 13,738	\$ 28,796	\$ (121)	\$ 249	\$ 127
Caledon	\$ 98,520	\$ 54,224	\$ (44,296)	-45.0%	\$ -	\$ 44,296	\$ (187)	\$ 259	\$ 72
Brampton	\$ 94,669	\$ 40,870	\$ (53,799)	-56.8%	\$ 9,502	\$ 44,296	\$ (187)	\$ 315	\$ 128
King	\$ 93,988	\$ 50,776	\$ (43,213)	-46.0%	\$ 13,738	\$ 29,475	\$ (124)	\$ 253	\$ 128
Mississauga	\$ 91,685	\$ 43,316	\$ (48,368)	-52.8%	\$ 4,072	\$ 44,296	\$ (187)	\$ 283	\$ 96
Richmond Hill	\$ 91,532	\$ 54,273	\$ (37,259)	-40.7%	\$ 13,738	\$ 23,521	\$ (99)	\$ 218	\$ 119
Whitchurch-Stouffville	\$ 91,225	\$ 47,912	\$ (43,313)	-47.5%	\$ 13,738	\$ 29,576	\$ (125)	\$ 253	\$ 129
Newmarket	\$ 86,614	\$ 49,355	\$ (37,259)	-43.0%	\$ 13,738	\$ 23,521	\$ (99)	\$ 218	\$ 119
Georgina	\$ 86,082	\$ 46,391	\$ (39,691)	-46.1%	\$ 13,738	\$ 25,953	\$ (109)	\$ 232	\$ 123
Aurora	\$ 83,379	\$ 44,756	\$ (38,623)	-46.3%	\$ 13,738	\$ 24,885	\$ (105)	\$ 226	\$ 121
Toronto	\$ 80,690	\$ 37,779	\$ (42,911)	-53.2%	\$ 33,696	\$ 9,215	\$ (39)	\$ 251	\$ 212
Innisfil	\$ 80,345	\$ 43,458	\$ (36,887)	-45.9%	\$ 152	\$ 36,735	\$ (155)	\$ 216	\$ 61
Barrie	\$ 77,882	\$ 49,007	\$ (28,876)	-37.1%	\$ 1,336	\$ 27,539	\$ (116)	\$ 169	\$ 53
New Tecumseth	\$ 73,095	\$ 44,306	\$ (28,789)	-39.4%	\$ 152	\$ 28,637	\$ (121)	\$ 168	\$ 48
Pickering	\$ 69,613	\$ 43,395	\$ (26,218)	-37.7%	\$ 1,491	\$ 24,726	\$ (104)	\$ 153	\$ 49
Oshawa	\$ 68,506	\$ 42,288	\$ (26,218)	-38.3%	\$ 1,491	\$ 24,726	\$ (104)	\$ 153	\$ 49
Ajax	\$ 66,560	\$ 40,342	\$ (26,218)	-39.4%	\$ 1,491	\$ 24,726	\$ (104)	\$ 153	\$ 49
Oakville	\$ 66,015	\$ 47,434	\$ (18,580)	-28.1%	\$ 540	\$ 18,040	\$ (76)	\$ 109	\$ 33
Whitby	\$ 65,330	\$ 39,112	\$ (26,218)	-40.1%	\$ 1,491	\$ 24,726	\$ (104)	\$ 153	\$ 49
Clarington	\$ 63,458	\$ 37,240	\$ (26,218)	-41.3%	\$ 1,491	\$ 24,726	\$ (104)	\$ 153	\$ 49
Hamilton	\$ 60,391	\$ 41,891	\$ (18,500)	-30.6%	\$ 1,107	\$ 17,393	\$ (73)	\$ 108	\$ 35
Halton Hills	\$ 53,764	\$ 35,446	\$ (18,319)	-34.1%	\$ 279	\$ 18,040	\$ (76)	\$ 107	\$ 31
Milton	\$ 51,429	\$ 32,647	\$ (18,782)	-36.5%	\$ 741	\$ 18,040	\$ (76)	\$ 110	\$ 34
Burlington	\$ 48,953	\$ 30,017	\$ (18,936)	-38.7%	\$ 896	\$ 18,040	\$ (76)	\$ 111	\$ 35
BWG	\$ 47,816	\$ 35,337	\$ (12,479)	-26.1%	\$ 351	\$ 12,128	\$ (51)	\$ 73	\$ 22
Cambridge	\$ 47,711	\$ 33,094	\$ (14,617)	-30.6%	\$ 3,073	\$ 11,544	\$ (49)	\$ 85	\$ 37
Guelph	\$ 41,403	\$ 26,391	\$ (15,012)	-36.3%	\$ 1,950	\$ 13,061	\$ (55)	\$ 88	\$ 33
Waterloo C	\$ 35,865	\$ 21,665	\$ (14,200)	-39.6%	\$ 3,073	\$ 11,127	\$ (47)	\$ 83	\$ 36
Ottawa	\$ 34,296	\$ 16,924	\$ (17,372)	-50.7%	\$ 9,859	\$ 7,513	\$ (32)	\$ 102	\$ 70
Niagara Falls	\$ 33,159	\$ 17,934	\$ (15,225)	-45.9%	\$ 269	\$ 14,955	\$ (63)	\$ 89	\$ 26
Windsor	\$ 32,691	\$ 28,114	\$ (4,577)	-14.0%	\$ 373	\$ 4,205	\$ (18)	\$ 27	\$ 9
Thorold	\$ 31,083	\$ 21,326	\$ (9,757)	-31.4%	\$ 269	\$ 9,487	\$ (40)	\$ 57	\$ 17
London	\$ 30,306	\$ 25,477	\$ (4,829)	-15.9%	\$ 130	\$ 4,699	\$ (20)	\$ 28	\$ 8
Kingston	\$ 22,881	\$ 12,569	\$ (10,312)	-45.1%	\$ 902	\$ 9,410	\$ (40)	\$ 60	\$ 21
Sudbury	\$ 12,790	\$ 5,859	\$ (6,931)	-54.2%	\$ 175	\$ 6,756	\$ (28)	\$ 41	\$ 12

Note: monthly savings do not account for removal of 'tax on tax' through reduction of HST owed on reduced prices

Assumptions for Monthly Mortgage Savings

Assume DC reduction = price reduction (due to offsetting surcharge factored into approvals)
 25-year amortization
 5-year fixed mortgage rate (5.00% rate)

Surcharge Calculation Assumptions

3% borrowing rate (public/institution)
 30-year term

Summary Impacts re: Upload/Amortize/Retain for Single-Detached Units

Municipality	DC per Single-Detached Unit		DC Reductions		Uploaded Portion of DC Reductions	Amortized Portion of DC Reductions	Monthly Household Savings (see Assumptions)		
	Current DC	Retained DC	per Single-Detached	% Change from Current	Transit DC	Water / Wastewater	Monthly Surcharge for W/WW	Monthly Mortgage Savings from DC Reductions = Price Reductions	Net Monthly Household Savings
Vaughan	\$ 191,607	\$ 132,754	\$ (58,853)	-30.7%	\$ 21,700	\$ 37,153	\$ (157)	\$ 217	\$ 61
Markham	\$ 171,557	\$ 109,948	\$ (61,609)	-35.9%	\$ 21,830	\$ 39,779	\$ (168)	\$ 233	\$ 65
East Gwillimbury	\$ 152,760	\$ 87,255	\$ (65,505)	-42.9%	\$ 21,157	\$ 44,347	\$ (187)	\$ 259	\$ 72
Caledon	\$ 139,026	\$ 76,517	\$ (62,508)	-45.0%	\$ -	\$ 62,508	\$ (264)	\$ 365	\$ 102
Brampton	\$ 145,470	\$ 62,801	\$ (82,668)	-56.8%	\$ 14,602	\$ 68,066	\$ (287)	\$ 398	\$ 111
King	\$ 147,082	\$ 79,459	\$ (67,623)	-46.0%	\$ 21,498	\$ 46,125	\$ (194)	\$ 270	\$ 75
Mississauga	\$ 129,533	\$ 61,198	\$ (68,336)	-52.8%	\$ 5,753	\$ 62,582	\$ (264)	\$ 366	\$ 102
Richmond Hill	\$ 142,890	\$ 84,725	\$ (58,165)	-40.7%	\$ 21,446	\$ 36,719	\$ (155)	\$ 215	\$ 60
Whitchurch-Stouffville	\$ 140,278	\$ 73,674	\$ (66,604)	-47.5%	\$ 21,125	\$ 45,479	\$ (192)	\$ 266	\$ 74
Newmarket	\$ 137,752	\$ 78,494	\$ (59,258)	-43.0%	\$ 21,849	\$ 37,409	\$ (158)	\$ 219	\$ 61
Georgina	\$ 130,279	\$ 70,210	\$ (60,069)	-46.1%	\$ 20,791	\$ 39,278	\$ (166)	\$ 230	\$ 64
Aurora	\$ 134,523	\$ 72,209	\$ (62,314)	-46.3%	\$ 22,165	\$ 40,150	\$ (169)	\$ 235	\$ 65
Toronto	\$ 137,846	\$ 64,539	\$ (73,307)	-53.2%	\$ 57,564	\$ 15,742	\$ (66)	\$ 92	\$ 26
Innisfil	\$ 136,443	\$ 73,801	\$ (62,642)	-45.9%	\$ 258	\$ 62,385	\$ (263)	\$ 365	\$ 102
Barrie	\$ 124,445	\$ 78,306	\$ (46,139)	-37.1%	\$ 2,135	\$ 44,004	\$ (186)	\$ 257	\$ 72
New Tecumseth	\$ 105,477	\$ 63,934	\$ (41,543)	-39.4%	\$ 219	\$ 41,324	\$ (174)	\$ 242	\$ 67
Pickering	\$ 116,890	\$ 72,867	\$ (44,023)	-37.7%	\$ 2,504	\$ 41,519	\$ (175)	\$ 243	\$ 68
Oshawa	\$ 114,540	\$ 70,705	\$ (43,835)	-38.3%	\$ 2,493	\$ 41,342	\$ (174)	\$ 242	\$ 67
Ajax	\$ 118,081	\$ 71,569	\$ (46,512)	-39.4%	\$ 2,646	\$ 43,866	\$ (185)	\$ 256	\$ 71
Oakville	\$ 134,029	\$ 96,305	\$ (37,724)	-28.1%	\$ 1,097	\$ 36,627	\$ (154)	\$ 214	\$ 60
Whitby	\$ 127,100	\$ 76,093	\$ (51,007)	-40.1%	\$ 2,901	\$ 48,105	\$ (203)	\$ 281	\$ 78
Clarington	\$ 116,347	\$ 68,278	\$ (48,069)	-41.3%	\$ 2,734	\$ 45,335	\$ (191)	\$ 265	\$ 74
Hamilton	\$ 98,511	\$ 68,334	\$ (30,177)	-30.6%	\$ 1,806	\$ 28,371	\$ (120)	\$ 166	\$ 46
Halton Hills	\$ 108,745	\$ 71,693	\$ (37,052)	-34.1%	\$ 563	\$ 36,488	\$ (154)	\$ 213	\$ 59
Milton	\$ 107,417	\$ 68,189	\$ (39,228)	-36.5%	\$ 1,549	\$ 37,680	\$ (159)	\$ 220	\$ 61
Burlington	\$ 98,703	\$ 60,522	\$ (38,180)	-38.7%	\$ 1,807	\$ 36,374	\$ (153)	\$ 213	\$ 59
BWG	\$ 94,066	\$ 69,517	\$ (24,549)	-26.1%	\$ 690	\$ 23,859	\$ (101)	\$ 139	\$ 39
Cambridge	\$ 85,735	\$ 59,469	\$ (26,266)	-30.6%	\$ 5,522	\$ 20,744	\$ (87)	\$ 121	\$ 34
Guelph	\$ 69,164	\$ 44,087	\$ (25,077)	-36.3%	\$ 3,258	\$ 21,819	\$ (92)	\$ 128	\$ 36
Waterloo C	\$ 65,616	\$ 39,637	\$ (25,979)	-39.6%	\$ 5,622	\$ 20,358	\$ (86)	\$ 119	\$ 33
Ottawa	\$ 63,745	\$ 31,456	\$ (32,289)	-50.7%	\$ 18,325	\$ 13,964	\$ (59)	\$ 82	\$ 23
Niagara Falls	\$ 72,121	\$ 39,008	\$ (33,113)	-45.9%	\$ 586	\$ 32,528	\$ (137)	\$ 190	\$ 53
Windsor	\$ 70,646	\$ 60,754	\$ (9,892)	-14.0%	\$ 805	\$ 9,087	\$ (38)	\$ 53	\$ 15
Thorold	\$ 59,348	\$ 40,719	\$ (18,629)	-31.4%	\$ 514	\$ 18,114	\$ (76)	\$ 106	\$ 30
London	\$ 50,564	\$ 42,507	\$ (8,057)	-15.9%	\$ 217	\$ 7,840	\$ (33)	\$ 46	\$ 13
Kingston	\$ 33,848	\$ 18,593	\$ (15,255)	-45.1%	\$ 1,334	\$ 13,921	\$ (59)	\$ 81	\$ 23
Sudbury	\$ 22,161	\$ 10,152	\$ (12,009)	-54.2%	\$ 303	\$ 11,706	\$ (49)	\$ 68	\$ 19

Assumptions for Monthly Mortgage Savings
 Assume DC reduction = price reduction (due to offsetting surcharge factored into approvals)
 25-year amortization
 5-year fixed mortgage rate (5.00% rate)

Surcharge Calculation Assumptions
 3% borrowing rate (public/institution)
 30-year term

Options for Transition of Uploaded and Amortized Services

Upload Transit DCs	Amortize Water/Sanitary Sewer DCs	Retain Right-sizing Land post-Bill 60
<p>Short-term: Provincial/federal government provide direct payment to buyers, equivalent to transit portion of DCs paid/payable</p>	<p>Short-term: Utilize section 32(1) of the <i>Development Charges Act</i> for water and wastewater services, for all future DC invoices – unpaid DCs are added to tax roll and collected in same manner as taxes</p>	<p>Short-term: continue implementation of scheduled/planned DC reviews incorporating changes to foster best practices and approaches for changes to land in DC rate calculations</p>
<p>Medium-term: Migrate full financial responsibility of municipal transit projects (linear infrastructure, vertical infrastructure, rolling stock, etc.) to provincial/federal governments</p>	<p>Medium-term: Continue to formalize DC rate calculations (local services, BTE) and maintain base DC calculation model as input to estimate initial cost to be amortized.</p>	<p>Medium-term: Incentivize municipalities to transition DC by-laws to reflect Bill 60 changes re: land</p>
	<p>Long-term: Migrate to formal utility model or municipal service corporation model.</p> <p>Recurring Long-term: Require the initial amortized amounts based on “initial DC” calculations to be adjusted based on actual incurred costs</p>	<p>Long-term: Require municipalities to renew DC by-laws by certain date to reflect Bill 60 changes</p>



REPORT

**Realigning Responsibilities to Right-Size
Municipal Development Charges**

Ontario

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Range of DC Rates Experienced in Ontario Driven by Key Areas of Variance

Area of Variance #1: Transit

42% of Toronto DC are for transit services

Over \$8,000 per 2BR apartment unit in many urban municipalities

Area of Metrolinx Regional Transportation Plan funded by 10 different Transit DCs

Area of Variance #2: Water / Sewer

Water / Sewer DCs high in large 905 (York, Peel, Halton, Durham, Simcoe) and 519 municipalities (Wellington, Waterloo, Niagara, etc.)

Significant debt costs from municipal borrowing for major plants or linear trunks can add to DC rates through recovery of debt costs

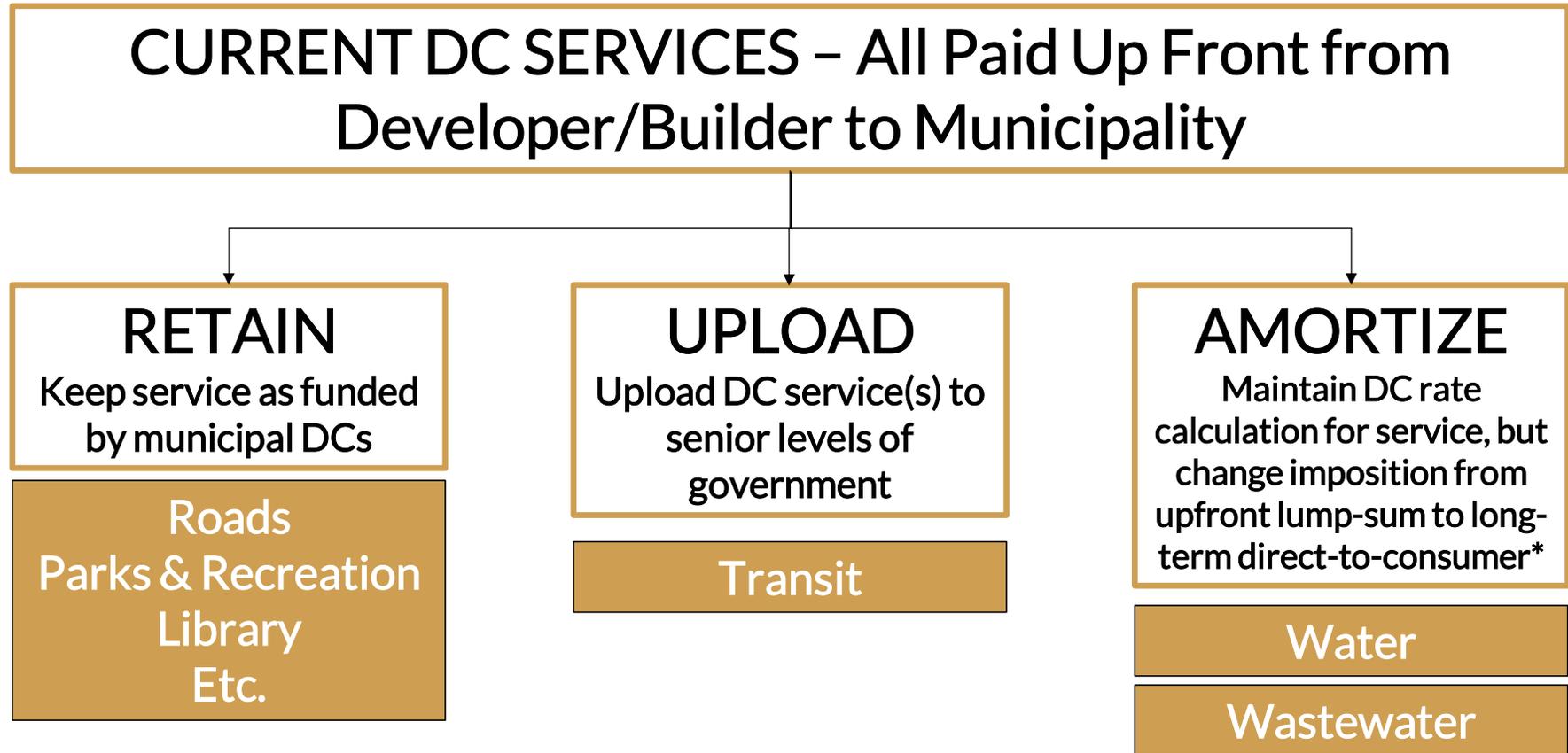
Area of Variance #3: Land Values

High land values have historically escalated calculated 'service levels' for services such as roads, indoor recreation, public works, etc.

Bill 60 removes land from level of service calculations – effectively making 'service levels' a true measurement of functional service levels (square feet of building areas, ice rinks, library collections, etc.)

Rollout of Bill 60 changes has started, but expected to occur over next 5-10 years as by-laws expire and are renewed incorporating changes

Proposed Re-Alignment of DC Services



*Analysis not dependent on whether Amortized costs are imposed through MSC, directly by a municipality, or other potential options for changing governance model or introducing utility models

UPLOAD – transfer full funding responsibility of Transit DCs to Senior Levels of Government

Benefits of Uploading Transit DC in Ontario

Smooths major driver of differences in municipal DCs across Ontario and has greatest impact on DC rates in most urbanized municipalities (Toronto, York, Ottawa, Hamilton, etc.)

Allows for **improved coordination of planning and funding/financing** strategies at regional/provincial level, **similar to highways, airports**

Building of **cross-jurisdictional transportation** capacity represents nation-building infrastructure capacity **best handled and funded by cross-jurisdictional governments**

Reduces dependence of funding of major capacity-building work on the planning policies, demand and feasibility for new housing within an individual municipality.

Improves borrowing terms and **reduces structural risk in economy** by leveraging borrowing power of senior levels of government instead of **downloading risk onto fragmented borrowing at municipal and mortgage consumer/household level**

Municipality	Transit DC (\$ per Single-Detached Unit)	Type of Transit Funded	Transit as % of Total Municipal DC Rate
Toronto	\$57,565	Subways, Eglinton Crosstown	42%
Ottawa	\$18,325	LRT, BRT	29%
Mississauga	\$5,974	LRT	5%
Brampton	\$16,802	LRT	12%
York Region	\$21,288	TTC Subways, BRT	13%*
Oakville	\$1,076	Route-based buses	1%
Hamilton	\$1,806	LRT	2%
Waterloo Region	\$4,740	LRT	7%*

*Transit DC imposed by upper-tier municipality – percentages shown based on Markham for York Region and City of Waterloo for Waterloo Region

UPLOAD: DC-based funding baked into today's DC rates is as much as the amount currently funded by Provincial/Federal grants combined

Funding Sources – Combination Of Major Transit Works Across Ontario

Study Municipalities: Toronto | York Region | Hamilton | Ottawa | Mississauga | Brampton | Waterloo Region

	Cost in Study Municipality DC Studies	Share of Funding
Gross Cost	\$48.16 billion	
Subsidies/Grants	\$19.53 billion	40.5%
Existing Residents (BTE)	\$13.24 billion	27.5%
Growth – DCs (incl PPB)	\$15.39 billion	32.0%

Municipality	Gross Cost*	Grants as % of Funding
Toronto	\$26.04B	23.4%
Mississauga	\$0.46B	20.0%
Brampton	\$7.39B	62.6%
York Region	\$2.42B	24.6%
Hamilton	\$0.53B	34.9%
Ottawa	\$10.56B	75.1%
Waterloo Region	\$0.76B	0.0%

**in some cases, the gross costs may not show non-DC shares*

Findings:

- Full upload would require \$28.6B in additional subsidies, of which roughly half would benefit development through reduced DC rates, and half would be non-DC share (taxes/fares)
- ANNUALIZED in Study Municipalities – DCs are tagged with funding \$862 million/year in Transit capital costs/year (subject to change as DC study calcs evolve)

AMORTIZE: water and wastewater infrastructure directly to end-users rather than upfront through DCs payable by builders

Benefits

Re-orienting how funds are collected **allows for retention of existing methodology and rigour of existing DC rate calculation**, which maintains current levels of transparency related to BTE shares, DC reserve fund reporting, etc.

Initial DC rate calculated and ultimately amortized and imposed on a monthly **can be revised over time (up or down) based on actual costs incurred as they become known**

-> Example: Texas/Florida CDD – initial tax rate evolves over time as actuals are known in both numerator (costs) and denominator (development quantum)

Moving away from upfront funding and towards debt financing, but imposing **monthly surcharge would have offsetting impact on monthly household cash flow** such that **prices would need to fall** by a nearly proportionate amount to ensure combined monthly household cost is unaffected:

- Mortgage incl. \$50k DC based on price at \$900,000 - \$3500/month
- Mortgage excl. \$50k DC based on price of \$850,000 - \$3300/month + \$200/month surcharge to repay \$50k DC

Moving responsibility for debt financing to upper levels of government or other major third-party sources (pension funds, etc.) **frees up municipalities from existing debt constraint**, and allow more opportunity for **growth in smaller municipalities** without being constrained by current size via Provincial debt guideline (25% of own revenues), or **reduces need for creating financing solutions** at developer/municipal level to interim finance works

Frees up finite municipal debt capacity for other uses

RETAIN remaining services in municipal DCs

Benefits of Upcoming Changes to Services Proposed to be Retained in Municipal DCs

With how land and land value gets incorporated into DC rate calculations re-oriented via Bill 60, the rates for Retained DC services will likely experience downward pressure:

(see calculations in State of DCs in Ontario report – January 25, 2025) – estimated City of Markham’s DC rates would be -33% lower from full removal of land, before accounting for offsetting Land Acquisition DC.

Without land, retained DCs will solely be services where service levels are measured in functional service level (km/capita, SF/capita, etc.) – DC rates should then be reflection of whether municipality both intends to maintain/reduce current service levels.

Helps eliminates potential for “gold-plating” by relying on escalation of land value pushing up on calculated service levels – can no longer use land value escalation to increase the ‘quantity’ of service (higher SF/capita), or the ‘quality’ of service (higher cost per SF)

When paired with Uploaded services and Amortized services, the range of DC rates is significantly narrowed from one municipality to the next – removal of land will further compress range of DC rates



Findings

Combination of UPLOAD & AMORTIZE generates substantial annual savings for households

Assumptions:

- Assuming 5.00% mortgage rate (25-year term) and 3.00% public borrowing rate (30-year term)
- Peel Region (Brampton)
- **Amortize** Peel Region Water/Sewer DC: removes upfront \$44,296 per 2BR Apartment
- **Upload** Brampton Transit DC: removes \$9,502 per 2BR Apartment

Results:

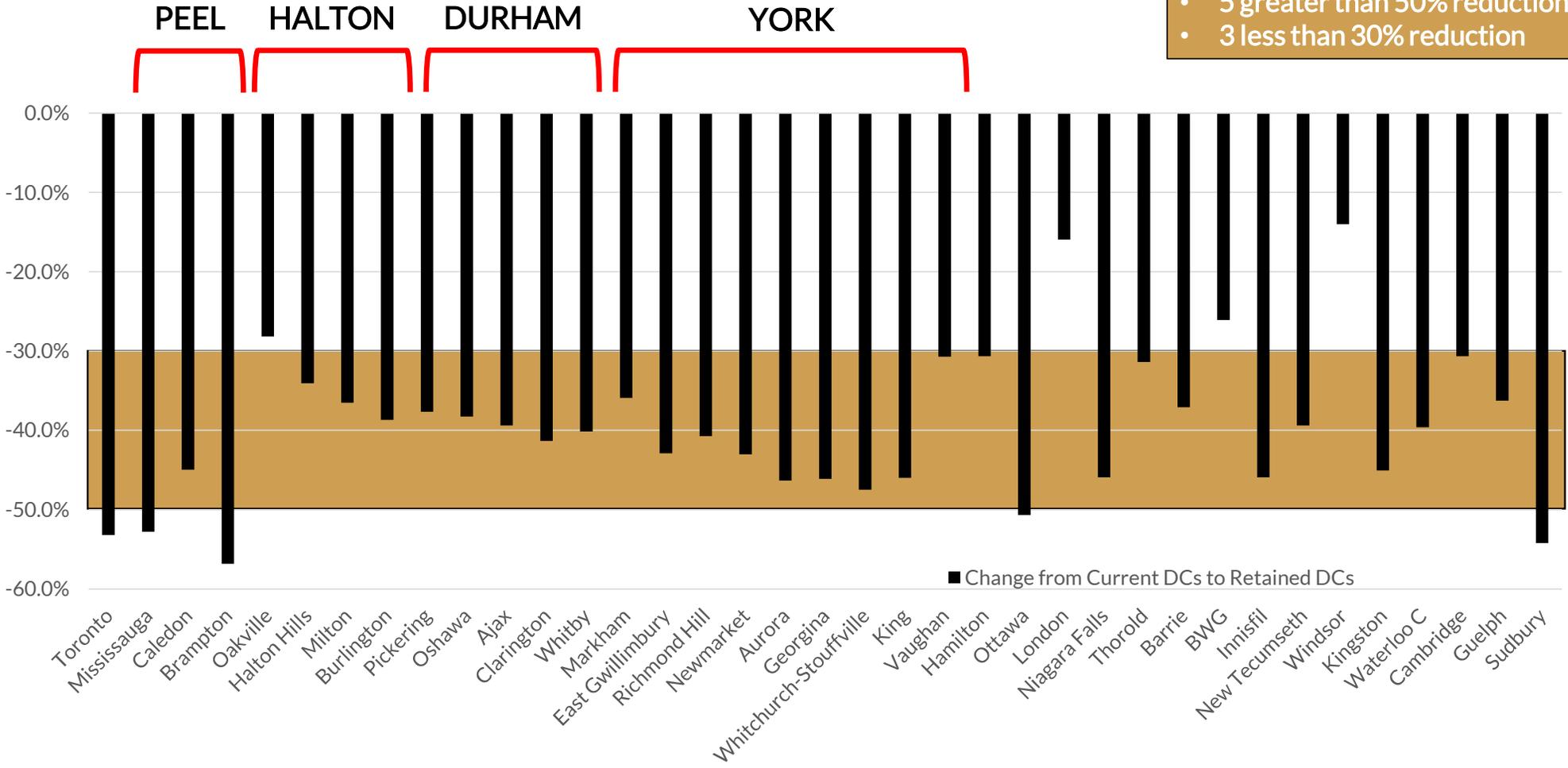
- Total Upfront DC Savings: \$53,799 in DCs
- Net Savings on Monthly Housing Costs – Brampton: \$1,533 per year
- Range of Changes to Housing Costs Across 37 Municipalities:
 - Low: \$101/year
 - High: \$2,544/year
 - Average: \$803/year

Change in Costs	Amount / Month
Reduction in Monthly Mortgage Cost from Cost/Price Drop of \$53,799	\$314.50
Increase in Monthly Water/Sewer Rates	\$186.75
Net Savings per Household, per Month	\$127.75
Net Savings on Housing Costs, per Household, per Year*	\$1,533
% Savings on Housing Costs for Household at 60 th Percentile	4.6%
Net Savings per Household – total 25-year mortgage term/30-year surcharge payback period	\$27,119
<i>*does not include savings from reduced HST on reduced purchase price</i>	

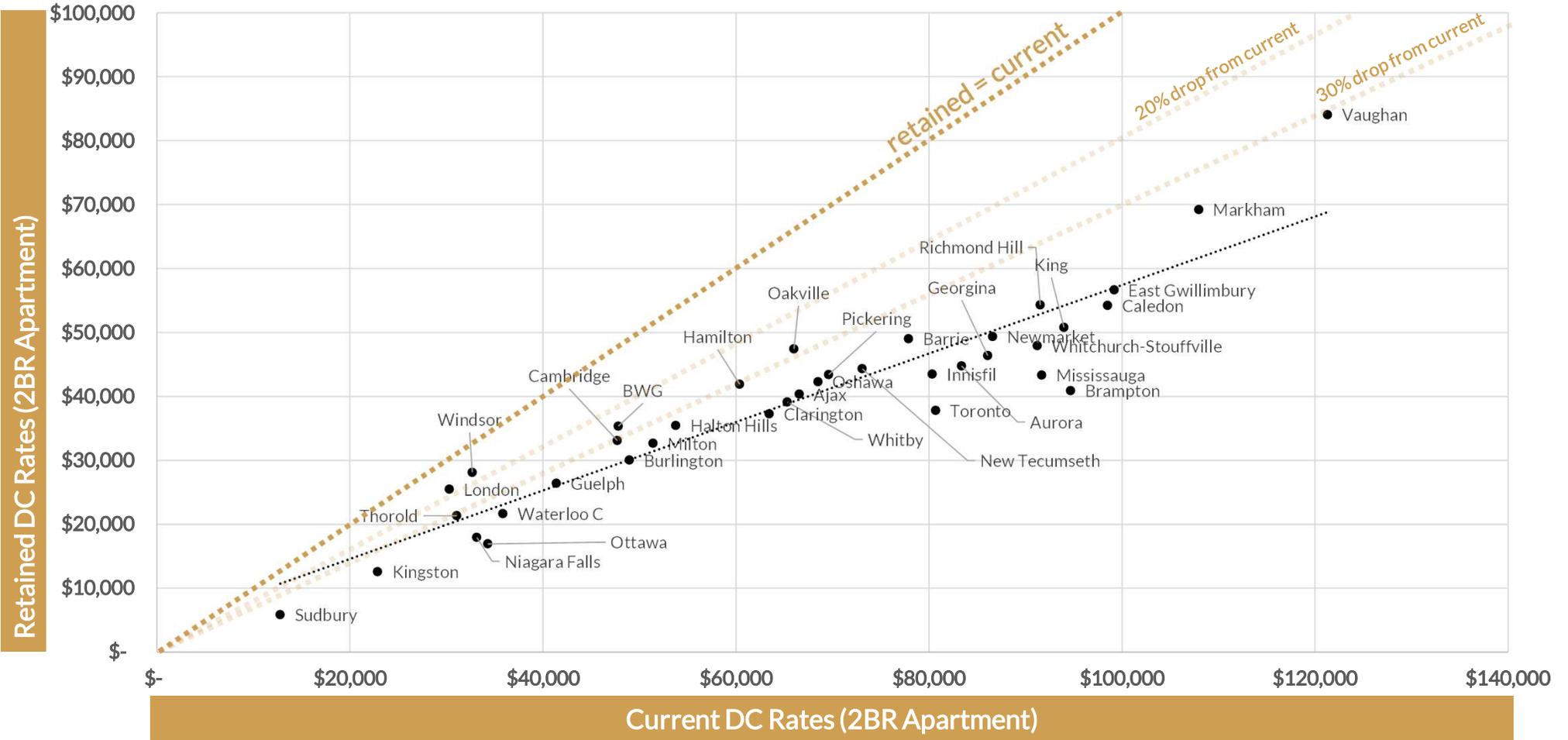
Percentage Change from Current DC to Retained DC is Largely Consistent Across Most Municipalities

Of 37 studied:

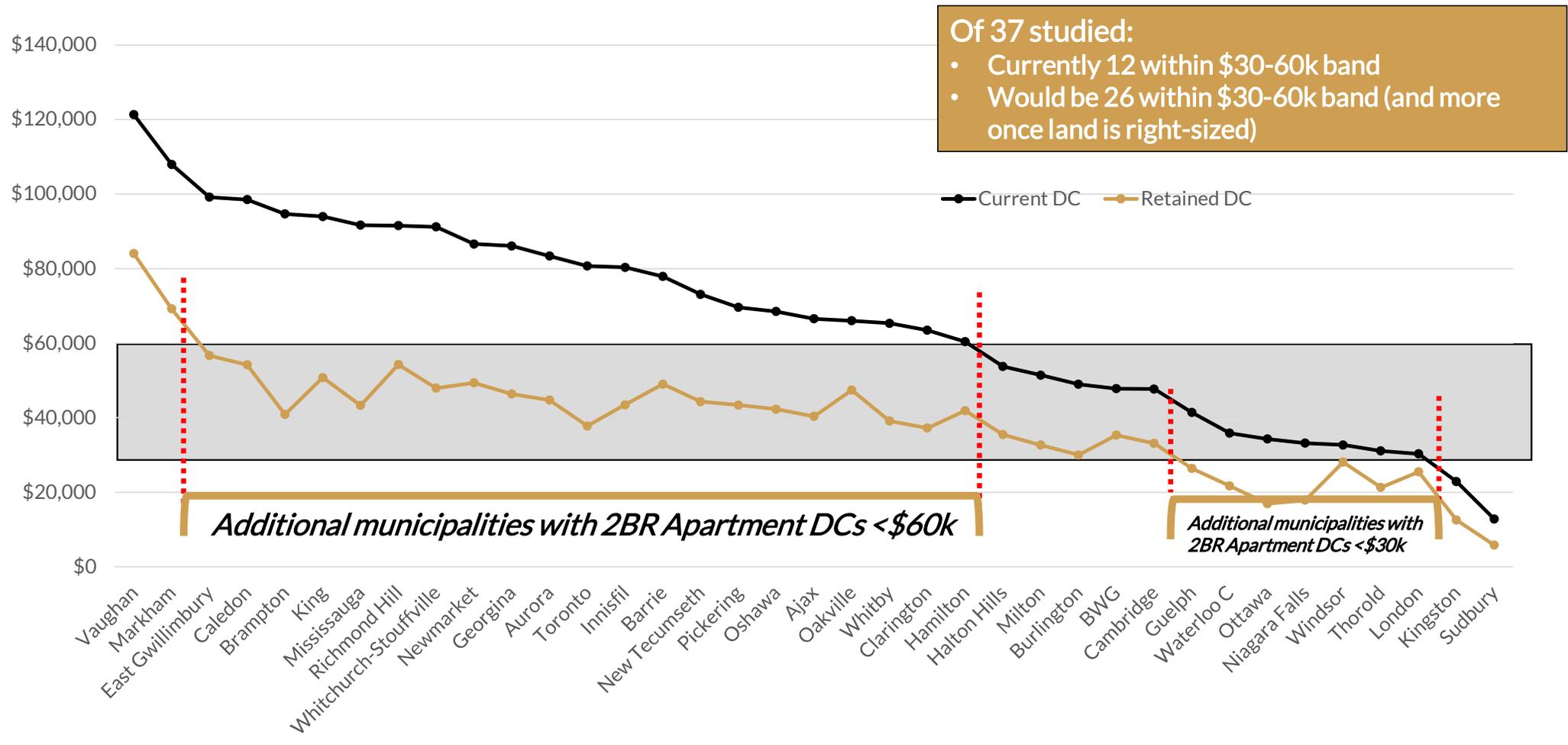
- 29 between 30-50% reduction
- 5 greater than 50% reduction
- 3 less than 30% reduction



Very Close Relationship of Current DC Rates to Retained DC Rates

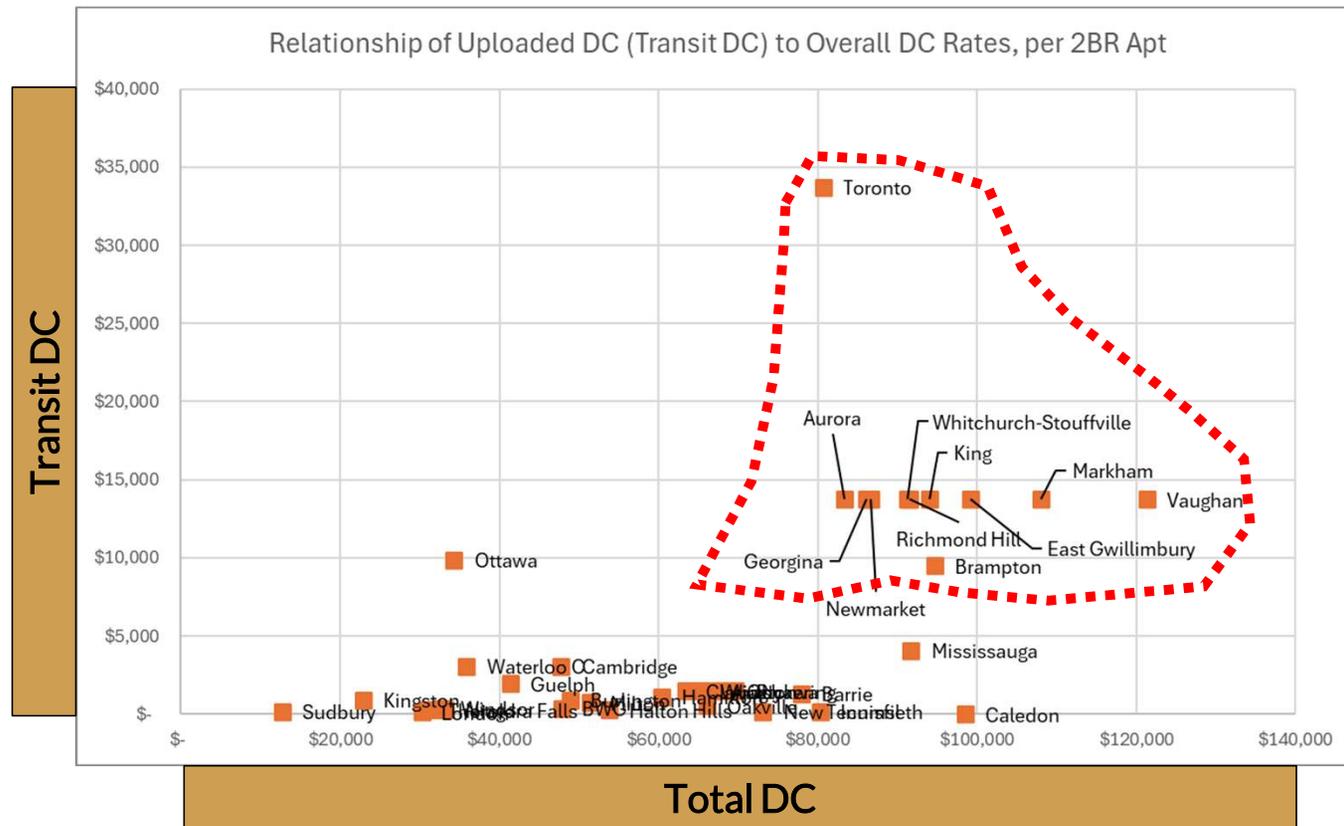


Combined effect of UPLOAD and AMORTIZE reduces range of DC rates



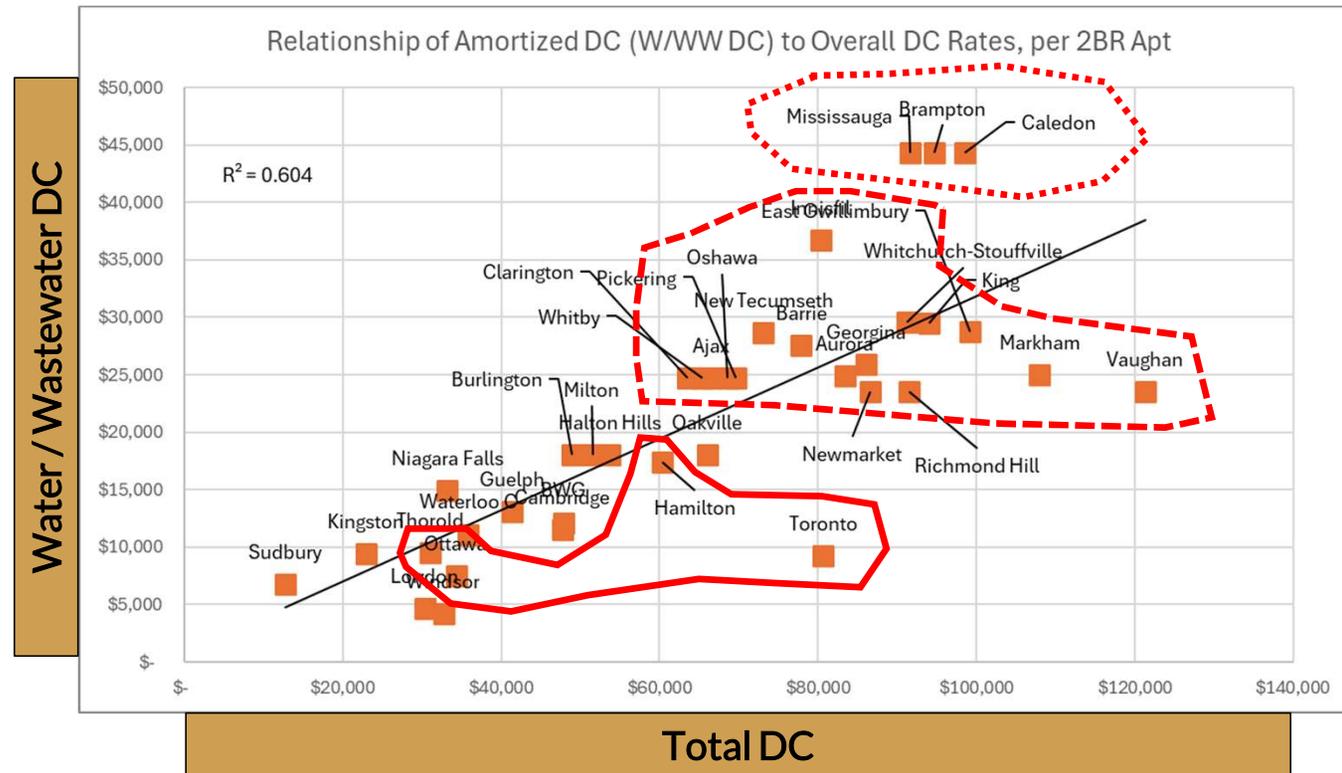
Municipal Responsibility for Funding High Proportions of Transit Capital is a Major Reason why Some DC Rates are High

- Transit DCs are highest in municipalities with highest DCs (red dashed circle)
- Most Transit DCs are \$3,000 per 2BR Apartment or less
- Transit DCs with rates above \$5,000 tend to be municipalities with major BRT, LRT or subway
- GO Transit not part of Municipal Transit DC
- Uploading Transit DC away from municipal DCs better allows Toronto and other urban areas (Vaughan, Markham, Brampton, etc.) to compete with Outer GTA on price

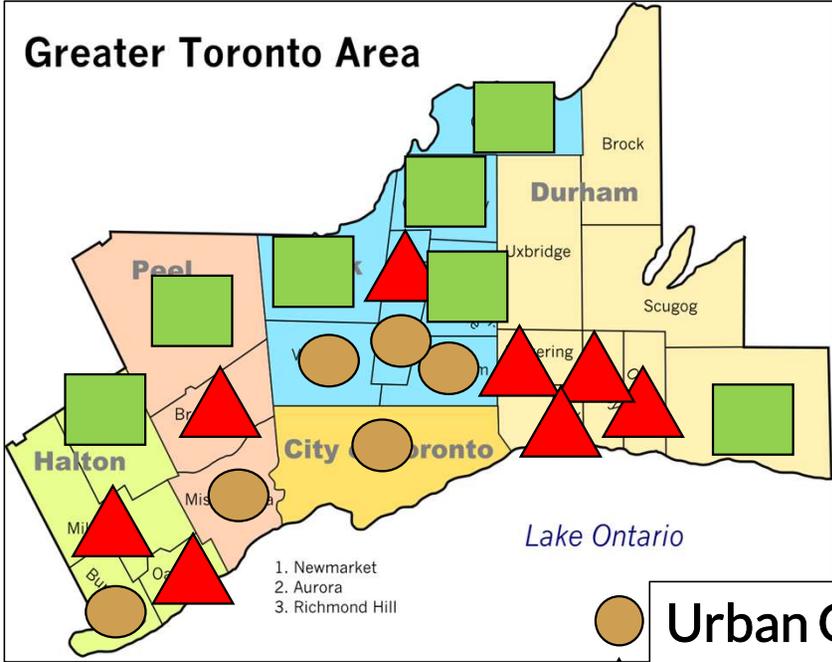
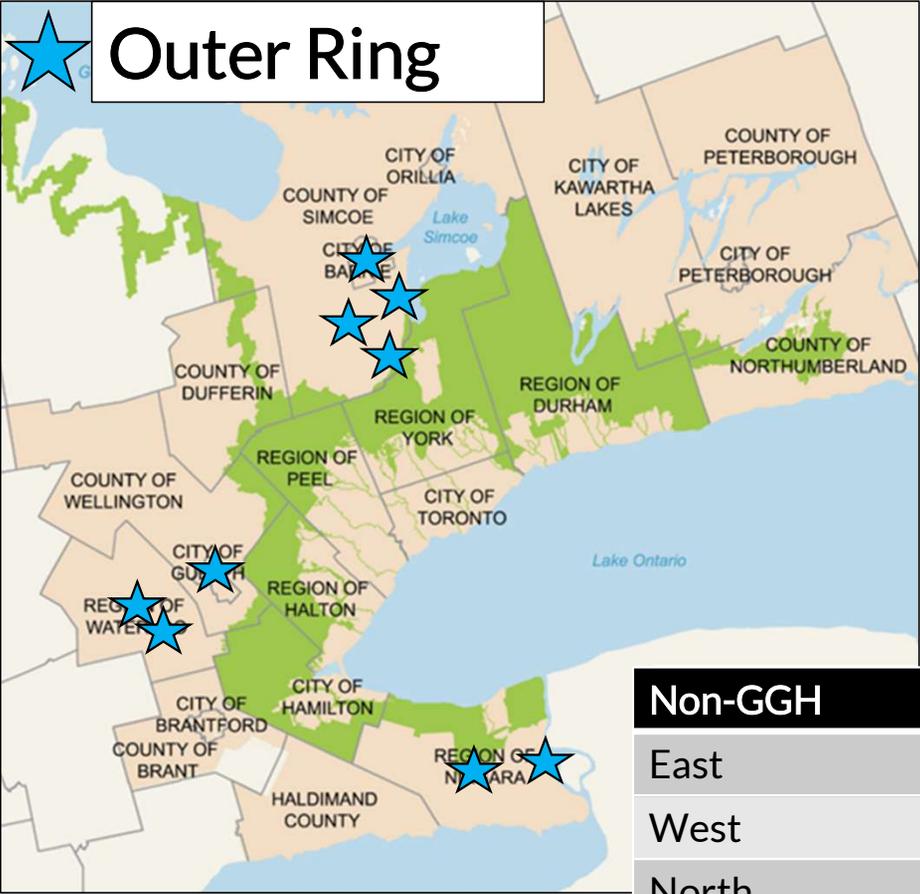


Supplying Water and Wastewater in the GTA is Expensive

- Peel Region (*dashed red line*) – highest W/WW DCs related to amount of debt and interest costs embedded in DC rates
- Suburban York, Durham, Simcoe (*long-dashed red line*) have higher costs than Outer Ring municipalities
- Major urban municipalities (*solid red line*) with high Transit DCs have lower W/WW DCs
- DCs for W/WW tend to be lowest in older non-GTA urban centres (Kingston, London, Windsor, Guelph, Waterloo, Niagara Falls, Sudbury)



Categorization of 37 Municipalities Studied



1. Newmarket
2. Aurora
3. Richmond Hill

-  Urban GTA
-  Mixed GTA
-  Suburban GTA

Non-GGH	
East	Kingston, Ottawa
West	Windsor, London
North	Sudbury

Source:

Categorizing Upload/Amortize/Retain Costs by Municipal Typology

Upload

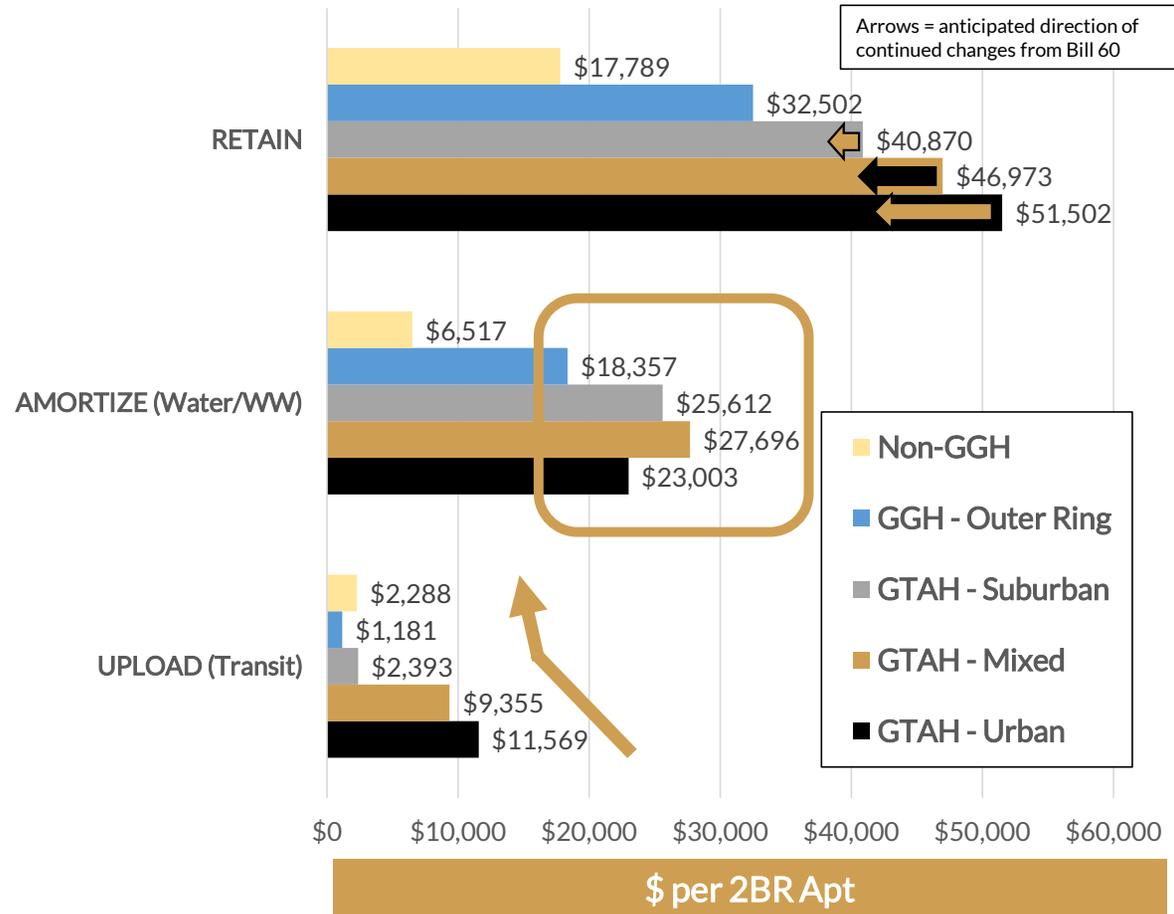
- Higher costs in Urban GTA, Suburban GTA and East (Ottawa)

Amortize

- W/WW is uniformly expensive throughout GTA and GGH (\$23-28k)
- Non-GGH is cheaper - much more greenfield development and a greater proportion of works are local services not covered by DC

Retained

- GTAH DCs still higher for retained DC services, but Bill 60 changes to land should smooth remaining regional differences





REPORT

**Realigning Responsibilities to Right-Size
Municipal Development Charges
British Columbia**

Prepared by: Daryl Keleher, MCIP, RPP, PLE
Principal, KR Planning Group
February 2026

Upload / Amortize / Retain Model Tested in British Columbia

2BR Apartment	Current Charges	Retained Charges	% Change
Vancouver	\$60,193	\$50,561	-16.0%
Burnaby	\$59,526	\$36,332	-39.0%
Surrey	\$50,315	\$26,706	-46.9%

Note: City of Vancouver excludes Community Amenity Contributions (CACs)



Thank You

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