

Development Charges – July 2025 to June 2026

Presented To:	Finance and Administration Committee
Meeting Date:	April 22, 2025
Type:	Correspondence for Information Only
Prepared by:	Apryl Lukezic Financial Support & Budgeting
Recommended by:	General Manager of Corporate Services

Report Summary

This report provides information regarding indexation changes to Development Charges (DC) that will be effective July 1, 2025 in accordance with By-Law 2024-105 to 2024-110.

Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

This report refers to operational matters and has no direct connection to the Community Energy & Emissions Plan.

Financial Implications

This report has no financial implications as rates are prepared in accordance with the existing Development Charges By-Law 2024-105 to 2024-110.

Background

Municipalities in Ontario use Development Charges (DCs) to recover growth related capital costs associated with residential and non-residential growth. In accordance with the Development Charges Act, DCs are collected at the building permit stage to help the City pay for municipal services needed to support new development. These services include, water, wastewater, emergency services, roads and more. Any changes in amounts received from development charges will have corresponding impacts on other capital funding sources, mainly the property tax levy, water and wastewater user fees, and/or reserves.

The following chart reflects the current DC rates in effect until June 30, 2025:

Chart 1: Development Charge Rates from July 1, 2024 to June 30, 2025

	Development Charge Rates from July 1, 2024 to June 30, 2025							
	Residential (per dwelling unit)						Non-Residential (per square foot)	
	Single Family Dwelling - 1,200 sq ft & above	Small Residential Unit - Single Detached - below 1,200 sq ft	Small Residential Unit - Semi- Detached - below 1,200 sq ft	Semi- Detached Dwelling	Multiples with 30 units or less	Multiples with more than 30 units	Industrial	Non- Industrial
All Services	\$ 22,162	\$ 12,791	\$ -	\$ -	\$ -	\$ 17,581	\$ 6.15	\$ 8.41
Excluding Water Service	\$ 18,679	\$ 10,781	\$ -	\$ -	\$ -	\$ 14,818	\$ 4.75	\$ 7.01
Excluding Wastewater Service	\$ 13,939	\$ 8,045	\$ -	\$ -	\$ -	\$ 11,058	\$ 3.35	\$ 5.61
Excluding Water & Wastewater Service	\$ 10,456	\$ 6,035	\$ -	\$ -	\$ -	\$ 8,295	\$ 1.95	\$ 4.21

Analysis

Development Charges are to be indexed per the Statistics Canada Quarterly Construction Price Statistics Non-Residential Building Construction Index (NRBCPI) in accordance with the Development Charges Act and By-Laws 2024-105 to 2024-110. The Development Charges are adjusted by NRBCPI so that funding reflects the impact to capital expenditures faced by the City on an annual basis.

Since no statistics are released for Greater Sudbury, the inflationary change for Ottawa is used and is in accordance with By-Law 2024-105 to 2024-110. The increase for the period of December 2023 to December 2024 released in February 2025 is 2.2%.

In June 2024, Council passed the DC by-laws which included the following directions:

- 3-year development charge fee moratorium on so called “missing middle” homes, including:
 - Multiples with 30 units or less (includes duplexes, triplexes, rowhouses, townhouses)
 - Semi-detached developments
- 3-year hold on development charge rates on single detached dwellings
- Four-year phased-in increase to the industrial and non-industrial development charge rates

The following chart reflects the rates in effect starting July 1, 2025 until June 30, 2026 and reflects changes to the multiples with more than 30 units and non-residential rates only in accordance with Council direction as reflected in the DC by-laws. Please refer to Appendix A for the detailed development charge rate schedules.

Chart 2: Development Charge Rates from July 1, 2025 to June 30, 2026

	Development Charge Rates from July 1, 2025 to June 30, 2026							
	Residential (per dwelling unit)						Non-Residential (per square foot)	
	Single Family Dwelling - 1,200 sq ft & above	Small Residential Unit - Single Detached - below 1,200 sq ft	Small Residential Unit - Semi-Detached - below 1,200 sq ft	Semi-Detached Dwelling	Multiples with 30 units or less	Multiples with more than 30 units	Industrial	Non-Industrial
All Services	\$ 22,162	\$ 12,791	\$ -	\$ -	\$ -	\$ 17,968	\$ 8.78	\$ 11.52
Excluding Water Service	\$ 18,679	\$ 10,781	\$ -	\$ -	\$ -	\$ 15,144	\$ 6.79	\$ 9.53
Excluding Wastewater Service	\$ 13,939	\$ 8,045	\$ -	\$ -	\$ -	\$ 11,301	\$ 4.78	\$ 7.52
Excluding Water & Wastewater Service	\$ 10,456	\$ 6,035	\$ -	\$ -	\$ -	\$ 8,477	\$ 2.79	\$ 5.53

Conclusion

The adjusted rates described in this report will be in effect from July 1, 2025 to June 30, 2026 in accordance with the Development Charges By-laws.