

April 27, 2026

Mayor Marianne Alto and Members of Council
City of Victoria
Via e-mail to:
mayorandcouncil@victoria.ca

RE: LEADING WHERE VICTORIA HAS ALREADY LEANED IN — A TEMPORARY DCC REDUCTION

Dear Mayor Alto 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 Victoria's high-density pipeline — we write to urge Council to introduce a temporary Development Cost Charge reduction of at least 25 per cent. Victoria has been unmistakably a “yes-in-my-backyard” city through this cycle, and that posture has earned standing to lead on the next set of decisions.

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.

[The Victoria Residential Builders Association reports the City delivered 1,473 new homes in 2025](#), nearly all condominium or apartment product. That pipeline is now seizing — [CMHC reports March 2026 Greater Victoria starts at 132 units, a 64 per cent drop from March 2025](#), with a significant decline in condominium presales stalling planned projects.

City Levers vs. Regional Levers

The CRD Board recently supported adding up to \$9,044 per unit in regional DCCs despite a staff study flagging the slowdown. That regional file is for the CRD to revisit. Victoria's municipal DCC is for this Council to revisit. A bold temporary reduction at the City level gives Victoria

projects a realistic chance to launch now, while the CRD file works through a longer political process. In a market where presales are stalling and prices are softening, an unchanged or higher municipal DCC doesn't produce more revenue — it produces fewer projects.

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 Victoria today is calculating whether current DCCs can be absorbed in a market where the [Victoria Residential Builders Association forecasts a 2026 slowdown driven by Greater Victoria's highest supply of unsold units in 35 years](#), and [B.C. housing starts are projected to fall by nearly 29 per cent in 2026](#). For a meaningful share of projects, the math no longer works — 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 Victoria. Give us the conditions to do it.

Sincerely,

INDEPENDENT CONTRACTORS AND BUSINESSES ASSOCIATION



Chris Gardner
President and CEO