
HALDIMAND COUNTY

Report FIN-08-2025 Development Charges – 2025 Rate Adjustment For Consideration by Council in Committee on April 29, 2025



Objective:

To obtain approval for the 2025 Development Charges rate adjustment, as per By-law 2042/19 which authorizes Development Charges on growth-related lands within Haldimand County.

Recommendations:

1. THAT Report FIN-08-2025 Development Charges – 2025 Rate Adjustment be received;
2. AND THAT the by-law attached to Report FIN-08-2025 be approved at a future Council meeting.

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Reviewed by: Tareq El-Ahmed, CPA, CMA, Treasurer

Respectfully submitted: Mark Merritt, CPA, CA, General Manager, Financial & Data Services

Approved: Cathy Case, Chief Administrative Officer

Executive Summary:

Haldimand County's Development Charges By-law prescribes an annual indexing of Development Charges rates, for both residential and non-residential development, based on the percentage change year over year, as recorded in the Statistics Canada Quarterly, Non-residential Building Construction Price Index, in the Toronto area. This annual indexing shall be applied on the anniversary of the date the by-law came into effect, which was May 14, 2019. Using the prescribed index, the increase to be applied to all rates in 2025 is 4.0% or a \$1,179 increase on a single residential home in the urban area.

Despite recent changes to the Development Charges Act, the annual indexing of Haldimand's current by-law continue to align with Provincial legislation. An updated Development Charges background study was approved in the 2023 Tax-Supported Capital Budget and is currently underway. This study will take in to account any impact from changes to legislation since 2019 and is anticipated to be completed in Q1 2026.

The resulting increased Development Charge rates will apply to all applicable building permits issued on and after May 14, 2025, as follows:

RESIDENTIAL DEVELOPMENT CHARGES BY SERVICE AND UNIT TYPE					
Service	Residential				
	Singles and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	Special Care/ Special Dwelling Units
Municipal-wide Services	\$18,235	\$13,605	\$8,754	\$15,299	\$6,933
Stormwater Drainage and Control Services	\$184	\$137	\$87	\$156	\$71
Wastewater Services	\$9,040	\$6,743	\$4,341	\$7,586	\$3,436
Water Services	\$2,998	\$2,234	\$1,439	\$2,513	\$1,138
Grand Total Urban Area	\$30,457	\$22,719	\$14,621	\$25,554	\$11,578

NON-RESIDENTIAL DEVELOPMENT CHARGES BY SERVICE AND PER SQUARE FOOT/SQUARE METRE OF GFA		
Service	Charge (per sq. ft)	Charge (per sq. m)
Municipal-wide Services	\$2.99	\$32.15
Stormwater Drainage and Control	\$0.08	\$0.81
Wastewater Services	\$3.46	\$37.27
Water Services	\$1.16	\$12.48
Total Charges Per Sq. Foot/Sq. Metre	\$7.69	\$82.71

Background:

On May 13, 2019, Council passed By-law No. 2042/19 to authorize Development Charges on lands within Haldimand County, with revised rates effective May 14, 2019, subsequently amended by the Local Planning Appeal Tribunal (LPAT) decision dated March 6, 2020 that slightly modified the residential rates for “other multiples” units.

Paragraph 12 and 16 of the by-law provide for an annual revision to the amount of the Development Charges, as follows:

12. As authorized in paragraph 10 of Section 5(1) of the Act, the development charges provided for in this by-law shall be adjusted annually by the percentage change during the preceding year, as recorded in the Statistics Canada Quarterly, Non-Residential Building Construction Price Index in the Toronto area.
 - a) the initial adjustment shall be one year from the date of passage of this by-law, and
 - b) thereafter, adjustment shall be made each year on the anniversary date of the passage of this by-law.

and

16. This by-law shall come into force and effect on the day following the date of passing and enactment.

As such, the annual indexing is required on the anniversary of the date of passage of the Development Charges By-law, which is May 13, 2025, with an effective date of the day following the passage of the by-law, which is May 14, 2025. It should be emphasized that the annual adjustment is mandatory under

the legislation, not optional, which is then mirrored in the by-law. Annual indexing is required in all of the years that the by-law remains in force.

Analysis:

The by-law provides that the Statistics Canada Quarterly, Non-Residential Building Construction Price Index, in the Toronto area, be used to calculate the revised Development Charges. The related indices are provided in Table 1 below:

Table 1 – Statistics Canada. Table 18-10-0289-02 Building construction price indexes, percent change, quarterly

Non-Residential Buildings		
Year	Quarter IV	% Change (year over year)
2020	73.0	
2021	84.2	15.3%
2022	96.4	14.5%
2023	101.6	5.4%
2024	<u>105.7</u>	<u>4.0%</u>

The index to be utilized for annually amending Haldimand’s rates is specifically outlined in section 12 of the by-law. As the wording in the by-law specifically requires that the charges shall be indexed annually, we are required to adjust the rates by the year over year change as outlined above. The current By-Law (No. 2042/19) was passed on May 13, 2019 and first quarter statistics are not released until after the required time to index Haldimand’s current by-law. As a result, indexing of the current by-law utilizes the fourth quarter statistics; ending December of the prior year. The resulting increase of 4.0% will be applied to Haldimand County’s current Development Charges. All residential and non-residential rates have been adjusted accordingly and rounded, as necessary to the nearest dollar/cent, as reflected in Attachments #1 and #2 respectively.

The Non-Residential Building Construction Price Index, in the Toronto area, is the index prescribed by the Development Charges Act to be used to annually adjust the rates. This index measures, on a quarterly basis, the changes in prices during that time that contractors charge to construct a range/mix of new commercial, industrial, and institutional buildings. The contractor’s price reflects the value of all materials, labour, equipment, overhead and profit to construct the respective buildings. It excludes value added taxes and any costs associated with land, land assembly, building design, land development, and real estate fees.

This table above replaces Statistics Canada Table 18-10-0276-02, which was archived with the release of second quarter 2024 data. As a result, historical index values (Q4 2023 and before) have been restated.

Upon passage of the applicable by-law, the Development Charges shall be adjusted as listed in the attached schedules, effective May 14, 2025. These new rates will affect all applicable building permits issued on and after that date. The required Development Charges Brochure under O. Reg 82/98 will also be amended to reflect the change in rates.

At the time of passage of the existing Development Charges by-law, the Background Study and associated fees were required to be reviewed within five (5) years of initial passage. Recent revisions to the Development Charges Act extended this time period to 10 years, unless the by-law expires or is

repealed earlier. The current by-law (No. 2042/19) was passed on May 13, 2019 and does not include an expiration date. To reflect changes in anticipated growth related infrastructure needs and increases in underlying cost estimates, a revised Development Charges background study is currently underway. The result of the study will incorporate any changes since 2019 to the Development Charges Act. The study is anticipated to be completed in Q1 2026.

Financial/Legal Implications:

Based on Paragraph 12 of By-law No. 2042/19, the annual indexing of Development Charges rates based on the prescribed index, for both residential and non-residential, is mandatory, not optional.

Revenue received from Development Charges is restricted to the financing of capital expenditures resulting from anticipated growth in Haldimand County (as outlined in the most recent Development Charges Background Study). This revenue source is important to ensure that, as the community grows, the municipality is able to continue an appropriate level of services without burdening existing property owners with tax or rate increases caused by development. On an annual basis, staff monitors the timing of the receipt of these charges in relation to the planned capital works to ensure the current rates meet the anticipated needs. A summary of the development charges reserve fund balances is presented with the annual capital budget (rate and tax supported) and forecasts. As well, a separate statutory required report is being prepared for consideration at an upcoming Council in Committee meeting in May to provide the unaudited 2024 financial transactions for each development charges reserve fund, as required by Provincial legislation.

Stakeholder Impacts:

All staff involved in administering Development Charges will be notified of the updated rates in time to provide notice to affected developers. The increased Development Charges will apply to all building permits issued on or after May 14, 2025.

Report Impacts:

Agreement: No

By-law: Yes

Budget Amendment: No

Policy: No

References:

1. [Development Charges By-law 2042/19](#)
2. [2020 Amending By-law 2155/20](#)
3. [2021 Amending By-law 2259/21](#)
4. [2022 Amending By-law 2347/22](#)
5. [2023 Amending By-law 2422/23](#)
6. [2024 Amending By-law 2514/24](#)

Attachments:

1. Schedule B – Residential Development Charges by Service and Unit Type
2. Schedule C – Non-Residential Development Charges by Service Per Square Foot and Per Square Metre of G.F.A.
3. Draft By-law.