

# A 'DC' PARTNERSHIP OPPORTUNITY

# CBRE



Region of Waterloo

April 22, 2026

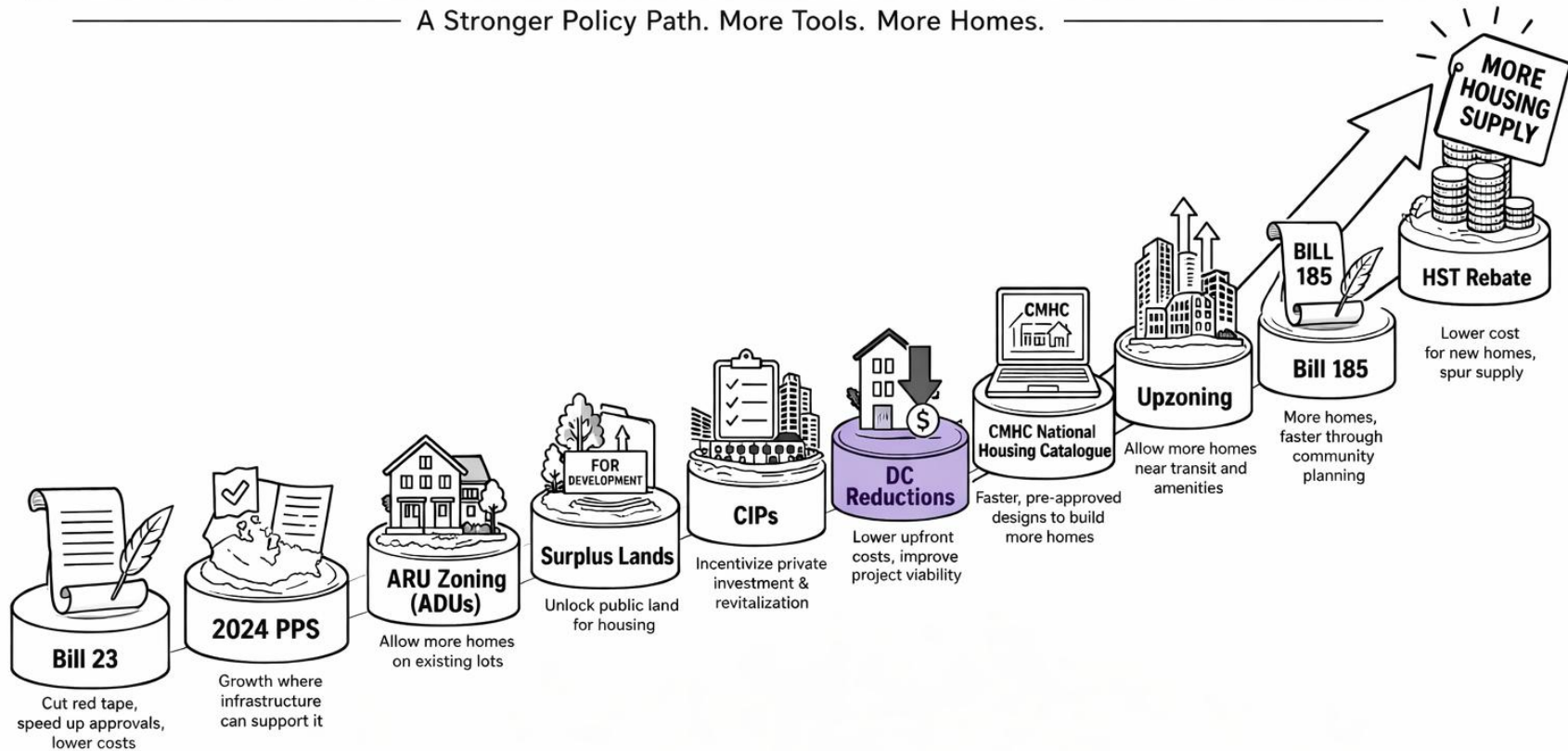
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Ryan O. Mounsey CEO. BES.MUDS.MCIP.RPP

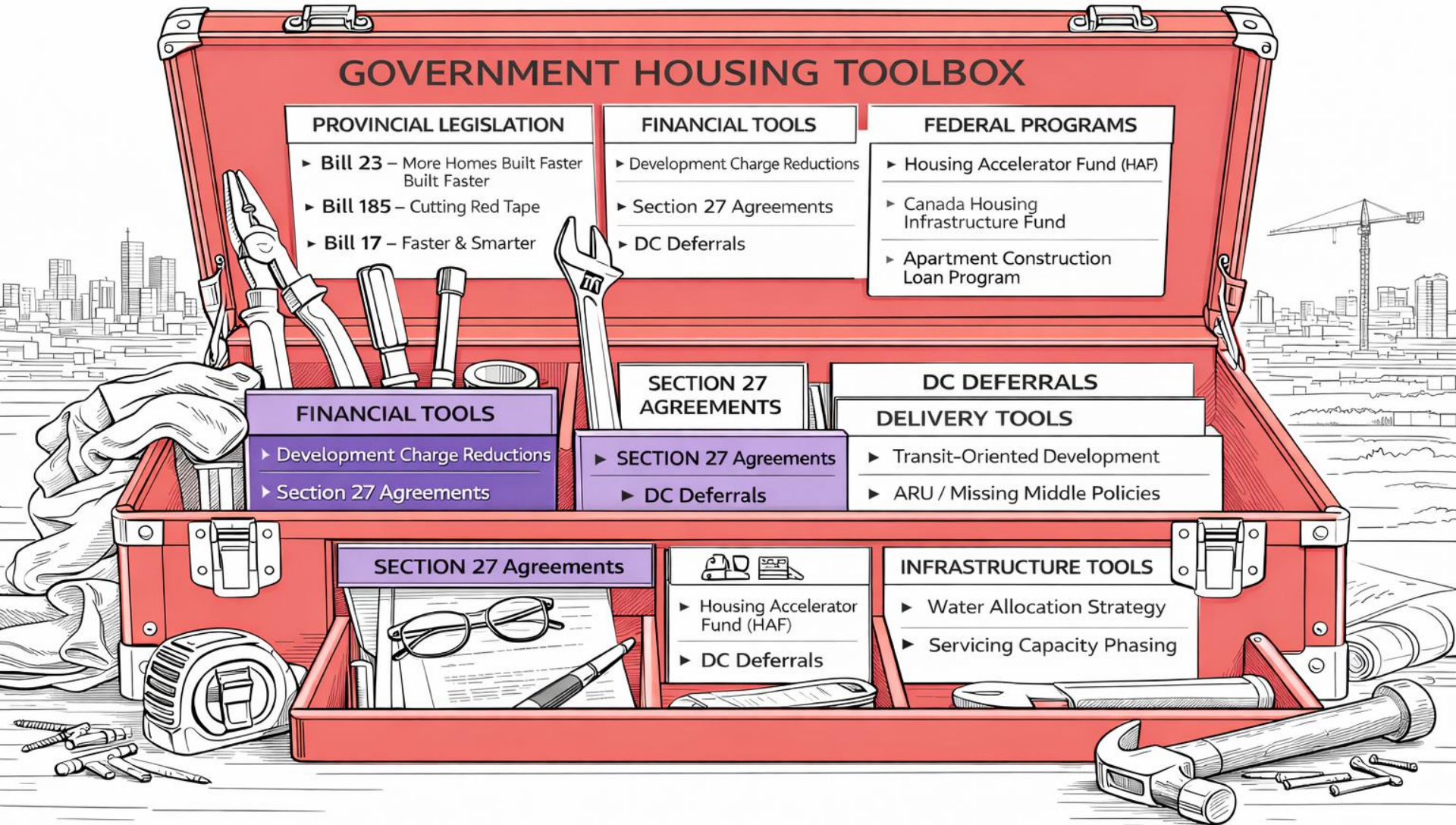
Joe Benninger Vice-President, Commercial Real Estate

## ESCALATING GOVERNMENT ACTION TO UNLOCK HOUSING SUPPLY

A Stronger Policy Path. More Tools. More Homes.



**STRONGER POLICY DIRECTION** | **SMARTER TOOLS** | **MORE HOMES** | **STRONGER COMMUNITIES**  
*Working Together to Build the Future*



## GOVERNMENT HOUSING TOOLBOX

### PROVINCIAL LEGISLATION

- ▶ **Bill 23** – More Homes Built Faster Built Faster
- ▶ **Bill 185** – Cutting Red Tape
- ▶ **Bill 17** – Faster & Smarter

### FINANCIAL TOOLS

- ▶ Development Charge Reductions
- ▶ Section 27 Agreements
- ▶ DC Deferrals

### FEDERAL PROGRAMS

- ▶ Housing Accelerator Fund (HAF)
- ▶ Canada Housing Infrastructure Fund
- ▶ Apartment Construction Loan Program

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- ▶ Development Charge Reductions
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### SECTION 27 AGREEMENTS

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### DC DEFERRALS

### DELIVERY TOOLS

- ▶ Transit-Oriented Development
- ▶ ARU / Missing Middle Policies

### SECTION 27 Agreements

- ▶ Housing Accelerator Fund (HAF)
- ▶ DC Deferrals

### INFRASTRUCTURE TOOLS

- ▶ Water Allocation Strategy
- ▶ Servicing Capacity Phasing

# Leading Communities

## Municipal DC Leaders

Municipality / Region	Date	Measure	Amount / Impact
<a href="#">Region of Peel</a>	June 27, 2025	Temporary DC reduction + deferral	50% reduction
<a href="#">Region of Peel</a>	Jan 23, 2026	Rental incentive	Up to 100% DC grants
<a href="#">City of Mississauga</a>	Extended to Dec. 2027	DC incentive program	50% reduction (all residential)
<a href="#">City of Mississauga</a>	Extended to Dec. 2027	Rental incentive	100% DC reduction (rental)
<a href="#">City of Vaughan</a>	Nov 19, 2024 to Nov. 19 2029	DC rollback policy	Reset to 2018 rates (major reduction)
<a href="#">City of Hamilton</a>	To Aug. 31 2027	Temporary DC exemption	20% reduction (all development)
<a href="#">City of Brampton</a>	Sept. 10, 2025- Nov. 13 2026	Purpose-built rental DC program	50-100% reduction (rental only)
<a href="#">City of St. Catharines</a>	2024–2026	HAF DC program	15–25% reduction (rental-focused)
<a href="#">City of Toronto</a>	2025–2026	Removal of indexing and reset to 2024 rate	Maintains 2024 rates with <7 units DC exempt
<a href="#">City of Kitchener</a>	March 30, 2026 to 2032	DC By-law extension	Holds 2022 rate up to 2032
<a href="#">York Region</a>	Proposing 2026 DC rate reductions. Pending more information.		

Correction: City of Kitchener DC Rate clawed back to 2022 DC rate



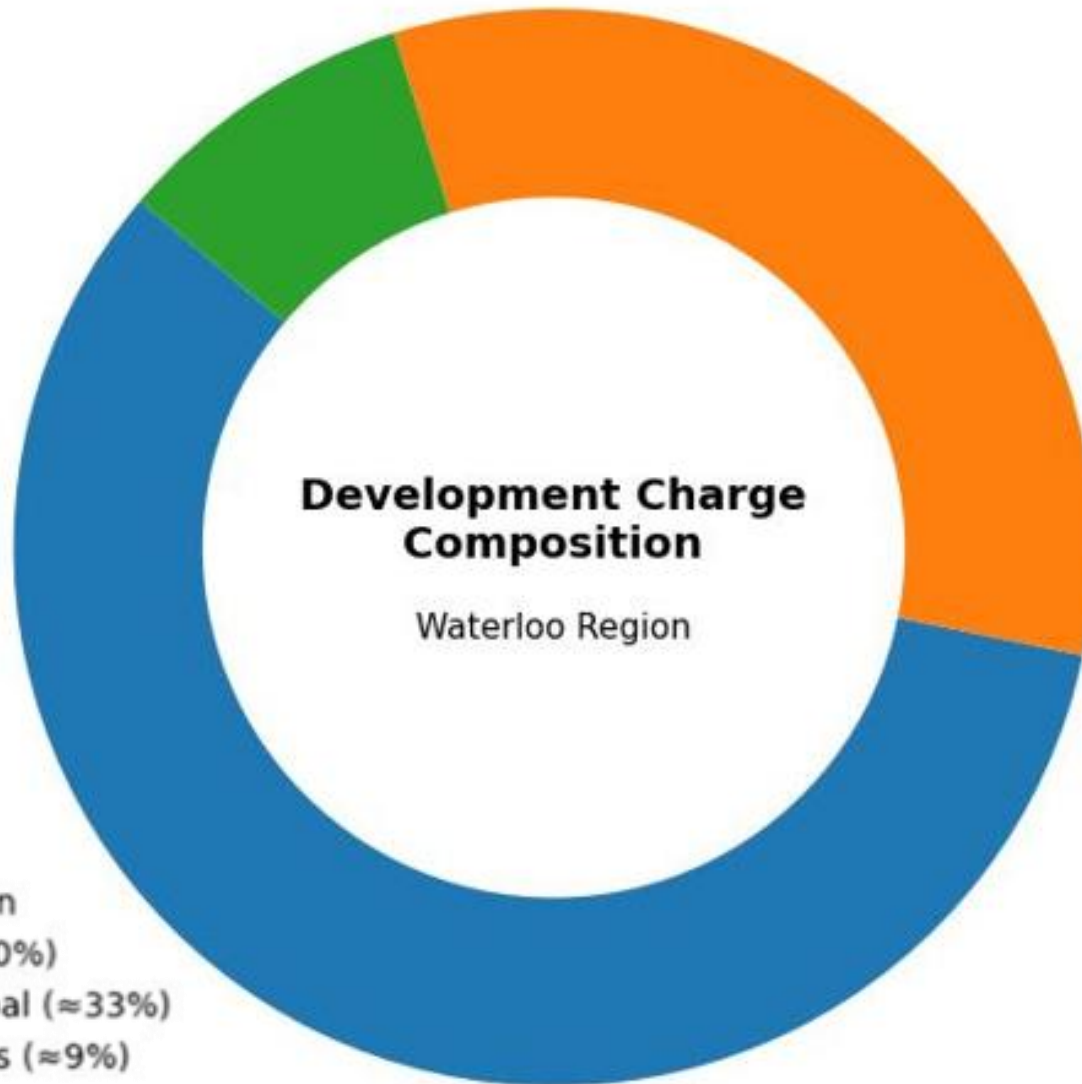











# A 60-40 DC Split



## Breakdown

-  Regional (≈60%)
-  Local Municipal (≈33%)
-  School Boards (≈9%)

# What This Means

A Basic Development Proforma for a 10-400 apartment unit project in Waterloo Region  
(all information subject to change and excludes finance costs and marketing costs)

Cost Input	10 unit project	50 unit project	100 unit project	200 unit project	400 unit project
Land	\$800,000	\$2,000,000	\$3,000,000	\$7,000,000	\$9,000,000
Building Sq.ft.	7,000	35,000	70,000	140,000	280,000
Construction Cost (building)	\$1,400,000 (@300 psf)	\$10,500,000 (@350 psf)	\$24,500,000 (@350 psf)	\$56,000,000 (@400 psf)	\$112,000,000 (@400 psf)
Parking Cost**	\$30,000	\$400,000	\$3,000,000	\$6,000,000	\$12,000,000
Consulting Cost (6% const.)	\$84,000	\$630,000	\$1,470,000	\$3,360,000	\$6,720,000
Parkland Fee (est)	\$80,000	\$400,000	\$800,000	\$1,600,000	\$3,200,000
DC Fees***					
Region of Waterloo	10 x \$23,570 = \$235,700	50 x \$23,750 = \$1,187,500	100 x \$23,750 = \$2,375,000	200 x \$23,750 = \$4,750,000	400 x \$23,750 = \$9,500,000
City Apt Rate	10x12,295 = 122,295	50 x 12,295 = \$614,750	100 x \$12,295 = \$1,229,500	200 x \$12,295 = \$2,459,000	400 x \$12,295 = \$4,918,000
<u>Public School</u> ***	10 x \$3,448 = \$34,480	50 x \$3,448 = \$172,400	100 x \$3,448 = \$344,800	200 x \$3448 = \$689,600	400 x \$3,448 = \$1,379,200
Catholic School***	10 x \$1,739 = \$17,390	50 x \$1,739 = \$86,950	100 x \$1,739 = \$173,900	200 x \$1,739 = \$347,800	400 x 1,739 = \$695,600
<b>Total DC Cost</b>	<b>\$409,865</b>	<b>\$2,061,600</b>	<b>\$4,123,200</b>	<b>\$8,246,400</b>	<b>\$16,492,800</b>
Total Cost	\$2,803,865	\$15,991,600	\$36,893,200	\$76,206,400	\$159,412,800
DC Cost (%)	14.6%	12.9%	11.2%	10.8%	10.3%
DC % of building	29.3%	19.6%	16.8%	14.7%	\$14.7%
<b>Potential DC cost saving</b>	<b>\$178,997.50</b>	<b>\$901,125</b>	<b>\$1,802,250</b>	<b>\$3,604,500</b>	<b>\$7,209,000</b>

\*for discussion purposes only. Pricing is based on basic assumptions and subject to change.

\*\* Parking cost is based on \$5,000 per surface parking space, \$20,000 per ground floor structure space and \$60,000 per underground space (could be as high as \$80,000 per space impacting budget).

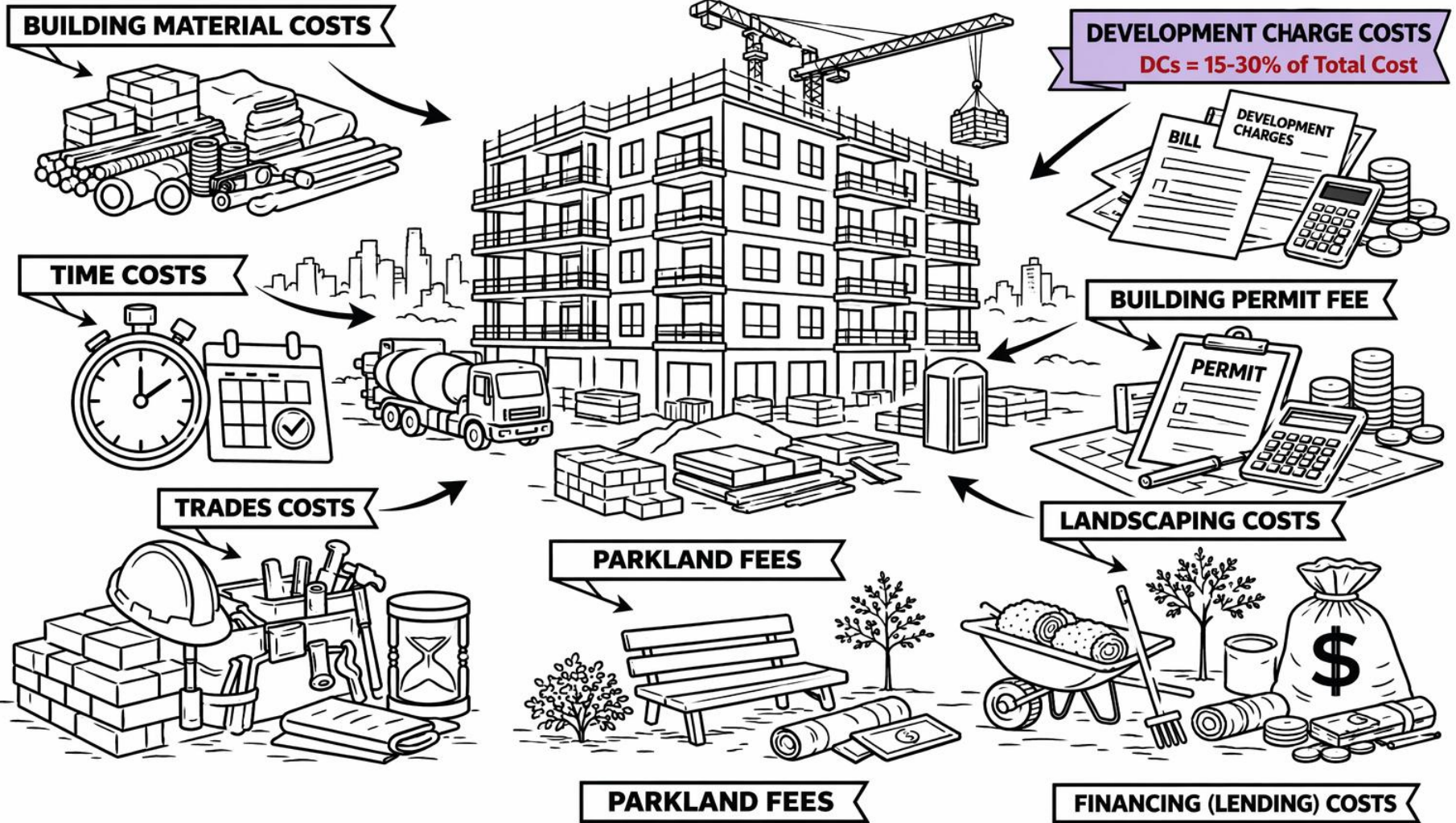
\*\*\*for discussion purposes, based on the City of Waterloo 1-2 bedroom DC rate. The DC rate for the City of Kitchener and Cambridge are higher than the City of Waterloo DC rate. Does not include the fixed reduction % for purpose built rental housing as per Provincial legislation. School Board DCs subject to change in 2026,

# What This Means Locally

Address	Municipality	Units	Estimated Total DC Rate	Potential DC (maximum saving)
167 Park St.	Waterloo	78	78 x \$41,052 = \$3,202,056	\$1,601,028
371 Erb St	Waterloo	26	28 x \$41,052 = \$1,149,456	\$574,728
392-398 Erb St	Waterloo	73	73 x \$41,052 = \$2,996,796	\$1,498,398
25 Stanley	Kitchener	18	18 x \$44,727 = 805,086	\$402,543
184 Doon Valley Drive.	Kitchener	20	20 x \$44,727 = 894,540	\$447,270
41-47 Queen St.	Cambridge	±50	50 x \$41,868 = \$2,093,400	\$1,046,700
51 Isabella	Woolwich Twp	12	12 x \$39,059 = \$468,708	\$234,354



## BUILDING A 10-UNIT BUILDING: COST BREAKDOWN



## INTRODUCTION:



### AN ECONOMIC DEVELOPMENT OPPORTUNITY

- ✓ SUPPORT LOCAL JOB CREATION & INVESTMENT
- ✓ STRENGTHEN THE REGIONAL COMPETITIVE EDGE



### PROJECT VIABILITY & AFFORDABILITY

- ✓ HELP ENSURE UNITS GET BUILT
- ✓ INCREASE OVERALL HOUSING SUPPLY & AFFORDABILITY



### SHARED FUNDING COLLABORATION

- ✓ FEDERAL & ONTARIO GOVERNMENT INCENTIVES
- ✓ MUNICIPAL ELIGIBILITY & COST SHARING BENEFITS

 ADJUSTING DCs IS A TIMELY INITIATIVE THAT CAN UNLOCK HOUSING SUPPLY AND IMPROVE AFFORDABILITY

# Collaborative Effort

SPURLINE DEVELOPMENTS Spurline Developments Inc. supports & endorses your initiative, and thanks you for your awareness regarding development challenges. Municipal development charges significantly affect the viability of any purpose-built rental project, and may have the single most direct impact on unit rental rates. As an infill developer we often feel our projects have a softer impact on the municipality because they utilize existing infrastructure and parkland spaces, enhancing urban centers by creating gentle density nearby—an impact not reflected in municipal fees. Participating in a Development Charge reduction is very important to Spurline. Thank you,

MOMENTUM DEVELOPMENTS Waterloo Region is at a critical inflection point. While neighboring municipalities are aggressively reducing development charges to attract investment, our current path of increasing costs risks redirecting vital housing capital elsewhere. We are no longer just reacting to a housing crisis; we are competing for the investment required to solve it.



1. Do Nothing, the Status Quo and likely remain ineligible for Federal-Provincial DC Reduction Program.
2. Be Proactive. Within 30 days, complete report to consider reducing 2026 DC Rates for Federal-Provincial DC Reduction Program up to 2032.



**200-UNIT APARTMENT BUILDING**

**PAYS OVER**

**\$8.2 MILLION**

**IN DEVELOPMENT CHARGES**