



Report to: General Committee

Date Report Authored: May 13, 2014

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**SUBJECT:** Development Charges Indexing – July 1, 2014  
**PREPARED BY:** Kevin Ross, Manager, Development Finance (ext. 2126)

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**RECOMMENDATION:**

- 1) That the report titled “Development Charges Indexing – July 1, 2014” be received;
- 2) That Council approve an increase in development charges of 0.6%, effective January 1, 2014;
- 3) And that staff be directed to do all things necessary to give effect to this report.

**PURPOSE:**

The purpose of this report is to recommend the indexing of development charges, effective July 1, 2014, in accordance with the Statistics Canada Quarterly, *Construction Price Statistics* for non-residential buildings in Toronto.

Indexing the City’s development charges helps to partially mitigate the impact of inflationary increases on future growth-related costs.

**BACKGROUND:**

Section 15 of the City’s Development Charge by-laws state that the charges referred to in the “Schedule of Development Charges” shall be adjusted semi-annually without an amendment to the by-laws, on the first day of January and the first day of July, of each year, in accordance with the most recent change in the Statistics Canada Quarterly, *Construction Price Statistics* (Catalogue No. 62-007).

In accordance with the by-law it is recommended that the development charges be indexed up by 0.6%. This represents the increase in the Statistics Canada Quarterly, *Construction Price Statistics* for non-residential buildings in Toronto for the fourth quarter of 2013 and the first quarter of 2014. This follows an increase of 0.3% on January 1, 2014.

Based on the recommended increase, the new development charge rates effective July 1, 2014 are shown below.

Residential Charge Per Unit	City Wide Hard		City Wide Soft	
	Before Indexing	After Indexing	Before Indexing	After Indexing
Single/Semi	\$10,122	\$10,183	\$12,302	\$12,376
Townhouse	\$7,852	\$7,900	\$9,544	\$9,601
Apartment:				
Large > or = 700 sq ft	\$6,644	\$6,684	\$8,072	\$8,121
Small < 700 sq ft	\$4,942	\$4,971	\$6,004	\$6,040

Non-Residential		
Town Wide Soft (per square metre)	Before Indexing	After Indexing
Industrial/ Office/ Institutional	\$11.14	\$11.21
Retail	\$12.13	\$12.20
Mixed Use	\$7.57	\$7.62
Town Wide Hard (per net hectare)		
Retail/ Industrial/ Office/ Institutional	\$221,111	\$222,438

Area Specific Development Charge (per net hectare)			
Area	Description	Before Indexing	After Indexing
1B	Yonge Steeles Corridor	\$1,135,214	\$1,142,026
4	Don Mills / Browns Corner	\$150,625	\$151,528
5	Armadale	\$9,885	\$9,944
7	Armadale NE	\$11,693	\$11,763
8	Milliken Mills	\$155,041	\$155,971
9	PD 1-7	\$743,316	\$747,776
17	Rodick / Miller Road Planning District	\$221,024	\$222,350
18	Buttonville Airport	\$613,415	\$617,095
23	Mount Joy	\$47,848	\$48,135
42A-1	South Unionville - Helen Avenue	\$1,668,056	\$1,678,065
42B	Markham Centre	\$6,789	\$6,830
42B-2	Markham Centre - Clegg	\$93,057	\$93,616
42B-4	Markham Centre - Hotel	\$887,555	\$892,880
42B-6	Markham Centre - South Hwy 7	\$1,045,598	\$1,051,872
42B-8	Markham Centre - Sciberras	\$303,454	\$305,274
42B-9	Markham Centre - East Precinct	\$3,088,982	\$3,107,516
45A	Wismer	\$9,717	\$9,775
46	Cathedral	\$23,847	\$23,990
47B	York Downs	\$24,703	\$24,851
49	404 North Employment Lands	\$42,693	\$42,949

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## FINANCIAL CONSIDERATIONS

The Non-Residential Building Construction Price Index includes costs associated with the construction of industrial, commercial and institutional buildings which more closely aligns with the costs incurred by the City of Markham. The Non-Residential Building Construction Price Index increased mainly as a result of a slight increase in building costs. The City will continue to monitor the changes in the index to see whether development charge revenues are keeping pace with the costs of development-related projects.

## RECOMMENDED BY:

15/05/2014

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Joel Lustig  
Treasurer

15/05/2014

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Joel Lustig for Trinela Cane  
Acting Commissioner, Corporate Services