



April 27, 2026

Mayor Ross Siemens and Members of Council
City of Abbotsford
Via e-mail to:
cityclerk@abbotsford.ca

RE: COMPLETING THE ABBOTSFORD PERMITTING MODERNIZATION — CUT DCCs

Dear Mayor Siemens and Members of Council:

On behalf of the Independent Contractors and Businesses Association (ICBA) and our more than 4,500 member and client companies — many active across the Fraser Valley — we write to urge Council to pair Abbotsford's well-regarded permitting modernization with a temporary Development Cost Charge reduction of at least 25 per cent.

A Provincial Precedent

Three of British Columbia's largest local-government jurisdictions have now moved on Development Cost Charges. On [March 10, 2025, Surrey Council rolled back residential DCCs to 2023 rates](#), with the freeze holding through May 2027. On [April 15, 2026, the Metro Vancouver Regional District Board adopted its “Roll Back and Reduce” alternative](#) for regional DCCs — cutting rates and backfilling from reserves. Six days later, [Kelowna Council approved a 25 per cent DCC reduction](#) for a two-year term, following ICBA's April 16 letter. Those decisions reflect an emerging consensus: when development charges begin to suppress construction, councils must act — or accept extended stalls, lost jobs, and lost assessment growth.

The Industry Needs a Bold Signal

What ICBA members are reporting is a crisis. In our [recent survey of more than 350 B.C. contractors](#), 23 per cent reported layoffs already made or planned, with an average of 22.5 per cent of their workforce at risk; for the first time in years, finding work — not workers — is the top challenge. We project [B.C. housing starts will fall from 42,200 in 2025 to around 30,000 in 2026](#), with [construction cost inflation up roughly 30 per cent since October 2022 on Statistics Canada's Building Construction Price Index](#). Softer selling prices are not a tailwind for new supply — they compress the margins homebuilders need to carry construction risk, so a smaller share of projects clears the feasibility hurdle. A “cooler market” means fewer projects that pencil, not more.

Abbotsford has a justified reputation as one of B.C.'s most forward-leaning permitting jurisdictions. But under the provincial Housing Supply Act, [Abbotsford reached only 74 per cent of its Year 2 target \(866 of 1,164 units\)](#); [local home sales hit a decade low in 2025](#); and [prices continue to fall into 2026](#), compressing the margins homebuilders need.

Speed Isn't Enough When the Math Doesn't Work

Faster permits matter, but they alone do not make a project viable. Falling selling prices and 30 per cent construction cost inflation since 2022 are moving a growing share of Abbotsford projects below the feasibility line, regardless of permit speed. A 25 to 50 per cent DCC reduction is the logical completion of the permitting work the City has already done — the pricing side of a strategy largely nailed on speed.

The DCC Revenue Math Has Flipped

DCC revenue is a function of rate and volume. In this market, the equation has flipped: when volume collapses, revenue collapses with it — regardless of rate. DCCs cannot be collected on homes that never get built. Every developer running a pro forma in Abbotsford today is calculating whether current DCCs can be absorbed in a market where [CBC has reported 2,500 unsold new condominiums sitting across Metro Vancouver](#) — double the prior year — and [CMHC warns condominium project postponements and cancellations will extend into 2027 and 2028](#). For a meaningful share of projects, the answer is no — and those projects are parked, shelved, or moved, taking the DCC, property taxes, amenity contributions, and construction wages with them. A 25 to 50 per cent temporary reduction produces more total DCC revenue than a higher rate applied to a collapsed pipeline.

Our Ask

ICBA respectfully urges Council to: (1) direct staff to review all DCC revenue streams against a realistic 24-month pipeline outlook; and (2) bring forward a temporary DCC reduction of 25 to 50 per cent, in line with the Surrey, Kelowna and Metro Vancouver precedents, for a minimum 24 months.

The construction industry wants to build in Abbotsford. Give us the conditions to do it.

Sincerely,

INDEPENDENT CONTRACTORS AND BUSINESSES ASSOCIATION



Chris Gardner
President and CEO