April 27, 2026

Mayor Dean Murdock and Members of Council
District of Saanich
Via e-mail to:
council@saanich.ca

RE: EXTENDING SAANICH'S OWN LOGIC — A TEMPORARY DCC REDUCTION

Dear Mayor Murdock 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 Capital Region — we write to urge Council to extend the DCC logic Saanich has already publicly endorsed, and introduce a temporary Development Cost Charge reduction of at least 25 per cent that applies across the full pipeline, not only non-market housing.

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.

Saanich has been rare among BC jurisdictions in publicly acknowledging that DCCs "can sometimes mean the difference between getting shovels in the dirt for new housing projects and leaving them on the sidelines in a very challenging housing market". Council reduced DCCs for non-market housing. But that same market condition is parking market-rate projects across the CRD.

The Direction of Travel Is Wrong

Meanwhile Council recently voted to increase DCCs 2.5 per cent in line with CPI. In a cycle where CMHC reports Greater Victoria housing starts fell 64 per cent year-over-year in March 2026, a CPI escalator is the wrong direction of travel. Extending the non-market analysis to the full pipeline — a temporary 25 to 50 per cent reduction across residential categories — is the consistent conclusion of the City's own reasoning.

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 Saanich 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 Saanich. Give us the conditions to do it.

Sincerely,
INDEPENDENT CONTRACTORS AND BUSINESSES ASSOCIATION

Chris Gardner
President and CEO