



TOWN OF
HALTON HILLS
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MEMORANDUM

TO: Mayor Bonnette and Members of Council

FROM: Jinsun Kim, Senior Manager of Financial Planning & Budgets

DATE: March 1, 2022

MEMO NO.: CORPSERV-2022-0001

SUBJECT: 2022 Annual Development Charges Indexing

PURPOSE OF THE MEMORANDUM:

The purpose of this memo is to advise Council of the annual Development Charges (DCs) indexing rate increase of 14.9% on April 1, 2022, in accordance with the provision set out in the Town's DC by-law.

BACKGROUND:

DCs are collected for the Town under By-law 2017-0049 as amended. Section 13 of the By-law permits the adjustments (indexing) to DCs on April 1st of each year without amending the By-law, based on the Statistics Canada Quarterly, Construction Price Statistics.

The annual DC indexing is an important financial tool for the Town and helps ensure appropriate funding is available for growth-related capital projects in the face of rising construction costs.

COMMENTS:

Annual adjustments to the Town DCs are made based on the most recent twelve month change in the non-residential building construction price index for the Toronto Metropolitan Area, published quarterly by Statistics Canada. This index is prescribed under Section 7 of Ontario Regulation 82/98 for the Development Charges Act.

The building construction price indexes are a quarterly series that measure change over time in the prices that contractors charge to construct a range of new commercial, institutional, industrial and residential buildings in 11 census metropolitan areas, including Toronto.

According to Statistics Canada, increases in non-residential construction prices in 2021 were mainly driven by a rise in prices for metal fabrication products, concrete elements (including steel reinforcements), and labour costs. These factors were impacted by shortages in skilled labour and supply constraints as a result of the on-going COVID-19 pandemic.

The indexing rate of 14.9% is derived by calculating the percentage change between the fourth quarter 2020 index and fourth quarter 2021 index for the Toronto metropolitan area as follows:

	Q4 2020	Q4 2021	% Change
Non-residential construction index	112.4	129.2	14.9%

Schedule A reflects the 14.9% increase applied to the Town's DCs for the various residential dwelling and non-residential categories. These rates will be effective as of April 1, 2022

CONCLUSION:

The Region of Halton, the City of Burlington and the Towns of Oakville and Milton are expected to index their respective DCs on April 1, 2022 using the same indexing rate of 14.9%. The indexing of the education development charges for the Halton Public School Board and the Halton Catholic District School Board will be confirmed in July 2022.

Reviewed and approved by,

Moya Jane Leighton, Director of Finance & Town Treasurer

Laura Lancaster, Commissioner of Corporate Services

Chris Mills, Chief Administrative Officer