April 27, 2026

Mayor Malcolm Brodie and Members of Council
City of Richmond
Via e-mail to:
cityclerk@richmond.ca

**RE: PROTECTING RICHMOND'S HIGH-DENSITY PIPELINE — A TEMPORARY DCC REDUCTION**

Dear Mayor Brodie 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 in Richmond — we write to urge Council to introduce a temporary Development Cost Charge reduction of at least 25 per cent. Richmond is one of Metro Vancouver's most important high-density construction markets, and that pipeline is now at serious risk.

**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.

A Vancouver-based developer recently cancelled a condominium development in Richmond due to "market conditions," returning 100 per cent of purchaser deposits in the River Green complex. CMHC is flagging further condominium postponements into 2027 and 2028 across the Vancouver Census Metropolitan Area.

**Richmond Cannot Absorb a Lost Cycle**

Richmond's construction sector is the backbone of its assessment growth, its amenity contributions, and a large share of its workforce. A stalled pipeline today is deferred infrastructure capacity, deferred housing supply, and a thinner roster of local contractors and trades when the market recovers.

This cycle is different: presale absorption is near zero, and softer selling prices compress the margins that made projects viable two or three years ago. In that environment, DCCs often sit precisely on the line between a project proceeding and a project parked indefinitely. DCCs are the lever Richmond controls directly.

**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 Richmond 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 Richmond. Give us the conditions to do it.*

Sincerely,
**INDEPENDENT CONTRACTORS AND BUSINESSES ASSOCIATION**

**Chris Gardner**
President and CEO