



**FINANCE DEPARTMENT  
MEMORANDUM**

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**TO: MAYOR A. NUTTALL, AND MEMBERS OF COUNCIL**

**FROM: M. VILLENEUVE, SUPERVISOR OF DEVELOPMENT CHARGES**  
**C. GILLESPIE, SENIOR MANAGER OF CORPORATE FINANCE AND INVESTMENTS**  
**C. MILLAR, CHIEF FINANCIAL OFFICER AND TREASURER**

**NOTED: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER**

**RE: DEVELOPMENT CHARGE AND CASH-IN LIEU OF PARKLAND RATES INDEXED FOR JANUARY 1, 2024**

**DATE: DECEMBER 6, 2023**

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The purpose of this Memorandum is to provide members of Council with an update concerning Development Charge and Cash-In Lieu of Parkland Rates Indexed for January 1, 2024.

**Indexing of development charge rates is set in the regulations to the Development Charges Act**

The Statistics Canada's Construction Cost Index (non-residential building – table 18-10-0276-01 which replaced 18-10-0135-01) for Toronto is the prescribed index under the Development Charges Act to be used to index development charges.

This is referenced in Section 9 of the City of Barrie's Development Charge By-Law 2023-074, which states:

*The development charges set out in Schedules B of this By-law shall be adjusted annually without amendment to this By-law, commencing on January 1, 2024, by the percentage change during the preceding year, as recorded in the Statistics Canada's Construction Cost Index (3<sup>rd</sup> Quarter - non-residential building – table 18-10-0135-01), as may be amended or replaced from time to time.*

Section 3 of the City's Parkland By-law 2022-079 establishes that the per residential dwelling rate for Cash-In-Lieu of Parkland also be indexed annually on January 1 at the same rate as the City's Development Charges.

**The Statistics Canada site is used by all municipalities, and shows the annual inflation to be 6.6%**

Attached in Appendix A is a copy of an excerpt from the Statistics Canada website indicating that the most recent twelve-month comparison is an increase (Toronto) of 6.6% for the non-residential building construction price index.

The non-residential index referred to in the City's by-law is the Provincially prescribed metric used by municipalities throughout Ontario to index their development charges. The annual increase has historically been around an average of 3% per year, however increases well outside of the norm of 11.6% and 15.6% were experienced in 2022 and 2023 respectively, are reflective of the macroeconomic conditions outside of the City's control and echoes the additional amount it costs the City to construct growth related capital projects.



**Bill 23 Phase-in**

As part of Bill 23, development charges are to be phased-in over 5 years so the full development charge cost is applicable in year 5 – in the first year, 80% of the full rate is applied, in year 2 this increases to 85%, in year 3, it is 90% and in year 4, 95% of the full rate is collected.

The following is a summary of the new rates, which have a phase-in rate of 80% and include the 6.6% increase effective January 1, 2024:

**1. Former City Municipal Boundary Areas:**

<b>Classification</b>	<b>Rate</b>
Residential:	
Singles and semis	\$95,405.00
2-Bedroom and larger apartments	59,709.00
Bachelor and 1-bedroom apartments	38,812.00
Special Care/Special Dwelling Units	29,855.00
All other dwellings	71,499.00
Non-Residential:	
Retail	\$ 518.22/sq m
Non-Retail	302.17/sq m

**2. Salem & Hewitt's Secondary Plan Areas:**

<b>Classification</b>	<b>Rate</b>
Residential:	
Singles and semis	\$107,518.00
2-Bedroom and larger apartments	67,289.00
Bachelor and 1-bedroom apartments	43,738.00
Special Care/Special Dwelling Units	33,644.00
All other dwellings	80,576.00
Non-Residential:	
Retail	\$ 627.35/sq m
Non-Retail	334.03/sq m

Please note that the By-law includes various statutory and discretionary discounts, which in some cases reduce the above-mentioned rates.

**3. Cash-In-Lieu of Parkland unit rates:**

<b>Classification</b>	<b>Rate</b>
Residential:	
Per Dwelling Unit	\$3,937.00

The updated rates will be available on the City's website and posted in the Building Services Department and at Service Barrie.

**APPENDIX "A"**

**NON-RESIDENTIAL BUILDING CONSTRUCTION PRICE INDEX**

**Building construction price indexes, by type of building and division<sup>1</sup>**

Frequency: Quarterly

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Table: 18-10-0276-01

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Release date: 2023-11-01

Geography: Census metropolitan area, Census metropolitan area part

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Type of building	Non-residential buildings [622]				
Division <sup>2</sup>	Division composite				
Geography <sup>3</sup>	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
	Index, 2017=100				
Eleven census metropolitan area composite	133.3	135.4	137.7	139.9	141.2
St. John's, Newfoundland and Labrador ( <a href="#">map</a> )	120.9	121.2	121.8	123.4	124.1
Halifax, Nova Scotia ( <a href="#">map</a> )	128.1	129.6	131.5	134.1	134.4
Moncton, New Brunswick ( <a href="#">map</a> )	127.7	132.4	135.6	141.0	143.4
Montréal, Quebec ( <a href="#">map</a> )	141.0	142.7	144.6	146.3	146.8
Ottawa-Gatineau, Ontario part, Ontario/Quebec ( <a href="#">map</a> )	146.1	148.1	151.0	154.9	156.6
Toronto, Ontario ( <a href="#">map</a> )	144.5	148.1	150.6	152.3	154.0
Winnipeg, Manitoba ( <a href="#">map</a> )	123.7	124.8	125.8	127.7	128.6
Saskatoon, Saskatchewan ( <a href="#">map</a> )	118.9	119.7	120.5	122.4	124.5
Calgary, Alberta ( <a href="#">map</a> )	120.0	120.7	122.1	123.9	124.9
Edmonton, Alberta ( <a href="#">map</a> )	129.4	130.6	132.0	133.0	134.3
Vancouver, British Columbia ( <a href="#">map</a> )	127.6	129.3	132.6	136.2	137.9

<b>Index Calculation</b>
$((154/144.5)-1)*100 = 6.6 \%$

Source: Statistics Canada