



The Voice of the Residential Construction Industry in BC

February 11, 2015

Honourable Rich Coleman
Minister of Natural Gas Development and
Minister Responsible for Housing and Deputy Premier
P.O. Box 9052 Stn Prov Govt
Victoria, BC V8W 9E2

Dear Minister Coleman,

As the representative for over 1,600 members within the residential construction industry, the Canadian Home Builders' Association of BC (CHBA BC) values every opportunity we have to hear your perspectives on housing in British Columbia and share our insights in return.

At our last meeting in October at your Victoria office, we discussed our plans to gather empirical data on the costs associated with residential development and construction in BC. I am pleased to update you that we have been following through on your request and are actively working with a third-party organization to collect and display the data in an interactive web format.

This project effectively demonstrates the large impact that government fees have on housing affordability. As an example, we have calculated that the Development Cost Charge (DCC) on each new single family dwelling in the Township of Langley is approximately \$21,000, and the average DCC in the Fraser Valley is over \$15,000. Considering a \$500,000 detached house as an example, the development costs and fees can be as high as \$65,000 when factoring in not only the DCCs, but the costs of permits, community fees, the property transfer tax, and the GST.

We can positively impact housing affordability in British Columbia by increasing the supply of affordable new homes in areas where they are desperately needed. To do this effectively, we need all levels of government to address the trend of increasing taxes, fees and levies that continues to have a negative effect on supply and housing affordability in British Columbia. We feel that our research can be a valuable tool in this process and we are happy to share it with you.

CHBA BC recognizes that these fees pay for the costs of municipal services, but it is not fair to assume the increasing costs can continually be passed to the new home owners, and especially first time home buyers. The unabated escalation of fees and charges



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could cause a hollowing out of the labour force and have a negative effect on the provincial economy.

Our Association is pleased to see that housing is a priority to our government in British Columbia. We stand ready to help in any way that we can and will continue to work on this project with a goal of creating a matrix of construction costs throughout the province.

We are happy to meet you at any time to demonstrate our research and ensure we are on the right track to providing the information you requested.

Sincerely,

Neil Moody
Chief Executive Officer

cc: Simon Howse, President
Gordon Bliss, Vice-President
Jeff Vasey, Assistant Deputy Minister