RESEARCH REPORT

LEVIES, FEES, CHARGES AND TAXES ON NEW HOUSING: *2002*

HOUSING AFFORDABILITY AND FINANCE SERIES

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LEVIES, FEES, CHARGES AND TAXES ON NEW HOUSING: *2002*

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Executive Summary: Levies, Fees, Charges and Taxes on New Housing: 2002

Introduction

Government-imposed costs on new housing can be substantial. They have a direct effect on the total cost of housing—and, therefore, on housing affordability.

This research examined the levies, fees, charges and taxes on the development and construction of common types of new housing in 30 municipalities. In addition to the single-detached and row housing covered in similar estimates prepared for 26 municipalities in 1996, the research includes condominium and rental apartments. Property taxes on the new dwellings are also included in the research.

Estimates of the levies, fees, charges and taxes on a typical modest new single-detached house in each of the municipalities included in this analysis are presented in Exhibit 1. The estimates cover all three levels of government—municipal, provincial, territorial and federal. It should be noted that, unlike (provincial and federal) taxes, in most cases, the municipal levies, fees and charges relate to specific direct services.

Municipal Levies, Fees and Charges

Municipal governments have a number of levies, fees and charges which apply to new housing. These include:

- **Infrastructure charges** – these are mainly development (cost) charges (also called lot levies, development levies, off-site services fees, etc.); however, they also include smaller fees and charges such as water and sewer connection fees, and engineering fees for municipal approval and/or supervision of infrastructure work.

- **Land dedications** – the value of land required to be provided to municipalities for parkland.

- **Development application and processing fees** – subdivision application fees, development approvals fees, site plan approval fees, etc.

- **Building permit fees** – while most of the fees in this category are actually called "building permit fees," many municipalities also levy special fees for plumbing, electrical and mechanical work.

In municipalities with specific charges for installation of infrastructure external to the subdivision (for example, development (cost) charges, etc.) these are by far the largest of the municipal levies, fees and charges on new housing—in some cases, they exceed $20,000. Many municipalities do not have infrastructure charges; however, in these municipalities, developers

Exhibit 1
Levies, Fees, Charges and Taxes
Single-Detached Houses, 2002

		Municipal Levies, Fees and Charges					Other Charges and Taxes					
Municipality	**Price**	**Infrastructure Charges***	**Land Dedications**	**Dev. Appl. Proc. Fees**	**Building Permit Fees**	**Total Municipal Charges**	**New Home Warranty Fees****	**Registry Fees/ Land Transfer Tax**	**Provincial Sales Tax**	**GST**	**TOTAL**	**Per cent of Price**
St. John's	130,000	-	1,900	100	725	2,725	295	635	10,400	5,824	19,879	15.3%
Charlottetown	125,000	-	400	7	372	779	295	594	5,404	5,600	12,672	10.1%
Halifax	140,000	5,300	1,720	41	579	7,640	295	2,170	11,200	6,272	27,577	19.7%
Moncton	120,000	100	290	25	767	1,182	295	355	9,600	5,376	16,808	14.0%
Montréal	145,000	-	1,388	-	810	2,198	790	1,320	7,272	6,496	18,076	12.5%
Laval	155,000	-	1,160	53	384	1,597	790	1,420	7,773	6,944	18,524	12.0%
Longueuil	140,000	-	1,890	50	264	2,204	790	1,270	7,021	6,272	17,557	12.5%
Gatineau	135,000	-	1,350	50	314	1,714	790	1,220	6,770	6,048	16,542	12.3%
Québec City	110,000	-	750	11	264	1,025	790	970	5,517	4,928	13,230	12.0%
Toronto	285,000	5,543	4,363	274	2,458	12,638	540	2,820	5,867	12,768	34,633	12.2%
Mississauga	260,000	18,650	3,880	136	1,639	24,305	540	2,445	5,256	11,648	44,194	17.0%
Vaughan	275,000	21,657	3,555	301	1,766	27,279	540	2,670	5,519	12,320	48,327	17.6%
London	160,000	9,067	747	84	850	10,748	432	1,395	4,454	7,168	24,197	15.1%
Ottawa	230,000	19,473	1,476	230	1,281	22,460	486	2,095	5,565	10,304	40,910	17.8%
Sudbury	150,000	2,893	855	219	1,014	4,981	432	1,295	4,234	6,720	17,661	11.8%
Windsor	150,000	3,700	1,015	110	2,066	6,891	432	1,295	4,117	6,720	19,455	13.0%
Winnipeg	145,000	2,961	883	302	728	4,874	225	910	4,251	6,496	16,756	11.6%
Regina	135,000	6,601	1,090	164	500	8,355	318	171	2,922	6,048	17,813	13.2%
Saskatoon	145,000	7,923	1,220	56	573	9,772	327	171	2,965	6,496	19,731	13.6%
Calgary	175,000	3,959	2,964	413	1,021	8,356	235	72	-	7,840	16,503	9.4%
Edmonton	165,000	5,987	2,121	548	1,250	9,907	220	69	-	7,392	17,588	10.7%
Grande Prairie	130,000	2,560	2,044	253	939	5,795	190	62	-	5,824	11,871	9.1%
Burnaby	395,000	3,439	6,521	39	1,750	11,749	525	5,955	5,425	22,175	45,829	11.6%
Surrey	315,000	19,820	3,609	101	1,738	25,268	525	4,355	5,930	14,112	50,190	15.9%
Kelowna	210,000	8,863	2,290	131	1,041	12,326	525	2,255	4,452	9,408	28,966	13.8%
Prince George	160,000	3,412	1,067	184	686	5,349	625	1,655	4,072	7,168	18,869	11.8%
Saanich	255,000	10,014	3,762	110	1,593	15,479	525	3,155	4,827	11,424	35,409	13.9%
Whitehorse	150,000	2,500	-	25	613	3,138	-	155	-	6,720	10,013	6.7%
Yellowknife	165,000	170	-	9	926	1,105	-	165	-	7,392	8,662	5.2%
Weighted Average	**197,060**	**8,435**	**2,527**	**266**	**1,211**	**12,439**	**392**	**1,344**	**3,696**	**8,856**	**26,727**	**13.6%**

* Infrastructure charge policies vary among the municipalities (see text for details); this creates difficulties in comparing the effects of these charges on total development costs.
** New home warranty coverage is mandatory only in Québec, Ontario and B.C. Warranty fees for the other provinces are provided for illustrative purposes only.

are required to cover the cost of connecting to trunk services—which, in other jurisdictions, may be covered (in whole or in part) by the municipal infrastructure charges. This difference in approach creates difficulties in making comparisons among municipalities.

In most municipalities, developers are required to cover the cost of installing internal subdivision services. Among the municipalities included in this analysis, only Montréal and Laval install internal infrastructure services. While Montréal and Laval levy infrastructure charges to cover the cost of installation of internal subdivision services, for consistency, these charges are not included in the analysis (or in Exhibit 1).

Installing the infrastructure necessary for residential development is extremely expensive. Provincial legislation allows municipalities to recoup the costs they incur for the installation of infrastructure. The infrastructure charges generally reflect (all or some) of the estimated costs actually incurred by the municipalities—under provincial legislation, they cannot be used as revenue-generating tools. While the development industry may question whether some of the costs are justified, the charges are typically based on estimates of the expenditures deemed to be required as a result of new development—and must be used for that purpose.

The other municipal fees and charges on new housing (land dedications, development application and processing fees and building permit fees) tend to be less than infrastructure charges.

In the municipalities covered in this analysis, total municipal levies, fees and charges for single-detached houses range from less than $1,000 to over $27,000 (see Exhibit 1). The weighted average across all municipalities, is over $12,400.

Goods and Services Tax

Prior to 1991, the federal government levied a sales tax on manufactured goods—the federal Manufacturers Sales Tax. It was replaced by the GST in January 1991. The GST applies to all new dwellings, though those priced less than $350,000 are eligible for a rebate of 36 per cent of the GST paid—effectively a rebate equivalent to 2.52 per cent of the price of the dwelling. With this rebate, the effective rate of GST on a new dwelling (priced less than $350,000) is 4.48 per cent.

For dwellings priced between $350,000 and $450,000, the amount of the rebate declines progressively, to nil for dwellings priced at $450,000 or more.

For rental dwellings, prior to 2000, there was no rebate—new privately-owned rental housing was subject to the full 7 per cent GST on the sales price (if sold to another owner), or the fair market value (defined to be at least the cost of construction plus land, etc.) if the building was retained for the developer's own portfolio. In the 2000 Federal Budget, the same rebate (36 per cent of GST) as applies to ownership housing was extended to rental housing, so the effective rate of GST on rental housing is 4.48 per cent.

Provincial Taxes and Charges

There are several types of provincial taxes and charges which apply to new housing:

- Provincial retail sales taxes – except for P.E.I., in all provinces east of the Ottawa River, these taxes have been "harmonized" with the GST;
- Land transfer taxes – some provinces have land transfer taxes;
- Land registration fees – all provinces and territories have fees to register properties; and
- Other charges – some provinces mandate warranty coverage for new homes and some have other charges on new housing construction.

Provincial Sales Taxes

New housing development generates sales tax revenues for most provincial governments. There is no PST in Alberta or in the territories.

Prior to the introduction of the GST, and the harmonization of the PST with the GST in some provinces, the PST in each province applied to the building materials used in the construction of the dwellings. Now, the PST treatment of new housing varies significantly across the country:

- Three of the four Atlantic provinces (Newfoundland and Labrador, Nova Scotia and New Brunswick) have fully harmonized their sales taxes with the GST—the Harmonized Sales Tax (HST) rate is 15 per cent (GST of 7 per cent and PST of 8 per cent). For most new housing in these provinces, there is no rebate of PST, so, effectively, the PST on new housing in these provinces is 8 per cent of the value of the dwelling.
- Quebec has established a distinct sales tax system which involves a 7.5 per cent Quebec Sales Tax (QST) on top of the 7 per cent GST. For new housing, the QST applies to the value of the dwelling plus GST (less the GST rebate). There is a rebate of 36 per cent of the QST for dwellings valued at up to $200,000—effectively, the QST on new dwellings priced less than $200,000 is roughly 5 per cent of the price. The rebate is phased out for dwellings priced between $200,000 and $225,000.
- Five provinces (P.E.I., Ontario, Manitoba, Saskatchewan and B.C.) apply PST to the building materials used in construction. Though there are differences in the tax rates among these provinces (varying from a low of 6 per cent in Saskatchewan to a high of 10 per cent in P.E.I.), the tax applies only to the building materials used in construction—with the exception of Manitoba, where the base for the PST has recently been extended to include the full value of the contract price of electrical, heating, ventilation and air conditioning, and plumbing contracts.

Other Provincially Mandated Costs

Some form of land transfer tax applies in most jurisdictions. All provinces also have a registration fee when property is sold. While registration fees are relatively minor, land transfer

taxes in some jurisdictions can be substantial: for example, 1.5 per cent of the price of a dwelling in Halifax, and 1 per cent of the first $200,000 and 2 per cent of the remainder in B.C.

Three provinces (Quebec, Ontario and B.C.) require that new homes be covered by warranty. In other provinces, warranty coverage is optional.

In B.C., new home builders must be registered with the Homeowner Protection Office (a crown agency). There is a levy of $750 per unit for new multi-unit buildings sold to owner-occupants in the coastal climate zone (consisting of the Lower Mainland and the bottom half of Vancouver Island).

Levies, Fees, Charges and Taxes on Rental Housing

As with the analysis of single-detached houses, there are substantial levies, fees, charges and taxes on the development of new rental housing. A review of the breakdown of these charges for modest new rental housing in various municipalities is presented in Exhibit 2.

There is little doubt, as has been concluded in many analyses, that the cumulation of levies, fees, charges and taxes has a substantial impact on the economic viability of new rental development.

The same levies, fees, charges and taxes apply to the development of new rental housing as apply to ownership housing:

- Municipal levies, fees and charges do not differentiate between rental and ownership dwellings—for any particular development, almost exactly the same scale of charges would apply whether the development was rental or ownership. However, in many municipalities, condominium developments face modest additional charges for condominium registration.

- The PST treatment of rental housing is the same as for ownership housing—8 per cent of the total value in the harmonized Atlantic provinces, 7.5 per cent of the value in Quebec (with the same rebate for rental housing as for ownership housing), and PST only on building materials (whether the project is rental or ownership) in the other provinces (except in Manitoba which applies PST to electrical and mechanical contracts as well).

- The GST is effectively 4.48 per cent of the value of rental projects—just as it is for most ownership dwellings. As noted, this is a relatively recent change: prior to 2000, the GST rebate did not apply to new rental housing.

Property Taxes

Although this has not always been the case, in recent years, most Canadian jurisdictions have moved to a system of property taxation that is premised on market value assessment, for example, properties are generally assessed at some percentage of their estimated “market” value

Exhibit 2
Levies, Fees, Charges and Taxes
Modest Rental Apartments, 2002

		Municipal Levies, Fees and Charges				Other Charges and Taxes			
Municipality	**Development Cost**	**Infrastructure Charges***	**Land Dedications**	**Dev. Appl. Proc. Fees**	**Building Permit Fees**	**Provincial Sales Tax**	**GST**	**TOTAL**	**Per cent of Cost**
St. John's	71,000	-	800	13	607	5,680	3,181	10,280	14.5%
Charlottetown	52,000	-	400	-	180	2,260	2,330	5,170	9.9%
Halifax	66,000	1,500	650	-	311	5,280	2,957	10,697	16.2%
Moncton	54,000	3	700	1	420	4,320	2,419	7,863	14.6%
Montréal	84,000	-	850	-	579	4,213	3,763	9,405	11.2%
Laval	82,000	-	750	-	289	4,112	3,674	8,825	10.8%
Longueuil	75,000	-	650	-	219	3,761	3,360	7,990	10.7%
Gatineau	78,000	-	700	-	269	3,912	3,494	8,375	10.7%
Québec City	75,000	-	600	-	170	3,761	3,360	7,892	10.5%
Toronto	120,000	3,223	839	53	909	3,746	5,376	14,146	11.8%
Mississauga	105,000	9,781	3,700	57	708	3,331	4,704	22,280	21.2%
Vaughan	108,000	12,179	291	313	721	3,368	4,838	21,710	20.1%
London	92,500	4,933	453	33	299	2,934	4,144	12,796	13.8%
Ottawa	100,000	9,565	72	86	851	3,331	4,288	18,192	18.2%
Sudbury	97,000	1,823	309	30	887	3,343	4,346	10,737	11.1%
Windsor	94,500	2,000	425	25	961	3,138	4,234	10,783	11.4%
Winnipeg	83,500	428	366	-	629	2,805	3,580	7,808	9.4%
Regina	83,500	1,035	397	-	353	2,200	3,741	7,725	9.3%
Saskatoon	84,000	1,500	400	2	373	2,200	3,763	8,239	9.8%
Calgary	95,000	582	1,092	29	471	-	4,256	6,430	6.8%
Edmonton	90,000	1,407	759	79	599	-	4,032	6,875	7.6%
Vancouver	125,000	2,865	-	182	609	3,171	5,360	12,186	9.7%
Burnaby	120,000	1,912	2,870	225	749	3,171	5,145	14,074	11.7%
Surrey	100,000	8,194	-	98	707	2,814	4,480	16,292	16.3%
Saanich	98,500	4,333	508	12	888	2,942	4,413	13,096	13.3%
Average	**89,340**	**2,690**	**743**	**49**	**550**	**3,192**	**3,970**	**11,195**	**12.5%**

* Infrastructure charge policies vary among the municipalities (see text for details); this creates difficulties in comparing the effects of these charges on total development costs.

at some base period. Assessed values of properties are established by assessors who either are employees of the provincial government, or operate under guidelines established by provincial legislation.

For ownership dwellings (including condominium units), assessed values are generally based on the sale price of similar properties in the same general location. For rental properties, the assessment process is more complex—most jurisdictions utilize the "income approach," sometimes in combination with estimated costs. The income approach values a building in much the same way as a lender determines the lending value—through the application of capitalization rates (or gross income multipliers) based on income.

Property tax rates typically vary for different types of properties. Residential (especially ownership residential) dwellings usually have preferential tax rates compared to non-residential properties.

In many provinces, the tax rates for ownership dwellings and rental (often called "multi-residential") properties are the same. Exceptions are New Brunswick, Ontario, and Saskatchewan. In these provinces, rental properties typically have much higher tax rates than ownership housing:

- In New Brunswick, the tax rate for rental housing is almost double the rate for ownership housing.

- In Toronto, property taxes on (existing) rental units are almost three times the property taxes for ownership units with the same assessed value. In order to encourage new rental production, the provincial government has allowed municipalities to establish a separate property tax class for new rental housing with a lower tax rate than for existing rental housing (for 35 years). Toronto has adopted the separate class—with the result that new rental buildings qualify for the (much lower) ownership rate.

- In London, Ottawa, Sudbury and Windsor all tax rental properties are significantly more than ownership properties with the same assessed value—from 75 per cent more (Sudbury) to 119 per cent more (Windsor). In Mississauga (51 per cent more) and Vaughan (21 per cent more), the differential is less. Of these municipalities, Ottawa and Vaughan have adopted the separate class for new rental buildings and have applied the ownership tax rate to the class.

- Regina and Saskatoon – both municipalities apply significantly higher taxes to rental properties than ownership properties with the same assessed value—44 per cent more in the case of Regina and 70 per cent more in the case of Saskatoon.

In B.C. and Manitoba, there are rebates of property taxes for owner-occupied dwellings—$400 in Manitoba and $470 in B.C. Therefore, in these provinces, while the advertised tax rates for ownership and rental housing are the same, the effective tax rate for rental housing is higher than for ownership housing because of the rebate.

The higher tax rates which apply to rental housing compared to ownership housing have been cited as a major factor behind the lack of new rental investment in many municipalities. The analysis here confirms that these differences are very significant in some cases.

Overall Conclusions and Changes Since 1996

The overall burden of levies, fees, charges and taxes (from all levels of government) on new housing is significant. The weighted average levies, fees, charges and taxes on a modest new single-detached house total $26,727—13.6 per cent of the $197,060 weighted average price.

The most significant change over the period since 1996, when a similar study was conducted, has been the harmonization of provincial sales taxes with the GST in Newfoundland, Nova Scotia and New Brunswick—this raised the PST on new housing in these provinces to 8 per cent of the purchase price of a dwelling from less than half that amount in 1996.

There were also some changes in PST in other provinces. The rate of PST has increased in Québec (from 6.5 per cent to 7.5 per cent) and B.C. (from 7 per cent to 7.5 per cent). Manitoba recently extended the coverage of PST to include the total value of some sub-contracts (rather than just materials). Saskatchewan has reduced its overall rate of PST to 6 per cent (from 9 per cent in 1996).

Some municipalities (for example, Halifax and the Greater Vancouver Regional District) have introduced infrastructure charges since 1996. Most municipalities have raised their various levies, fees and charges to reflect inflation.

In B.C., the Homeowner Protection Office has been established and there are new levies for multiple unit projects.

In most municipalities, infrastructure charges and other fees and charges have increased—most charges are indexed to some measure of the increase in the cost of installing infrastructure.

Exhibit 3
Levies, Fees, Charges and Taxes As Percent of House Price

		Weighted Average Price	Weighted Average Levies, Fees, Charges and Taxes	
			$	% of Price
2002	All Municipalities	197,060	26,727	13.6%
2002	26 Municipalities	195,193	26,694	13.7%
1996	26 Municipalities	153,089	20,740	13.5%

The taxes collected by the federal and provincial governments (GST, PST and land transfer taxes) all generate increased revenues as house prices rise with inflation.

Comparisons with the past are complicated by a variety of factors, including the fact that the characteristics and prices of typical new houses change over time. Nonetheless, comparing the results of this analysis with a similar analysis in 1996 (which covered 26 municipalities), it appears that levies, fees, charges and taxes are increasing as a share of housing prices.

In 1996, the weighted average levies, fees, charges and taxes on a new single-detached house in the 26 municipalities included in the 1996 analysis was 13.5 per cent of the weighted average price (weightings based on 2002 starts). For the same 26 municipalities as were included in the 1996 analysis, the weighted average 2002 levies, fees, charges and taxes on a typical new house is estimated at 13.7 per cent of the weighted average price. As illustrated in Exhibit 3, this is slightly different from the weighted average for 2002 presented in Exhibit 1 since fewer municipalities were covered in the 1996 analysis.

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APPENDICES:

A – Estimates of Levies, Fees, Charges and Taxes on New Housing

B – Municipal Infrastructure Charges Versus Costs of Installing Municipal Infrastructure

C – Estimates of Property Taxes on New Dwellings

1. Introduction

Government-imposed costs on new housing can be substantial. In some cases, such as development charges, the Goods and Services Tax (GST) and provincial sales taxes, these costs can be very large, but there are a number of other levies, fees, charges and taxes which add to the cost of new housing. These costs have a direct effect on the total cost of housing—and, therefore, on housing affordability.

This report presents estimates of the levies, fees, charges and taxes on the development and construction of common types of new housing in 30 municipalities across Canada. In addition to the single-detached and row housing covered in similar estimates prepared for 26 municipalities in 1996, this report includes condominium and rental apartments.[1] Estimates of the property taxes on new dwellings are also presented.

Structure of the Report

The report consists of the following seven chapters:

1. **Introduction:** this chapter, includes a discussion of the selection criteria for the municipalities covered in the analysis, and a review of the methodologies used for data collection, and the formulation of the estimates.

2. **Municipal Infrastructure Charges – Theory and Practice:** review of the literature and legislative context for municipal infrastructure charges—the largest single charge on new housing in many major municipalities.

3. **Overview of Levies, Fees, Charges and Taxes on New Housing:** description of the types of levies, fees, charges and taxes which apply to new housing, including the four major types of local municipal charges on new construction (infrastructure charges, land dedications, development application and processing fees, and building permit fees) and other types of government-imposed costs (such as, GST, PST, Land Transfer Tax and warranty charges).

4. **Estimates of Levies, Fees, Charges and Taxes on New Ownership Housing:** estimates of the amounts of municipal levies, fees and charges, and provincial and federal taxes for typical new ownership housing in each municipality. The discussion concentrates mainly on the charges which would apply to a modest new single-detached house (20th percentile of the overall price range); however, estimates of the charges associated with row dwellings and condominium apartments are presented as well.

[1] This report presents an update and expansion of the 1996 estimates which were presented in the report *Levies, Fees, Charges, Taxes and Transaction Costs on New Housing*, prepared by Greg Lampert and Marc Denhez for CMHC and the Canadian Home Builders' Association in 1997. Transaction costs such as legal and mortgage insurance fees on the sale/purchase of new housing (which were included in the 1996 estimates) are not covered in this report.

5. **Estimates of Levies, Fees, Charges and Taxes on New Rental Apartments:** estimates of the total charges and taxes applied to new rental apartments. Similar to the analysis in Chapter 4 on ownership housing, this chapter reviews the charges which would apply to modest new rental apartments developed in each municipality.

6. **Estimates of Property Taxes on New Housing:** description of the legislative context and process for determining property assessments and rates for property taxes across Canada. The chapter also presents estimates of the property taxes which would apply to the new dwellings discussed in Chapters 4 and 5.

7. **Conclusions**

In addition, there are three appendices:

- **Appendix A:** a description of the municipal levies, fees and charges in each of the 30 municipalities. In addition, the Appendix presents estimates of the levies, fees, charges and taxes on new housing in each municipality.
- **Appendix B:** a discussion of the legislative context for municipal infrastructure charges in each province and the relationship between municipal infrastructure charges and municipal costs for the installation of infrastructure.
- **Appendix C:** estimates of the property taxes payable for new housing in each municipality.

For the most part, the report presents estimates of the amounts of levies, fees, charges and taxes on new housing without comment on whether these various charges are justified based on services rendered or costs incurred by governments. The main purpose of the study is to compile the information and to illustrate the total amounts of these charges compared to typical dwelling prices.

Selection of Municipalities

A total of 30 municipalities are included in the analysis (see Exhibit 1-1). The municipalities selected include all 26 of those covered in the earlier study, plus the cities of Montréal, Toronto, Vancouver and Windsor. The cities of Toronto, and Vancouver were not included in the previous report because they have relatively little low-density housing development—the main focus of that study. They are included in this 2002 analysis because, unlike that report, this analysis includes condominium and rental apartment buildings—a large proportion of such developments in these census metropolitan areas (CMAs) would be in the major municipalities.

As noted, all 26 of the municipalities included in the study which presented estimates for 1996 are included in the 2002 analysis as well. The following broad criteria were used in the selection of the municipalities included in the previous analysis:

Exhibit 1-1:
List of Municipalities by Province

Newfoundland and Labrador:
St. John's

Prince Edward Island:
Charlottetown

Nova Scotia:
Halifax

New Brunswick:
Moncton

Quebec:
CMA
Montréal
Laval
Longueuil
Gatineau
Québec City

Ontario:
Toronto CMA
Toronto
Mississauga
Vaughan
London
Ottawa
Sudbury
Windsor

Manitoba:
Winnipeg

Saskatchewan:
Regina
Saskatoon

Alberta:
Calgary
Edmonton
Grande Prairie

British Columbia:
Vancouver CMA
Vancouver
Burnaby
Surrey
Kelowna
Prince George
Saanich

Yukon:
Whitehorse

Northwest Territories:
Yellowknife

- **Each province** – at least one municipality from each of the provinces should be included. This is to ensure that differences in provincial charges and taxes would be reflected in the analysis. In addition, the largest municipalities in the Yukon (Whitehorse) and Northwest Territories (Yellowknife) were included to provide a similar perspective on levies, fees, charges and taxes in the territories.
- **Major centres** – the list generally includes the municipality with the largest volume of new housing activity in the urban area with the most activity in each province (in 1995).
- **Two municipalities in the largest urban areas** – the list includes the two suburban municipalities with high volumes of housing activity in each of the Toronto, Montréal and Vancouver CMAs in 1996. [In addition, as noted, for the 2002 analysis, the central cities have been added in each case.] In addition, in Ottawa-Gatineau, both the (amalgamated) City of Ottawa, and the (amalgamated) City of Gatineau are included in the analysis.
- **Other municipalities to ensure a mix** – in addition, some smaller municipalities in the larger provinces are included in order to provide a mix of both large and small municipalities in various parts of the province.

Some of the Quebec municipalities, plus the city of Ottawa, have recently undergone amalgamations. In these amalgamated municipalities, the municipal levies, fees and charges have not yet been standardized to cover the full municipality; in these cases, the charges which apply to the area covered by the municipality which was included in the previous analysis are used for the purposes of this analysis.

The 30 municipalities selected are considered to provide an appropriate mix of typical municipalities across Canada.

Collection of the Information

The information for this report was gathered through extensive consultations with a wide variety of individuals and organizations in each of the 30 municipalities. The consultations included:

- Municipal officials provided information on the application of the various municipal levies, fees, charges and taxes on new housing (in general, in each municipality, several

officials responsible for different municipal departments were contacted to provide information for the analysis);

- Provincial and territorial government officials provided information on provincial taxes and charges, as well as the legislative context for municipal charges and taxes, and the procedures involved in establishing property assessments for new housing;
- Home builders, developers and engineers provided information on the prices and costs associated with developing land and the construction of various types of new housing;
- Industry associations provided information on knowledgeable contacts in the industry and local government, as well as analyses which had been undertaken regarding levies, fees, charges and taxes in their municipalities;
- CMHC market analysts provided information on contacts and also data on new housing prices and costs;
- New home warranty providers (l'Association provinciale des constructeurs du Québec (APCHQ), and the new home warranty programs in Ontario, Manitoba, Saskatchewan and Alberta)) provided data on housing prices and costs in many of the municipalities covered by the analysis.

The overall process of information collection involved extensive checking back with sources, both to obtain cooperation and to ensure that the information collected was as complete and accurate as possible. The information-gathering in the province of Quebec was undertaken by Mr. Allan Gaudreault, a consultant specializing in housing and community development.

The study would not have been possible without the cooperation of over 300 respondents spread across the 30 municipalities selected for analysis (plus 10 provincial and two territorial governments). The contributions of these contacts were indispensable. This is one study which truly could not have been undertaken without the cooperation of a vast number of people.

Limitations of the Findings

As noted above, the findings presented in this report are a composite of information received from many sources. Best efforts were made to contact well-reputed informants, and to crosscheck the data. It is impossible, however, to guarantee the accuracy of all of the figures which have been offered by these sources. For an exact picture of the levies, fees, charges and taxes in any given locality, the reader is reminded that there is no substitute for direct consultations with the municipality and industry sources.

As discussed later, comparisons of the levies, fees, charges and taxes in one municipality versus another must be undertaken with some caution. The charges and taxes depend on the characteristics of the dwelling (for example, dwelling and lot size, cost and price), which vary significantly from one municipality to the next. Also, with respect to infrastructure charges (one of the largest government-imposed costs in many municipalities), there is substantial variation in policies (and costs) among the municipalities – for example, some municipalities have relatively low infrastructure charges but, in most of these cases, the municipality requires the developer to cover the cost of connecting subdivision services to trunk services. Therefore, the actual net costs to the developer (and ultimately the new housing consumer) of connecting new dwellings to

municipal infrastructure are not necessarily less in municipalities which have low (or no) infrastructure charges. If developers must pay for all (or a significant proportion) of the infrastructure works directly (rather than through municipal infrastructure charges), the cost could actually be higher than in municipalities which levy substantial infrastructure charges but cover all of the costs of connecting subdivisions to trunk services.

Therefore, readers need to exercise caution in drawing conclusions regarding the relative costs of developing in one municipality versus another based on the information on the estimates presented in this report. Each municipal situation is unique.

Readers who have comments on the information presented here are invited to provide them to Greg Lampert, 51 Maybourne Avenue, Toronto, Ontario, M1L 2W1 (e-mail: lampert@rogers.com; fax: (416) 752-0704).

2. Municipal Infrastructure Charges – Theory and Practice

Municipal infrastructure charges are among the largest government-imposed costs in several major municipalities in Canada. Because of their size, and because these charges are reflected in higher housing prices, they are often a target for representations by the housing industry seeking to reduce the costs of developing and building new housing—and to enhance both the affordability of home ownership and the economics of investment in new rental housing.

This chapter presents a review of the literature on the theory and practice of municipal charges to finance infrastructure, and the legislative context for municipal infrastructure charges. It also presents an overview of the relationship between municipal infrastructure expenditures and the volume of infrastructure charges.

2.1. General Theory and Practice on the Application of Infrastructure Charges: A Brief Literature Review

Trends in Financing Municipal Infrastructure

The concept of infrastructure charges[2] levied on development involves the larger issue of population growth and the need for municipalities to fund increasing demand for infrastructure to accommodate this growth. Historically, municipalities have funded the capital costs of installing new infrastructure in the following ways:

- Funding assistance from the senior levels of government – for example, various direct provincial transfers to municipalities and, at the federal level, the federal/provincial land assembly projects and direct loans for water and sewage plants;
- Property taxes – either to finance infrastructure directly, or to cover interest and principal payments on loans to finance infrastructure; and
- Infrastructure charges – direct charges to be paid by developers or the occupants of new developments.

Kitchen (1984) noted that federal assistance has focused on capital grants for specific facilities, while provincial grants have tended towards providing assistance for the operating costs of many locally delivered services.

In general, direct federal and particularly provincial funding was the predominant form of financing for capital infrastructure until the 1980s. Bird and Slack (1983) reported that, in the latter 1970s, almost half of the revenues received by municipalities were in the form of a transfer from the provinces. Property taxes accounted for just over one-third of total revenues, with other

[2] In the literature, and in various jurisdictions across Canada, a wide variety of terms are used to describe infrastructure charges – such as development (cost) charges, exactions, development fees, development levies, etc.). This variety is reflected in the terms used in the literature review presented here.

"own source" revenue (concessions, fines, licenses etc.) making up just under 15 per cent. Since then, property taxes have accounted for a much greater share of municipal revenue (Kitchen 2000).

Through the 1970s, there was an increasing emphasis on a wide variety of user fees—a mechanism that, in theory, stimulates a more efficient consumption of resources. In practice, this has not necessarily been the case due to poorly developed and applied pricing mechanisms (Kitchen 1984, Slack 2002). Initially, these user fees encompassed services that are widely consumed—water, public transit, public recreation, libraries and, in some cases, police and fire services (for example, street closures and policing special events). It is notable that the later emergence of infrastructure charges followed, rather than led, a general trend toward a *user pay* revenue system.

At the same time, faced with a growing fiscal challenge, the willingness and capacity of provinces to continue bearing the costs of municipal growth evaporated (Bird and Slack, 1983). Faced with increasing expenditures, municipalities began to explore other sources of financing—one being the use of improvement levies or special assessments on new development.

While special assessments had previously existed to fund such local improvements as sidewalks, these charges were relatively minor (Slack 1990). Development cost charges have existed in B.C. since the early 1970s and in Ontario, from the 1960s. However, their impact and representation in overall municipal revenues only became significant in the 1980s—development cost charge revenues increased fivefold in B.C. (1979-86) and Ontario (1982-87) (Slack 1990).

As has often been the case, the exploration of new financing options in Canada was influenced by emerging practice in the U.S.—the widespread adoption of exaction fees (later more commonly known as impact fees). In part, these were a response to two circumstances (Nelson 1988a):

- A steady decline in the level of state transfers for community facilities and the resulting growth of bond financing to cover the cost of these facilities; and
- Residents' negative reaction to increasing property tax levies related to these bond financing obligations—thereby constraining municipalities' options in raising the necessary capital.

In 1986, Stegman reported that hundreds of rapidly growing communities had adopted or were considering various forms of private financing—including exactions and development fees that effectively transfer more of growth's capital cost to developers and new residents. He further noted that this trend had not occurred without controversy—development fees are an expedient solution to immediate budgetary problems facing municipalities; but they have often been implemented with little understanding of the longer term consequences. In her recent analysis of municipal finances and the pattern of urban growth, Slack (2002) echoed a similar sentiment, noting "[U]ser fees can be an effective tool for achieving a desired pattern of development if they are correctly applied, which rarely happens in Canada."

The development community has not always opposed the concept of infrastructure charges. Stegman (1986) was surprised to find that local developers were among the strongest supporters of development fees. This was identified as a defensive attitude on the part of developers who

feared that, if it was not perceived that new development was paying its own way, there could be a public outcry leading to a moratorium on new development. The primary contentions (and numerous legal challenges) raised against infrastructure charges by the development industry have usually not focused on whether or not the charges are legally permissible, but rather they have typically contested the amount of the charge and the basis for its calculation. The development community has long argued that the burden of development charges is excessive relative to the broader benefits of growth—and that the financing of municipal infrastructure should be shared by senior governments, which also benefit from growth—in terms of both economic development and enhanced revenues (Lampert 2000b).

Recent Trends in Infrastructure Charges

Exhibit 2-1
Lot Levies and Starts
Selected Provinces, 1988-2000

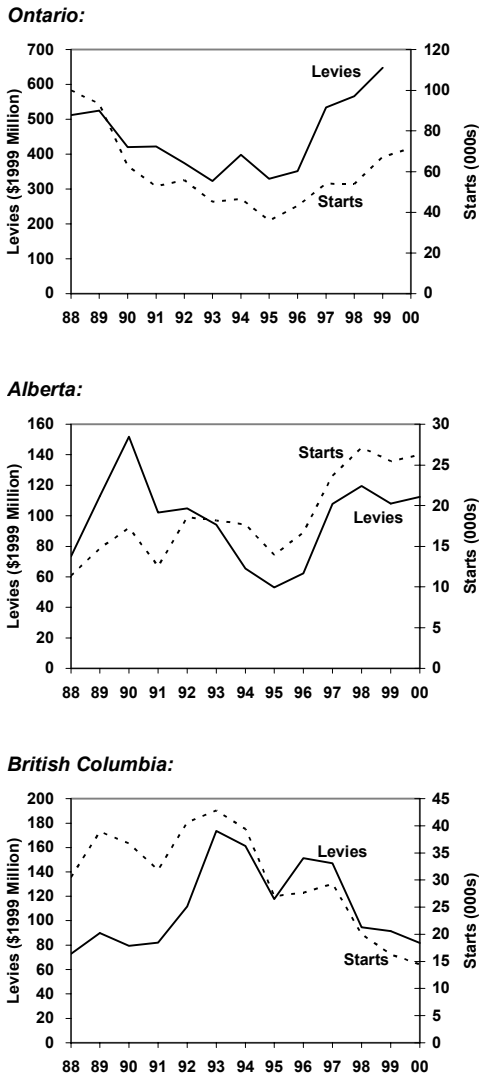

Exhibit 2-1 presents estimates of the volume of infrastructure charges collected by municipalities in Ontario, Alberta and British Columbia—the three provinces with the largest total infrastructure charge revenues.

The data are from Statistics Canada's Financial Management System (FMS) and relate to "municipal lot levies"—defined as "imposts or additional lump sum development charges levied on properties benefiting from local improvements or additional capital facilities." The data include levies collected from both residential and non-residential development—Statistics Canada does not distinguish between collections from each source. The data presented in Exhibit 2-1 have been adjusted to remove the effects of inflation in construction costs.

In Ontario, which comprises over two-thirds of all lot levies collected in Canada, according to the Statistics Canada data, total collections of levies have increased substantially over the period since the mid-1990s—the rate of increase in levies collected is much greater than the rate of increase in housing activity. While, as noted, non-residential development also generates lot levies, it would appear from these data that there has been a significant increase in the incidence of lot levies in Ontario over the period since the late 1980s.

In Alberta, it would appear that the incidence of levies has declined somewhat in recent years, compared to the late 1980s. The volume of housing starts has increased more than the real value of lot levies collected over this period. However, again, levies are collected from non-

residential development (not shown in this exhibit) as well as from residential development, so this apparent trend towards a lower incidence of lot levies over this period may be due to other factors.

In British Columbia, housing starts in recent years have been well below the levels of the early 1990s. The real value of lot levies collected has also fallen during this period; however, the decline is less precipitate than the decline in starts. This would appear to support the contention that the incidence of lot levies is increasing—though, again, non-residential construction is not shown in this analysis.

The Theoretical Underpinning of Infrastructure Charges

Koko and Dicker (1993) suggest that the basis for infrastructure charges is two-fold:

- First, growth automatically increases the requirements for public infrastructure and facilities; and
- Second, in addition to sourcing revenues to fund this growth, the imposition of infrastructure charges is seen as a way to synchronize and manage development with infrastructure in an efficient and logical way (imposing economic discipline on land development decisions).

In addition to the two already noted, Nelson (1988a) cites three additional political objectives associated with the adoption of infrastructure charges:

- To shift the capital financing burden to new development (and thereby avoid complaints from existing taxpayers);
- To enhance quality of life by facilitating the expansion of public facilities (some of which existing residents will also enjoy); and
- To mollify the anti-growth sentiments of vocal local interest groups opposed to new development.

Nelson's view suggests that, politically, municipalities have found it more expedient to err on the side of loading up new development with infrastructure charges to finance growth—rather than imposing higher tax levels on existing residents.

Problems and Concerns

Despite these political advantages, infrastructure charges have been controversial. The most vocal concern is that such charges directly increase costs for the consumer and thereby have an adverse effect both on the housing market and on levels of affordability (Koko and Dicker 1993, Lampert 2000a).

As discussed in the Introduction of this report, Lampert and Denhez (1997) undertook an extensive review of Canadian practices to quantify the impact of the full range of levies, fees, charges, taxes and transaction costs on the price of a dwelling. Although not the only form of charge, the report confirmed that infrastructure charges were the single largest charge associated

with new construction in many large municipalities. For a modest new single-detached or row dwelling, total levies, fees, charges, taxes and transaction costs were found to total over 20 per cent of the value of a new dwelling in several municipalities—which has obvious implications for homeownership affordability.

Another issue is the inequity that may result from the difficulty and complexity of fairly assessing what the infrastructure charge should be and how this is allocated to different types of development in different locations. Although (as discussed later in this chapter) legislation in most Canadian provinces is quite specific and prescriptive on the implementation of infrastructure charges, there has historically been a concern in the U.S. that there is a lack of standardization in charge levels and, as a result, developers operate under differing rules and charge schedules in different municipalities (Koko and Dicker 1993).

Slack (1990) has further suggested that occupants of new homes are paying twice—they pay general property taxes, some of which helps to fund existing facilities and past expenditures; but they also pay the cost of new infrastructure that was deemed to be required for the new development. Slack asserts that there are inequities in the way that infrastructure charges are determined and applied, and suggests that they could be more equitable and efficient than they are—they should reflect the true marginal cost of services by being determined on a development-by-development basis (as well as on the basis of housing types).

The Influence of Infrastructure Charges on Urban Form

Beyond the fiscal imperative to fund growth-related infrastructure, there has been an increasing interest in the use of municipal financing tools as part of a strategy to manage the pattern of growth and more particularly to minimize urban sprawl (GTA Task Force 1996, Tomalty, Warne and White 2000, Skaburskis and Tomalty 2000, Tomalty, Spurr and Hercz 2000, Kitchen 2002, Slack 2002)

There has been and continues to be a prolific debate on the issue of urban sprawl and the more recent counter-movement of "smart-growth." As Slack (2002) summarizes, there are two views of sprawl. Proponents note that this increases choice and provides consumers the opportunity to find more affordable housing—these proponents argue that the market is generally efficient and provides consumers what they want in terms of location, price and building form. Opponents, on the other hand, argue that sprawl is a consequence of an imperfect market and has dire consequences on the environment, quality of life and public cost.

The seminal study on the costs of sprawl is the 1976 report *The Costs of Sprawl* (Real Estate Research Corporation) which determined that scattered development can be over 70 per cent more costly than compact development. Numerous Canadian studies have corroborated this finding (IBI Group 1990, Essiambre-Phillips, Desjardins et al 1995, Blais 1996). Slack (2002) highlights the key conclusion that the cost of services increases directly with distance and inversely with density. She further argues that, given this relationship, municipal finance mechanisms should be an important tool in managing growth and associated costs. The devil, as usual, is in the detail. To date, there is limited evidence that in practice these financial tools can be used effectively to manage growth.

Skaburskis (1999) sums up the arguments about the "benefits" of infrastructure charges in discouraging sprawl and facilitating a more compact urban form as follows:

> "Increasing development charges can affect urban form by making it more difficult for young people to enter the home ownership market. The rental market offers smaller units in more dense building types. Higher prices, by keeping people out of home ownership, keep them from expanding their housing purchases. In turn, this helps maintain a more compact urban form." (page 18)

There is substantial agreement between this view and that of the development industry. However, there is a difference of opinion about whether raising costs to limit the access of people to home ownership is a desirable means of achieving a compact urban form.

Lampert (2000b) argues that much of the U.S. experience relates to a form of sprawl that features developments which are discontiguous from existing urban areas and typically comprise much larger single-family lot sizes than are common in Canadian communities. Using data from Blais (1996) on the costs of municipal infrastructure in the Greater Toronto Area, Lampert demonstrates that most of the difference in infrastructure costs between "spread" and "central" types of development is in the costs of local services and roads such as internal subdivision costs that are borne by the developer, not by the municipality. The analysis indicates that the volume of municipal infrastructure spending required to accommodate growth is similar for all types of development so infrastructure charges effectively amount to a "tax on growth."

Tomalty, Warne and White conducted a national survey of builders and developers to determine how infrastructure charges impact industry decisions on residential densities, timing and location. The results were mixed across the country, but clearly demonstrate an influence. For example, 86 per cent of developers agreed that differences in infrastructure charges across municipalities in their region have an influence on where they develop. In a similar study, Skaburskis and Tomalty 2000 found that planners, finance officers and developers did not perceive property taxes to have as large an impact on urban form.

Summary – Literature Review

There appear to be two differing perspectives with respect to the efficacy of infrastructure charges. One school of thought, espoused in the main by urban planners and some urban economists, argues that infrastructure charges have a positive benefit and can be an effective tool in helping to manage and influence the pattern of urban growth and in encouraging the efficient use of land and infrastructure investment. Notwithstanding this view, this group also acknowledges that, in practice, this tool has not necessarily been effective. In particular, it is only effective when the charges reflect the true marginal cost of development at the level of a particular development. Typically, charges are evenly spread across a municipality although, in some cases, area surcharges are also applied.

That said, proponents of infrastructure charges argue that spreading the cost of growth across the property tax base is possibly more regressive. Further, distortions in the property tax system that overtax rental apartments and commercial and industrial buildings can lead to inefficient use of urban resources.

The other view, and one typically articulated by the development industry, is that infrastructure charges unfairly burden new development with the costs of growth. The result is an increase in the cost of developing new housing—with follow-on impacts on affordability and the economics of rental investment.

The key question is: what share of the burden of financing the municipal infrastructure necessary to accommodate growth should be shouldered by municipalities? At present, municipalities receive only limited (and historically low) transfers from the provincial and federal governments to assist in covering the costs of growth. Therefore, the larger issue is one of intergovernmental capacity and the need for fiscal transfers that help to match expenditure requirements with sources of income—and also to recognize the benefits to all levels of government from encouraging growth, not taxing it.

2.2. The Legislative Context for Municipal Infrastructure Charges

Under Canada's constitution, provincial governments have jurisdiction over property rights and "matters of a local nature" which includes planning and land use and building regulation. While municipal governments are usually responsible for land use planning and building regulation within their boundaries, because they are "creatures of the provinces," this is a responsibility which has been delegated from the provinces. Provinces generally have municipal legislation which outlines the matters which may be subject to municipal regulation, defines the scope of such regulation, and provides authority to levy taxes and fees for municipal services—usually within some guidelines established by the province.

The authority to levy charges for installation of municipal infrastructure is no exception. In general, where municipalities have such charges, their size and scope is limited by legislation enacted by the province. For example, in Nova Scotia, the *Municipal Government Act* (Section 274) establishes the basis for municipalities in the province to levy infrastructure charges (the legislation has been paraphrased for the purposes here):

> A municipal planning strategy may authorize the inclusion of provisions for infrastructure charges in a subdivision by-law. Infrastructure charges may be imposed in a subdivision by-law to recover all, or part, of the capital costs incurred, or anticipated to be incurred, by a municipality by reason of the subdivision and future development of land—including the costs of land, planning, studies, engineering, surveying and legal services with respect to new or expanded water systems, wastewater facilities, storm water systems, streets, intersections, new traffic signs and signals, and new transit bus bays.
>
> The subdivision by-law shall set out the infrastructure charge areas in which infrastructure charges are to be levied, the purposes for which infrastructure charges are to be levied and the amount of, or method of calculating, each infrastructure charge. Infrastructure charges may be set at different levels related to the proposed land use, zoning, lot size and number of lots in a subdivision and the anticipated servicing requirements for the infrastructure charge area. Infrastructure charges may not be imposed if an infrastructure charge has been paid with respect to the area of land,

> unless further subdivision of the land will impose additional costs on the municipality. An infrastructure charge may only be used for the purpose for which it is collected.

Similar legislation is in place in most of the provinces where municipalities levy infrastructure charges—see Appendix B for a discussion of the specific legislation in each province. In provinces which do not have such legislation, municipalities typically have relatively small (if any) infrastructure charges—in general, in such provinces, developers are required to fund the costs of connecting services in their development to municipal trunk services. Also, in such provinces, while legislation may not specify that infrastructure charges be based on supporting evidence related to the costs involved, the Supreme Court decision that limits local governments from using fees as a back-door system of taxation ensures that charges must be reasonable and relate to actual costs.

In the case of Nova Scotia (above) and in many other provinces, the ability of municipalities to levy infrastructure charges is restricted to hard services (sewer, water, roads, etc.) not soft services such as recreational facilities; also, the costs must arise from the subdivision of land. However, the legislation (and scope of infrastructure charges) is not the same in all provinces.

In Ontario, for example, the *Development Charges Act* allows a much broader range of infrastructure charges. Municipalities in Ontario can use development charges to fully finance most types of growth-related municipal capital expenditures—including water, sewer and road systems, and police and fire services. Some types of capital expenditures (for example, park development, libraries, recreation centres, transit) are also eligible for development charges, but are subject to a 10 per cent discount which must be borne by the municipality. Development charges cannot be levied for cultural and entertainment facilities, convention centres, acquisition of land for parks, hospitals, waste management services, city halls and other similar facilities in Ontario; however, the *Education Act* allows school boards to levy development charges for the acquisition costs of school sites.

As noted, similar legislation regarding the parameters within which municipalities may levy charges on development to cover the capital costs of new infrastructure is in place in most provinces.

The key point, for the purpose of this analysis, is that typically municipalities must prepare documentation to justify their infrastructure charges with reliable estimates of the costs which will be incurred by the municipality in installing the infrastructure. Municipalities are generally not allowed to levy charges which exceed these cost estimates. In many jurisdictions, the formulation of the estimates of the appropriate level of infrastructure charge is a hotly contested affair—in Ontario, for example, municipalities are required to formulate a "development charges background study" which provides detailed estimates of expected municipal capital expenditures of each type (sewer, water, roads, libraries, etc.) which will be required to provide services (based on detailed projections of employment, population and household growth by type of dwelling). These are typically reviewed in detail by industry associations, and frequently are contested—with the result that alterations to the proposed charges are often necessary.

Appendix B presents a review of the process for determining infrastructure charges in several municipalities covered in this analysis. In general, the findings confirm that infrastructure charges are based on the costs incurred by municipalities. Also, the information in the Appendix indicates that, in many cases, the infrastructure charges levied by municipalities are less than the actual costs associated with installation of the infrastructure—either as a result of provincial

requirements in this regard, or in an attempt to reduce the burden of costs borne by new development (in part to encourage new development).

Also, many municipalities waive infrastructure charges (and other types of fees and charges) in specific circumstances—for example:

- Some municipalities (such as Ottawa and Regina) exempt new developments in central areas from infrastructure charges in order to encourage development in these areas.
- Some municipalities exempt certain types of development from infrastructure charges (for example, Vancouver exempts developments of fewer than four units from the City's Development Levy).
- In Ontario, the provincial government allows municipalities to waive infrastructure charges and other types of municipal fees and charges for "affordable housing" (including private sector developments) which meet specific requirements in terms of affordable housing.

The key point from the review (presented in Appendix B) of the infrastructure charges and the costs borne by municipalities in the installation of municipal infrastructure is that the charges generally reflect (all or some) of the costs actually incurred by the municipalities—they are not revenue-generating tools. While the development industry may question whether some of the "infrastructure" costs are justified (for example, in the past, the industry has questioned the use of infrastructure charges to finance elaborate new municipal facilities), the charges are typically based on actual estimates of the expenditures deemed to be required as a result of new development—and must be used for that purpose.

3. Overview of Levies, Fees, Charges and Taxes on New Housing

This chapter provides a description of the types of levies, fees, charges and taxes which apply to new housing. It includes the four major types of municipal charges on new construction (infrastructure charges, land dedications, development application and processing fees and building permit fees)—which, unlike federal and provincial taxes, typically relate to specific direct services. The chapter also discusses federal and provincial government-imposed costs (such as GST, PST, Land Transfer Tax and warranty charges).

The estimated amounts of levies, fees, charges and taxes applied to new housing are presented in Chapters 4 (ownership housing) and 5 (rental housing).

3.1. Municipal Levies, Fees and Charges

Municipal governments have a number of levies, fees and charges which apply to new housing. These are summarized here under four headings:

- **Infrastructure charges** – these are mainly the types of charges discussed in Chapter 2 (such as development (cost) charges, lot levies, development levies, off-site services fees, etc.); however, they also include smaller fees and charges such as water and sewer connection fees, engineering fees for municipal approval and/or supervision of infrastructure work, etc.
- **Land dedications** – the value of land required to be provided to municipalities for parkland.
- **Development application and processing fees** – subdivision application fees, development approvals fees, etc.
- **Building permit fees** – while most of the fees in this category are actually called "building permit fees," many municipalities also levy special fees for plumbing, electrical and mechanical work.

Infrastructure Charges

As discussed in Chapter 2, how to finance the infrastructure necessary for new development is one of the key issues facing municipalities. Among the 30 municipalities included in this study, there are a variety of methods used to finance both internal subdivision infrastructure and connections to trunk services:

- **Internal subdivision services** – in most municipalities, the developer is responsible for installing services (roads, sewer and water, etc.) in the subdivision. These services must meet municipal standards which can vary significantly from one municipality to the next.

  Of the 30 municipalities included in this study, in only two is the municipality itself responsible for the installation of services within subdivisions—the cities of Montréal

and Laval. This is a change from 1996 when two other Quebec municipalities, Saint-Hubert (now amalgamated into Longueuil) and Gatineau (now amalgamated with Hull and other municipalities into the City of Gatineau) were responsible for the installation of internal subdivision services—at a fee to the developer in the case of Saint-Hubert, and through local improvement charges in the case of Gatineau.

In other parts of Canada, the developer is almost always responsible for the installation of infrastructure within the boundaries of the subdivision—to specifications dictated by the municipality. A partial exception is Saskatoon, where the municipality installs services in subdivisions in the large municipal land bank and charges developers according to a prepaid schedule; however, on privately-owned land, developers are responsible for installing internal subdivision infrastructure.

- **External subdivision services** – all municipalities, of course, install and maintain trunk services. Connections from the subdivision to these trunk services must also be financed. Many municipalities (especially in Quebec and Ontario) typically undertake the construction of all or some of these connections. In many municipalities in other parts of the country, however, developers are responsible for installing these connections from the borders of their subdivisions to the existing trunk services—or they make some agreement with the municipality whereby they share the costs associated with extending the services to the subdivision. These arrangements can be very complex since services may need to be oversized to accommodate development on other adjacent lands—with payments front-ended by one developer but repayable by others when their subdivisions come on stream.

In addition, in some provinces, infrastructure charges include a component to cover "soft" services such as schools, recreation facilities, etc. In some cases, these can amount to a substantial sum.

Infrastructure charges have been defined for the purposes here to include all charges levied by municipalities relating to the installation of services. This covers three main types of charges:

- **Development (cost) charges** – also variously called lot levies, development levies, off-site services fees, etc.—these are typically levied by municipalities on a "per unit" or "per land area" basis to defray some or all of the costs incurred by municipalities in installing trunk services and/or connections from the trunk services to the subdivision lot line. As noted, in Quebec, some municipalities install internal subdivision services. In some provinces, eligible expenditures for which development charges can be levied include soft services such as schools and community facilities.

- **Water and sewer connection fees** – in some municipalities, these are significant charges of $1,000 or more per dwelling.

- **Engineering fees** – many municipalities require subdivision developers to contribute fees to cover the costs of approval and supervision of infrastructure work on the subdivisions (as well as external engineering work required). These fees are generally a fixed percentage of the cost of installing the infrastructure.

Development (cost) charges are typically by far the largest component of infrastructure charges in the municipalities where they apply. In some municipalities, these include charges for regional as well as local governments and/or for other institutions such as school boards, utilities or regional transportation systems.

The charges for water and sewer connection fees are significant in some municipalities but tend to be token amounts (or non-existent) in most municipalities. Engineering fees present difficulties in comparing costs faced by developers in different municipalities—in some cases, fees are payable; in others, the developer is responsible for engaging a third party engineering firm to undertake the work on behalf of the municipality.

As discussed in Appendix A, ascertaining the actual net costs to developers associated with municipal infrastructure charges can be a challenge—the process often requires many assumptions regarding housing types, densities, servicing costs and other factors. Many municipalities have infrastructure charges which are relatively low but, in most of these cases, the municipality requires the developer to incur greater costs in terms of connecting subdivision services to trunk services. Therefore, the actual net costs to the developer (and ultimately the new housing consumer) of connecting new dwellings to municipal infrastructure are not necessarily less in municipalities which have low (or no) infrastructure charges. If developers must pay for all (or a significant proportion) of the infrastructure works directly (rather than through municipal infrastructure charges), the cost could actually be higher than in municipalities which levy substantial infrastructure charges but cover all of the costs of connecting subdivisions to trunk services.

Therefore, readers need to exercise caution in drawing conclusions regarding the relative costs of developing in one municipality versus another based on the information on infrastructure charges presented in this report. Each municipal situation is unique.

Land Dedications

Most municipalities require developers to provide 5-10 per cent of the land in a new development for recreational purposes. These land dedications are over and above the land which must be set aside for roads and other public uses (such as walkways) within a development.

Generally, municipalities will allow “cash in lieu” payments to substitute for land dedications, rather than actual contributions of land. In most cases, this is estimated based on the value of the land which would be required, less the servicing costs; however, some municipalities require that cash in lieu payments be calculated based on the value of the *serviced* land, or the land value including infrastructure charges. Some municipalities have a fixed schedule of fees for cash in lieu payments.

Development Application and Processing Fees

Most municipalities have a standard set of fees and charges relating to the processing and approval of applications for subdivisions and other types of developments. The fees involved in processing these applications vary significantly among the 30 municipalities: a few have no fees; some have a relatively modest fee structure; some have an extensive array of fee schedules for

various parts of the approval process. Typical municipal development application and processing fees include:

- Subdivision application fees;
- Subdivision processing fees;
- Condominium registration fees;
- Site plan approval;
- Administration fees;
- Advertising fees.

On a per-unit basis, these charges are typically relatively small compared to the overall burden of levies, fees and charges borne by new housing.

Building Permit Fees

All municipalities have building permit fees which apply to the approval and inspection of new buildings. Some also have separate fees for approval and inspection of plumbing and other parts of the building; however, in many municipalities, these are included in the basic building permit fee. Typical types of local fees and charges for the construction phase of new housing include:

- **Building permit fee** – typically, this is a fixed amount per $1,000 of construction value or it is expressed as a fee per square metre (or square foot) of the building, since there is an incentive for applicants to reduce the estimated cost of construction in order to realize a lower building permit fee. In some cases, municipalities also require a deposit which is refundable following the completion of the building to the satisfaction of municipal inspectors—these refundable deposits are not included in the estimates of fees presented in this report.

- **Plumbing permits and fees** – where they apply, these are generally expressed in terms of some standard amount per fixture (sink, toilet, bath, etc.). Sometimes, there is a flat charge for a minimum number of fixtures. Often, plumbing fees are included with the building permit fee.

- **Mechanical or electrical permits** – some municipalities charge separate fees for each component of the building—sometimes based on the value of that part of the construction work.

In some cases, provincial government agencies are responsible for fees and charges related to development and building (for example, the Régie du bâtiment du Québec carries out plumbing inspections in the province of Quebec). For simplicity, these charges are included with the municipal charges in the estimates presented in this report.

3.2. Federal Government – GST

Prior to 1991, the federal government levied a sales tax on manufactured goods—the federal Manufacturers Sales Tax. It was replaced by the GST in January 1991. The GST applies to all new housing though dwellings priced less than $350,000 are eligible for a rebate of 36 per cent of the GST paid—for example, the rebate is equivalent to 2.52 per cent of the price of the dwelling. With this rebate, the effective rate of GST on a new dwelling (priced less than $350,000) is 4.48 per cent.

For dwellings priced between $350,000 and $450,000, the amount of the rebate declines progressively to nil for dwellings priced at $450,000 or more.

For rental dwellings, prior to 2000, there was no rebate—new privately-owned rental housing was subject to the full 7 per cent GST on the sales price (if sold to another owner), or the fair market value (defined to be at least the cost of construction plus land, etc.) if the building was retained for the developer's own portfolio. In the 2000 Federal Budget, the same rebate (36 per cent of GST) as applies to ownership housing was extended to include rental housing, so the effective rate of GST on rental housing is 4.48 per cent.

3.3. Provincial Taxes and Charges

There are several types of provincial taxes and charges which apply to new housing:

- Provincial sales taxes – except for Prince Edward Island, in all provinces east of the Ottawa River, these taxes have been "harmonized" with the GST; most other provinces levy a sales tax on building materials;
- Land transfer taxes – some provinces have land transfer taxes;
- Land registration fees – all provinces and territories have fees to register properties (in many cases, these are a percentage of the value of the land and improvements); and
- Other charges – some provinces mandate warranty coverage for new homes and some have other charges on new housing construction.

Provincial Sales Taxes

New housing development generates significant sales tax revenues for most provincial governments. There are no sales taxes in Alberta or in the Northwest Territories or Yukon.

Prior to the introduction of the GST, and the harmonization of some provincial sales taxes with the GST, all provincial sales taxes applied to the building materials used in the construction of the dwellings. Now, the provincial sales tax treatment of new housing varies significantly across the country:

- Three of the four Atlantic provinces (Newfoundland and Labrador, Nova Scotia and New Brunswick) have fully harmonized their provincial sales taxes with the GST—the Harmonized Sales Tax (HST) rate is 15 per cent (GST of 7 per cent and PST of

8 per cent). For most new housing in these provinces, there is no rebate of PST, so, effectively, the provincial sales tax on new housing in these provinces is 8 per cent. Exceptions include:

- In Newfoundland and Labrador, there is a rebate for the estimated PST on building materials used in new homes and renovations located in Labrador. For new homes built in Labrador, the rebate is equivalent to 50 per cent of the value of the 8 per cent PST applied to the purchase price of the home.
- In Nova Scotia, there is a rebate of 18.75 per cent of the PST payable on new homes purchased by first-time home buyers. The maximum rebate is $1,500. Prior to January 2002, the maximum rebate was $2,250 and all purchasers of new homes were eligible.
- In New Brunswick, when the HST was introduced, there was a rebate program for new housing and renovations. The rebates were abolished in 2000.

- Quebec has established a distinct sales tax system which involves a 7.5 per cent Quebec Sales Tax (QST) in addition to the 7 per cent GST. For new housing, the QST applies to the value of the dwelling plus GST (less the GST rebate). There is a rebate of 36 per cent of the QST for dwellings valued up to $200,000. As with the GST, rental buildings became eligible for the QST rebate in 2000.

  The calculation formula for the QST rebate is complicated—effectively, for dwellings priced at $200,000 or less, the rate of QST is 5.015 per cent. The actual procedure for calculating the QST for a $200,000 dwelling is as follows:

– Dwelling plus GST (before the rebate):	$200,000 x 1.07	$214,000
– GST rebate:	36 per cent of $14,000	$5,040
– Base for the QST:	$214,000 - $5,040	$208,960
– QST (before the rebate):	$208,960 x 7.5 per cent	$15,672
– QST rebate:	36 per cent of $15,672	$5,642
– Effective QST on $200,000 dwelling:	$15,672 - $5,642	$10,030

  The maximum QST rebate is $5,642—the rebate for dwellings valued at $200,000. Between $200,000 and $225,000, the rebate is phased out. Above $225,000, the effective rate of QST is 7.5 per cent of the value of the dwelling (including GST). Both rental and ownership dwellings are eligible for the rebate—which, in the case of multiple rental buildings, is applied on a per unit basis.

  The rate of QST (7.5 per cent) is higher now than in 1996 when it was 6.5 per cent.

- Five provinces (Prince Edward Island, Ontario, Manitoba, Saskatchewan and British Columbia) apply PST to the building materials used in construction. Though there are differences in the tax rates among these provinces (the tax rates range from a low of 6 per cent in Saskatchewan to a high of 10 per cent in Prince Edward Island—see Exhibit 3-1), the tax base for all the provinces appears similar—with the exception of Manitoba.

  In Manitoba, the 2002 provincial budget introduced a change in the tax base for the PST as it relates to construction. Effective October 1, 2002 (originally scheduled for July 1),

the PST in Manitoba applies to the full value of the contract price of all mechanical and electrical services—such as all electrical, heating, ventilation and air conditioning, and plumbing contracts.

The current rate of PST is the same as the rate in 1996 in all provinces except Saskatchewan (now 6 per cent versus 9 per cent in 1996) and B.C. (now 7.5 per cent versus 7 per cent in 1996).

- As noted, there are no retail sales taxes in Alberta, Northwest Territories or Yukon.

Exhibit 3-1 presents a summary of the provincial sales tax treatment of new housing in each province.

Exhibit 3-1:
Provincial Sales Tax Treatment of New Housing

	Rate	Tax Base
Newfoundland and Labrador	8.0%	Harmonized with GST, sales price of new home
Prince Edward Island	10.0%	Building materials
Nova Scotia	8.0%	Harmonized with GST, sales price of new home
New Brunswick	8.0%	Harmonized with GST, sales price of new home
Quebec	7.5%	Sale price (including GST) - rebate for dwellings priced under $225,000
Ontario	8.0%	Building materials
Manitoba	7.0%	Building materials, plus mechanical and electrical contract price
Saskatchewan	6.0%	Building materials
Alberta	0.0%	No sales tax in Alberta
British Columbia	7.5%	Building materials

For the provinces where the PST is based on building materials, the estimates of PST revenues presented in Chapters 4 and 5 of this report (and Appendix A) are based on estimates of the shares of the dwelling prices comprised of building materials. These estimates were derived from information provided by local builders and developers on the cost components for typical modest homes.

Land Transfer Taxes and Registration Fees

Some form of land transfer tax applies in most jurisdictions. All provinces also have a registration fee when property is sold. Exhibit 3-2 presents the land transfer taxes and land registration fees which apply in each province and territory, as well as the municipal "deed transfer tax" which applies in Halifax.

Exhibit 3-2: Land Transfer Taxes and Land Registry Fees

Newfoundland and Labrador	To register title	$50 plus 0.4%	
Prince Edward Island	To register title	< $10,000	$50
		$10,000-$19,999	$100
		$20,000-$49,999	$150
		$50,000-$99,999	$225
		$100,000-$149,999	$300
		$150,000-$199,999	$375
		$200,000+	$450
Nova Scotia	To register title	$70	
	Deed Transfer Tax (Halifax Regional Municipality)	1.50%	
New Brunswick	To register title	$55	
	Land Transfer Tax	0.25%	
Québec	To register title	$120	
	Land Transfer Tax	First $50,000	0.5%
		Next $200,000	1.0%
		Remainder	1.5%
Ontario	To register title	$70	
	Land Transfer Tax	First $55,000	0.5%
		Next $195,000	1.0%
		Next $150,000	1.5%
		Remainder	2.0%
Manitoba	To register title	$60	
	Land Transfer Tax	First $30,000	0%
		Next $60,000	0.5%
		Next $60,000	1.0%
		Remainder	1.5%
Saskatchewan	To register title	$171	
Alberta	To register title	$35 plus 0.02%	
British Columbia	To register title	$55	
	Land Transfer Tax	1% on first $200,000 plus 2% thereafter	
Yukon	Transfer Fee	Variable ($60.50 on $150,000 house)	
	Assurance Fund Fee	0.2% of increase in value up to $5,000	
		0.1% of increase in value above $5,000	
Northwest Territories	To register title	0.15%	

Other Provincially Mandated Charges

Three provinces (Quebec, Ontario and British Columbia) require that new homes be covered by warranty. In other provinces, warranty coverage is optional.[3] There are wide variations in the systems for the three provinces where warranty is mandatory:

- Quebec – a provincial agency, the Régie du bâtiment du Québec requires that builders provide warranty coverage on all new residential buildings of 3½ stories or less. There are two competitive warranty providers in Québec. Accredited builders pay warranty fees of $790-$950 per unit for single-family housing (singles, semis and townhouses) and $1,050-$1,190 per unit for condominium units.

- Ontario – provincial legislation requires that builders provide warranty coverage on all new ownership housing. New home builders must be registered with the Ontario New Home Warranty Program (ONHWP), which provides the warranty coverage. ONHWP fees range from $325 for units priced up to $100,000 to $750 for units priced at $500,000 or more.

- British Columbia – provincial legislation requires that new home builders must be licensed by the Homeowner Protection Office (HPO – a crown agency) and must provide home warranty insurance coverage through an authorized private sector insurance company. The actual home warranty insurance premiums depend on the insurer's risk assessment for the builder, the location, and the type of project—and, due to the competitive nature of the system, the premium structure is not advertised. According to industry sources, the warranty premiums range between roughly $500 and $1,600 per unit (or higher for very risk-sensitive buildings).

Though warranty coverage is mandated in these provinces (and is treated here as a government-imposed cost), the fees payable by builders flow to the warranty providers, not to the government.

In British Columbia, to become licensed with the HPO, builders pay an initial application fee of $600 and an annual renewal fee of $500. There is an additional licensing fee of $25 per unit for each new unit. In addition, there is a levy of $750 per unit for new multi-unit buildings in the coastal climate zone (consisting of the Lower Mainland and the bottom half of Vancouver Island). The $750 fee goes to pay interest on loans that the HPO makes available to assist qualified owners in repairing leaky condominiums. Payment of both the fee and the levy is mandatory for dwellings in multi-unit buildings which are sold to owner-occupants, but is not required for rental buildings.

Non-Mandatory Warranty Program Fees

For the purposes of consistency, the fees associated with enrolling new housing in the (non-mandatory) warranty programs are included in the estimates presented in this report. These are outlined below (though, since they are not mandatory, they are different from the other *non-discretionary* charges included in this report):

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[3] Though warranty coverage is not mandated in these provinces, both CMHC and GE Capital Mortgage Insurance Canada require warranty coverage for high-ratio loans on new dwellings.

- Atlantic Provinces – the Atlantic Home Warranty Program has a standard charge of $295 per unit for regular builders. For "probationary builders," the fee is $395. The Program also provides warranty on condominium units; depending on the development, the fees would range from $600-$1,000 per unit.

- Prairie Provinces – the three non-profit warranty programs in operation in these provinces all have sliding fee scales, depending on the price of the home and the particulars of the builder (for example, experience, financial security, etc.):

  - New Home Warranty Program of Manitoba Inc.: a Level 1 builder has the lowest fees ($150 for a home priced less than $75,000; $400 for a home priced at $200,000 or more). A Level 4 builder has fees of $210 for a home priced less than $75,000 and $460 for a home priced at $200,000 or more.
  - New Home Warranty Program of Saskatchewan Inc.: an accredited builder (for example, someone who has been designated a Certified Professional Home Builder by the Saskatchewan Home Builders' Association) has the lowest fees ($290 for a home priced at $80,000 or less, up to $402 for homes priced at more than $300,000). The enrollment fees for an unaccredited "probationary builder" range from $430 (homes priced at $80,000 or less) to $542 (homes priced at more than $300,000).
  - The Alberta New Home Warranty Program: the top-rated builders have fees ranging from $115 for a home price priced at $60,000 or less, up to $395 for a home priced at more than $300,000. The enrollment fees for builders with the lowest rating are $300 (homes priced at $60,000 or less), up to $910 (homes priced at more than $300,000).

Private warranty providers (such as National Home Warranty Programs and Residential Warranty Canada) also offer new home warranty coverage in some of the provinces where warranty programs are not mandatory.

3.4. Other Government-Mandated Costs

The preceding sections of this chapter have provided an overview of the types of levies, fees, charges and taxes incurred in developing land and building housing in Canada. As will be demonstrated in Chapters 4 and 5, the total amounts payable by developers and builders is substantial. However, these estimates represent only the costs which are directly attributable (and payable) to various parties. They do not include a number of other (less readily quantifiable) factors and requirements which add to the cost of new housing.

The actions of governments and other institutions can result in higher costs for the development of new housing in a variety of other ways, for example:

- **Navigating the land development and approvals processes** – the costs incurred by developers in navigating the complex land development and approvals process in many municipalities can be very substantial. These costs include items such as consultants' fees required to undertake the documentation necessary for approvals, as well as the interest costs involved in holding the land during the process. Also, to the extent that the approvals process is uncertain and the developer's proposal may be unsuccessful, developers will demand a premium to compensate for the risk—which further drives up

the price of the land at the end of the process. These costs and risks are particularly important if rezoning of the site is required—or if the site is near wetlands or water courses, or if it is found to contain archaeological sites or endangered species.

- **Meeting building and land development requirements** – for buildings, this can include requirements for sprinklers or energy efficiency measures beyond those contained in the building code. In terms of land development, requirements for letters of credit or deposits impose significant costs on developers in terms of interest costs. Other requirements such as front-ending of services by developers, with collection of contributions from other developers at some (undetermined) date in the future, or installation of higher than necessary standards of municipal infrastructure, or specified provision of trees and/or landscaping, also raise costs for the development and building of new housing. Contaminated lands, and the definition of what is "contamination" and how it should be dealt with, pose particular problems for many potential developments—particularly those in built-up areas where redevelopment is common.

- **Electric and gas utility charges** – the costs imposed on new housing by electric and gas utilities are not included in this analysis because they are extremely difficult to quantify. Utilities often have different approaches in different jurisdictions: some reimburse developers for part of the cost of the installation of services; others require reimbursement of some or all of the utility's costs; some utilities also require standards for installed services which are in excess of those used in neighbouring jurisdictions. Except where utilities are included as part of the schedule of infrastructure charges, the costs involved in the installation and connections of electric and gas utilities are not included in the estimates presented in this report.

- **Changes in taxes and regulations** – the study only includes costs which apply at the present time or are imminent. Governments often change the rules with respect to taxes and charges which apply to the housing industry—changes which affect the amounts payable on new housing. In some cases, governments reduce fees and taxes in order to stimulate housing activity. Examples include municipalities where infrastructure charges and other fees have been reduced in order to encourage development, and the Province of Ontario which has reduced the Land Transfer Tax payable by first-time buyers. Also, some jurisdictions provide grants to encourage new development within their boundaries, rather than in more outlying areas.

In addition, the assumptions required for the analysis necessarily limited some of the costs which might be involved in the development and building of new housing. For example, the estimates assume that the land is appropriately zoned for new housing—since rezonings typically involve additional fees (as well as costs for engaging consultants, financing costs for holding land, etc.), this assumption results in lower estimated costs than would have applied in the case of land which was not appropriately zoned.

Therefore, the estimates presented in this report should be considered to be the minimum which governments and other institutions impose on the development of new housing. Many regulations and policies impose other costs which are less readily quantifiable but which, nonetheless, must be borne by developers and builders—and ultimately are reflected in higher costs for developing new housing, with follow-on impacts on affordability for potential home buyers, and on the economics of new rental housing investment.

4. Estimates of Levies, Fees, Charges and Taxes on New Ownership Housing

This chapter presents estimates of the amounts of municipal levies, fees and charges, and provincial and federal taxes and charges which are incurred in the development and construction of typical new ownership dwellings. The estimates are based on a detailed analysis of the amounts of the various levies, fees, charges and taxes which is presented in Appendix A.

4.1. Levies, Fees, Charges and Taxes on a Modest New Single-Detached House

Exhibit 4-1: Characteristics of Typical Single-Detached Houses

Municipality	Price	House Size (sq.ft.)	Lot Size (front ft.)
St. John's	$130,000	1,200	50
Charlottetown	$125,000	1,500	40
Halifax	$140,000	1,400	30
Moncton	$120,000	1,300	50
Montréal	$145,000	1,600	40
Laval	$155,000	1,600	40
Longueuil	$140,000	1,500	45
Gatineau	$135,000	1,200	45
Québec City	$110,000	1,200	50
Toronto	$285,000	2,100	32
Mississauga	$260,000	1,800	35
Vaughan	$275,000	1,900	35
London	$160,000	1,500	30
Ottawa	$230,000	2,000	35
Sudbury	$150,000	1,400	40
Windsor	$150,000	1,400	40
Winnipeg	$145,000	1,600	35
Regina	$135,000	1,400	35
Saskatoon	$145,000	1,400	35
Calgary	$175,000	1,500	32
Edmonton	$165,000	1,400	32
Grande Prairie	$130,000	1,100	40
Burnaby	$395,000	2,000	33
Surrey	$315,000	2,200	40
Kelowna	$210,000	1,500	50
Prince George	$160,000	1,600	55
Saanich	$255,000	1,700	55
Whitehorse	$150,000	1,400	55
Yellowknife	$165,000	1,200	45

This section presents the levies, fees, charges and taxes on a typical modest new single-detached house. Estimates for typical new row (townhouse) dwellings and condominium apartments are presented in Section 4.2. Estimates for rental housing are presented in Chapter 5.

Assessing and comparing levies, fees, charges and taxes among municipalities is fraught with a number of challenges. One of these is the diversity of dwellings built in different municipalities across Canada. The prices and characteristics of a typical new house vary significantly across the country.

Exhibit 4-1 presents information on prices, dwelling sizes and lot frontages for typical modest single-detached houses in each of the municipalities included in this analysis. Appendix A presents details on how these estimates were derived—in brief, the prices of these typical new houses represent the 20th percentile of the range of single-detached house prices in each municipality. The estimates are based on *CMHC's Market Absorption Survey* in 2001—they have been adjusted by the Statistics Canada New House Price Index to reflect 2002 prices. The sizes and lot frontages of new houses at these prices in each municipality were estimated based on information from local builders and developers, as well as CMHC and other sources.

Clearly, there are significant differences among the various municipalities in what would be considered to be a typical modest new house. They range in size from a 1,100 square foot house

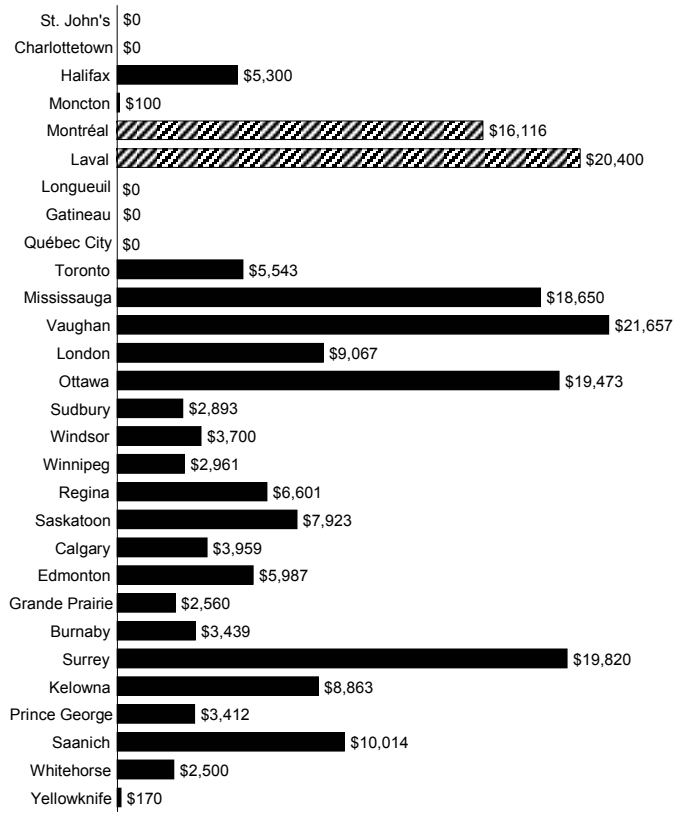
in Grande Prairie to a 2,200 square foot house in Surrey. In terms of prices, they range from a low of $110,000 in Québec City to a high of $395,000 in Burnaby. The typical houses are different not only in size and price but also in the quality of the finishes and the cost of construction and land. Therefore, when comparing levies, fees, charges and taxes among municipalities, whether as a total dollar figure or as a percentage of the house price, it is necessary to keep these differences in dwelling characteristics and prices in mind.

Readers will note that only 29 of the 30 municipalities are included in this analysis of levies, fees, charges and taxes for single-detached houses. The city of Vancouver has been omitted because there are no new single-detached housing subdivisions in the city—nor are there likely to be such developments in the future, since even redeveloped land is too valuable to be used for single-detached housing subdivisions. Section 4.2 and Chapter 5 present estimates of levies, fees, charges and taxes for other types of dwellings in Vancouver.

Infrastructure Charges

Exhibit 4-2 presents the estimated infrastructure charges for a typical modest new single-detached house in each of the municipalities included in the analysis. Highlights include:

Exhibit 4-2
Infrastructure Charges
Typical Single-Detached Houses



- The six municipalities with the highest charges are: Vaughan, Laval, Surrey, Ottawa (Kanata area), Mississauga and Montréal—infrastructure charges in these municipalities range from a low of just over $16,000 (Montréal) to almost $22,000 (Vaughan).
- As is discussed further below, Laval and Montréal are an anomaly in this list.
- Eight municipalities have infrastructure charges in the $5,000-$9,000 range: London, Kelowna, Saskatoon, Regina, Saanich, Toronto, Halifax and Edmonton.
- Several municipalities (St. John's, Charlottetown, Moncton, Longueuil, Gatineau, Québec City and Yellowknife) had no infrastructure charges (or nominal charges).

Two of the municipalities with the highest infrastructure charges (Laval and Montréal) are shaded differently from the other municipalities in Exhibit 4-2. The infrastructure charges in these municipalities are for the installation of *internal* subdivision infrastructure. Installing internal subdivision services is a major cost which, as discussed in Chapter 3, is the responsibility of the developer in most municipalities in Canada. Therefore, while these charges in Laval and Montréal can technically be considered "infrastructure charges," in fact, in order to be consistent in comparison with other municipalities (where developers bear these costs without the financial involvement of the municipality), these charges are not included in the estimates of total levies, fees, charges and taxes presented for Laval and Montréal later in this report.

Clearly, as illustrated in Exhibit 4-2, municipal levies to defray the cost of installing infrastructure are very substantial in many municipalities. Where they apply, they are usually the largest single municipal charge facing developers. This reflects the fact that installing the infrastructure necessary for residential development is extremely costly.

As discussed in Chapter 3, with varying shares of the initial capital cost of infrastructure being borne by developers and municipalities, and with varying standards (and installation costs) of infrastructure across the country, it is difficult to draw conclusions about the relative burden of costs being imposed on the housing industry by one municipality compared to another. It is important to emphasize again that this is something which must be borne in mind in interpreting the information presented here—in some municipalities, it may appear that charges are relatively low compared to other municipalities; however, this does not necessarily mean that the total cost to the developer is less since the developer could be responsible for bearing the cost of designing and installing a greater share of the infrastructure necessary to service the subdivision.

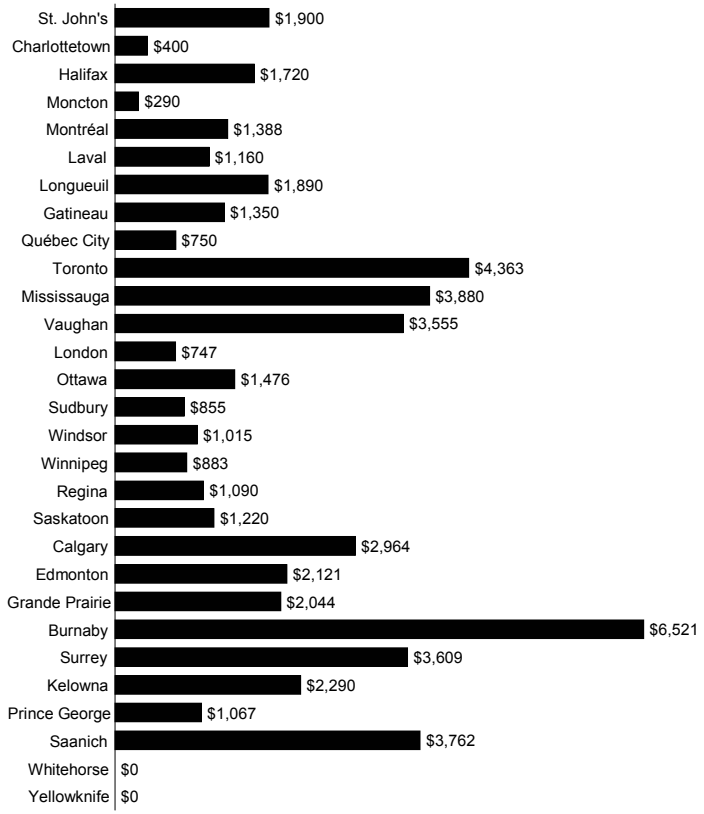
Land Dedications

Most municipalities require a parkland dedication of 5-10 per cent of the land in a subdivision—or cash in lieu of actually providing the land. There are three broad groupings of municipalities included in this analysis:

For the purposes of estimating the cost of land dedications to the developer, it is assumed that the parkland dedication is equivalent to 5 per cent or 10 per cent (depending on municipal requirements) of the estimated value of the lot (adjusted to remove the cost of servicing and infrastructure charges).

Exhibit 4-3 presents estimates of the value of the land dedication for typical single-detached houses. Highlights include:

Exhibit 4-3
Value of Land Dedications
Typical Single-Detached Houses

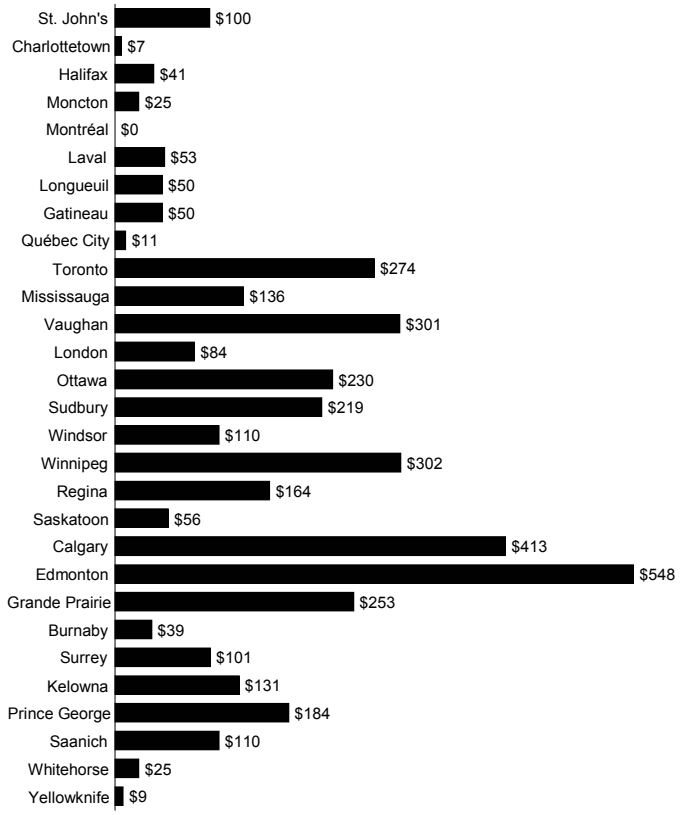


- 5 per cent land dedications – municipalities in Ontario and B.C. (except those with fixed fees);
- 10 per cent land dedications – municipalities in all other provinces; and
- Fixed fees for land dedications – Burnaby and Kelowna.
- Burnaby, with a fixed parkland acquisition charge of $6,521 has the highest value of land dedications among the municipalities in this analysis.
- Because of high land costs, the value of the land dedication is relatively high in the Toronto area municipalities and in Surrey and Saanich. This is despite the fact that these municipalities have only a 5 per cent land dedication requirement.
- Calgary has the highest value of land dedications among municipalities requiring a 10 per cent dedication.
- The land dedications are worth less than $2,000 per unit in most other municipalities.

Development Application and Processing Fees

Exhibit 4-4 presents estimates of the fees associated with obtaining the planning approvals required to subdivide the land into residential lots prior to applying for a building permit. In most municipalities, these fees are based on a fixed amount per subdivision, plus an additional amount per unit. For the purposes of the estimates here, it is assumed that the application relates to a 40-unit subdivision and that the land has the appropriate zoning in place, so rezoning fees, etc. are not required. Highlights of Exhibit 4-4 include:

Exhibit 4-4
Development Application and Processing Fees
Typical Single-Detached Houses



- In most municipalities, these fees comprise by far the smallest of the municipal charges on new development. Typically, they account for less than $300 per unit (assuming a subdivision with a total of 40 units).

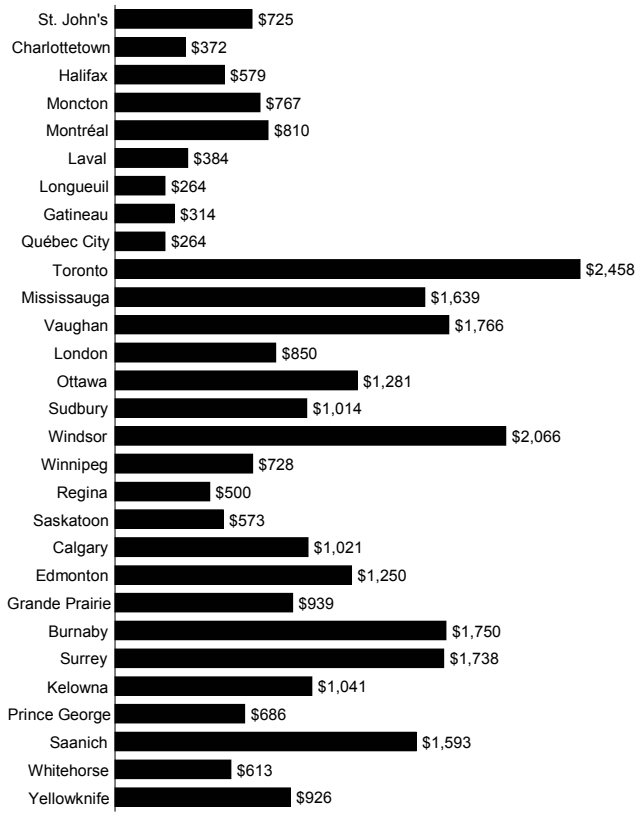
- Edmonton ($548 per unit) and Calgary ($413 per unit) have the highest development application and processing fees of the municipalities included here.

- Development application and processing fees account for less than $100 in many of the smaller municipalities.

Building Permit Fees

Exhibit 4-5 presents estimates of the building permit and other building-related fees involved in the actual construction of the typical house in each municipality. As discussed at the beginning of this chapter, there is considerable variation in the sizes and construction costs of these houses—so, at least some of the variation in building permit fees reflects differences in construction costs (which are often the base for determining building permit fees). Highlights of Exhibit 4-5 include:

Exhibit 4-5
Building Permit Fees
Typical Single-Detached Houses



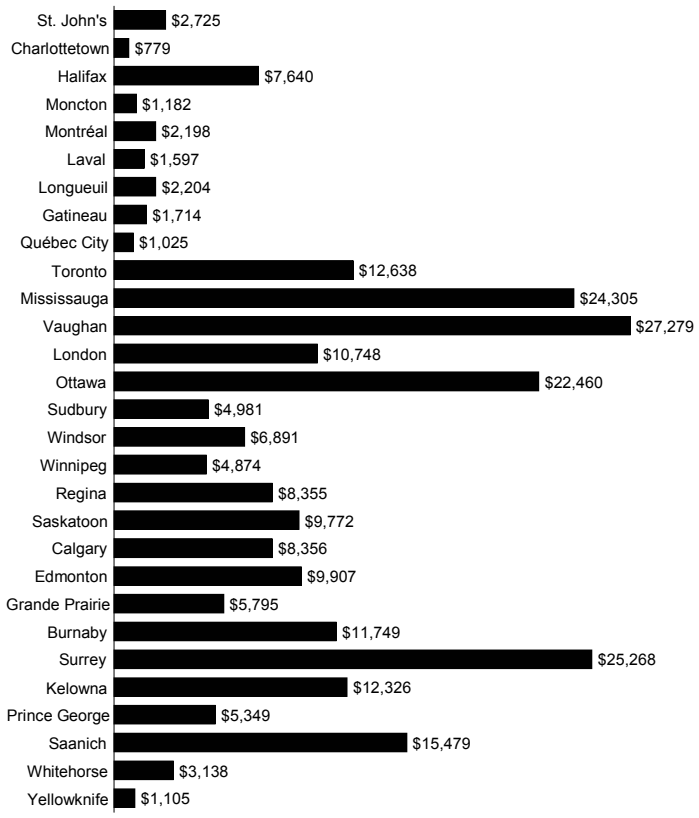
- Toronto has the highest estimated building permit fees ($2,458), in part because the typical Toronto house is one of the largest (2,100 square feet) included in this analysis.
- In Toronto, the building permit fee is $12.60 per square metre ($2,458 for a 2,100 square foot house).
- The municipality with the next highest fees is Windsor, with total fees of slightly more than $2,000.
- Except in Quebec, most of the other larger municipalities have building permit fees in the $1,200-$1,800 range. Quebec centres have building permit fees of $264-$810).
- Many of the smaller centres have building permit fees of less than $1,000.

In some municipalities, building permit fees have been used to generate revenues for the local government which are in excess of the costs associated with building regulation. In Ontario, legislation has been introduced which will require municipalities to establish fees which are based on the cost of providing the service. This is expected to lead to reduced building permit fees in many Ontario municipalities.

Total Municipal Levies, Fees and Charges

Exhibit 4-6 presents the total estimated municipal levies, fees and charges involved in the development and construction of the typical house in each municipality. These totals are the cumulation of the infrastructure charges, the estimated value of the land dedications, the development approvals and processing fees, and the building permit fees (for example, the sum of the estimates in Exhibits 4-2 to 4-5). Highlights of Exhibit 4-6 include:

Exhibit 4-6
Total Municipal Levies, Fees and Charges
Typical Single-Detached Houses



- As with Exhibit 4-2 which presented the estimates of infrastructure charges, four municipalities have substantially higher total levies, fees and charges than the other municipalities—Vaughan, Surrey, Mississauga and Ottawa (Kanata).

- Because infrastructure charges tend to be much larger than any of the other types of charges (in the municipalities which have them), municipalities with the highest infrastructure charges also have the highest total levies, fees and charges.

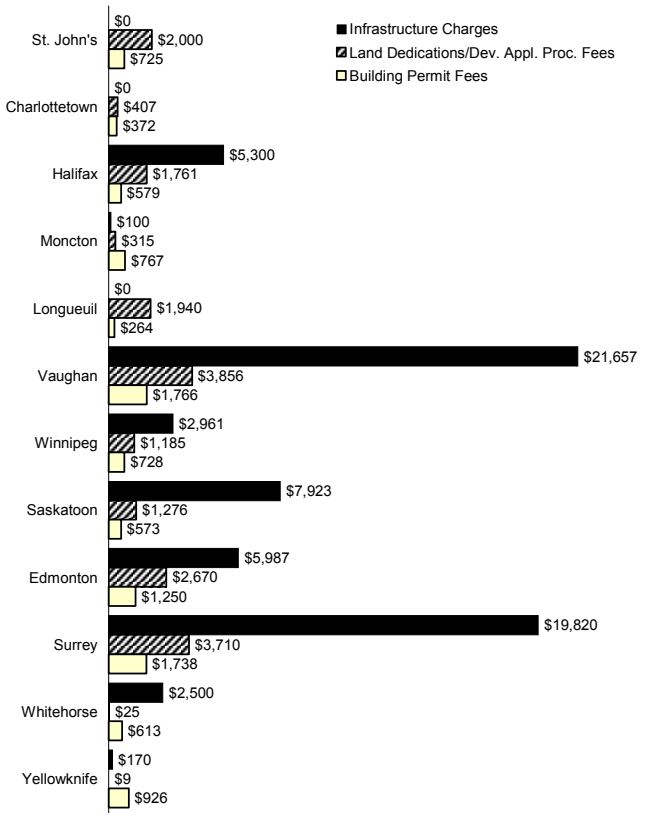
- As discussed in the write-up for Exhibit 4-2, for consistency, the infrastructure charges in Laval and Montréal have not been included in these estimates since these charges finance the installation of *internal* subdivision services—which, in other municipalities, is the developers' responsibility.

Among the municipalities with the highest total volume of levies, fees and charges on new single-detached housing, infrastructure charges clearly account for the lion's share of the total.

Exhibit 4-7 presents a breakdown of the total charges by type of charge for 12 of the municipalities included in the analysis—the municipalities in the two territories, each of the Atlantic provinces and Manitoba, plus the municipality with the highest total municipal charges in each of the other five provinces.

In order to reduce the amount of detail to a manageable level, the value of the land dedications and the development application and processing fees have been combined in the exhibit. Highlights of Exhibit 4-7 include:

Exhibit 4-7
Municipal Levies, Fees and Charges by Type
Typical Single-Detached Houses



- Clearly, infrastructure charges are by far the largest charge in Vaughan and Surrey—the two municipalities with the highest total levies, fees and charges (see Exhibit 4-6).

- The share of the total which is comprised of infrastructure charges is: Vaughan 79 per cent and Surrey 78 per cent.

- Among municipalities with lower total levies, fees and charges, the share of the total comprised of infrastructure charges still tends to be relatively high:
  Saskatoon 81 per cent;
  Whitehorse 80 per cent;
  Halifax 69 per cent;
  Winnipeg 61 per cent; and
  Edmonton 60 per cent.

- The municipalities without significant infrastructure charges all have comparatively low levels of total municipal levies, fees and charges.

As illustrated in Exhibits 4-6 and 4-7, there is a substantial variation in the total municipal levies, fees and charges for a typical new house among the municipalities included in this analysis—and this variation is largely due to the volume of infrastructure charges. Broadly, the municipalities can be disaggregated into the following groups:

- Vaughan, Surrey, Mississauga and Ottawa (Kanata area) all have total levies, fees and charges on typical modest new houses of over $20,000. These municipalities are all located on the fringe of fast-growth centres and are having to deal with the challenge of financing new infrastructure required to accommodate new development without placing substantial burdens on the existing property tax base. As a result, infrastructure charges in these municipalities are among the highest in Canada.

- Saanich, Toronto, Kelowna, Burnaby, London, Edmonton, Saskatoon, Calgary, Regina, Halifax and Windsor all have total levies, fees and charges on typical modest new houses of roughly $7,000-$15,500. Infrastructure charges in these municipalities tend to be

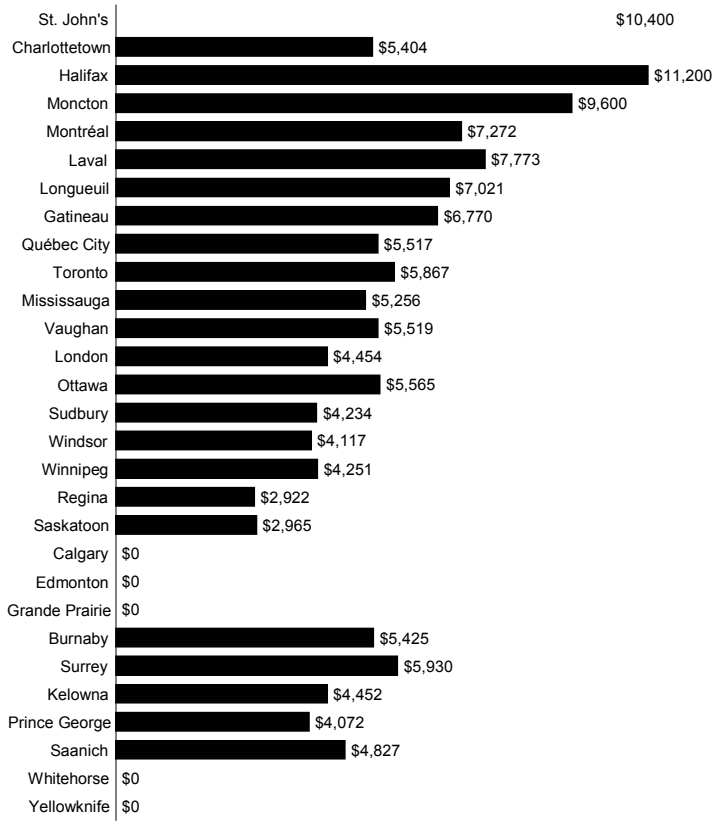
significantly lower than in the first group of municipalities. In some of these municipalities, the high value of land results in land dedications which are higher than the infrastructure charges.

- The remaining municipalities all have total levies, fees and charges on typical modest new houses of less than $6,000. In many cases, the total is less than $2,000.

Provincial Sales Tax

Exhibit 4-8 presents estimates of the provincial sales tax (PST) revenues generated by the typical new house in each of the municipalities. Highlights of Exhibit 4-8 include:

Exhibit 4-8
Provincial Sales Tax
Typical Single-Detached Houses



- In Newfoundland and Labrador, Nova Scotia and New Brunswick, which have harmonized their PST with the GST, the PST generated to the provincial governments from a new house is much greater than in any other province. This is the case despite the fact that house prices tend to be significantly lower in these provinces than in many other the parts of the country.

- In Quebec, which also bases its PST on the price rather than on inputs to the house, the revenues from the PST on new housing tend to be less than in Atlantic Canada because there is a rebate of part of the PST.

- PST revenues are less in other provinces since they are based on inputs used in the construction of the house, rather than its price. There is no PST in Alberta or the territories.

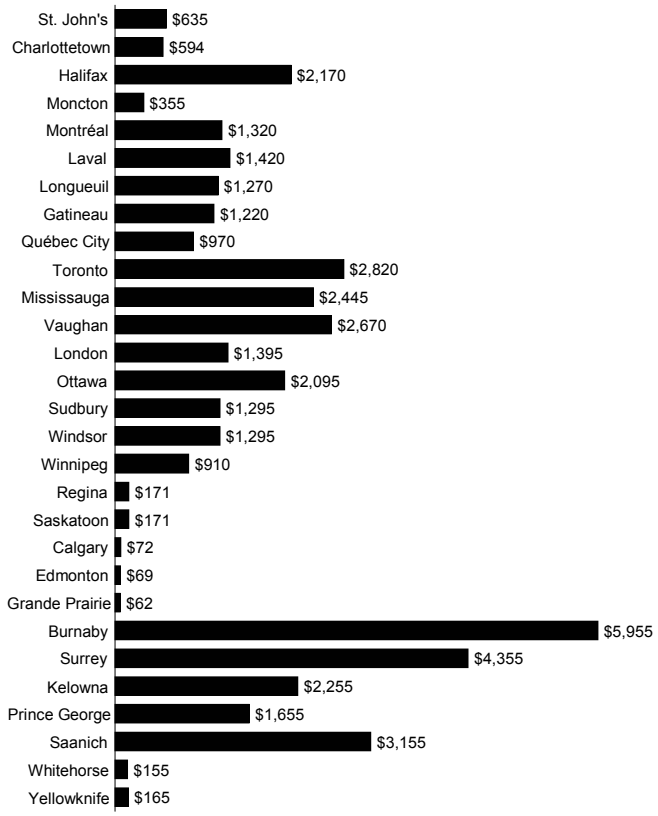
As illustrated later in this section, the level of infrastructure charges also has a significant impact on the total volume of levies, fees, charges and taxes on a new house—and the share of this total due to municipal governments versus the provincial and federal governments.

Land Transfer Taxes and Registry Fees

Exhibit 4-9 presents estimates of the amount of provincial land transfer taxes and land registry fees collected on the sale of the typical new house in each of the municipalities. The rates for the land transfer tax and land registry fees which apply in each province are presented in Exhibit 3-2. Highlights of Exhibit 4-9 include:

- There is a great deal of variation in the amounts of land transfer taxes and land registry fees collected on the typical new houses in various jurisdictions.
- Land transfer taxes are a per cent of the sales price—and the rate of tax typically increases for houses with higher prices.

Exhibit 4-9
Registry Fees/Land Transfer Tax
Typical Single-Detached Houses



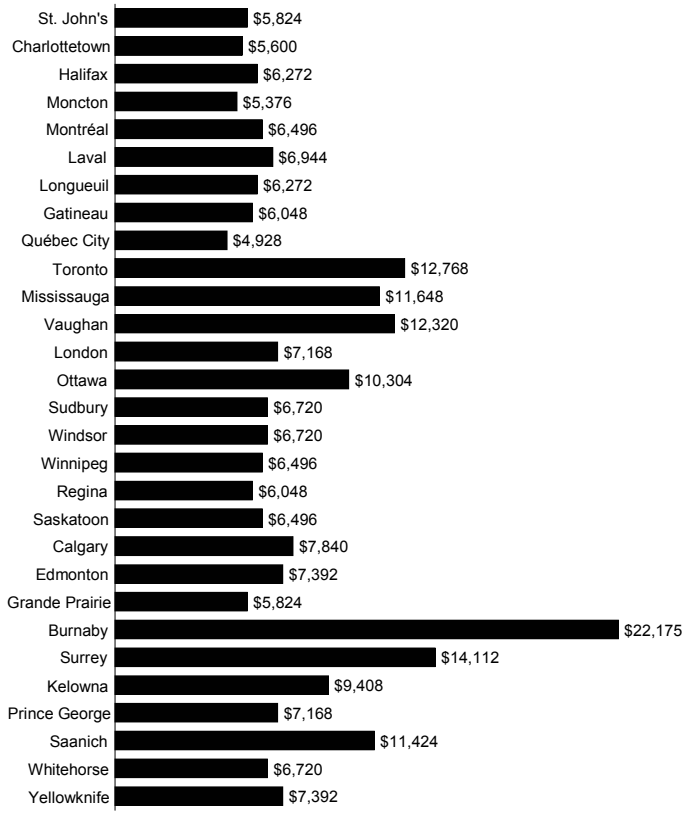
- This "double-whammy" is behind the high receipts in B.C. Lower Mainland municipalities, where a combination of high house prices ($395,000 in Burnaby) and high rates of land transfer tax (2 per cent on the amount in excess of $200,000) provides a solid revenue stream to the provincial government.
- Land transfer taxes and registry fees are less, though still substantial in Ontario centres. However, both the rate is less (1.5 per cent on the amount above $250,000) and house prices are lower.

In most municipalities, these revenues accrue to the provincial government; however, in Halifax, the 1.5 per cent deed transfer tax ($2,100 on a $140,000 house) is collected by the municipality. The remaining $70 in Halifax is for registration of the sale in the land titles office.

Goods and Services Tax

Exhibit 4-10 presents the GST which would be payable on the typical single-detached house in each of the municipalities. As discussed in Chapter 3, with the rebate, the GST payable on most new housing is 4.48 per cent; however, for new dwellings priced at more than $350,000, the rebate is phased out so the actual rate of GST applied to these more expensive homes is greater. Highlights of Exhibit 4-10 include:

Exhibit 4-10
Goods and Services Tax
Typical Single-Detached Houses



- The higher the price of a new dwelling, the more GST is payable. Therefore, the amounts of GST payable on the typical new houses in the municipalities included in this analysis are largely a reflection of the pattern of house prices.

- The lowest price among the typical houses is in Québec City: $110,000 (see Exhibit 4-1). The GST collected by the federal government on this house is $4,928.

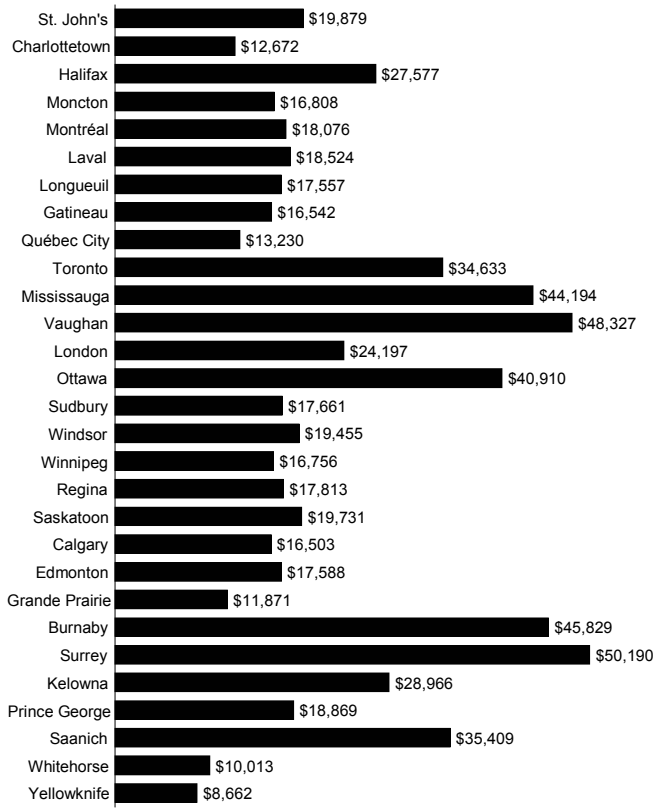
- At the other end of the spectrum, the GST collected on the typical new house in Burnaby (price $395,000) is $22,175. Since the Burnaby house is priced above the $350,000 threshold, a higher effective tax rate applies.

In Burnaby, about half the new houses built each year are priced at more than $450,000. Since these houses are beyond the threshold for the GST rebate, they bear the full 7 per cent GST—$31,500 for a $450,000 dwelling.

Total Levies, Fees, Charges and Taxes

Exhibit 4-11 presents the cumulation of all of the levies, fees, charges and taxes payable on the typical new house in each of the municipalities—municipal levies, fees and charges (Exhibit 4-6), provincial sales taxes (Exhibit 4-8) and land transfer taxes and registry fees (Exhibit 4-9), and the GST (Exhibit 4-10). Also, as discussed in Chapter 3, warranties are mandatory for new ownership housing in Quebec, Ontario and B.C.—warranty fees are included in the totals shown in Exhibit 4-11 for all municipalities. The actual warranty fees involved are discussed in Section 3.3. Highlights include:

Exhibit 4-11
Total Levies, Fees, Charges and Taxes
Typical Single-Detached Houses



- In five of the municipalities, total levies, fees, charges and taxes on a typical new house exceed $40,000—Surrey, Vaughan, Burnaby, Mississauga and Ottawa (Kanata area).

- Not coincidently, most of these municipalities also are among those with the highest infrastructure charges. The exception (Burnaby) joins the others on the basis of very high house prices which attract high GST and land transfer taxes.

- Most of the remaining municipalities have totals in the $10,000-$20,000 range.

- As noted, Laval and would be among the municipalities with relatively high levies, fees, charges and taxes if their infrastructure charges (for internal subdivision services) were included.

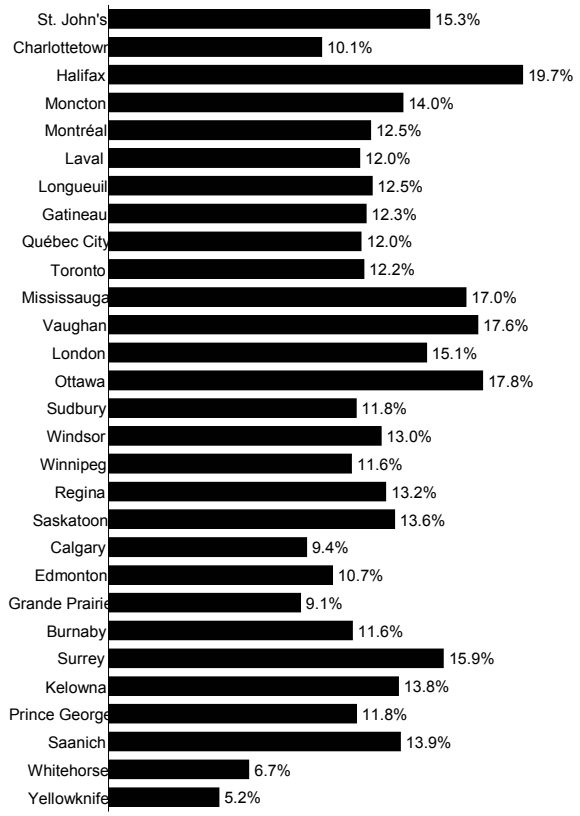
Levies, Fees, Charges and Taxes as a Percent of House Prices

In general, as illustrated in Exhibit 4-11, most municipalities with relatively low infrastructure charges, and those with low house prices, tend to have relatively low total levels of levies, fees, charges and taxes. This is because infrastructure charges and the GST (which varies with the price of the house) are the largest of the government-imposed costs on new housing in most of the municipalities—at least most of those west of the Ottawa River.

This is not the case for municipalities east of the Ottawa River. While house prices and infrastructure charges in these regions typically are relatively low compared to municipalities in other parts of Canada, the harmonization of the PST with the GST has led to a situation where the total levies, fees, charges and taxes on new housing are relatively high—especially in the harmonized provinces in Atlantic Canada. For example, in St. John's, where the price of a typical new house is relatively low ($130,000) and there are no infrastructure charges, the total levies, fees, charges and taxes on the typical new house are almost $20,000. This is higher, for example, than the totals in most municipalities west of the Ottawa River, except for the high-cost municipalities in the Golden Horseshoe and Ottawa areas in Ontario, and the Lower Mainland and Capital Region areas in B.C. This is despite the fact that most of these municipalities have both higher housing prices (and hence higher GST) and infrastructure charges.

This is illustrated clearly in Exhibit 4-12 which presents total levies, fees, charges and taxes as a per cent of the price of a typical new house in each of the municipalities. Highlights include:

Exhibit 4-12
Total Levies, Fees, Charges and Taxes as % of Price
Typical Single-Detached Houses



- In Halifax, the total levies, fees, charges and taxes represent almost 20 per cent of the price of a typical modest new house. Total charges in Halifax are buoyed by the "harmonized" PST of 8 per cent, plus the Capital Cost Charge of an average of $5,000.

- Among other municipalities, total levies, fees, charges and taxes represent between 17.8 per cent (Ottawa – Kanata area) and 5.2 per cent (Yellowknife) of the price of a typical house.

- After Halifax, the municipalities with the next highest total as a percentage of house prices are Ottawa, Vaughan, Mississauga, Surrey and St. John's— all with total levies, fees, charges and taxes of 15-18 per cent of the price of a modest new house.

As discussed, a number of factors contribute to the overall percentage of house prices comprised of levies, fees, charges and taxes. The key factors are:

- **Infrastructure charges** – municipalities such as Vaughan, Surrey, Mississauga and Ottawa which have high infrastructure charges typically have total levies, fees, charges and taxes which are a relatively high percentage of the price of a new house.

- **PST** – municipalities in provinces which have harmonized their PST with the GST have a much higher percentage of house prices comprised of levies, fees, charges and taxes. This is particularly true in the harmonized provinces in Atlantic Canada, where the PST is 8 per cent of the price of a new house.

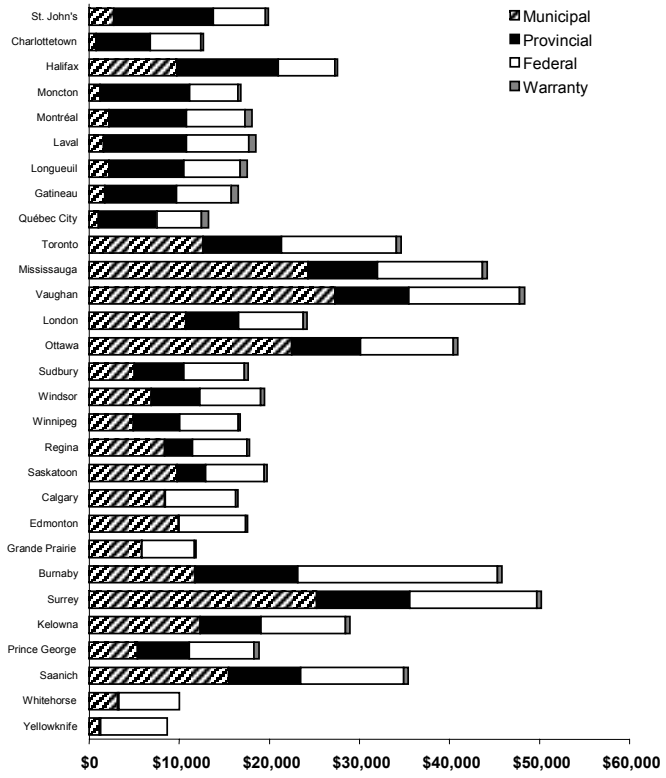
- **High land transfer taxes** – high land transfer taxes (for example, B.C. with a 2 per cent land transfer tax on prices above $200,000 and Halifax with a deed transfer tax of 1.5 per cent) naturally pass through into a higher total of levies, fees, charges and taxes compared to house prices.

All these factors affect the share of the house price represented by levies, fees, charges and taxes. The term "represented" is used here because some of the charges (for example, the municipal charges and PST in provinces west of the Ottawa River) are incorporated into the cost base of a house, while others (such as GST and "harmonized" PST, land transfer taxes and registry fees) are added onto the price of a house—and, therefore, "pyramid" on top of the levies, fees, charges and taxes which are incorporated into the cost base of the house.

Shares of Levies, Fees, Charges and Taxes by Level of Government

Exhibit 4-13 illustrates the share of levies, fees, charges and taxes on a new house which accrue to each level of government. Highlights include:

Exhibit 4-13
Shares of Levies, Fees, Charges and Taxes
Typical Single-Detached Houses



- The municipal share is largest where infrastructure charges are highest—such as Vaughan, Surrey, Mississauga and Ottawa.
- The provincial share is highest in the provinces which have harmonized their PST with the GST—such as Newfoundland and Labrador, Nova Scotia, New Brunswick and Quebec.
- The Quebec PST is less than in the other harmonized provinces due to the rebate.
- The provincial share is also high in provinces which have high land transfer taxes—such as B.C. and Ontario.
- Federal revenues consist of the GST, which is highest where house prices are highest.

This analysis of the revenues generated to various levels of government from the development of new housing is restricted to the direct revenues which flow to governments. In the case of the federal and provincial governments, only GST, PST, land transfer taxes and registry fees are considered. Of course, the federal and provincial governments also gain significant revenues from the development of housing through other taxes, such as personal and corporate income taxes and other income-based charges.

Detailed Summary of Levies, Fees, Charges and Taxes

Exhibit 4-14 presents a summary of the levies, fees, charges and taxes for a modest new house in each of the municipalities. It also presents the average levies, fees, charges and taxes for the 29 municipalities. For this presentation, these average charges have been weighted based on the actual number of single-detached starts in each municipality in 2001.

Exhibit 4-14
Levies, Fees, Charges and Taxes
Single-Detached Houses, 2002

		Municipal Levies, Fees and Charges					Other Charges and Taxes					
Municipality	**Price**	**Infrastructure Charges***	**Land Dedications**	**Dev. Appl. Proc. Fees**	**Building Permit Fees**	**Total Municipal Charges**	**New Home Warranty Fees****	**Registry Fees/ Land Transfer Tax**	**Provincial Sales Tax**	**GST**	**TOTAL**	**Per Cent of Price**
St. John's	130,000	-	1,900	100	725	2,725	295	635	10,400	5,824	19,879	15.3%
Charlottetown	125,000	-	400	7	372	779	295	594	5,404	5,600	12,672	10.1%
Halifax	140,000	5,300	1,720	41	579	7,640	295	2,170	11,200	6,272	27,577	19.7%
Moncton	120,000	100	290	25	767	1,182	295	355	9,600	5,376	16,808	14.0%
Montréal	145,000	-	1,388	-	810	2,198	790	1,320	7,272	6,496	18,076	12.5%
Laval	155,000	-	1,160	53	384	1,597	790	1,420	7,773	6,944	18,524	12.0%
Longueuil	140,000	-	1,890	50	264	2,204	790	1,270	7,021	6,272	17,557	12.5%
Gatineau	135,000	-	1,350	50	314	1,714	790	1,220	6,770	6,048	16,542	12.3%
Québec City	110,000	-	750	11	264	1,025	790	970	5,517	4,928	13,230	12.0%
Toronto	285,000	5,543	4,363	274	2,458	12,638	540	2,820	5,867	12,768	34,633	12.2%
Mississauga	260,000	18,650	3,880	136	1,639	24,305	540	2,445	5,256	11,648	44,194	17.0%
Vaughan	275,000	21,657	3,555	301	1,766	27,279	540	2,670	5,519	12,320	48,327	17.6%
London	160,000	9,067	747	84	850	10,748	432	1,395	4,454	7,168	24,197	15.1%
Ottawa	230,000	19,473	1,476	230	1,281	22,460	486	2,095	5,565	10,304	40,910	17.8%
Sudbury	150,000	2,893	855	219	1,014	4,981	432	1,295	4,234	6,720	17,661	11.8%
Windsor	150,000	3,700	1,015	110	2,066	6,891	432	1,295	4,117	6,720	19,455	13.0%
Winnipeg	145,000	2,961	883	302	728	4,874	225	910	4,251	6,496	16,756	11.6%
Regina	135,000	6,601	1,090	164	500	8,355	318	171	2,922	6,048	17,813	13.2%
Saskatoon	145,000	7,923	1,220	56	573	9,772	327	171	2,965	6,496	19,731	13.6%
Calgary	175,000	3,959	2,964	413	1,021	8,356	235	72	-	7,840	16,503	9.4%
Edmonton	165,000	5,987	2,121	548	1,250	9,907	220	69	-	7,392	17,588	10.7%
Grande Prairie	130,000	2,560	2,044	253	939	5,795	190	62	-	5,824	11,871	9.1%
Burnaby	395,000	3,439	6,521	39	1,750	11,749	525	5,955	5,425	22,175	45,829	11.6%
Surrey	315,000	19,820	3,609	101	1,738	25,268	525	4,355	5,930	14,112	50,190	15.9%
Kelowna	210,000	8,863	2,290	131	1,041	12,326	525	2,255	4,452	9,408	28,966	13.8%
Prince George	160,000	3,412	1,067	184	686	5,349	625	1,655	4,072	7,168	18,869	11.8%
Saanich	255,000	10,014	3,762	110	1,593	15,479	525	3,155	4,827	11,424	35,409	13.9%
Whitehorse	150,000	2,500	-	25	613	3,138	-	155	-	6,720	10,013	6.7%
Yellowknife	165,000	170	-	9	926	1,105	-	165	-	7,392	8,662	5.2%
Weighted Average	**197,060**	**8,435**	**2,527**	**266**	**1,211**	**12,439**	**392**	**1,344**	**3,696**	**8,856**	**26,727**	**13.6%**

* Infrastructure charge policies vary among the municipalities (see text for details); this creates difficulties in comparing the effects of these charges on total development costs.
** New home warranty coverage is mandatory only in Quebec, Ontario and B.C. Warranty fees for the other provinces are provided for illustrative purposes only.

Comparison of 2002 and 1996 Levies, Fees,Charges and Taxes

Exhibit 4-15 presents a comparison of the 2002 and 1996 estimates. For the purposes here, the 2002 estimates (from Exhibit 4-14) have been adjusted to reflect the 26 municipalities included in the 1996 analysis—i.e. the estimates for, Toronto and Windsor have been removed. As a result, the 2002 weighted average shown in Exhibit 4-15 is slightly different from the weighted average shown in Exhibit 4-14. The estimates for 1996 presented in Exhibit 4-15 have been weighted on the same basis (for example, 2001 single-detached starts) as the estimates for 2002.[4]

Exhibit 4-15
Levies, Fees, Charges and Taxes
Single-Detached Houses, 1996 and 2002 (26 Centres)

	Price		Total Charges		Per Cent of Price	
Municipality	**1996**	**2002**	**1996**	**2002**	**1996**	**2002**
St. John's	85,000	130,000	9,977	19,879	11.7%	15.3%
Charlottetown	96,800	125,000	9,765	12,672	10.1%	10.1%
Halifax	90,000	140,000	10,887	27,577	12.1%	19.7%
Moncton	123,200	120,000	13,259	16,808	10.8%	14.0%
Laval	108,000	155,000	11,854	18,524	11.0%	12.0%
Longueuil	116,400	140,000	13,153	17,557	11.3%	12.5%
Gatineau	102,800	135,000	12,484	16,542	12.1%	12.3%
Québec City	90,000	110,000	10,381	13,230	11.5%	12.0%
Mississauga	217,900	260,000	38,071	44,194	17.5%	17.0%
Vaughan	230,000	275,000	42,642	48,327	18.5%	17.6%
London	129,900	160,000	20,073	24,197	15.5%	15.1%
Ottawa	169,600	230,000	32,254	40,910	19.0%	17.8%
Sudbury	110,000	150,000	15,968	17,661	14.5%	11.8%
Winnipeg	117,000	145,000	12,743	16,756	10.9%	11.6%
Regina	119,000	135,000	16,719	17,813	14.0%	13.2%
Saskatoon	107,100	145,000	19,435	19,731	18.1%	13.6%
Calgary	121,000	175,000	10,772	16,503	8.9%	9.4%
Edmonton	129,500	165,000	13,506	17,588	10.4%	10.7%
Grande Prairie	115,000	130,000	9,347	11,871	8.1%	9.1%
Burnaby	479,200	395,000	50,827	45,829	10.6%	11.6%
Surrey	269,900	315,000	40,796	50,190	15.1%	15.9%
Kelowna	154,600	210,000	23,717	28,966	15.3%	13.8%
Prince George	164,000	160,000	16,220	18,869	9.9%	11.8%
Saanich	281,700	255,000	33,723	35,409	12.0%	13.9%
Whitehorse	145,000	150,000	10,121	10,013	7.0%	6.7%
Yellowknife	165,000	165,000	8,981	8,662	5.4%	5.2%
Weighted Average	**153,089**	**195,193**	**20,740**	**26,694**	**13.5%**	**13.7%**

Highlights of Exhibit 4-15 include:

- The weighted average total levies, fees, charges and taxes increased from $20,740 in 1996 to $26,694 in 2002—an increase of 28.7 per cent. At the same time, the weighted average house price increased from $153,089 to $195,193—an increase of 27.5 per cent. Over the same period, the consumer price index (CPI) rose by 12.4 per cent.

[4] The 1996 estimates have also been adjusted to be consistent with the 2002 analysis. For example, the infrastructure charges in Quebec municipalities (which are used to install internal subdivision infrastructure) have been removed from the 1996 estimates to be consistent with the treatment used in this report.

- Weighted average levies, fees, charges and taxes represent 13.7 per cent of the weighted average new house price in 2002. This is up slightly from 13.5 per cent in 1996.

- Some of the charges and taxes are based on the price of the house (such as GST and land transfer tax). Increases in these taxes would mirror the increase in house prices so, all other things being equal, they would not be responsible for an increase in the share of the house price comprised of levies, fees, charges and taxes.

- Infrastructure charges typically track increases in the costs of installing infrastructure—these generally would increase broadly in line with inflation. Since inflation over the 1996-2002 period was less than both the rise in house prices and the rise in total levies, fees, charges and taxes, inflation would not have been responsible for the increase in the share of the house price comprised of levies, fees, charges and taxes.

- The increase in average total levies, fees, charges and taxes as a per cent of the price of a house appears to be due to new additions introduced since 1996. The main changes were the harmonization of the PST with the GST in Atlantic Canada, higher QST in Quebec and B.C., lower PST in Saskatchewan, and the introduction of new infrastructure charges in Halifax and the Greater Vancouver Regional District.

- Examining trends among the municipalities:

  - The largest increases in the share of modest new house prices represented by total levies, fees, charges and taxes are in the harmonized provinces in Atlantic Canada—due mainly to higher PST, plus the introduction of infrastructure charges in Halifax.
  - In Quebec municipalities, there were also increases in the share of the house price represented by levies, fees, charges and taxes. Again, increased PST due to harmonization was the key factor behind this increase.
  - In Ontario municipalities, the percent of new house prices comprised of levies, fees, charges and taxes dropped. In the main, this is due to the fact that, after a lengthy period of stability (and, in some cases, decline) in house prices, prices increased significantly in most municipalities over this period (faster than inflation) while infrastructure charges (which are tied to inflation) increased at a slower rate.
  - In Winnipeg, there was a modest increase in the share of the house price comprised of levies, fees, charges and taxes—mainly due to increased PST.
  - In Saskatchewan municipalities, the percent of new house prices comprised of levies, fees, charges and taxes declined. Higher house prices and reductions in the rate of PST contributed to this decline.
  - In Alberta, increases in municipal charges outpaced the increase in house prices so the share of the price represented by total levies, fees, charges and taxes increased.
  - In B.C., trends were mixed. New infrastructure charges in the Lower Mainland led to a rise in the share of house prices represented by total levies, fees, charges and taxes.
  - In the territories, prices were higher, while total levies, fees, charges and taxes did not increase, so the share of prices represented by these charges declined slightly.

4.2. Levies, Fees, Charges and Taxes on Other Ownership Dwellings

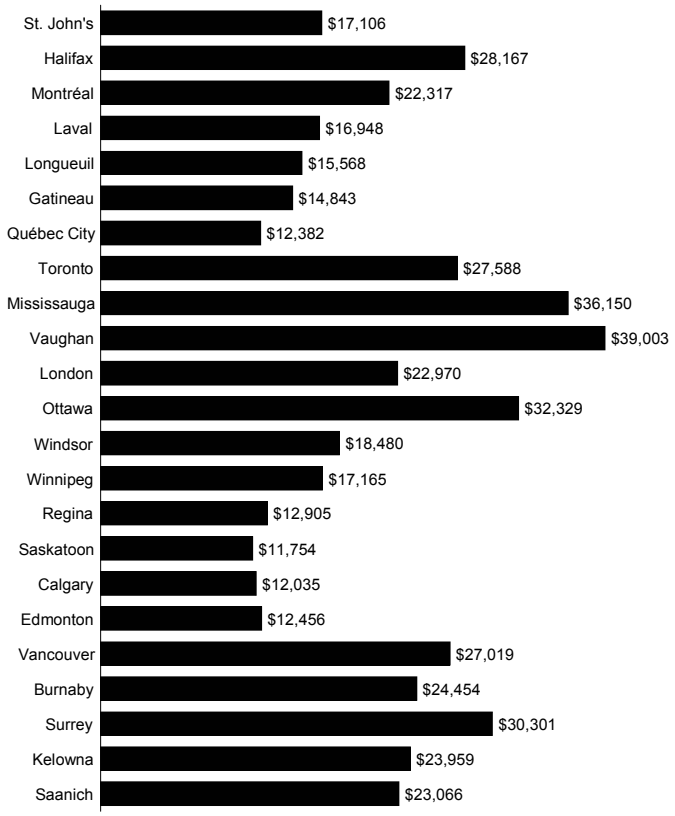
The preceding section presented estimates of the levies, fees, charges and taxes on typical modest new houses. This section presents similar estimates for typical row (townhouse) dwellings and typical condominium apartments in the various municipalities. To avoid excessive detail, only the estimates of total levies, fees, charges and taxes are presented. Readers interested in the breakdown of these totals into the various components will find all of the information in Appendix A, which presents background on the various municipal levies, fees and charges, as well as the detailed estimates of the charges of each type.

Estimates are not presented for some of the smaller municipalities because there is little or no row or condominium apartment activity in those municipalities.

Levies, Fees, Charges and Taxes for Typical Row Houses

Exhibit 4-16 presents the estimates of total levies, fees, charges and taxes on row houses – highlights include:

Exhibit 4-16
Total Levies, Fees, Charges and Taxes
Typical Row Houses



- In general, the pattern of levies, fees, charges and taxes for the row houses is similar to that of single-detached houses presented in Section 4.1. The municipalities which have a high total for single-detached houses tend also to have a high total for row houses.

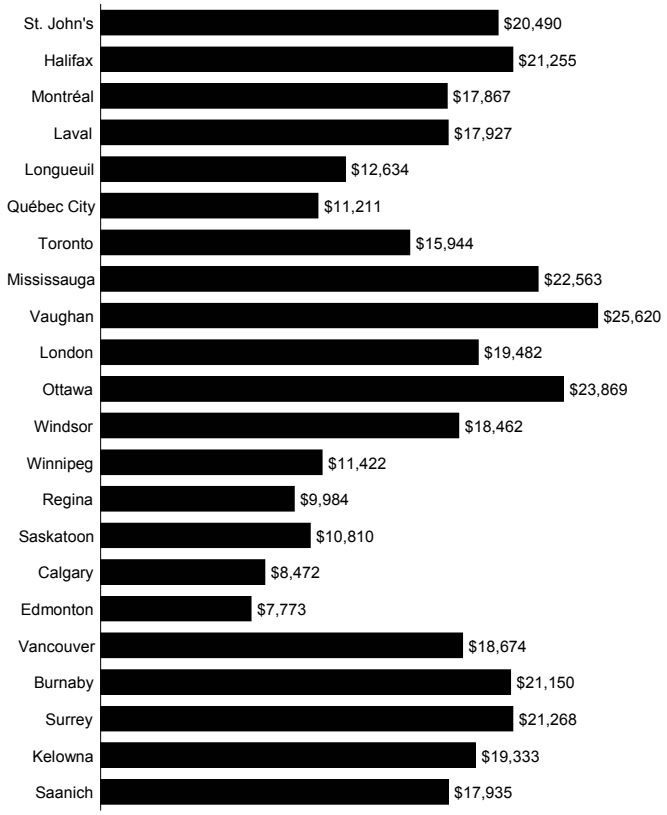
- While, in most cases, the total levies, fees, charges and taxes for row houses in each municipality is less than for single-detached houses, this is not always the case. As discussed below, typical row houses in some municipalities are more lifestyle-oriented and/or are larger (and therefore have higher prices) than the modest single-detached houses used to estimate the charges in Section 4.1.

As noted, many of the typical dwellings on which the estimates in Exhibit 4-16 are based are larger (and have higher prices) than the modest new single-detached houses discussed in Section 4.1. Often, these units incur significantly higher taxes than the more modest single-detached houses. Due to these differences in the quality and prices of the units, comparisons of charges between the two dwelling types (and comparisons with condominium apartments discussed next) are not very informative in terms of the relative levels of charges among dwelling types. This is discussed further in the final section of this chapter.

Levies, Fees, Charges and Taxes for Typical Condominium Apartments

Exhibit 4-17 presents the estimates of total levies, fees, charges and taxes on typical condominium apartments. Highlights include:

Exhibit 4-17
Total Levies, Fees, Charges and Taxes
Typical Condominium Apartments



- As with row houses, the condominium apartments used in this analysis are often more expensive than the modest houses discussed in Section 4.1—so levies, fees, charges and taxes on these dwellings are sometimes greater.

- This is more common outside the largest CMAs where these types of units tend to be sold as "lifestyle" housing.

- In larger centres where housing tends to be more expensive (for example, Vancouver, Toronto, Ottawa and Montréal), multiple units can offer an affordable alternative to single-detached housing. In these centres, the levies, fees, charges and taxes on typical row and apartment units are generally substantially less than for single-detached houses.

Comparison of Levies, Fees, Charges and Taxes by Dwelling Type

As noted, the above analysis of levies, fees, charges and taxes on typical new dwellings in the various municipalities has been complicated by the fact that, in many centres, multiple dwellings are often targeted at a more affluent clientele (and are therefore higher quality) than the modest new single-detached houses used in the analysis in Section 4.1. As a result, the total charges on multiple dwellings are sometimes higher than for single-detached houses in these municipalities.

This final section of the chapter presents some general conclusions on how each of the levies, fees, charges and taxes would vary for different types of dwellings–assuming each of the dwelling types is targeted at buyers seeking modest housing. This part of the analysis also assumes that row units are smaller (and less expensive) than single-detached dwellings, and that condominium apartment units are smaller (and less expensive) than row units.[5]

Looking at each of the levies, fees, charges and taxes in turn:

- **Infrastructure charges** – in most municipalities, the infrastructure charges for single-detached dwellings are more than for row dwellings, and each are more than for apartments. The development charges for Vaughan, the municipality with the highest infrastructure charges of the 30 municipalities included in this analysis, is illustrative of this:

  – single-detached: $20,632
  – row: $17,998
  – apartment (2-bed): $13,332
  – apartment (1-bed): $10,976

  These are somewhat less than the total infrastructure charges ($21,657) shown for single-detached houses in Vaughan (Exhibits 4-2 and 4-14) because, in addition to the development charges, the total includes other infrastructure charges as well.

- **Land dedications** – these are generally based on the value of the land which, in turn, is dependent on the location. In most cases, the value of multiple land is less than the value of a lot for single-detached houses in the same general location. Often, multiple housing land is in a location with features (such as water views or proximity to transportation corridors, etc.) which increases the value of the land; however, a single-detached lot in this same location (if such a lot existed) would typically be more expensive than the land value of a multiple unit. Therefore, the per unit value of a land dedication for a development on a particular site would be less for multiple housing than for single-detached housing.

[5] An alternative approach to undertaking the analysis would have been to "assume" modest new row and condominium dwellings in each of the municipalities and to develop estimates based on these hypothetical developments—rather than new row and apartment dwellings that are "typical" for each municipality. For the ownership housing analysis, this approach was rejected by CMHC and the consultant in order to attempt to obtain information on the levies, fees, charges and taxes on new dwellings of each type that were actually being built in each municipality.

- **Development application and processing fees** – usually, these are relatively minor costs (on a per unit basis). Assuming, as is the case for the estimates presented here, the land has the appropriate zoning in place, a single-detached housing development would usually still incur the costs of subdivision approval whereas a multiple project might be able to proceed as of right—except in the case of street townhouses, where subdivision approval would generally be required. Many municipalities have fees for approving condominiums, however, and many also require site plan approvals (with fees) for multiple projects. On balance, in most municipalities, there would be relatively little difference in the amounts of fees involved (per unit) for single-detached units compared to row or apartment units.

- **Building permit fees** – these are usually based either on the cost of construction or the size of the unit. Therefore, a smaller (lower-priced) row unit would have lower building permit fees than a single-detached unit. Similarly, a smaller (lower-priced) condominium unit would have the lowest building permit fees of all three types.

- **Provincial sales tax** – the PST revenues are based either on the sale price of the dwelling (in the harmonized provinces) or the amount of materials used in the construction of the dwelling (in P.E.I. and the provinces east of the Ottawa River). In either case, the PST revenues would be less for a smaller (lower-priced) row unit than a single-detached unit, and less still for a smaller (lower-priced) condominium unit.

- **Land transfer tax** – this is based solely on the price of the dwelling. As with the PST, land transfer tax revenues would be less for a smaller (lower-priced) row unit than a single-detached unit, and less still for a smaller (lower-priced) condominium unit.

- **Warranty fees** – the particulars with respect to warranty fees vary by province. Some provinces have a fixed warranty fee schedule based on the price of the dwelling (whatever type of unit is involved)—in these cases, fees for modest apartment and row units would typically be less than single-detached houses. In other provinces, warranty fees for multiples are higher than for single-detached units. However, warranty fees tend to be relatively small in terms of the total levies, fees, charges and taxes which apply in most municipalities, so this does not have a major influence.

- **GST** – as with the PST and land transfer taxes, GST would be less for a smaller (lower-priced) row unit than a single-detached unit, and less still for a smaller (lower-priced) condominium unit.

In British Columbia, as noted in Chapter 3, there is a levy of $750 per unit for every new multi-unit building in the coastal climate zone. For multi-unit buildings, payment of the levy is mandatory for dwellings sold to owner-occupants, but is not required for rental buildings. This is a charge which does not apply to single-detached houses.

In sum, the levies, fees, charges and taxes which would accrue to modest new row dwellings would be significantly less than those which would accrue to (larger and more costly) new single-detached houses—even if these were modest as well. Similarly, the levies, fees, charges

and taxes on modest new condominium apartments would generally be less still—assuming that the units are smaller and have a lower price than the row units.

5. Estimates of Levies, Fees, Charges and Taxes on New Rental Apartments

This chapter presents estimates of the amounts of municipal levies, fees and charges, and provincial and federal taxes which are incurred in the development and construction of modest new rental apartment buildings. The analysis here is similar in structure to that presented in Section 4.1 for new single-detached houses. In the interests of brevity, the discussion of the various types of charges and taxes is less extensive than that for single-detached houses.

Characteristics of the Rental Buildings

Exhibit 5-1: Characteristics of Modest Rental Apartment Units

Municipality	Cost	Size (sq.ft.)
St. John's	$71,000	750
Charlottetown	$52,000	700
Halifax	$66,000	750
Moncton	$54,000	700
Montréal	$84,000	700
Laval	$82,000	750
Longueuil	$75,000	700
Gatineau	$78,000	700
Québec City	$75,000	700
Toronto	$120,000	675
Mississauga	$105,000	750
Vaughan	$108,000	750
London	$92,500	700
Ottawa	$100,000	750
Sudbury	$97,000	700
Windsor	$94,500	700
Winnipeg	$83,500	700
Regina	$83,500	700
Saskatoon	$84,000	700
Calgary	$95,000	750
Edmonton	$90,000	750
Vancouver	$125,000	650
Burnaby	$120,000	650
Surrey	$100,000	700
Saanich	$98,500	700

Exhibit 5-1 presents estimates of the cost of developing modest new rental apartments in 25 municipalities and average sizes of the units (net square feet) in each case. The analysis covers fewer municipalities than the analysis of single-detached housing, since reliable information on the cost of developing new apartment buildings is not available for many of the smaller municipalities where new apartment developments (especially rental apartments) are rare.

Even in the larger centres, estimating the costs of developing a modest new rental building presents a challenge since few such buildings have been developed in recent years. Most of the relatively small number of rental buildings which have been built have been targeted at the high end of the rental market. Therefore, in most cases, the estimated development costs of the units presented in Exhibit 5-1 are for hypothetical buildings. The costs are based on information from a variety of sources, including developers and other experts active in apartment development in the municipalities, as well as information provided by CMHC. Depending on the municipality, and the availability and cost of developable land, the rental developments may be either low-rise or high-rise buildings.

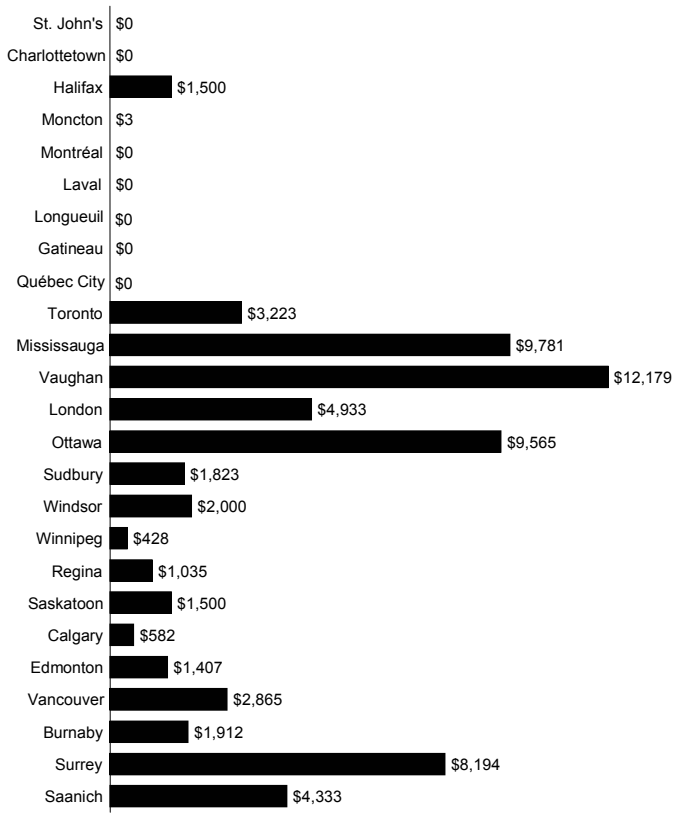
The unit sizes for the hypothetical rental developments vary from an average of 650 square feet in Vancouver and Burnaby to 750 square feet in several of the municipalities. In most municipalities the average unit size is 700 square feet. It is assumed that the buildings have a mix of roughly equal numbers of one-bedroom and two-bedroom units.

The estimates of levies, fees, charges and taxes for these rental units assume a new building on land which is already appropriately zoned for apartments.

Infrastructure Charges

Exhibit 5-2 presents the estimated infrastructure charges for the rental apartment buildings. Highlights include:

Exhibit 5-2
Infrastructure Charges
Modest Rental Apartment Unit



- The municipalities with the highest infrastructure charges for new apartment buildings are Vaughan, Mississauga, Ottawa (Kanata area) and Surrey. All have charges of over $8,000 per unit for new apartment buildings.

- Many municipalities in Atlantic Canada and Quebec have no infrastructure charges for new apartment buildings.

- Infrastructure charges do not vary by the tenure of the buildings—for example, the charges for new rental apartment buildings are the same as for new condominium buildings with the same mix of units. Some municipalities have higher charges for larger apartment units.

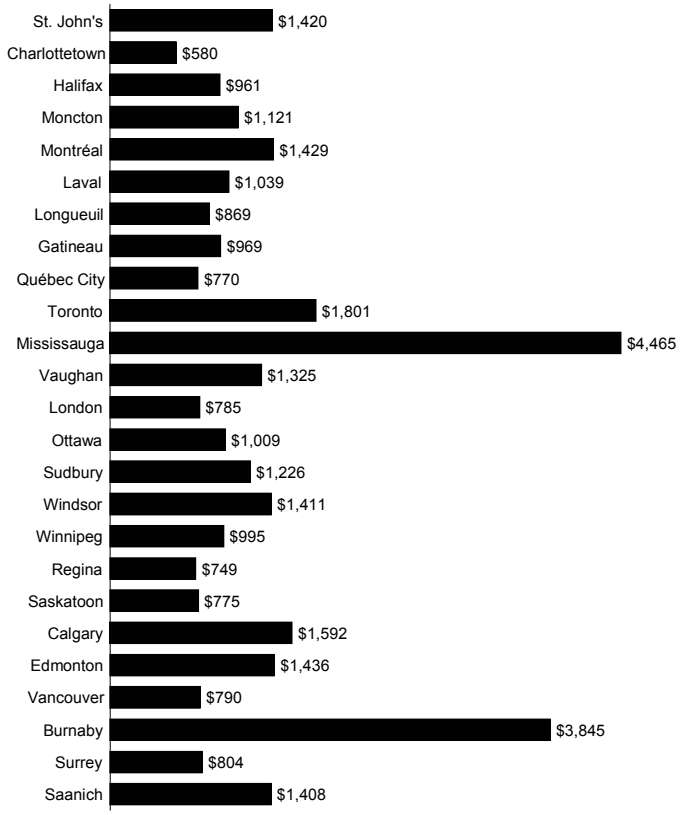
- In most municipalities, infrastructure charges for apartments are lower than for other dwelling types.

Other Municipal Levies, Fees and Charges

Exhibit 5-3 presents estimates of the other municipal levies, fees and charges which would apply to the hypothetical new rental apartment buildings in each municipality. These include the estimated cost of land dedications, development application and processing fees, and building permit fees. As illustrated in the discussion on single-detached houses (Chapter 4), these charges tend to be relatively small (compared to infrastructure charges) so, in the interest of economy, they are grouped together here. Readers interested in this information should consult the detailed estimates in Appendix A.

Highlights of Exhibit 5-3 include:

Exhibit 5-3
Other Levies Fees and Charges
Modest Rental Apartment Unit

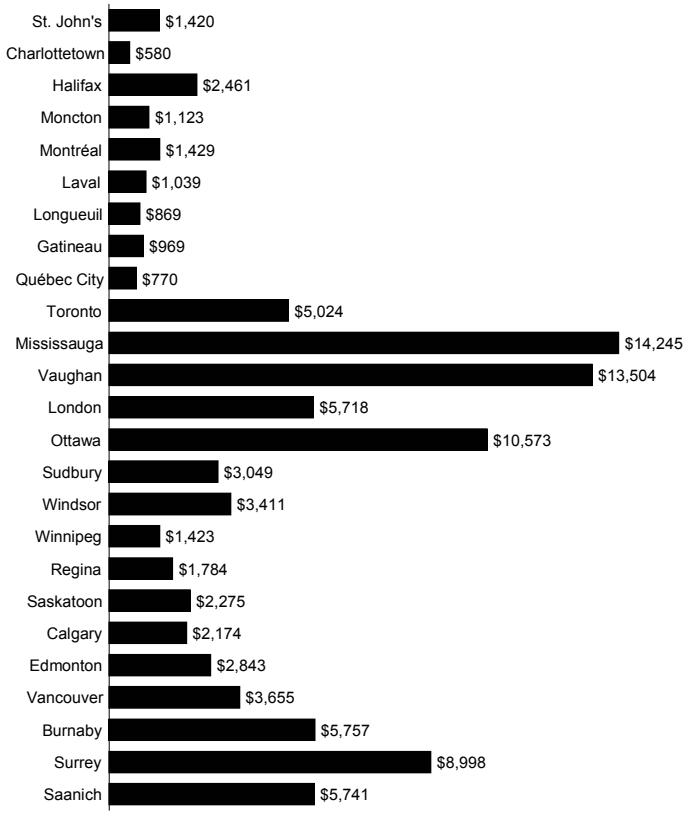


- In most municipalities, the total of these charges is in the $500-$1,800 range.
- The exceptions are Mississauga and Burnaby which have much higher totals. This is due mainly to a requirement for a fixed contribution in lieu of land dedications for apartment developments—$3,700 in the case of Mississauga and $2,780 in the case of Burnaby.
- With the exception of the above land dedications, in most municipalities, most of these "other" charges are comprised of roughly equal amounts of building permit fees and the value of land dedications. Land dedications tend to be higher in the high-cost municipalities in Ontario and B.C. (despite the fact that land dedications are only 5 per cent in these provinces).

Total Municipal Levies, Fees and Charges

Exhibit 5-4 presents the total municipal levies, fees, charges and taxes on new rental apartments in each of the municipalities—this is the sum of the various charges included in Exhibits 5-2 and 5-3. Highlights of Exhibit 5-4 include:

Exhibit 5-4
Total Municipal Levies, Fees and Charges
Modest Rental Apartment Unit



- The total municipal levies, fees and charges are dominated by infrastructure charges, which tend to be by far the largest of the various municipal charges in those municipalities which have infrastructure charges.

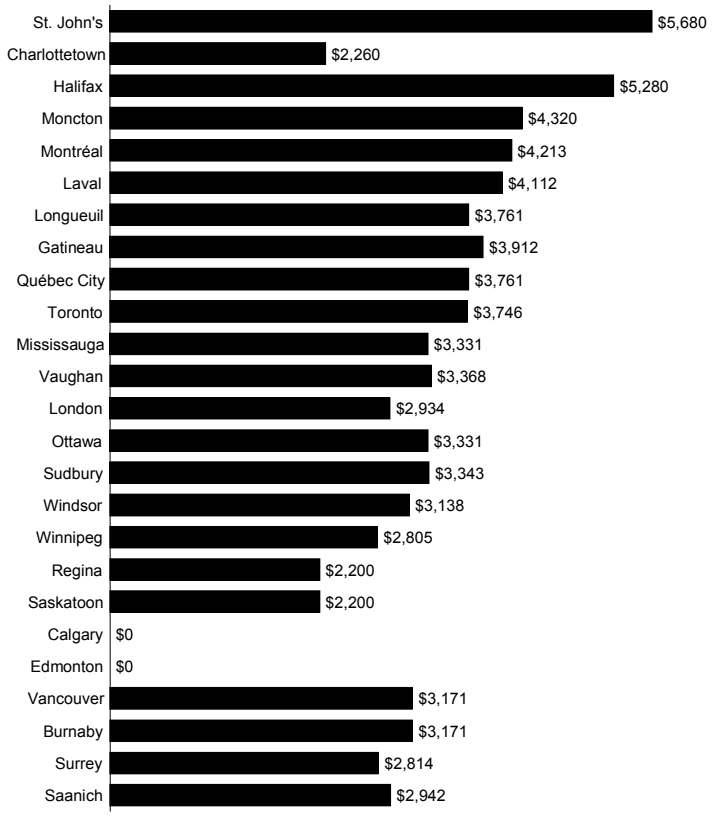
- As with single-detached houses, the municipalities with the highest total levies, fees and charges are Mississauga, Vaughan, Ottawa and Surrey—all with total charges of $9,000 per unit or more.

- These total charges are roughly the same as would apply to condominium apartments—assuming they were the same size and had similar construction costs. Municipal charges vary for dwellings of different built forms (for example apartments versus houses), but do not vary by tenure. The only difference by tenure is the (relatively minor) charge for condominium registration in some municipalities.

Provincial Sales Tax

Exhibit 5-5 presents the estimated provincial sales taxes which accrue on the modest rental buildings in each of the municipalities. Highlights of Exhibit 5-5 include:

Exhibit 5-5
Provincial Sales Tax
Modest Rental Apartment Unit



- The PST collected on new rental housing is much greater in the provinces which have harmonized their PST with the GST—despite the fact that the development costs of these units is usually much less than in non-harmonized provinces.

- The estimated PST collected in the three harmonized Atlantic provinces is $4,300-$5,700 per unit—this is 8 per cent of the estimated development cost.

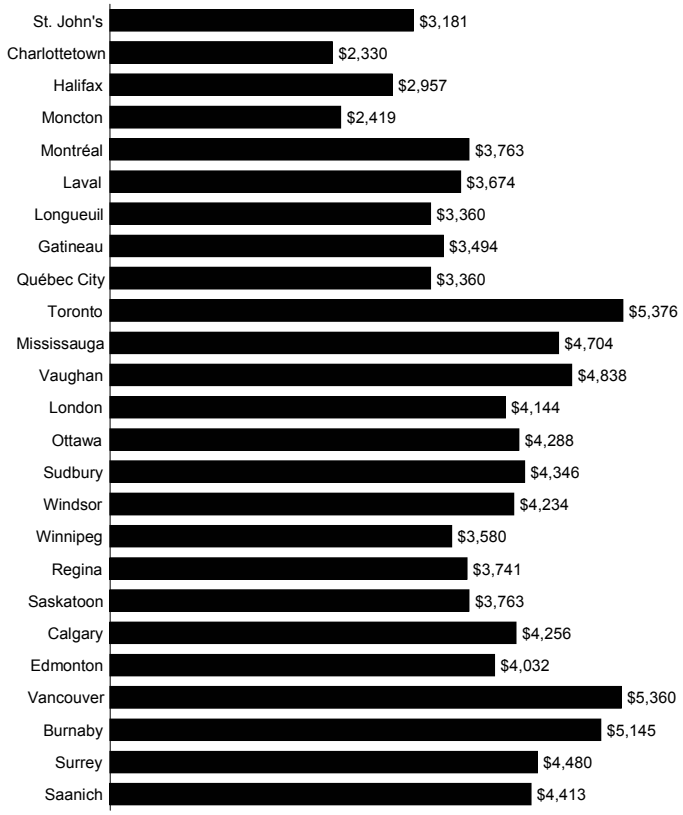
- In Quebec, there is a rebate of part of the PST, so the receipts are somewhat less: $3,700-$4,200.

- In the provinces west of the Ottawa River, the PST on new rental housing is less—ranging from zero in Alberta to about $2,000 in Saskatchewan, up to as high as $3,700 in Toronto.

Goods and Services Tax

Exhibit 5-6 presents estimates of the GST collected on the modest new rental apartment units. Highlights include:

Exhibit 5-6
Goods and Services Tax
Modest Rental Apartment Unit



- The GST payable on the new rental units is a mirror image of the estimated development cost of the units in each municipality—the GST is 4.48 per cent of the total development costs.

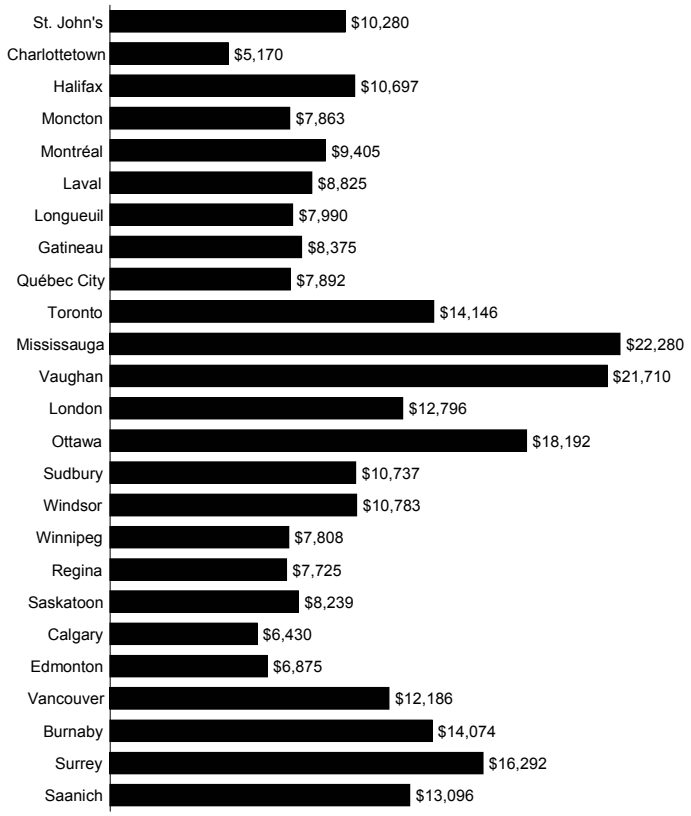
- As such, the GST collections are highest in the centres with the highest development costs (for example, the municipalities in the Toronto and Vancouver area), and lowest in the centres with the lowest costs (for example, Atlantic Canada).

- The GST collected is much less than the PST collected in each of the three harmonized Atlantic provinces, and slightly less than the PST collected in Quebec—where there is a rebate of part of the PST. Elsewhere, the GST exceeds the PST by a substantial margin.

Total Levies, Fees, Charges and Taxes

Exhibit 5-7 presents estimates of the total levies, fees, charges and taxes on the modest new rental apartment units. Highlights include:

Exhibit 5-7
Total Levies, Fees, Charges and Taxes
Modest Rental Apartment Unit



- As with the analysis of the single-detached house (in Chapter 4), municipalities with high infrastructure charges tend to have the highest total levies, fees, charges and taxes.

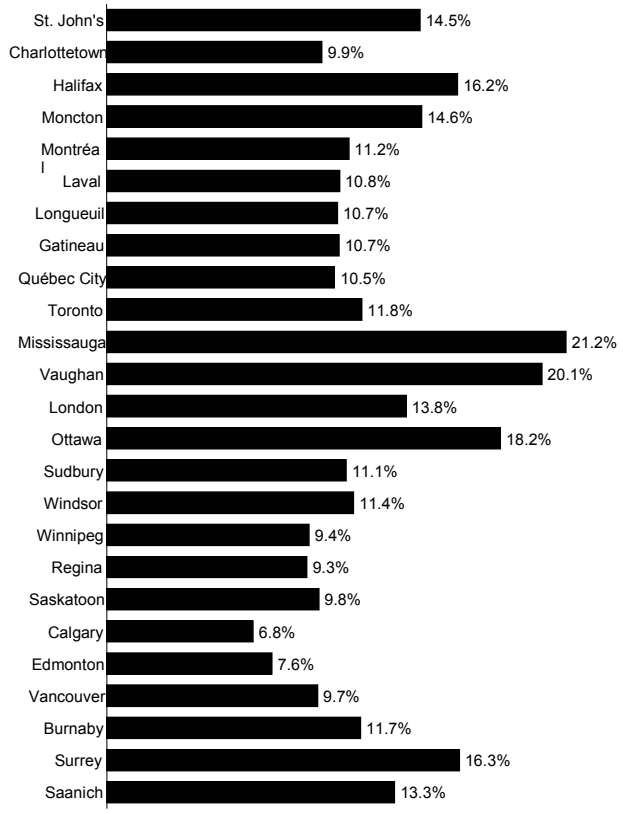
- Mississauga, Vaughan, Ottawa and Surrey all have infrastructure charges of $8,000 or more—and all have total levies, fees, charges and taxes of $16,000 or more.

- The total levies, fees, charges and taxes for new apartment units in the harmonized Atlantic provinces are also relatively high—compared to their development cost (discussed further in Exhibit 5-8).

- Charlottetown has the lowest total—due to low development costs, and no infrastructure charges. Calgary and Edmonton are the next lowest—due in part to the fact there is no PST in Alberta.

Exhibit 5-8 presents estimates of the total levies, fees, charges and taxes as a share of the total development costs for modest new rental apartment units in each of the municipalities. Highlights include:

Exhibit 5-8
Total Levies, Fees, Charges and Taxes as % of Cost
Modest Rental Apartment Unit



- The municipalities with high infrastructure charges also tend to have the highest total levies, fees, charges and taxes as a share of the development cost of rental apartments—16 per cent-21 per cent or higher in Mississauga, Vaughan, Ottawa and Surrey.

- Halifax also has total levies, fees, charges and taxes on rental apartment units of over 16 per cent—due to the harmonized PST plus an infrastructure charge.

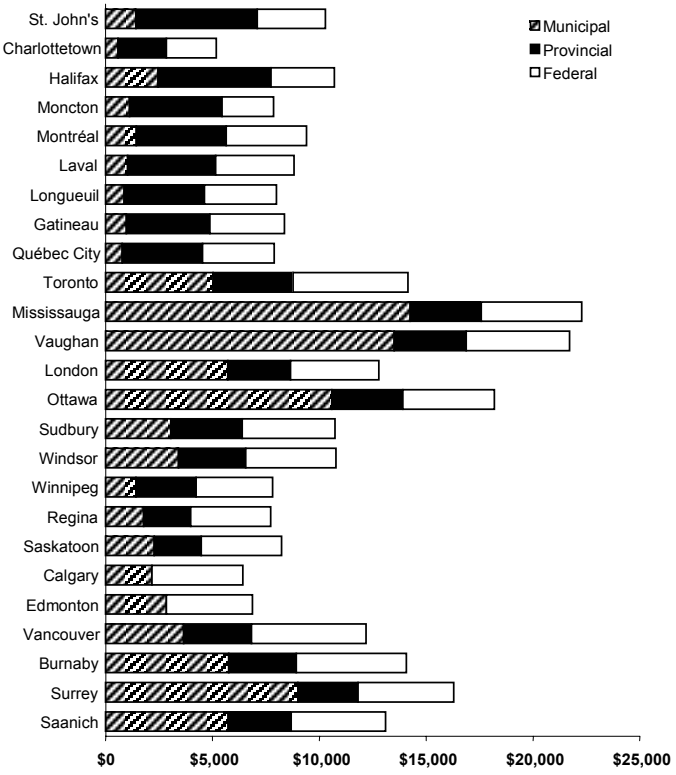
- Due to harmonization, buildings in St. John's and Moncton also have totals which reach 14.5 per cent of the cost of an apartment (8 per cent due to the PST alone).

- In most other municipalities, the total levies, fees, charges and taxes on a new rental apartment building account for 9 per cent-13 per cent of total development costs.

- Calgary (6.7 per cent) and Edmonton (7.6 per cent) are exceptions—due mainly to the fact there is no PST in Alberta.

Exhibit 5-9 presents the shares of total levies, fees, charges and taxes for modest new rental apartment units which accrue to each level of government. Highlights include:

Exhibit 5-9
Shares of Levies, Fees, Charges and Taxes
Modest Rental Apartment Unit



- The pattern here mirrors that of Exhibit 4-13, relating to single-detached houses.
- The municipal share is highest in the municipalities with relatively high infrastructure charges—for example, Mississauga, Vaughan, Surrey and Ottawa.
- The provincial share is highest in Newfoundland and Labrador, Nova Scotia and New Brunswick, which have harmonized their PST with the GST.
- The provincial share is also relatively high in Quebec which levies an effective rate of PST on new rental buildings of 5 per cent of the development cost.

- The federal GST receipts are 4.48 per cent of the development cost—this varies depending on the actual cost—which is based, in part, on the volume of levies, fees, charges and taxes from other levels of government.

Exhibit 5-10 presents a detailed summary of the levies, fees charges and taxes for a modest new rental apartment in each of the municipalities. It also presents the average levies, fees, charges and taxes for all of the municipalities combined. Unlike Exhibit 4-14 which presents similar information for single-detached houses, the averages for all municipalities presented in Exhibit 5-10 are *simple* averages of the charges which apply in each municipality—for example, they have not been weighted. Since there has been little modest new rental production in any of these municipalities, there is no reliable weighting factor to use in this case.

Exhibit 5-10
Levies, Fees, Charges and Taxes
Modest Rental Apartments, 2002

		Municipal Levies, Fees and Charges				Other Charges and Taxes			
Municipality	**Development Cost**	**Infrastructure Charges***	**Land Dedications**	**Dev. Appl. Proc. Fees**	**Building Permit Fees**	**Provincial Sales Tax**	**GST**	**TOTAL**	**Per Cent of Cost**
St. John's	71,000	-	800	13	607	5,680	3,181	10,280	14.5%
Charlottetown	52,000	-	400	-	180	2,260	2,330	5,170	9.9%
Halifax	66,000	1,500	650	-	311	5,280	2,957	10,697	16.2%
Moncton	54,000	3	700	1	420	4,320	2,419	7,863	14.6%
Montréal	84,000	-	850	-	579	4,213	3,763	9,405	11.2%
Laval	82,000	-	750	-	289	4,112	3,674	8,825	10.8%
Longueuil	75,000	-	650	-	219	3,761	3,360	7,990	10.7%
Gatineau	78,000	-	700	-	269	3,912	3,494	8,375	10.7%
Québec City	75,000	-	600	-	170	3,761	3,360	7,892	10.5%
Toronto	120,000	3,223	839	53	909	3,746	5,376	14,146	11.8%
Mississauga	105,000	9,781	3,700	57	708	3,331	4,704	22,280	21.2%
Vaughan	108,000	12,179	291	313	721	3,368	4,838	21,710	20.1%
London	92,500	4,933	453	33	299	2,934	4,144	12,796	13.8%
Ottawa	100,000	9,565	72	86	851	3,331	4,288	18,192	18.2%
Sudbury	97,000	1,823	309	30	887	3,343	4,346	10,737	11.1%
Windsor	94,500	2,000	425	25	961	3,138	4,234	10,783	11.4%
Winnipeg	83,500	428	366	-	629	2,805	3,580	7,808	9.4%
Regina	83,500	1,035	397	-	353	2,200	3,741	7,725	9.3%
Saskatoon	84,000	1,500	400	2	373	2,200	3,763	8,239	9.8%
Calgary	95,000	582	1,092	29	471	-	4,256	6,430	6.8%
Edmonton	90,000	1,407	759	79	599	-	4,032	6,875	7.6%
Vancouver	125,000	2,865	-	182	609	3,171	5,360	12,186	9.7%
Burnaby	120,000	1,912	2,870	225	749	3,171	5,145	14,074	11.7%
Surrey	100,000	8,194	-	98	707	2,814	4,480	16,292	16.3%
Saanich	98,500	4,333	508	12	888	2,942	4,413	13,096	13.3%
Average	**89,340**	**2,690**	**743**	**49**	**550**	**3,192**	**3,970**	**11,195**	**12.5%**

* Infrastructure charge policies vary among the municipalities (see text for details); this creates difficulties in comparing the effects of these charges on total development costs.

Conclusions Regarding Levies, Fees, Charges and Taxes on New Rental Development

As with the analysis in Chapter 4 with respect to ownership dwellings, the findings in this chapter confirm that there are substantial levies, fees, charges and taxes on the development of new rental housing—ranging from a low of less than 7 per cent of total development costs in Calgary, to a high of over 21 per cent in Mississauga. There is little doubt, as has been concluded in many analyses, that the cumulation of levies, fees, charges and taxes has a substantial impact on the economic viability of new rental development.

While the costs associated with developing new rental housing projects have received relatively more attention in the past few years, the same levies, fees, charges and taxes apply to the development of new ownership housing as apply to rental units:

- Municipal levies, fees and charges do not differentiate between rental and ownership dwellings—for any particular development, almost exactly the same scale of charges would apply whether the development was rental or ownership. The exception is for condominium apartment developments—which, in many municipalities, face modest additional charges for condominium registration.

- The provincial sales tax treatment of rental housing is the same as for ownership housing: 8 per cent of the total value in the harmonized Atlantic provinces, 7.5 per cent of the value in Quebec (with the same rebate for rental housing as for ownership housing), and PST only on building materials (whether the project is rental or ownership) in the other provinces (except in Manitoba which applies PST to electrical and mechanical contracts).

- The GST is effectively 4.48 per cent of the value of rental projects—just as it is for ownership dwellings. As discussed, this is a relatively recent change—prior to the 2000 Federal Budget, the full 7 per cent GST applied to new rental housing.

6. Estimates of Property Taxes on New Housing

This chapter presents a brief background on property taxes, including the process for determining property assessments and rates for property taxes across Canada. It also presents estimates of the property taxes which would apply to modest new single-detached houses and modest new rental apartments in various municipalities.

6.1. Background on Property Taxes

The property tax is one of the oldest taxes in Canada.[6] It is levied as an annual charge paid by the owners of real property on some measure of its value. The tax rate is generally expressed either as a mill rate (per $1,000 of assessed value), or as a percentage of assessed value. The property tax rate is often comprised of several components, since the same base is often used to raise funds for local and regional municipal governments, school authorities and the provincial government.

Slightly more than half of all local government revenues in Canada is raised through property taxes—and this proportion has risen over the past decade.

The base for the property tax is "real property"—such as, land, buildings and (in some jurisdictions) other items, such as machinery and equipment. For the purposes here, the value of residential properties is generally the value of the land and buildings, which is reflected in the assessed value of the property. Although this has not always been the case, in recent years, most Canadian jurisdictions have moved to a system of property taxation that is premised on market value assessment—such as properties are generally assessed at some percentage of their estimated "market" value at some base period. However, differences in the frequency of reassessment, the base year used, and valuation methodologies lead to variations in the assessed values of similar properties across the country. In some provinces, assessed values are adjusted using provincially prescribed factors to calculate taxable assessed values—which may vary by property class, and are thereby used to shift tax burdens between different classes of properties (for example, from residential properties to non-residential properties).

Arrangements for establishing the assessed values of properties vary among the provinces (some use provincial departments, some have independent assessment organizations, some delegate the responsibility to municipalities); however, the procedures used in all jurisdictions are established through provincial legislation.

Typically, municipalities establish their property tax rate so as to cover costs not met from other revenue sources and transfers from senior governments. Therefore, prior to setting the tax rate, municipalities determine first the amount of revenue required to meet total expenditures, less estimated income from other sources (for example, transfers from senior governments and other revenues to the municipality). The amount left over divided by the total taxable assessed value

[6] Much of the discussion here is taken from Treff, Karin and David B. Perry. *The Finances of the Nation*. Toronto. Canadian Tax Foundation.

determines the tax rates required to generate the required level of revenue (in reality, it is more complex than this since different types of properties are taxed at different rates). The property tax therefore provides a means of allocating the net cost of local government among all taxpayers on the basis of wealth (as measured by the assessed value of all property).

The tax rates applied to different types of property often vary substantially. In most jurisdictions, residential properties have a lower property tax rate than non-residential properties. This is achieved by levying lower rates on residential property or, as discussed, by reducing the share of the assessed value of residential property which is considered to be *taxable* assessed value. In practice, the base tax rate is usually set for single residential properties, and other tax classes (for example, commercial and industrial properties, but sometimes multi-residential properties as well) are a multiple of this—so, effectively, the property tax system favours single-family residents; it has also been argued that the system favours properties in suburban locations (Kitchen and Slack 1993, Kitchen 2000).

Whether residents in central or dispersed locations receive the same level of service, and further, whether the costs of providing that service are similar, are critical issues in evaluating the fairness of the property tax system. Certainly, lower taxes in suburban areas have been considered to be an incentive facilitating sprawl—although, often, these properties also offer more affordable housing choices (net of any additional costs to the resident, such as the need for an additional vehicle). Kitchen (2000) also contests the logic for higher tax rates on non-residential properties, most of which consume fewer services than residential property occupants. This tax treatment is considered to distort business location decisions (Slack 2002).

With respect to residential property taxes, there are often significant differentials between tax rates (and the resulting tax burden) for multiple unit rental properties and ownership properties. Where they exist, these differentials in the tax treatment of rental properties relative to condominiums discourages rental development (Lampert 1995, 1999). However, as discussed later, some jurisdictions, notably Ontario, have implemented legislation to remedy this disincentive to rental development.

6.2. Assessment and Property Tax Practices

Among the jurisdictions included in this analysis, there are substantial differences in the specific practices involved in establishing both assessed values and the tax rates applied to various types of residential properties. As noted, these practices are all based on provincial legislation which provides the authority for both the assessors (to establish assessed property values) and the municipalities (to determine tax rates and levy taxes on property). The following is a brief overview of the practices in the municipalities included in this analysis:

- **St John's** – assessments are prepared by the City and are based on market value—the base year for assessments is 1999. There is a three-year re-assessment cycle, with a two-year lag between the base date and the effective date. The 1999 values apply for the years 2001-2003. The same tax rates apply to both rental and ownership dwellings.

- **Charlottetown** – assessments are prepared by the Province and are based on market value as of the beginning of each year. New rental buildings are assessed initially on a cost basis; later in the assessment cycle, they are reassessed using an income approach. The same tax rates apply to both rental and ownership dwellings.

- **Halifax** – assessments are prepared by the Province on an annual reassessment cycle, and are based on market value—the base year for 2002 assessments is 2000. Tax rates are the same for rental and ownership housing.

- **Moncton** – assessments are prepared by Service New Brunswick, a crown corporation, and are based on 100 per cent market value as of January 1 of each taxation year. Assessments for rental properties are undertaken and supported using a combination of cost, income and market approaches. The tax rates for rental dwellings are almost double those for owner-occupied dwellings.

- **Quebec centres** – assessments are the responsibility of the municipalities, which sometimes utilize private sector companies to prepare the estimates. At present, assessments are based on the estimated 1999 fair market value. In most municipalities, rental and ownership dwellings have the same tax rates—though some (including Montréal and Laval) have slightly higher tax rates for rental apartments. According to assessment officials, the assessed values are determined using a combination of the cost, comparable sales and income approaches; however, it appears that the comparable sales approach is used most commonly for ownership dwellings, and some combination of income and cost is used in determining the assessed value of rental buildings.

- **Ontario centres** – assessments are determined by the Municipal Property Assessment Corporation (MPAC). They are based on "current values" of comparable buildings in the same neighbourhood—which would be similar to the actual market value. The current base date for assessments is 1999. Freehold and condominium units are in the same property tax class—the residential/farm class. Rental buildings with six or more units are in a separate property tax class—the multi-residential property tax class, where assessed values are determined using a "gross income multiplier," which differs from one municipality to the next, and also varies for different ages/quality/types of rental projects within a municipality. The Province has passed legislation which allows municipalities to adopt a special multi-residential property tax class for new rental buildings—municipalities adopting the special class can assign a lower property tax rate to new multi-residential buildings (usually the same tax rate as applies to properties in the residential/farm class) for a period of 35 years. Of the municipalities included in this analysis, Toronto, Vaughan and Ottawa have adopted the new multi-residential class—in all cases, they apply the residential/farm tax rate (such as the tax rate for ownership dwellings) to new multi-residential buildings.

- **Winnipeg** – assessments are prepared by the City and are based on market value—the base year for assessments is 1999. For tax purposes, both ownership and rental properties are taxed on 45 per cent of assessed value—for example, the tax rate is applied to 45 per cent of assessed value. Rental buildings are assessed based on an income

approach. The provincial government's Education Property Tax Credit Program provides annual grants of $400 to reduce homeowners' property taxes.

- **Saskatchewan centres** – assessments are undertaken by the cities and are based on "fair values"—which are currently reflective of the general market levels of 1998. The fair value for rental projects is determined as the market value of the land, plus a market-adjusted replacement cost for the building. The assessed value for both ownership and rental residential properties is 70 per cent of the fair value. Separate classes are applied to single-family residential, condominium registered, and multi-residential buildings (buildings with four or more units). In both Regina and Saskatoon, the same effective tax rates apply to single-family and condominium units. Rental apartment buildings are assessed and taxed differently from condominium buildings.

- **Alberta centres** – municipalities have the responsibility for assessments, which are based on market value as of 2001. Typically, the tax rates for rental and ownership dwellings are similar, though there are exceptions.

- **British Columbia centres** – the BC Assessment Authority is responsible for preparing property assessments. Assessments are based on market value as at the previous year (for example, 2002 assessments are based on July 1 2001 values). The same tax rates apply to rental and ownership dwellings. Owner-occupied dwellings are eligible for the Provincial Home Owner Grant which reduces homeowners' property taxes by $470.

- **Whitehorse** – the Yukon government undertakes assessments, which are based on replacement costs less depreciation (for buildings) and fair market value (for land). The same tax rates apply to rental and ownership dwellings.

- **Yellowknife** – assessments are based on the market value of the land, plus estimated replacement costs for the improvements (with depreciation). For the purposes here, it is assumed that the assessed values are based on the sale price of the dwellings. The tax rates for rental buildings are slightly higher than for ownership dwellings.

Thus, while there is considerable variation in the details, in most jurisdictions, the assessed values of residential properties reflect market values (albeit usually for some previous year). In terms of tax rates applied to residential properties, many jurisdictions apply the same rate to both rental and ownership properties; however, a large number have differential rates for multi-unit rental developments compared to ownership dwellings (condominiums and freehold).

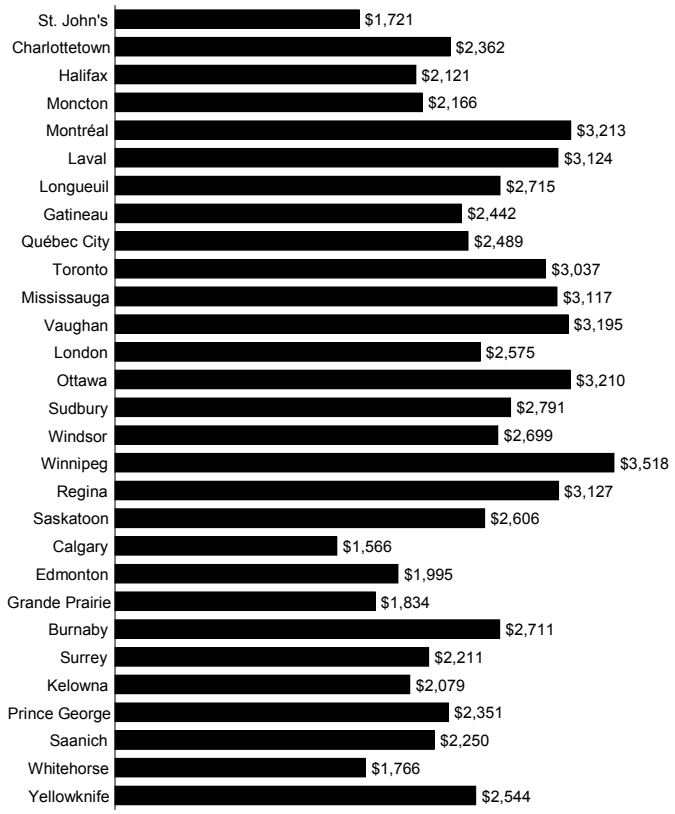
In addition, some municipalities have additional charges for various services—such as trash removal, snow removal, etc. For the purposes of the estimated property taxes presented in the following sections, where they apply, these additional charges have been added to the estimated property taxes in order to be consistent with other municipalities where the costs of such services are covered by the general property taxes. Water and sewage charges are an exception to this—in order to be consistent with the majority of municipalities (where water and sewage charges are metered), these charges have not been included in the estimates presented here.

6.3. Estimates of Property Taxes on New Dwellings

Modest Single-Detached Houses

This section presents estimates of the property taxes payable on the modest new single-detached houses in each municipality. See Chapter 4 (and Appendix A) for details on the prices and sizes of these houses. A summary of the estimated taxes on the houses in each municipality is presented in Exhibit 6-1. Details behind the calculation of these taxes are provided in Appendix C. Highlights of Exhibit 6-1 include:

Exhibit 6-1
Property Taxes
Typical Single-Detached Houses



- The estimated property taxes for modest new single-detached houses vary significantly among the municipalities.
- Estimated property taxes range from a low of less than $1,600 in Calgary, to a high of over $3,500 in Winnipeg.
- In most municipalities, the estimated taxes for a modest new single-detached house are in the $2,000-$3,200 range.
- Property taxes appear lowest in Alberta, the Atlantic provinces and Whitehorse.
- In addition to property taxes, these estimates include additional charges for services like garbage collection (but not water and sewer charges). The estimates also include credits which are available to owner-occupiers in Manitoba and B.C.

A number of factors must be kept in mind in interpreting the above estimates:

- Among the municipalities included in this analysis, there is a wide diversity in terms of the unit sizes, values and features which would be included in the "modest new single-detached houses" on which these estimates are based. As indicated in Exhibit 4-1, the dwelling sizes range from 1,100 to 2,200 square feet, while dwelling prices range from $110,000 to $395,000. Therefore, the estimates of property taxes are not based on a consistent unit of comparison.

- The level and rate of property taxes in any particular municipality is dependent on a variety of factors—including:

  – The volume of taxes to be collected for other organizations (in particular, for education) – for example, in Winnipeg, roughly half of the property taxes are collected for school boards and for the Province's education levy; in Toronto, the Province's education levy accounts for one-third of the city's residential property tax bill.
  – Other tax revenues available to the municipality – cities with a large commercial or industrial tax base have greater flexibility to have lower residential tax rates without impacting on municipal services.
  – Grants and other transfers from senior levels of government – on average, only slightly more than half of municipal expenditures are financed through property taxes. To the extent that senior levels of government provide funding for municipal services, property taxes can be lower than they otherwise might be.
  – Other revenues to municipalities – fees and charges for various municipal services and, in some cases, revenues from municipally-owned enterprises can provide a revenue stream which allows municipalities to have lower taxes.
  – Expenditures – the need for tax revenues depends on the services available in the municipality and how much they cost to maintain.

- The level of property taxes on new housing is, in part, dependent on the relative value between new housing and housing in the existing stock. For example, the modest new single-detached house in Winnipeg has a price of $145,000—*well above* the $95,000 average price of resale houses in the city, according to MLS figures. In contrast, the modest new house in Calgary costs $175,000—*less than* the $196,000 average price of resale houses. To the extent that a new house has a higher price than houses in the existing stock, it will bear a greater proportion of required tax revenues than if its price is less than existing dwellings.

- These are *estimates*. While the procedure for determining the assessed value of the modest single-detached houses in each of the municipalities (discussed in Appendix C) is considered to be reasonable, it is no substitute for an actual assessment undertaken by the appropriate assessment authority. Variations in the assessed values of the houses would, of course, impact on the level of property taxes.

Therefore, in interpreting Exhibit 6-1, readers should exercise caution in comparing the estimates of property taxes from one municipality to the next. The estimates are considered to be appropriate for researchers examining the levels of property taxes on specific dwellings in each

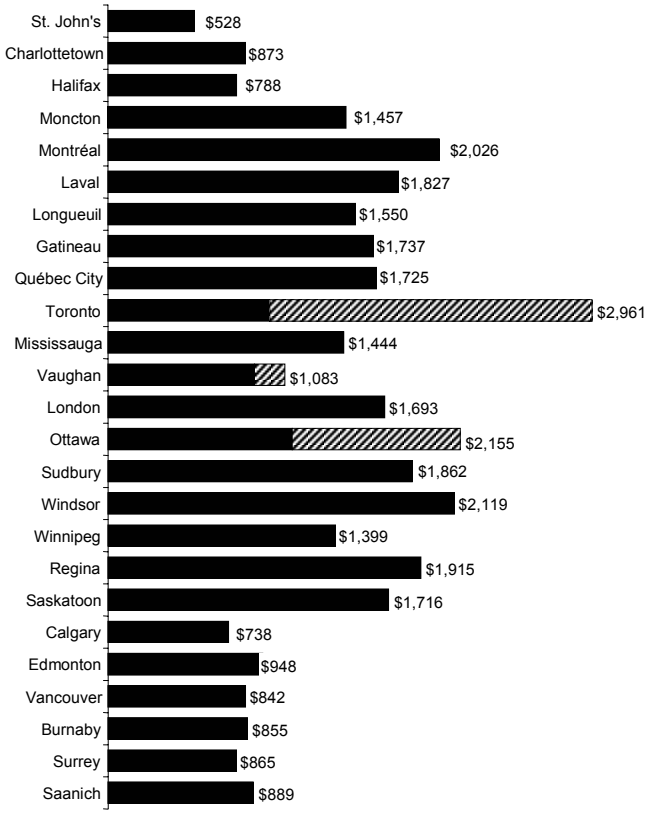
municipality; however, it is not appropriate to use these estimates to draw comparisons regarding the relative levels of property taxes among municipalities.

Readers interested in the estimated property taxes for row and condominium apartment units should consult Appendix C.

Estimates of Property Taxes on Rental Dwellings

Exhibit 6-2 presents estimates of the property taxes payable (on a per unit basis) for the modest new rental apartment units discussed in Chapter 5 (see Exhibit 5-1). As with the estimates of property taxes for the single-detached house (above), details behind the calculation of these taxes are provided in Appendix C. Highlights of Exhibit 6-2 include:

Exhibit 6-2
Property Taxes
Modest Rental Apartments



- As with the estimated property taxes on the single-detached house, there is a wide variation among the municipalities in terms of the level of estimated property taxes on modest rental apartment buildings.

- Estimated property taxes range from a low of roughly $700 per unit in Surrey to a high of almost $3,000 in Toronto (at the old multi-residential rate).

- As discussed in Section 6.2, Toronto has adopted the new multi-residential class, which allows municipalities (in Ontario) to apply a lower tax rate to newly constructed rental buildings than applies to existing rental buildings. At the new multi-residential rate, the taxes on the modest new rental unit are less than $1,000—only about one-third of the amount collected under the old multi-residential tax rate.

The same caveats apply to these estimates of property taxes for modest new rental apartment buildings as applied to the estimates for new single-detached houses (above). However, the procedure for determining the assessed value for rental buildings is much more complex than that for ownership housing—which, at least, generally has recent sales of similar types of dwellings on which to rely. Rental apartment buildings tend to be dissimilar, and sales tend to be rare. Typically, the assessed value is determined by using capitalization rates (or gross income multipliers) which translate income into an estimate of property value—based on an analysis of sales of existing rental apartment buildings. In determining the assessed values of new buildings, assessors must base their assessments on expected rents, expected operating costs (not necessarily the actual operating costs which would apply to the new building) and judge what the appropriate capitalization rate should be, based on the sales of other rental buildings—a very complex process. As discussed in Appendix C, these estimated property taxes should be viewed as broadly indicative only.

Differences in Tax Rates for Ownership Versus Rental Housing

One of the key differences in the application of property taxes to rental housing in the various jurisdictions is whether the tax rate used for rental housing is different from that used for ownership housing. Exhibit 6-3 presents the tax rates which would apply to both condominium and rental apartment units in various jurisdictions and the differences in the amount of tax on hypothetical condominium and rental apartment units assessed at the same value ($125,000).

In interpreting the estimates presented in Exhibit 6-3, readers need to be aware that condominium and rental apartment units are valued very differently. A single condominium unit operates in a very different sales market than an entire rental building complex, and this results in much higher property values for condominium apartments than the per unit value of a similar rental apartment building. Nonetheless, assessments in most jurisdictions purport to reflect market values for each type of property so a comparison of the taxes payable on condominium and rental units valued at $125,000 illustrates whether the tax treatment of similarly valued condominium and rental properties is the same.

Exhibit 6-3
Ownership and Rental Property Taxes
Hypothetical $125,000 Apartment Unit

	Tax Rates		Tax on Unit Assessed at $125,000		Additional Charges		Ownership	Total Taxes		Difference	
	Ownership	Rental	Ownership	Rental	Ownership	Rental	Credits	Ownership	Rental	$	%
St. John's	1.2700%	1.2700%	1,588	1,588				1,588	1,588	-	0%
Charlottetown	1.6900%	1.6900%	2,113	2,113	155	155		2,268	2,268	-	0%
Halifax	1.4330%	1.4330%	1,791	1,791				1,791	1,791	-	0%
Moncton	1.6047%	3.1547%	2,006	3,943				2,006	3,943	1,938	97%
Montréal	2.3202%	2.4121%	2,900	3,015				2,900	3,015	115	4%
Laval	1.9900%	2.0100%	2,488	2,513	179	179		2,667	2,692	25	1%
Longueuil	1.9590%	1.9590%	2,449	2,449	81	81		2,530	2,530	-	0%
Gatineau	1.9270%	1.9270%	2,409	2,409	234	234		2,643	2,643	-	0%
Québec City	2.0926%	2.0926%	2,616	2,616	156	156		2,772	2,772	-	0%
Toronto*	1.1038%	3.2973%	1,380	4,122				1,380	4,122	2,742	199%
Mississauga	1.2423%	1.8801%	1,553	2,350				1,553	2,350	797	51%
Vaughan*	1.2038%	1.4531%	1,505	1,816				1,505	1,816	312	21%
London	1.6646%	3.0953%	2,081	3,869				2,081	3,869	1,788	86%
Ottawa*	1.7231%	3.2903%	2,154	4,113				2,154	4,113	1,959	91%
Sudbury	1.7554%	3.0784%	2,194	3,848				2,194	3,848	1,654	75%
Windsor	1.7426%	3.8246%	2,178	4,781				2,178	4,781	2,603	119%
Winnipeg	2.7041%	2.7041%	3,380	3,380	20	20	400	3,000	3,400	400	13%
Regina	2.4641%	3.5586%	3,080	4,448				3,080	4,448	1,368	44%
Saskatoon	1.8600%	3.1600%	2,325	3,950				2,325	3,950	1,625	70%
Calgary	0.8972%	0.8972%	1,122	1,122				1,122	1,122	-	0%
Edmonton	1.1601%	1.2999%	1,450	1,625	77	77		1,527	1,702	175	11%
Vancouver	0.6621%	0.6621%	828	828			470	358	828	470	131%
Burnaby	0.7813%	0.7813%	977	977			470	507	977	470	93%
Surrey	0.7794%	0.7794%	974	974	177	177	470	681	1,151	470	69%
Saanich	1.0106%	1.0106%	1,263	1,263			470	793	1,263	470	59%

* For demonstration purposes, the tax rate shown for Toronto, Vaughan and Ottawa is the rate applied to *existing* rental properties. *New* rental properties in these municipalities have the same tax rate as ownership housing so the amount of property taxes payable would be the same as for ownership housing with the same assessed value.

Highlights of Exhibit 6-3 include:

- Many municipalities have the same tax rate for both ownership and rental housing. St. John's, Charlottetown, Halifax, most Quebec municipalities, Winnipeg, Calgary, and the B.C. municipalities all have the same tax rate for rental housing as for ownership housing.

- When ownership credits are included in the analysis, the situation changes—sometimes significantly. When these are included, the list of municipalities which effectively gather similar taxes from ownership and rental properties with the same assessed value is reduced to St. John's, Charlottetown, Halifax, most Quebec municipalities and Calgary. Provincial property tax credits available to owner-occupiers in Manitoba and B.C. reduce the property taxes on ownership housing to less than is payable on comparably valued rental properties.

- In some municipalities, there is a very large difference between the property taxes payable for rental housing and ownership housing with the same assessed value. Municipalities with particularly large differences include:

  – Moncton – in New Brunswick, the taxes payable for rental properties are almost double the property taxes on ownership housing.

- Toronto – property taxes on (existing) rental units are almost three times the property taxes for ownership units. As discussed, in order to encourage new rental production, the provincial government has allowed municipalities to establish a separate property tax class for new rental housing with a lower tax rate than for existing rental housing (for 35 years). Toronto has established the separate class and has applied the ownership tax rate to the class. So, unlike the situation presented in Exhibit 6-3, the property taxes payable on a *new* rental property in Toronto would be the same as an ownership property with the same assessed value.
- Other Ontario municipalities – London, Ottawa, Sudbury and Windsor all tax rental properties at a significantly higher rate than ownership properties with the same assessed value—from 75 per cent more (Sudbury) to 119 per cent more (Windsor). In Mississauga (51 per cent more) and Vaughan (21 per cent more), the differential is less. Of these municipalities, Ottawa and Vaughan have adopted the separate class for new rental buildings and have applied the ownership tax rate to the class. So, like Toronto, the property taxes payable on a *new* rental property in these municipalities would be the same as they would be for an ownership property with the same assessed value.
- Regina and Saskatoon – both municipalities apply significantly higher taxes to rental properties than ownership properties with the same assessed value—44 per cent more in the case of Regina and 70 per cent more in the case of Saskatoon.
- B.C. municipalities – as discussed, owner-occupied dwellings in B.C. are eligible for a Provincial property tax rebate of $470 per unit. Otherwise, the property taxes on ownership and rental housing are the same.

The higher tax rates which apply to rental housing compared to ownership housing have been cited as a major factor behind the lack of new rental investment in many municipalities. The analysis here confirms that these differences are very significant in some municipalities.

7. Conclusions

This report has presented estimates of the volume of levies, fees, charges and taxes which accrue to various levels of government from the development of new housing in municipalities across Canada. The report is an update and expansion of a similar report released in 1997 (which estimated the levies, fees, charges and taxes which applied in 1996). This chapter provides a review of the key conclusions which emerge from the analysis.

Municipal Levies, Fees and Charges

- Municipal levies, fees and charges on new housing development can be grouped into one of four broad categories: infrastructure charges, development application and processing fees, building permit fees, and the value of required dedications of parkland. All 30 of the municipalities included in the 2002 analysis have some such charges. However, the actual amounts vary significantly – for a modest new single-detached house (defined as the 20th percentile price), the total municipal levies, fees and charges range from a low of less than $800 in Charlottetown to a high of over $27,000 in Vaughan.

- In municipalities which have the highest total municipal levies, fees and charges, municipal infrastructure charges (for example, lot levies, development charges, etc.) are by far the single largest charge on new development—these charges range as high as $18,600-$21,600 in four of the municipalities covered in the 2002 analysis (Vaughan, Surrey, Ottawa (Kanata area) and Mississauga). In general, these infrastructure charges cover all or part of the cost of installing the municipal infrastructure required for new development—provincial legislation requires that municipalities restrict the amounts of these charges to the costs (or only a share of the costs) of installing specified types of infrastructure.

- Two municipalities in Quebec (Montréal and Laval) also have substantial infrastructure charges. However, unlike the infrastructure charges in the other municipalities in this analysis, these relate to the installation of infrastructure *within the boundaries of the subdivision*. In other municipalities, the charges relate to the costs of installing municipal infrastructure *outside the subdivision* (for example, connections to trunk services and transportation, etc.)—developers are responsible for installing internal subdivision services. Therefore, the infrastructure charges in and Laval relate to costs which developers in other municipalities typically must bear as part of their subdivision development costs. Accordingly, for consistency with other municipalities, these charges have not been included in the estimates of levies, fees and charges for Montréal and Laval.

- Other types of municipal fees and charges include development application and processing fees (such as subdivision fees), building permit fees and the value of land dedications. The amounts of these other fees and charges are typically much less than the infrastructure charges.

- The total amounts of municipal levies, fees and charges on new housing appear to be greater now than six years ago. In 1996, the weighted average municipal levies, fees and charges for a typical new single-detached house in the 26 municipalities covered in the earlier analysis was $9,646. In 2002, the weighted average for the same 26 municipalities is $12,688. As a share of the weighted average house price ($153,089 in 1996 and $195,193 in 2002), municipal levies, fees and charges have risen from 6.3 per cent to 6.5 per cent.

- Municipal levies, fees and charges on new housing vary for different types and sizes of housing. Typically, where infrastructure charges apply, they are less for multiple forms of housing (for example row and apartment dwellings) than for single-detached houses. There is little or no difference in the municipal levies, fees and charges which apply to new *rental* housing and comparable *ownership* (that is, condominium) housing.

The GST

- Most new housing qualifies for a GST rebate which reduces the effective rate of GST payable to 4.48 per cent of the price. Prior to 2000, new rental housing was subject to the full 7 per cent GST—now, new rental housing is eligible for the same rebate as new ownership housing.

- The full rebate of GST (2.52 per cent) applies to new housing priced at $350,000 per unit or less. The rebate is phased out for dwellings priced between $350,000 and $450,000. There is no rebate for housing priced at $450,000 or more. Since 1996, rising house prices in many municipalities have increased the share of new housing which does not qualify for a full or partial rebate of GST.

- The GST collected on new single-detached houses ranges from a low of $4,928 for the least expensive new house ($110,000 in Québec City) to $22,175 for the most expensive house ($395,000 in Burnaby). As noted, these prices are the 20th percentile of the price range of new single-detached houses in these municipalities. Since the Burnaby house is priced above the $350,000 threshold for qualifying for the full rebate of GST, a higher effective tax rate applies to this house than to houses priced less than $350,000.

Provincial Sales Taxes

- In provinces which have harmonized their provincial sales taxes with the GST, the provincial sales taxes which apply to new housing are significantly higher now than they were in 1996. In Newfoundland, Nova Scotia and New Brunswick, the rate of PST on new housing is 8 per cent of the price of the dwelling. There are some exceptions:

  - In Newfoundland and Labrador, there is a rebate for the estimated PST on building materials used in new homes and renovations located in Labrador. The rebate is equivalent to 50 per cent of the value of the 8 per cent PST applied to purchase price of a new home (cost for renovations).
  - In Nova Scotia, there is a rebate of 18.75 per cent of the PST payable on new homes purchased by first-time home buyers. The maximum rebate is $1,500. Prior to January

2002, the maximum rebate was $2,250 and all new home buyers were eligible for the rebate (not just first-time buyers).
  - In New Brunswick, there was a rebate program for new housing and renovations when the HST was first introduced. The rebates were abolished in 2000.

- Quebec has established a distinct sales tax system which involves a 7.5 per cent Quebec Sales Tax (QST) on top of the 7 per cent GST. There is a rebate of part of the QST on new housing—the effective rate of QST is roughly 5 per cent of the price of new housing valued at up to $200,000. The rebate is phased out between $200,000 and $225,000. As with the GST, rental buildings became eligible for the QST rebate (applied on per unit values) in 2000.

- Alberta, Yukon and the Northwest Territories do not have retail sales taxes.

- In most provinces west of the Ottawa River (and PEI), the PST applies to building materials only. The exception is Manitoba, which recently expanded the base for the PST to include the *total contract price* of electrical and mechanical (for example, plumbing and heating) contracts, rather than on the materials in these contracts.

- The PST collected on new housing in the non-harmonized provinces is much lower than in the harmonized provinces, since the PST applies to *inputs* used in the construction of housing, rather than the final price of the housing. Compared to the GST, the PST collected on new housing is much greater in the three harmonized Atlantic provinces (8 per cent of the dwelling price) and slightly higher in Quebec. In the non-harmonized provinces, the PST collected on new housing is much less than the GST.

Land Transfer Taxes

- Many provinces (and some municipalities) have land transfer taxes which apply when a dwelling is sold. The rates vary but can be quite substantial in some jurisdictions: for example, 1.5 per cent of the price of a dwelling in Halifax; 1 per cent of the first $200,000 and 2 per cent of the remainder in BC.

- In high-priced markets, such as those in the Lower Mainland, the amount of land transfer tax can be substantial—$5,900 for the $395,000 new house in Burnaby.

Total Levies, Fees, Charges and Taxes on New Housing

- The total levies, fees, charges and taxes on new single-detached houses range from a low of $8,662 for a $165,000 house in Yellowknife to a high of $50,190 for a $315,000 house in Surrey. As a share of the price of a new house, total levies, fees, charges and taxes range from a low of 5.2 per cent (Yellowknife) to 19.7 per cent (Halifax). The relatively high share of the house price represented by levies, fees, charges and taxes in Halifax is due to a combination of infrastructure charges, high PST and high land transfer tax—charges and taxes total $27,577 for a $140,000 house in Halifax.

- Municipalities with high infrastructure charges and high house prices tend to have the highest volume of levies, fees, charges and taxes: as noted, infrastructure charges can total more than $20,000; high house prices lead to higher levels of GST and land transfer tax.

- Municipalities with lower infrastructure charges and lower house prices tend to have a lower total volume of levies, fees, charges and taxes—at least those west of the Ottawa River where the PST has not been harmonized with the GST. While house prices and infrastructure charges typically are low in most municipalities in Québec and Atlantic Canada, the harmonization of the PST with the GST has led to a situation where the total levies, fees, charges and taxes on new housing are relatively high.

- Variations in infrastructure charges, PST and land transfer tax all affect the share of the house price represented by levies, fees, charges and taxes. Some of the charges (such as the municipal charges and PST in provinces west of the Ottawa River) are incorporated into the cost base of a house, while others (for example, GST and "harmonized" PST, land transfer taxes and registry fees) are added onto the price of a house—and, therefore, "pyramid" on top of the levies, fees, charges and taxes which are incorporated into the cost base of the house.

Levies, Fees, Charges and Taxes on New Rental Housing

- The levies, fees, charges and taxes for new rental apartment projects are not significantly different than those which would apply to a similar condominium apartment project.

- Municipal levies, fees and charges do not differentiate between rental and ownership dwellings—for any particular development, almost exactly the same scale of charges would apply whether the development is rental or ownership. The exception is for condominium apartment developments—which, in many municipalities, face modest additional charges for condominium registration.

- The provincial sales tax treatment of rental housing is the same as for ownership housing: 8 per cent of the total value in the harmonized Atlantic provinces, 7.5 per cent of the value in Québec (with the same rebate for rental housing as for ownership housing), and PST only on building materials (whether the project is rental or ownership) in the other provinces (except in Manitoba which applies PST to electrical and mechanical contracts).

- The GST is effectively 4.48 per cent of the value of rental projects—just as it is for ownership dwellings. As noted, this is a relatively recent change—prior to the 2000 Federal Budget, the full 7 per cent GST applied to new rental housing.

Property Taxes

- In most provinces, the assessed values of residential properties are established based on a market value approach. For ownership housing, this means assessments are based on the sales prices of comparable properties. The assessed values of rental projects are usually established

using some variation of the "income approach—that is, a gross income multiplier or a capitalization rate applied to the income from the property.

- Typically, the tax rates for residential properties (especially ownership housing) are less than for non-residential properties.

- In most provinces, the property tax rates for ownership and rental properties are the same. In Ontario, Saskatchewan and New Brunswick, however, the property tax rates for rental housing are significantly higher than those for ownership housing. In these provinces, rental properties pay much higher property taxes than ownership properties with the same assessed value.

- In B.C. and Manitoba, there are rebates of property taxes for owner-occupied dwellings—$400 in Manitoba and $470 in B.C. Therefore, in these provinces, while the advertised tax rates for ownership and rental housing are the same, the effective tax rate for rental housing is higher than for ownership housing because of the rebate.

- In Ontario, where the tax rates which apply to rental buildings (called multi-residential buildings) are typically much higher than the rates applied to ownership properties, the Province has enacted legislation which allows municipalities to establish a separate property tax class for new rental buildings—with much lower tax rates than typically apply to existing rental buildings. In Toronto, where tax rates for existing multi-residential properties are almost three times as high as for ownership dwellings, the City has adopted the new property tax class and has equalized the tax rates for new rental buildings with the rates which apply to ownership housing. Ottawa and Vaughan have also adopted the new property tax class for new rental buildings; however, other Ontario municipalities which are included in this analysis, and which have significantly higher tax rates for rental housing (London, Mississauga, Sudbury and Windsor) have not adopted the new rental property tax class.

Overall Conclusions and Changes Since 1996

- The overall burden of levies, fees, charges and taxes (from all levels of government) on new housing is significant. The weighted average levies, fees, charges and taxes on a modest new single-detached house total $26,727—13.6 per cent of the $197,060 weighted average price.

- The most significant change over the period since 1996 has been the harmonization of provincial sales taxes with the GST in Newfoundland, Nova Scotia and New Brunswick—this raised the PST on new housing in these provinces to 8 per cent of the purchase price of a dwelling from less than half that amount in 1996. There were also some changes in PST in other provinces: the rate of PST has increased in Québec (from 6.5 per cent to 7.5 per cent) and BC (from 7 per cent to 7.5 per cent); Manitoba recently extended the coverage of PST to include the total value of some sub-contracts (rather than just materials); Saskatchewan has reduced its overall rate of PST to 6 per cent (from 9 per cent in 1996).

- Some municipalities (for example, Halifax and the Greater Vancouver Regional District) have introduced infrastructure charges since 1996. Most municipalities have raised their various levies, fees and charges to reflect inflation.

- In B.C., the Homeowner Protection Office has been established and there are new levies for multiple unit projects.

- In most municipalities, infrastructure charges and other fees and charges have increased—most infrastructure charges are indexed to some measure of the increase in the cost of installing infrastructure.

- The taxes collected by the federal and provincial governments (GST, PST and land transfer taxes) all generate increased revenues as house prices rise with inflation.

Exhibit 7-1
Levies, Fees, Charges and Taxes
As Per Cent of House Price

		Weighted Average Price $	Weighted Average Levies, Fees, Charges and Taxes	
			$	% of Price
2002	All Municipalities	197,060	26,727	13.6%
2002	26 Municipalities	195,193	26,694	13.7%
1996	26 Municipalities	153,089	20,740	13.5%

- Levies, fees, charges and taxes have increased as a per cent of weighted new house prices. In 1996, the weighted average levies, fees, charges and taxes on a new single-detached house in the 26 municipalities included in that analysis was $20,740—13.5 per cent of the $153,089 weighted average price. Comparisons between the 1996 estimates and the 2002 estimates presented in this report are complicated by the fact that the characteristics and prices of typical new houses change over time; however, for the same 26 municipalities as were included in the 1996 analysis, the weighted average 2002 levies, fees, charges and taxes on a typical new house is estimated at $26,694—13.7 per cent of the weighted average price of $195,193.

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APPENDICES

A – Estimates of Levies, Fees, Charges and Taxes on New Housing

B – Municipal Infrastructure Charges Versus Costs of Installing Municipal Infrastructure

C – Estimates of Property Taxes on New Dwellings

Appendix A – Estimates of Levies, Fees, Charges and Taxes on New Housing

This Appendix presents details regarding the municipal levies, fees and charges on new housing for each of the 30 municipalities covered in the study. It also presents estimates of the actual amounts of each type of levy, fee, charge and tax on new housing from each level of government —municipal, provincial and federal. The estimates relate to four types of hypothetical new housing developments:

- single-detached houses;
- townhouses (row dwellings);
- condominium apartments; and
- rental apartments.

The estimates of municipal levies, fees and charges are disaggregated into those which apply for various parts of the land development phase (such as development cost charges, engineering fees, development and subdivision application and processing fees, etc. as well as the value of land dedications) and those which relate to the construction of the dwelling (for example building permits and plumbing inspection fees, etc.). The estimated provincial and federal taxes are also provided.

For each municipality, the detailed information on levies, fees, charges and taxes is presented in a package of two sections:

- **Estimates of levies, fees, charges and taxes** – estimates of the various charges which would apply in each municipality for a modest new single-detached house, as well as a townhouse, a condominium apartment unit, and a rental apartment unit. In addition, estimates of the prices of the new dwellings (development costs for rental apartments) are also provided—these are based on information gathered from local builders and developers, as well as CMHC.

- **Description of municipal levies, fees and charges** – a description of the various levies, fees and charges in each municipality—and how these apply to new housing. This is based on information provided by municipal officials.

More information about the derivation of these estimates is presented on the next few pages. This is followed by the detailed summaries and estimates of levies, fees, charges and taxes for each of the 30 municipalities

The information on municipal levies, fees and charges was collected from officials in each of the municipalities over the July-October period of 2002. The process for collecting the information included, first, identifying the appropriate municipal officials and then faxing or e-mailing them an outline of the information being sought. In all cases, follow-up was required both with the original contact and/or with other officials who were responsible for specific fees and charges.

To ensure the maximum possible degree of accuracy, the estimates included in this appendix have been forwarded to the original contacts as well as local homebuilders and developers to obtain verification of the information presented. Despite these attempts at verification, it is impossible to guarantee the accuracy of all figures which have been provided by the sources of the information. Readers who have comments on the information presented here are invited to provide them to Greg Lampert, 51 Maybourne Ave., Toronto, Ontario M1L 2W1 (e-mail: lampert@rogers.com).

Municipal Levies, Fees and Charges

For each of the 30 municipalities, information on the levies, fees and charges which apply to new housing development is presented in a standardized format consisting of the following groupings:

- **Infrastructure charges** – this includes all municipal charges with respect to the installation and hook-ups to infrastructure such as sewers, water and roads, etc. It includes:

  - development (cost) charges, lot levies, off-site services charges, etc. – charges which are intended to reimburse municipalities for all or part of the costs involved in installing infrastructure such as sewer, water and road systems, including trunk services and connections from the trunks to the subdivision. Where they apply, these are typically by far the largest component of infrastructure charges. They are generally specified on a per-unit or per-hectare (or acre) basis. In the cases where the charges are based on the area of the subdivision, the estimates prepared here assume 220 front feet of subdivision lots per acre of the subdivision.
  - water and sewer connection fees – charges to hook-up a building to the municipal services. Often these are relatively small; however, in some municipalities they can be significant. They are typically specified on a per unit basis.
  - engineering fees – charges to defray the costs incurred by the municipality in the approval and inspection of the installation of services. These are typically specified as a share of the cost of installing the services. The estimates prepared here are based on estimates of the internal subdivision servicing costs only—this is a necessary simplification since external servicing costs, in areas where they apply, will vary significantly depending on how far the subdivision is from municipal trunk services.

- **Land dedications** – most municipalities require developers to contribute a fixed percentage of the land area for public use as parkland—or to provide cash-in-lieu of actually providing the land. For the purposes of this report, it is assumed that developers provide the land (unless actual municipal requirements specify otherwise). The estimates of the value of this contribution are based on the relevant percentage of the estimated value of the building lot, less the cost of infrastructure charges (if included in the estimated cost of the lot) and the cost of servicing the lot.

- **Development application and processing fees** – this includes a variety of fees required to obtain approval for developing the site (for example, subdivision or condominium

application fees, development approval fees, site plan approval, etc.). In preparing estimates of the amounts of fees that would be payable, it is assumed that the land has the appropriate zoning in place and that subdivisions have a total of 40 lots. Similar assumptions apply to multiple units—such as 40 units of row housing, and (in most municipalities) a 40-unit apartment building in the case of both condominium and rental apartments. In municipalities where high-rise apartment buildings were considered more appropriate (for example Montréal, Toronto and Vancouver), a high-rise apartment building of 100 units was assumed for both condominium and rental apartments.

Typical municipal development application processing fees include:

- subdivision application fees;
- subdivision processing fees;
- condominium registration fees;
- site plan approval;
- administration fees;
- advertising fees.

In addition, some municipalities have requirements (and fees) for a variety of relatively minor issues (for example to cover staff time for landscape review for developments requiring site plan approval, and other functions). Where feasible, these have been documented; however, given the small size of the fees involved, and the difficulty of estimation in some cases, these have not always been included.

- **Building permit fees** – this includes all of the permits and fees relating to municipal approval and inspection of the construction of the dwellings. Typically, the cost of a building permit is based on a rate per $1,000 of construction value, or the size of the building. Where plumbing fees apply, they are generally a specified fee per plumbing fixture. In some cases, provincial agencies inspect parts of the construction (such as plumbing inspections in Quebec); for simplicity, these are included in the building permit estimates though they are not actually a municipal charge.

These standard groupings are used in an attempt to present the information for each municipality in a common format. Unfortunately, virtually all municipalities specify their levies, fees and charges for various aspects of the land development approvals process and building process in unique ways. Therefore, the charges which may apply in individual municipalities do not always fit neatly into the standardized format used here.

Federal and Provincial Taxes

Chapter 3 in the main body of the report presents an extensive review of the federal and provincial taxes and charges on new housing. The estimates presented later in this appendix are based on this discussion which, in the interests of economy, is not repeated here.

Typical Dwellings

Since the levies, fees, charges and taxes which apply to new dwellings often vary depending on the size and cost of the dwellings, and the size of the lot, it was necessary to prepare estimates of the prices and sizes of "typical" dwellings in each municipality to provide a basis for comparison. These were derived from several sources including published and unpublished CMHC data, as well as information provided directly by builders and developers in each municipality as part of the research for this study.

In general, for each type of ownership dwelling, dwelling prices for modest housing (roughly the 20th-25th percentile of dwelling prices in the municipality) were determined, based on 2001 dwelling price data from CMHC National Office and local market analysts. These were inflated to 2002 prices (using the Statistics Canada New House Price Index). With these prices established as a base, data obtained from local builders were used to prepare rough estimates of the house sizes and land costs for these typical dwelling prices. It is important to emphasize that the characteristics of the "typical" dwellings derived by this methodology differ significantly from one municipality to the next—due to differences in lot and dwelling sizes, as well as in the finishes and features included in the dwellings.

The prices and dwelling sizes for each of the dwelling types in each of the 30 municipalities are presented in Exhibit A-1. Estimates of the levies, fees, charges and taxes which apply to each of these dwellings are presented later in this Appendix. Readers will note that, as discussed in the main body of the report, estimates for row houses, condominium apartments and rental apartments were not undertaken for some of the smaller municipalities because there have been few or no such developments in these communities in the recent past, so little information was available on development costs and prices. Similarly, estimates were not prepared for single-detached houses in the City of Vancouver—since there is no available land for new low-density subdivisions in the City.

As is evident from Exhibit A-1, the characteristics and values of these typical dwellings vary considerably. Readers should keep these differences in mind when comparing the amounts of levies, fees, charges and taxes among the municipalities—whether as a total dollar figure or as a percentage of the dwelling price. In the case of single-detached houses, the typical units range from a 1,200 square foot house on a 50 foot lot selling for $110,000 in Québec City to a 2,000 square foot house on a 33 foot lot selling for $395,000 in Burnaby, B.C. Similarly, within municipalities, the values of different types of dwellings may vary in unexpected ways—for example, because they may be designed for the luxury market, typical row dwellings or condominium apartments sometimes do not have as great a price differential with single-detached houses as one might expect. Comparisons between condominium and rental apartments are also complicated because the products are very different—the rental apartments are assumed to be a mix of 1-bed and 2-bed units with very modest finishes, whereas the condominium apartments may actually be smaller units (for example, only 1-bed units) with superior finishes.

Exhibit A-1
Characteristics of Typical Dwellings

	Single-Detached Houses			Row Houses		Condominium Apartments		Rental Apartments	
Municipality	**Price**	**Size (sq.ft.)**	**Lot Size (front ft.)**	**Price**	**Size (sq.ft.)**	**Price**	**Size (sq.ft.)**	**Price**	**Size (sq.ft.)**
St. John's	$130,000	1,200	50	$115,000	1,100	$135,000	1,150	$71,000	750
Charlottetown	$125,000	1,500	40					$52,000	700
Halifax	$140,000	1,400	30	$160,000	1,500	$125,000	1,100	$66,000	750
Moncton	$120,000	1,300	50					$54,000	700
Montréal	$145,000	1,600	40	$170,000	1,400	$135,000	1,100	$84,000	700
Laval	$155,000	1,600	40	$130,000	1,200	$145,000	1,300	$82,000	750
Longueuil	$140,000	1,500	45	$120,000	1,300	$100,000	1,100	$75,000	700
Gatineau	$135,000	1,200	45	$125,000	1,300			$78,000	700
Québec City	$110,000	1,200	50	$100,000	1,100	$85,000	800	$75,000	700
Toronto	$285,000	2,100	32	$225,000	1,700	$140,000	600	$120,000	675
Mississauga	$260,000	1,800	35	$200,000	1,500	$130,000	600	$105,000	750
Vaughan	$275,000	1,900	35	$210,000	1,600	$160,000	750	$108,000	750
London	$160,000	1,500	30	$165,000	1,300	$150,000	1,200	$92,500	700
Ottawa	$230,000	2,000	35	$185,000	1,300	$130,000	900	$100,000	750
Sudbury	$150,000	1,400	40					$97,000	700
Windsor	$150,000	1,400	40	$150,000	1,200	$160,000	1,200	$94,500	700
Winnipeg	$145,000	1,600	35	$160,000	1,400	$120,000	1,200	$83,500	700
Regina	$135,000	1,400	35	$120,000	1,200	$105,000	900	$83,500	700
Saskatoon	$145,000	1,400	35	$105,000	1,150	$110,000	900	$84,000	700
Calgary	$175,000	1,500	32	$145,000	1,200	$125,000	1,000	$95,000	750
Edmonton	$165,000	1,400	32	$125,000	1,100	$105,000	900	$90,000	750
Grande Prairie	$130,000	1,100	40						
Vancouver				$260,000	1,400	$170,000	900	$125,000	650
Burnaby	$395,000	2,000	33	$200,000	1,200	$165,000	900	$120,000	650
Surrey	$315,000	2,200	40	$190,000	1,300	$120,000	800	$100,000	700
Kelowna	$210,000	1,500	50	$150,000	1,200	$130,000	1,000		
Prince George	$160,000	1,600	55						
Saanich	$255,000	1,700	55	$180,000	1,400	$125,000	800	$98,500	700
Whitehorse	$150,000	1,400	55						
Yellowknife	$165,000	1,200	45						

Levies, Fees, Charges and Taxes on New Housing in Each Municipality

The remainder of this appendix provides specific information for each of the 30 municipalities included in the analysis. The information for each municipality is presented in two sections:

- The first section provides, in tabular form, estimates of the various levies, fees, charges and taxes which are payable for each of the dwelling types. This information is the basis for the discussion and charts presented in Chapters 4 and 5 of the main body of the report.

- The second section provides a description of the municipal levies, fees and charges which apply in each municipality. These are grouped into the four broad types of charges discussed earlier: infrastructure charges, land dedications, development application and processing fees, and building permit fees.

ST. JOHN'S

Estimates of Levies, Fees, Charges and Taxes — ST. JOHN'S

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding HST)*	$130,000	$115,000	$135,000	$71,000
Size (sq.ft.)	1,200	1,100	1,150	750
Lot frontage (ft.)	50	20		
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$0	$0	$0	$0
Land Dedications	$1,900	$800	$1,500	$800
Development Application and Processing Fees	$100	$100	$13	$13
Building Permit Fees	$725	$992	$872	$607
Other Charges and Taxes:				
Warranty Fees	$295	$295	$600	
Registry Fees/Land Transfer Tax	$635	$567	$657	
Provincial Sales Tax	$10,400	$9,200	$10,800	$5,680
Goods and Services Tax (GST)	$5,824	$5,152	$6,048	$3,181
Total:	**$19,879**	**$17,106**	**$20,490**	**$10,280**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

No infrastructure charges

The developer is responsible for the installation of connections to trunk services external to the subdivision as well as services within the subdivision.

Land Dedications

Up to 10 per cent

Development Application and Processing Fees

Subdivision application fee: $100 per new lot created

In addition, there is a $500 per lot development fee for subdivisions of less than 10 lots and for apartment buildings.

For larger subdivisions, the development fee is 10 per cent of the value of the land (less any amount which has been dedicated for public recreational purposes)—for the purposes of the estimates presented here, it is assumed that the value of the development fee is subsumed under the public land dedication (see above).

There is no additional fee for condominiums.

Building Permit Fees

Building permit fee: $3.87 per square metre for one and two unit dwellings, excluding basements. For finished basements including recreation rooms and basement apartments, and garages, $1.12 per square metre.

For other dwellings and renovations, $9 per $1,000 of work up to $100,000 and $7.20 per $1,000 for work greater than $100,000

Additional fees:

- plumbing: $14 per fixture;
- water turn-on fee: $50 for a new dwelling;
- electrical inspection fee: $25 for up to 5 outlets and fixtures, $2 for each additional outlet;
- installation fee for new electrical services: $12.

CHARLOTTETOWN

Estimates of Levies, Fees, Charges and Taxes	*CHARLOTTETOWN*	
	Single Detached House	**Modest Rental Apartment**
Dwelling Characteristics:		
Price (excluding GST)*	$125,000	$52,000
Size (sq.ft.)	1,500	700
Lot frontage (ft.)	40	
Municipal Levies, Fees and Charges:		
Infrastructure Charges	$0	$0
Land Dedications	$400	$400
Development Application and Processing Fees	$7	$0
Building Permit Fees	$372	$180
Other Charges and Taxes:		
Warranty Fees	$295	
Registry Fees/Land Transfer Tax	$594	
Provincial Sales Tax	$5,404	$2,260
Goods and Services Tax (GST)	$5,600	$2,330
Total:	**$12,672**	**$5,170**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

No infrastructure charges

The developer is responsible for the installation of connections to trunk services external to the subdivision as well as services within the subdivision.

The city provides culverts for driveways.

Land Dedications

10 per cent or cash in lieu.

Development Application and Processing Fees

Subdivision fee: $50 for up to three lots, and $200 for a subdivision of more than three lots.

Also, fees of $75 to register subdivision roads and services agreement for all new subdivisions.

Building Permit Fees

$0.10 per square foot of finished floor area for all types of residential development (the same per square foot fee applies to garages); $3.00 per $1,000 for all other new construction permits.

There is also a plumbing fee of $20 for first two fixtures and $8 per fixture over two.

The Province charges an electrical inspection fee depending on the size of the service required but generally is $130 for over 100 amp service for a single-family home. The fee for apartments is $100 each for the first two units and $60 for each additional unit.

Estimates of Levies, Fees, Charges and Taxes ***HALIFAX***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding HST)*	$140,000	$160,000	$125,000	$66,000
Size (sq.ft.)	1,400	1,500	1,100	750
Lot frontage (ft.)	30			
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$5,300	$2,810	$1,500	$1,500
Land Dedications	$1,720	$1,969	$1,050	$650
Development Application and Processing Fees	$41	$41	$0	$0
Building Permit Fees	$579	$614	$560	$311
Other Charges and Taxes:				
Warranty Fees	$295	$295	$600	
Registry Fees/Land Transfer Tax	$2,170	$2,470	$1,945	
Provincial Sales Tax	$11,200	$12,800	$10,000	$5,280
Goods and Services Tax (GST)	$6,272	$7,168	$5,600	$2,957
Total:	**$27,577**	**$28,167**	**$21,255**	**$10,697**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

There is some variation in the levies, fees and charges which apply in different parts of the Halifax Regional Municipality (HRM) since some of the old municipal charges which applied prior to the amalgamation have not yet all been standardized across the new municipality.

Infrastructure Charges

Capital Cost Charges range from $3,000 to $10,000 per single-family unit, depending on the location and density of the development. Overall, it is expected that charges will average roughly $5,000 for single-detached units, $2,800 for townhouses, and $1,500 for apartments.

There is a sewer redevelopment charge of $0.30 per square foot; however, this does not apply where the Capital Cost Charge applies.

The developer is responsible for funding the share of the installation cost of connections to trunk services external to the subdivision which benefits the development. The developer is also responsible for the installation of services within the subdivision.

There is municipal inspection fee of 2 per cent of the construction cost of the infrastructure work on the subdivision.

Land Dedications

In most development agreements, a 10 per cent parkland dedication is required.

Development Application and Processing Fees

Subdivision review fees vary for different parts of the amalgamated Halifax Regional Municipality. The draft subdivision bylaw which will apply across the region has the following fee schedule:

- 1-5 lots: $125
- 6-10 lots: $250
- 11-20 lots: $500
- 21-25 lots: $1,000
- 25+ lots: $1,500

Registration fee of $140 per subdivision

Building Permit Fees

For single-family units, the building permit fee is $0.30 per square foot, plus $0.10 per square foot for basements and garages. For renovations and commercial construction (including apartment buildings) the fee is $5.50 per $1,000 of value.

Plumbing fees: $50 per unit for new residential buildings of 4 units or less; $25 per unit for multiple unit residential buildings with more than 4 units

There is a $15 fee to set up a billing account for water and, in parts of the Region, there is a $200 meter charge and a $30 inspection charge.

Estimates of Levies, Fees, Charges and Taxes		***MONCTON***
	Single Detached House	**Modest Rental Apartment**
Dwelling Characteristics:		
Price (including GST)*	$120,000	$54,000
Size (sq.ft.)	1,300	700
Lot frontage (ft.)	50	
Municipal Levies, Fees and Charges:		
Infrastructure Charges	$100	$3
Land Dedications	$290	$700
Development Application and Processing Fees	$25	$1
Building Permit Fees	$767	$420
Other Charges and Taxes:		
Warranty Fees	$295	
Registry Fees/Land Transfer Tax	$355	
Provincial Sales Tax	$9,600	$4,320
Goods and Services Tax (GST)	$5,376	$2,419
Total:	**$16,808**	**$7,863**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

No infrastructure charges

The developer is responsible for the installation of connections to trunk services external to the subdivision as well as services within the subdivision.

There is an underground services fee of $100 per lot.

Land Dedications

10 per cent or cash in lieu

Development Application and Processing Fees

Subdivision application fee: $100 per subdivision plan and $10 per lot approved. Alternatively, if a new street is being created as part of the subdivision, a development agreement is necessary and the total fee is $200, plus $10 per lot approved.

In addition, there is a development permit fee of $10 for a single or a duplex, $25 for a multiple building (up to 24 units) and $50 for a multiple building of more than 24 units.

Building Permit Fees

Building permit fee: $7.50 per $1,000 of construction value

Plumbing permit fee: $45 plus $11 per fixture

Estimates of Levies, Fees, Charges and Taxes ***MONTRÉAL***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$145,000	$170,000	$135,000	$84,000
Size (sq.ft.)	1,600	1,400	1,100	700
Lot frontage (ft.)	40			
Municipal Levies, Fees and Charges:				
Infrastructure Charges**	*$16,116*	*$6,180*	*$0*	*$0*
Land Dedications	$1,388	$2,882	$2,000	$850
Development Application and Processing Fees	$0	$0	$0	$0
Building Permit Fees	$810	$933	$779	$579
Other Charges and Taxes:				
Warranty Fees	$790	$790	$1,050	
Registry Fees/Land Transfer Tax	$1,320	$1,570	$1,220	
Provincial Sales Tax	$7,272	$8,526	$6,770	$4,213
Goods and Services Tax (GST)	$6,496	$7,616	$6,048	$3,763
Total:**	**$18,076**	**$22,317**	**$17,867**	**$9,405**

* Development cost for rental apartment
** These infrastructure charges relate to the installation of *internal* subdivision services. Since, in most other municipalities, developers are responsible for the installation of internal subdivision services, to be consistent, these infrastructure charges are not included in the total estimates of levies, fees and charges for the municipality.

Description of Municipal Levies, Fees and Charges:

This description of fees and charges applies to the pre-amalgamation boundaries of the City of Montréal. Municipal officials are in the process of standardizing the fees and charges across the municipality; however, this had not been completed at the time this report was prepared.

Infrastructure Charges

Infrastructure application fee: $500 plus $5 per linear metre based on street middle axis, up to a maximum of $3,500 per application

Infrastructure charges are determined on a front metre basis—the current infrastructure charges are:

- water: $225.90
- sewer: $473.37

In addition, there is a sewer connection fee of $325 (4-6 inch pipe) or $416 (8 inch pipe), plus an excavation fee of roughly $90.

Surface infrastructure is paid for by the owners—either as an upfront cost, or though a local improvement tax which is amortized over a period of 20 years (at 7 per cent). These surface infrastructure charges

are determined based on the following estimated costs per metre:

– pavement:	$270.63
– sidewalk:	$134.94
– vurb:	$57.62
– dtreet lighting:	$121.22
– total:	$584.41

For the estimates presented here, it is assumed that the owner pays these surface infrastructure costs upfront as a one-time infrastructure charge, rather than through local improvements.

All connection charges are included in the above charges.

Land Dedications

10 per cent or cash in lieu.

Development Application and Processing Fees

There are no development application and processing fees.

Building Permit Fees

Building permit : $7.50 per $1000 of construction cost. Minimum of $50 to $70 depending on the type of work.

The Régie du bâtiment du Québec has a plumbing inspection fee of $114 for single-family units (detached, semi-detached and row houses) and $69 for other units.

Estimates of Levies, Fees, Charges and Taxes ***LAVAL***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$155,000	$130,000	$145,000	$82,000
Size (sq.ft.)	1,600	1,200	1,300	750
Lot frontage (ft.)	40			
Municipal Levies, Fees and Charges:				
Infrastructure Charges**	*$20,400*	*$7,417*	*$0*	*$0*
Land Dedications	$1,160	$2,258	$1,500	$750
Development Application and Processing Fees	$53	$53	$0	$0
Building Permit Fees	$384	$334	$289	$289
Other Charges and Taxes:				
Warranty Fees	$790	$790	$1,050	
Registry Fees/Land Transfer Tax	$1,420	$1,170	$1,320	
Provincial Sales Tax	$7,773	$6,520	$7,272	$4,112
Goods and Services Tax (GST)	$6,944	$5,824	$6,496	$3,674
Total:**	**$18,524**	**$16,948**	**$17,927**	**$8,825**

* Development cost for rental apartment
** These infrastructure charges relate to the installation of *internal* subdivision services. Since, in most other municipalities, developers are responsible for the installation of internal subdivision services, to be consistent, these infrastructure charges are not included in the total estimates of levies, fees and charges for the municipality.

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

$450 per front foot as measured from the axis of the street

Additional infrastructure charges:

- $400 per single family house for water connections
- $20 per additional unit in a building (example: duplex is $400+$20= $420)
- $50 per linear foot ($100 for both sides of the street) for immediate landscaping work of parks and green areas (experimental measure introduced in 2002)

The municipality is responsible for the installation of services both inside and outside the subdivision. No additional connection fee except when additional equipment needs to be installed (for example a pumping station)—in which case costs are shared between the municipality and builder.

Land Dedications

10 per cent for parks, or cash in lieu at fair market price. In the case of cash in lieu, there is an evaluation fee relating to the cost incurred by the municipality in establishing a land value.

Development Application and Processing Fees	Subdivision application fee: $100 plus $50 per lot
Building Permit Fees	$270 per unit for single-detached units; otherwise $220 per unit The Régie du Bâtiment du Québec has a plumbing inspection fee of $114 for single-family units (detached, semi-detached and row houses) and $69 for other units.

Estimates of Levies, Fees, Charges and Taxes ***LONGUEUIL***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$140,000	$120,000	$100,000	$75,000
Size (sq.ft.)	1,500	1,300	1,100	700
Lot frontage (ft.)	45			
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$0	$0	$0	$0
Land Dedications	$1,890	$2,000	$1,000	$650
Development Application and Processing Fees	$50	$50	$0	$0
Building Permit Fees	$264	$264	$219	$219
Other Charges and Taxes:				
Warranty Fees	$790	$790	$1,050	
Registry Fees/Land Transfer Tax	$1,270	$1,070	$870	
Provincial Sales Tax	$7,021	$6,018	$5,015	$3,761
Goods and Services Tax (GST)	$6,272	$5,376	$4,480	$3,360
Total:	**$17,557**	**$15,568**	**$12,634**	**$7,990**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

This description of fees and charges applies to the part of Longueuil comprised of the previous municipality of Saint-Hubert, which was included in the 1997 study. Municipal officials are in the process of standardizing the fees and charges across the municipality; however, this had not been completed at the time this report was prepared.

Infrastructure Charges

No infrastructure charges

The developer is responsible for the installation of connections to trunk services external to the subdivision as well as services within the subdivision.

Land Dedications

10 per cent is dedicated to parks or cash in lieu equivalent to 10 per cent of municipal value or combination of both.

Development Application and Processing Fees

Subdivision permit: $50 per lot. No other fee applicable (as an incentive for development)

Building Permit Fees

Building permit: $150 per unit

The Régie du bâtiment du Québec has a plumbing inspection fee of $114 for single-family units (detached, semi-detached and row houses) and $69 for other units.

Estimates of Levies, Fees, Charges and Taxes — **GATINEAU**

	Single Detached House	Row House	Modest Rental Apartment
Dwelling Characteristics:			
Price (excluding GST)*	$135,000	$125,000	$78,000
Size (sq.ft.)	1,200	1,300	700
Lot frontage (ft.)	45	20	
Municipal Levies, Fees and Charges:			
Infrastructure Charges	$0	$0	$0
Land Dedications	$1,350	$700	$700
Development Application and Processing Fees	$50	$50	$0
Building Permit Fees	$314	$314	$269
Other Charges and Taxes:			
Warranty Fees	$790	$790	
Registry Fees/Land Transfer Tax	$1,220	$1,120	
Provincial Sales Tax	$6,770	$6,269	$3,912
Goods and Services Tax (GST)	$6,048	$5,600	$3,494
Total:	**$16,542**	**$14,843**	**$8,375**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

This description of fees and charges applies to the part of Gatineau which is comprised of the previous municipality of Gatineau, which was included in the 1997 study. The previous municipality was recently amalgamated with several municipalities, including the previous municipality of Hull. Municipal officials are in the process of standardizing the fees and charges across the municipality; however, this had not been completed at the time this report was prepared.

Infrastructure Charges

No infrastructure charges

Except for the Hull sector, the developer is responsible for the installation of all infrastructure (road base, pavement, sewer, water, sidewalks, street lighting etc.). For the Hull sector, the developer is only responsible for phase 1 of actual infrastructure construction. Phase 1 includes road base, installation of sewer and water as well as first coat of pavement.

Phase 2 (including sidewalks, street lighting, second coat of pavement) is performed by the municipality and is paid for by a local improvement tax which is applicable to every property proportionally to lot frontage.

No administration fee (engineering and inspection) except for Aylmer sector where a fee of 3 per cent of the cost of installing services applies.

	The municipality is responsible for installation of underground connections but will charge the cost to builder.
	The estimates here assume a development in the (previous) Town of Gatineau—for which there are no infrastructure charges.
Land Dedications	10 per cent of land is dedicated to parks in residential areas, or cash in lieu equivalent to municipal value, or a combination of both
	For residential projects requiring opening of a new street, in lieu cash compensation, when required, is established by an evaluator appointed by the municipality and paid by the developer.
Development Application and Processing Fees	Subdivision fee of $50 per lot
Building Permit Fees	Building permit: $200 per unit
	The Régie du bâtiment du Québec has a plumbing inspection fee of $114 for single-family units (detached, semi-detached and row houses) and $69 for other units.

QUÉBEC CITY

Estimates of Levies, Fees, Charges and Taxes ***QUÉBEC CITY***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$110,000	$100,000	$85,000	$75,000
Size (sq.ft.)	1,200	1,100	800	700
Lot frontage (ft.)	50			
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$0	$0	$0	$0
Land Dedications	$750	$1,000	$1,200	$600
Development Application and Processing Fees	$11	$11	$0	$0
Building Permit Fees	$264	$215	$170	$170
Other Charges and Taxes:				
Warranty Fees	$790	$790	$1,050	
Registry Fees/Land Transfer Tax	$970	$870	$720	
Provincial Sales Tax	$5,517	$5,015	$4,263	$3,761
Goods and Services Tax (GST)	$4,928	$4,480	$3,808	$3,360
Total:	**$13,230**	**$12,382**	**$11,211**	**$7,892**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

This description of fees and charges applies to the part of Québec City comprised of the previous municipality of Beauport, which was included in the 1997 study. Municipal officials are in the process of standardizing the fees and charges across the municipality; however, this had not been completed at the time this report was prepared.

Infrastructure Charges

No infrastructure charges

The developer is responsible for the installation of connections to trunk services external to the subdivision as well as services within the subdivision.

Land Dedications

10 per cent is dedicated to parks or cash in lieu equivalent to 10 per cent of municipal taxable value or combination of both.

Development Application and Processing Fees

$50 for subdivision application plus $10 per lot

Building Permit Fees

Building permit : $150 for 1st unit plus $100 per additional unit

The Régie du bâtiment du Québec has a plumbing inspection fee of $114 for single-family units (detached, semi-detached and row houses) and $69 for other units.

TORONTO

Estimates of Levies, Fees, Charges and Taxes ***TORONTO***

	Single Detached House	Row House	Condominium Apartment (1-Bed)	Modest Rental Apartment*
Dwelling Characteristics:				
Price (excluding GST)*	$285,000	$225,000	$140,000	$120,000
Size (sq.ft.)	2,100	1,700	600	675
Lot frontage (ft.)	32	20		
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$5,543	$4,587	$2,747	$3,223
Land Dedications	$4,363	$2,911	$1,000	$839
Development Application and Processing Fees	$274	$274	$100	$53
Building Permit Fees	$2,458	$1,990	$808	$909
Other Charges and Taxes:				
New Home Warranty Program Fees	$540	$486	$378	
Registry Fees/Land Transfer Tax	$2,820	$2,045	$1,195	
Provincial Sales Tax	$5,867	$5,216	$3,444	$3,746
Goods and Services Tax (GST)	$12,768	$10,080	$6,272	$5,376
Total:	**$34,633**	**$27,588**	**$15,944**	**$14,146**

* Development cost for rental apartment (average 1 and 2-bed units)

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development Charges (per unit):

- single-detached and semi-detached $3,912
- other multiples $3,172
- 1-bedroom apartments $1,692
- 2+ bedroom apartments $2,644

There is also an Education Development Charge of $1,055 per unit which applies to all residential units.

The developer is responsible for the installation of internal subdivision services, off-site services and cash-in-lieu payments for offsite infrastructure. The City charges an engineering fee of 3 per cent of the servicing costs.

Land Dedications

5 per cent of developable land for park purposes, or cash-in-lieu of parkland equal to 5 per cent of the land value

Development Application and Processing Fees

Plan of subdivision approval: $5,805, plus $129 for each proposed lot

Condominium approval: $3,870, plus $12.90 per unit

Site plan control: $645 plus $0.65 per square metre for buildings with gross floor area over 500 square metres. This applies mainly to multiple developments.

The City applies a charge for public art to new developments greater than 20,000 square metres (215,000 square feet). The maximum charge is 1 per cent of the project construction costs. This charge is implemented on a site-by-site basis through negotiation with the applicant.

Building Permit Fees

Building permit fee: $12.60 per square metre for all dwelling types. For single and semi-detached, duplexes and townhouses, there is an additional fee for detached garages of $84 per unit.

Estimates of Levies, Fees, Charges and Taxes ***MISSISSAUGA***

	Single Detached House	Row House	Condominium Apartment (1-Bed)	Modest Rental Apartment*
Dwelling Characteristics:				
Price (excluding GST)*	$260,000	$200,000	$130,000	$105,000
Size (sq.ft.)	1,800	1,500	600	750
Lot frontage (ft.)	35			
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$18,650	$16,657	$7,530	$9,781
Land Dedications	$3,880	$2,397	$3,700	$3,700
Development Application and Processing Fees	$136	$184	$150	$57
Building Permit Fees	$1,639	$1,366	$566	$708
Other Charges and Taxes:				
New Home Warranty Program Fees	$540	$486	$378	
Registry Fees/Land Transfer Tax	$2,445	$1,795	$1,095	
Provincial Sales Tax	$5,256	$4,306	$3,320	$3,331
Goods and Services Tax (GST)	$11,648	$8,960	$5,824	$4,704
Total:	**$44,194**	**$36,150**	**$22,563**	**$22,280**

* Development cost for rental apartment (average 1 and 2-bed units)

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development Charges (per unit):

	Single/Semi/Row	Apartment =<750 sq.ft.	Apartment >750 sq.ft.
City of Mississauga	$6,825	$2,535	$4,875
Peel Region	$5,989	$2,225	$4,279
GO Transit	$314	$116	$224
Education	$2,136	$2,136	$2,136
TOTAL	**$15,264**	**$7,012**	**$11,513**

Additional infrastructure charges:

- storm Water Management charge of $34,930 per net hectare;
- topsoil removal fee of $75 for one hectare or less; $500 plus $25 per hectare for areas of greater than one hectare;
- regional water meter fee of $255 (3/4 inch pipe for a single-family dwelling); the water meter fee increases depending on the meter size (for a 3-inch pipe, applicable for multiple dwellings, the fee is $6,500); and
- engineering fee of 4½ per cent of total estimated value of services (if less than $100,000). If services are valued between

$100,000 and $500,000, the fee is 4 per cent. For services valued above $500,000, the fee is 3½%.

The developer is responsible for the installation of internal subdivision services.

Land Dedications

For singles, semis and street townhouses: 5 per cent or cash in the amount of 5 per cent of the market value of the lands, fully serviced. For medium-density (such as cluster townhouses) and high-density dwellings, there is a flat charge of $3,700 per unit.

Development Application and Processing Fees

Subdivision application fees of $1,915 for the City and $1,575 for the Region of Peel. In addition, the City has processing fees of $375 per gross hectare (minimum of $1,595 and maximum of $24,280).

Site plan approval application fees for the City of $174 per lot for single/semi units—site plan approval is not required for the majority of lots on single/semi developments. For multiple developments, there is a site plan application fee of $965, plus processing fees of $1,940 per gross hectare (minimum fee $965 and maximum $12,995).

City Administration Fee of $350 for registration of documents on title, which must be filed in conjunction with the Development Agreement.

For condominiums, there is an application fee of $2,500 from the City (plus $12 per unit for apartment units, and $30 per unit for other dwelling types) and $735 from the Region.

In some parts of Mississauga, conservation authority approvals are also required.

Building Permit Fees

Building permit fees: $9.80 per square metre for singles, semis and townhouses of less than 4,000 square feet; $12.38 per square metre if the total unit size is greater than 4,000 square feet. There is also a garage fee of $3.77 per square metre for detached (but not attached) garages. For apartment buildings, the building permit fee is $8.83 per square metre.

Estimates of Levies, Fees, Charges and Taxes ***VAUGHAN***

	Single Detached House	Row House	Condominium Apartment (1-Bed.)	Modest Rental Apartment*
Dwelling Characteristics:				
Price (excluding GST)*	$275,000	$210,000	$160,000	$108,000
Size (sq.ft.)	1,900	1,600	750	750
Lot frontage (ft.)	35			
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$21,657	$18,538	$11,001	$12,179
Land Dedications	$3,555	$2,133	$400	$291
Development Application and Processing Fees	$301	$301	$415	$313
Building Permit Fees	$1,766	$1,382	$721	$721
Other Charges and Taxes:				
New Home Warranty Program Fees	$540	$486	$432	
Registry Fees/Land Transfer Tax	$2,670	$1,895	$1,395	
Provincial Sales Tax	$5,519	$4,859	$4,087	$3,368
Goods and Services Tax (GST)	$12,320	$9,408	$7,168	$4,838
Total:	**$48,327**	**$39,003**	**$25,620**	**$21,710**

* Development cost for rental apartment (average 1 and 2-bed units)

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development Charges (per unit):

	Single/Semi	Row	Apartment 1-Bed.	Apartment 2-Bed.
City of Vaughan	$7,504	$6,537	$4,225	$4,225
Region of York	$10,233	$8,623	$4,025	$6,325
GO Transit	$267	$210	$98	$154
Education	$2,628	$2,628	$2,628	$2,628
TOTAL	**$20,632**	**$17,998**	**$10,976**	**$13,332**

Additional infrastructure charges for the City:

- there are special service area development charges for specific areas for the provision of water mains, sanitary sewers and storm drainage facilities. For residential developments in Maple (the most active area in Vaughan), these special area charges would total roughly $2,506 per net developable hectare;
- $190 for low-density water connections; and
- an engineering fee of 3½ per cent of the total cost of installing subdivision services.

	The developer is responsible for the installation of internal subdivision services.
Land Dedications	5 per cent of the land or 1 hectare for every 300 units – whichever is greater.
Development Application and Processing Fees	City of Vaughan: – draft plan of subdivision: $3,000 base fee, plus $150 per unit for single/semi/townhouse units for the first 600 units and $75 per unit for additional units (over 600 units). For multi-unit blocks: $3,000 base fee, plus $50 per unit for the first 600 units and $25 per unit for additional units (over 600 units) – draft plan of condominium: $2,000 base fee, plus $20 per unit for residential units – site development application fee (for apartment and block townhouse developments): $550 base fee plus $150 per unit – Regional Municipality of York: Review of subdivision plans: $2,100 Review of condominium plans: $1,310 Preparation of development and subdivision agreements: $950
Building Permit Fees	$9.75 per square metre for single, semi and duplex; $9.00 for townhouses, plus a garage fee of $2.00 (all per square metre). For apartments, the building permit fee is $9.00 per square metre.

LONDON

Estimates of Levies, Fees, Charges and Taxes ***LONDON***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$160,000	$165,000	$150,000	$92,500
Size (sq.ft.)	1,500	1,300	1,200	700
Lot frontage (ft.)	30	26		
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$9,067	$7,667	$5,342	$4,933
Land Dedications	$747	$657	$483	$453
Development Application and Processing Fees	$84	$114	$55	$33
Building Permit Fees	$850	$483	$513	$299
Other Charges and Taxes:				
New Home Warranty Program Fees	$432	$432	$432	
Registry Fees/Land Transfer Tax	$1,395	$1,445	$1,295	
Provincial Sales Tax	$4,454	$4,780	$4,643	$2,934
Goods and Services Tax (GST)	$7,168	$7,392	$6,720	$4,144
Total:	**$24,197**	**$22,970**	**$19,482**	**$12,796**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development charges (per unit) for new developments inside the urban growth area are as follows:

	Single/Semi	Multiples	Apartment < 2 bed.	Apartment >= 2 bed.
Development Charges	$4,783	$3,990	$1,998	$2,816
Urban Works Charges	$3,463	$2,856	$1,771	$1,771
London District Catholic School Board	$755	$755	$755	$755
Total	**$9,001**	**$7,601**	**$4,524**	**$5,342**

Lower charges (for example, a total of $3,669 for a single-detached unit) apply outside the urban growth area.

There is also a charge of approximately $66 for single-detached and row dwellings to connect with the water supply system.

The developer is responsible for the installation of internal subdivision services.

Land Dedications

The parkland dedication is 5 per cent or cash-in-lieu according to the following schedule:

- single-detached:
  - $815: up to 11.99 metre lot frontage;
  - $1,046: 12-14.99 metre lot frontage;
  - $1,275: 15-17.99 metre lot frontage; and
  - $1,590: 18+ metre lot frontage.
- semi-detached: $815
- townhouse: $505
- apartment: $270

Development Application and Processing Fees

Plans of subdivision: $2,200 plus $300 per hectare to a maximum of $15,000. Fee for final plan approval is $500.

Plan of condominium: $900

For multi-unit developments in excess of 10 units, a site plan approval fee of $300 plus $25 per unit is levied.

Building Permit Fees

$6.10 per square metre for single-detached and semi-detached units

$4.00 per square metre for townhouses and apartments

Estimates of Levies, Fees, Charges and Taxes ***OTTAWA***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$230,000	$185,000	$130,000	$100,000
Size (sq.ft.)	2,000	1,300	900	750
Lot frontage (ft.)	35	20		
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$19,473	$15,154	$11,705	$9,565
Land Dedications	$1,476	$742	$315	$72
Development Application and Processing Fees	$230	$316	$199	$86
Building Permit Fees	$1,281	$1,176	$935	$851
Other Charges and Taxes:				
New Home Warranty Program Fees	$486	$432	$378	
Registry Fees/Land Transfer Tax	$2,095	$1,645	$1,095	
Provincial Sales Tax	$5,565	$4,931	$3,669	$3,331
Goods and Services Tax (GST)	$10,304	$7,933	$5,574	$4,288
Total:	**$40,910**	**$32,329**	**$23,869**	**$18,192**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

The City of Ottawa was amalgamated with other municipalities in the Region of Ottawa-Carleton (RMOC) in 2001. Many of the charges related to housing development (including development charges) continue at the pre-amalgamation levels—development charges are scheduled to be "amalgamated" in 2004. Where pre-amalgamation charges continue apply, this review presents the charges for the previous City of Kanata (which was included in the 1997 study).

Development Charges (Per Unit)	Single/Semi (Sq. Ft.) =<1100	Single/Semi (Sq. Ft.) >1100	Row (Sq. Ft.) =<1100	Row (Sq. Ft.) >1100	Apartment 1-Bed.	Apartment 2-Bed.
RMOC	$6,334	$9,789	$6,334	$7,773	$4,031	$6,334
Kanata-wide	$4,188	$7,763	$4,188	$5,723	$2,210	$4,188
School Boards	$1,058	$1,058	$1,058	$1,058	$1,058	$1,058
TOTAL	**$11,580**	**$18,610**	**$11,580**	**$14,554**	**$7,299**	**$11,580**

Kanata has a variety of additional area-specific charges—including levies of: $441-$1,286 per unit for storm pond levies in Bridlewood; $229-$668 per unit for sanitary sewer in the Town Centre; $23,795 per hectare for the Terry Fox/Campeau Drive area; $228,107 lump sum for the Hope Lands; $242,161 lump sum for the Nepean Carleton Lands; and $10,465 per hectare for Bridlewood-Calmar. For the purposes of the estimates here, it is assumed that these additional charges do not apply.

Additional infrastructure charges:

- $125 for storm sewer connection
- $125 for sanitary sewer connection for low and medium density dwellings

The developer is responsible for the installation of internal subdivision services. There is a fee for final review, approval, inspection and release of security of 3.5 per cent of the entire value of all works installed.

Land Dedications

5 per cent or cash in lieu

Development Application and Processing Fees

Plan of Subdivision Approval:

Type of Development	Fee at Submission	Registration Fee per Phase	Legal Fee per Phase
1-40 units	$6,000	$2,000	$1,200
41-250 units	$11,000	$2,000	$1,800
250+ units	$15,000	$2,000	$2,500

Plan of Condominium Approval Fee of $4,500

For townhouse and apartment developments, there is a site plan control fee of $1,750 ($1,000 if there is no public consultation), plus a legal fee of $1,000, plus an inspection fee of 3.5 per cent of the value of the site works.

Building Permit Fees

$10.50 per $1,000 (or part thereof) of the estimated value of the proposed work, with a minimum fee of $75.

Estimates of Levies, Fees, Charges and Taxes		***SUDBURY***
	Single Detached House	**Modest Rental Apartment**
Dwelling Characteristics:		
Price (excluding GST)*	$150,000	$97,000
Size (sq.ft.)	1,400	700
Lot frontage (ft.)	40	
Municipal Levies, Fees and Charges:		
Infrastructure Charges	$2,893	$1,823
Land Dedications	$855	$309
Development Application and Processing Fees	$219	$30
Building Permit Fees	$1,014	$887
Other Charges and Taxes:		
New Home Warranty Program Fees	$432	
Registry Fees/Land Transfer Tax	$1,295	
Provincial Sales Tax	$4,234	$3,343
Goods and Services Tax (GST)	$6,720	$4,346
Total:	**$17,661**	**$10,737**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development Charges (per unit):

	Single/Semi/Row	Apartments
Sewer Service	$785	$475
Water Service	$1,161	$702
General Service	$762	$461

There is a water meter charge of $185 per unit to connect to the water supply system.

The developer is responsible for the installation of internal subdivision services.

Land Dedications

5 per cent or cash in lieu

Development Application and Processing Fees

Subdivision plan applications: base fee of $1,535 plus $55 per lot for the first 50 single/semi lots and $28 per lot for each lot in excess of 50; also $275 per block for row and apartment buildings. In addition, there is a statutory newspaper notice fee of $250 (in cases where there is no rezoning or official plan amendment required), plus a subdivision administration fee of $119 per lot or block.

Condominium plan applications: $1,535

Apartment buildings of more than 4 units are subject to a site plan control application fee of $575.

Building Permit Fees

Building permit fee: $10.70 per $1,000 of construction value. There is a basic minimum fee of $102.

Plumbing permit fee: $4.50 per fixture and $2.10 for each stack or floor drain, and for a hot water tank. There is a basic minimum fee of $102 if the application is not associated with a building permit.

Estimates of Levies, Fees, Charges and Taxes ***WINDSOR***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$150,000	$150,000	$160,000	$94,500
Size (sq.ft.)	1,400	1,200	1,200	700
Lot frontage (ft.)	40	28		
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$3,700	$3,100	$2,000	$2,000
Land Dedications	$1,015	$825	$1,150	$425
Development Application and Processing Fees	$110	$110	$110	$25
Building Permit Fees	$2,066	$1,641	$1,564	$961
Other Charges and Taxes:				
New Home Warranty Program Fees	$432	$432	$432	
Registry Fees/Land Transfer Tax	$1,295	$1,295	$1,395	
Provincial Sales Tax	$4,117	$4,357	$4,643	$3,138
Goods and Services Tax (GST)	$6,720	$6,720	$7,168	$4,234
Total:	**$19,455**	**$18,480**	**$18,462**	**$10,783**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development Charges (per unit):

single-detached:	$3,700
semi/row:	$3,100
apartment:	$2,000

The developer is responsible for the installation of internal subdivision services.

Land Dedications

5 per cent or cash-in-lieu of $45 per front foot for single/semi/row units and $800 per unit for multiples

Development Application and Processing Fees

Fees for a Plan of Subdivision or a Condominium Application are $1,400 plus $50 per unit, up to a maximum of $4,300. In addition, there is a $100 fee for the Essex Region Conservation Authority and a $900 legal division agreement preparation fee.

Building Permit Fees

Building permit fee: Single-family and townhouse units: $0.95 per square foot for floors above the basement; $0.35 per square foot for basement areas. Minimum fee $75. There is an additional fee of $75 for a garage. For apartment buildings, the building permit fee is $1.05 per square foot.

Plumbing permit fee: $50 per dwelling unit (minimum of $100)

Sewer permit fee: $130 for sanitary sewer and $130 for storm drainage for a single-detached unit; $180 for sanitary sewer and $180 for storm drainage per building for townhouses and apartment buildings

Heating permit fee: $110 for the first dwelling unit and $55 for each additional dwelling unit

Estimates of Levies, Fees, Charges and Taxes ***WINNIPEG***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$145,000	$160,000	$120,000	$83,500
Size (sq.ft.)	1,600	1,400	1,200	$700
Lot frontage (ft.)	35			
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$2,961	$1,378	$428	$428
Land Dedications	$883	$2,450	$926	$366
Development Application and Processing Fees	$302	$191	$11	$0
Building Permit Fees	$728	$674	$768	$629
Other Charges and Taxes:				
New Home Warranty Program Fees	$225	$275	$200	
Registry Fees/Land Transfer Tax	$910	$1,110	$325	
Provincial Sales Tax	$4,251	$4,227	$3,618	$2,805
Goods and Services Tax (GST)	$6,496	$6,861	$5,145	$3,580
Total:	**$16,756**	**$17,165**	**$11,422**	**$7,808**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Developers are required to contribute to the regional facilities for land drainage by the payment (or installation of facilities) of a Trunk Services Rate that varies throughout Winnipeg due to specific needs in each area—rates vary from $5,000-$16,000 per acre, with the majority being in the $9,000-$11,000 per acre range.

Depending on the location within the City, there may also be transportation area charges or other charges.

The developer is responsible for the installation of connections to trunk services external to the subdivision as well as the design and construction of services within the subdivision. Developers are eligible for paybacks for any oversizing of services or for trunk facilities where costs are normally covered by the sewer or water utility.

There is no specific engineering fee relating to the installation of services. The developer must pay fees for the design and site supervision of service installation on behalf of the City—generally provided by a private consultant and invoiced directly to the developer.

In addition, the developer is required to install services in road

allowances adjacent to public park reserves and to grade, level, sod and install irrigation and drainage systems (the cost of this is estimated at roughly $71,300 per acre of parkland).

In addition, there are fees totalling $236 per unit for lot grading, administration, sewer application and development permit.

Land Dedications

The public land use dedication is 8 per cent of the net area (excluding land required for regional roads, etc.) for park purposes.

Development Application and Processing Fees

Filing fees of $1,551 per subdivision plus an advertising fee which would total roughly $1,500. An additional lot fee of $35 per lot applies upon approval of the subdivision. Developers are also required to pay an administration fee towards the City's legal and administration cost in the amount of $1,200 per acre.

Filing fees of $50.85 for a development application for approval of a condominium plan of survey, plus $10.17 per unit upon receiving approval

Building Permit Fees

$23 plus $2.34 per square metre of finished space and $1.17 per square metre of unfinished space (including garages) for single-detached dwellings and other dwellings of 2 storeys or less

For multiple family dwellings, the building permit fees are currently being adjusted—they are proposed to be $5 per square metre for Part 9 buildings and $6 per square metre for Part 3 buildings. At present, the fees are $23.39 for the first $1,000 of valuation, plus $7.12 for each additional $1,000 of valuation (valuations include all construction work, including contractors' overhead and profit).

Plumbing fees for single-detached dwellings and other dwellings of 2 storeys or less are $122 per unit. For multiple family dwellings, the plumbing fees are $325 for the first three units, and $65 for each additional unit.

Electrical fees for single-detached dwellings and other dwellings of 2 storeys or less are $97-$147 per unit (depending on the amperes). For multiple-family buildings, the electrical fees are $203 for the first two dwelling units, and $56 for each additional unit.

Estimates of Levies, Fees, Charges and Taxes ***REGINA***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$135,000	$120,000	$105,000	$83,500
Size (sq.ft.)	1,400	1,200	900	700
Lot frontage (ft.)	35			
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$6,601	$2,781	$1,035	$1,035
Land Dedications	$1,090	$722	$897	$397
Development Application and Processing Fees	$164	$164	$3	$0
Building Permit Fees	$500	$500	$396	$353
Other Charges and Taxes:				
Warranty Fees	$318	$308	$308	
Registry Fees/Land Transfer Tax	$171	$171	$171	
Provincial Sales Tax	$2,922	$2,883	$2,471	$2,200
Goods and Services Tax (GST)	$6,048	$5,376	$4,704	$3,741
Total:	**$17,813**	**$12,905**	**$9,984**	**$7,725**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development Levies of $66,760 per gross hectare. These do not apply to development of sites within certain built areas of the City.

The developer is responsible for the installation of internal subdivision services and connections to trunk services.

There is also a flat rate service charge of $38 for water consumption during construction and a fee of $24 for remote water meter read-out.

The developer is also required to provide a finished park. Park costs can vary significantly; however, based on discussions with developers and the City, it appears that development costs for the average park would be about $65 per front foot for a building lot—such as $2,275 for a 35 foot lot.

Land Dedications

10 per cent, or cash in lieu calculated as 10 per cent of the area to be developed multiplied by the value of the subdivided undeveloped land, plus the Development Levies.

Development Application and Processing Fees	Subdivision fees: $3,670 for concept plan approval and $66 plus $66 per lot (to a maximum of $2,670 per plan) for subdivision plan examination and administration. There is a fee of $207 per sign for public notification signage. For condominium apartments, there is a condominium plan approval fee of $100.
Building Permit Fees	Under $10,000, minimum permit fee of $100; $10,001-$40,000, fee of $100 plus $7 per $1,000 value over $10,000; $40,001-$78,000, fee of $310 plus $5 per $1,000 value over $40,000; $78,001-$100,000, $500 flat fee; over $100,000, $5 per $1,000 value

Estimates of Levies, Fees, Charges and Taxes ***SASKATOON***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price excluding GST)*	$145,000	$105,000	$110,000	$84,000
Size (sq.ft.)	1,400	1,150	900	700
Lot frontage (ft.)	35			
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$7,923	$2,723	$1,500	$1,500
Land Dedications	$1,220	$828	$1,050	$400
Development Application and Processing Fees	$56	$56	$2	$2
Building Permit Fees	$573	$523	$408	$373
Other Charges and Taxes:				
Warranty Fees	$327	$308	$308	
Registry Fees/Land Transfer Tax	$171	$171	$171	
Provincial Sales Tax	$2,965	$2,440	$2,443	$2,200
Goods and Services Tax (GST)	$6,496	$4,704	$4,928	$3,763
Total:	**$19,731**	**$11,754**	**$10,810**	**$8,239**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

"Offsite services" charges to cover trunk sewers, primary water mains, arterial roads, parks, etc. vary by type of lot, as follows:

- $709 per front metre for building lots and parcels less than 1,000 square metres—single-detached and semi-detached units; and
- $801 per front metre for parcels with an area greater than 1,000 square metres—row/apartment developments. Typically, the total charges for modest multiple units would range from $2,000-$3,000 per unit for row units and $1,000-$2,000 for apartments.

For subdivisions on City-owned land, all internal subdivision services are installed by the City and builders are charged to cover the cost of installing these services.

For privately-owned land, internal services are installed at the expense of the developer. For the purposes of the estimates presented here, it is assumed that the land is privately-owned and that the internal subdivision servicing is undertaken by the developer.

Additional infrastructure charges:

- levies of $29.70 per front metre for inspection and warranty; and

	– servicing agreement fee of $1,690 per subdivision
Land Dedications	10 per cent or cash in lieu.
Development Application and Processing Fees	Subdivision fee of $250 plus $50 per lot Development permit fees of $30 (preliminary) and $60 (final) for multiple unit developments.
Building Permit Fees	$5.75 per $1,000 of construction value for the first $100,000 and $4.50 per $1,000 above $100,000. Plumbing fees are a minimum of $53 for first 6 fixtures plus $10.25 for each additional fixture. Similar plumbing fees apply to multiple dwellings, with the addition of $53 for storm sewer, plus $10.25 per roof drain or leaders.

Estimates of Levies, Fees, Charges and Taxes ***CALGARY***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$175,000	$145,000	$125,000	$95,000
Size (sq.ft.)	1,500	1,200	1,000	750
Lot frontage (ft.)	32	20		
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$3,959	$2,512	$582	$582
Land Dedications	$2,964	$1,849	$1,442	$1,092
Development Application and Processing Fees	$413	$228	$29	$29
Building Permit Fees	$1,021	$680	$568	$471
Other Charges and Taxes:				
New Home Warranty Program Fees	$235	$205	$190	
Registry Fees/Land Transfer Tax	$72	$65	$61	
Provincial Sales Tax	$0	$0	$0	$0
Goods and Services Tax (GST)	$7,840	$6,496	$5,600	$4,256
Total:	**$16,503**	**$12,035**	**$8,472**	**$6,430**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

A schedule of assessment levies is applied to new subdivisions in Calgary. In some cases, these levies vary for different areas, in some cases they are standard for all areas in the City. The assessment levies (per hectare), plus the averages (according to City staff) for items with variable charges, are as follows:

- Storm sewer (average roughly $15,000) — $769-$35,832
- Oversize — $6,000
- Major road — $7,650
- Transportation (Expressways) — $17,274
- Local parks — $7,000
- Inspection — $2,108
- Subdivision signage — $465
- Recreation (Community facilities) — $2,000

In total, the typical charge per hectare is: $57,497, plus an additional transportation charge of $100 per lot.

Additional infrastructure charges:

- $48.35 per metre for residential street lighting—for main roads

this rises to $65.95 per metre; and
– Walkway lighting is subject to a charge of $43.05 per meter.

The developer is responsible for the installation of internal subdivision services.

Land Dedications

The public land use dedication is 10 per cent

Development Application and Processing Fees

Application fee of $1,690.00 (plus $169.00 per lot over 10 lots) for "Tentative Plan and Subdivision" and an endorsement fee of $300.00 (plus $30.00 per lot over 10 lots)

Development permit fee of $214 for single/semi units, and $233 (plus $23 per unit) for multi-family developments

Building Permit Fees

$8.00 per $1,000 of estimated construction cost for single-detached and duplex dwellings. All other building permit fees are $6.00 per $1,000 of estimated construction cost with a minimum fee of $35.00

Mechanical permit fees are $0.45 per $1,000 of the estimated construction cost of a single-detached or duplex dwelling. All other mechanical permit fees are $6.00 per $1,000 of mechanical installation costs with a minimum fee of $35.00.

Plumbing permit fees are $1.10 per $1,000 of the estimated construction cost of a single-detached or duplex dwelling. All other plumbing permit fees are $6.00 per $1,000 of plumbing installation costs with a minimum fee of $35.00. Gas permit fees are $0.25 per $1,000 of the estimated construction cost of a single-detached or duplex dwelling. All other gas permit fees are $6.00 per $1,000 of gas fitting installation costs with a minimum fee of $35.00. Electrical permit fees are $0.70 per $1,000 of the estimated construction cost of single-detached and duplex dwellings. All other electrical permit fees are $6.00 per $1,000 of electrical installation costs with a minimum fee of $35.00.

There is a fee for providing grades for single-family dwellings of $160. This fee is only charged in infill areas of the city.

A water fee of $12.65 is charged for all single-detached and duplex dwellings.

EDMONTON

Estimates of Levies, Fees, Charges and Taxes — EDMONTON

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$165,000	$125,000	$105,000	$90,000
Size (sq.ft.)	1,400	1,100	900	750
Lot frontage (ft.)	32	20		
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$5,987	$3,890	$1,407	$1,407
Land Dedications	$2,121	$1,411	$659	$759
Development Application and Processing Fees	$548	$548	$132	$79
Building Permit Fees	$1,250	$756	$654	$599
Other Charges and Taxes:				
New Home Warranty Program Fees	$220	$190	$160	
Registry Fees/Land Transfer Tax	$69	$61	$57	
Provincial Sales Tax	$0	$0	$0	$0
Goods and Services Tax (GST)	$7,392	$5,600	$4,704	$4,032
Total:	**$17,588**	**$12,456**	**$7,773**	**$6,875**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

No fixed development charges. There are "Permanent Area Contributions" towards sharing the cost of storm and sanitary sewer trunks in the basin where land is located. These vary depending on the costs of installing the services but are typically in the range of $40,000+ per hectare. According to the City, the weighted average of the charges in all active basins in 1996 (roughly 250 basins) was $57,600 per hectare. They were unable to provide an updated estimate but speculated that, for the basins active in 1996, the increase would likely have broadly tracked inflation— that is roughly $65,000. New basins activated since 1996 would likely involve higher costs. For the purposes here, an estimate of $70,000 per hectare is used.

There is an inspection fee for internal subdivision services of $2,862 per hectare (minimum 3 hectares or $8,586).

The Arterial Roadway Assessment is a development charge applicable to new areas. The Assessment represents a contribution towards the sharing of the cost of major roadways. These charges range from $10,000 to $26,000 per hectare. For the purposes here, an estimate of $15,000 per hectare is used.

There is a sanitary sewer trunk charge of $765 per single/semi unit

and $546 per unit for buildings with 3+ units. For single-detached units, this is included in the House Combo Permit fee (see below)—for the purposes of the estimates here, it is included as part of infrastructure charges.

The developer is required to pay for all internal subdivision services as well as for the construction of connections to trunk services.

Land Dedications

The public land use dedication is 10 per cent.

Development Application and Processing Fees

$156 per lot on submission of a subdivision application and $379 per lot on submission of a subdivision plan for endorsement

Multi-family residential lots are charged $1,458 on application and $1,682 on endorsement.

Fees for development permits have been combined with building permits (see below).

Condominium fees are $40 per unit.

There are registration fees for subdivisions and condominiums of $30 per plan, plus $10 per unit, plus $100 per cadastral.

Building Permit Fees

Edmonton has formulated a "House Combo Permit" which is an all-inclusive permit for building single-detached houses. It covers the development permit, building permit, safety codes fee, plumbing and gas permit, sewer connection fee, heating and ventilation permit, lot grading fees, sump pump fees, water rates and electrical permits. The House Combo Permit varies with the size of the house as follows:

Under 1050 (sq ft)	$1,765.44
1,051-1,150	$1,862.28
1,151-1,250	$1,906.92
1,251-1,450	$2,015.36
1,451-1,650	$2,095.72
1,651-1,850	$2,178.12
1,851-2,050	$2,293.58
2,051-2,250	$2,373.92
2,251-2,500	$2,472.20
2,501-3,000	$2,590.80
3,001-3,500	$2,791.80
Over 3,500	$3,192.80

For the purposes of the estimates presented here, $765 (sanitary trunk fee) has been removed from the combo permit fees and included in the infrastructure charges.

For row and apartment units, development application fees are $103 for the first four units and $13 per unit thereafter. Building permit fees for multi-family buildings are calculated on the basis of $6.60 per $1,000 of construction value, plus $50 per unit for plumbing, $0.40 per $1,000 of construction cost for HVAC, $100 for sewer (per job), and a gas fee ranging from $150 to $500.

In addition, where the House Combo Permit does not apply, there are lot grading fees for multiple dwellings of $180 per hectare (minimum $180) plus $45 per unit on the first level that contains dwelling units.

GRANDE PRAIRIE

Estimates of Levies, Fees, Charges and Taxes	*GRANDE PRAIRIE*
	Single-Detached House
Dwelling Characteristics:	
Price (excluding GST)	$130,000
Size (sq.ft.)	1,100
Lot frontage (ft.)	40
Municipal Levies, Fees and Charges:	
Infrastructure Charges	$2,560
Land Dedications	$2,044
Development Application and Processing Fees	$253
Building Permit Fees	$939
Other Charges and Taxes:	
New Home Warranty Program Fees	$190
Registry Fees/Land Transfer Tax	$62
Provincial Sales Tax	$0
Goods and Services Tax (GST)	$5,824
Total:	**$11,871**

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Trunk and transportation levy fees total $11,000 per hectare.

Off-site levy fee of $1,750 per unit

The developer is responsible for the installation of internal subdivision services as well as connections to the off-site trunk services.

Land Dedications

Land dedications are 10 per cent of the gross area. The developer is responsible for bringing the park to a state acceptable to the City—which includes grass.

Development Application and Processing Fees

Subdivision application fees are $100 per application, plus an additional $200 per lot.

Development permit fees are $50 per single-family dwelling and $100 plus $25 per unit for multi-family dwellings.

There is a condominium registration fee of $150 per unit.

Building Permit Fees

$6.25 per $1,000 of construction value—for single/semi dwellings, construction value is determined based on $75 per square foot of main floor area, $15 per square foot for basements and garages, and $55 per square foot for second and third stories. Multi-family values are assumed to be $45,000 plus per unit, depending on the complexity of the project.

Occupancy permit fees are $1.00 per hundred square feet of finished floor area—minimum fee of $25.

Other fees include: plumbing fees of $8.50 per fixture; gas permit fees of $65 per unit for single/semi and, for multi-family units, $50 for the first appliance and $25 for each additional appliance; electrical permits of $105 (up to 1,200 square feet), $125 (1,200-1,500 square feet) and $140 (more than 1,500 square feet).

Water meter charge of $34.50 per meter

VANCOUVER

Estimates of Levies, Fees,			*VANCOUVER*
	Row House	**Condominium Apartment**	**Modest Rental Apartment**
Dwelling Characteristics:			
Price (excluding GST)*	$260,000	$170,000	$125,000
Size (sq.ft.)	1,400	900	650
Lot frontage (ft.)			
Municipal Levies, Fees and Charges:			
Infrastructure Charges	$5,059	$3,583	$2,865
Land Dedications	$0	$0	$0
Development Application and Processing Fees	$348	$196	$182
Building Permit Fees	$1,402	$679	$609
Other Charges and Taxes:			
New Home Warranty Program Fees	$500	$500	
Registry Fees/Land Transfer Tax	$3,255	$1,755	
Homeowner Protection Office Fees	$775	$775	
Provincial Sales Tax	$4,532	$3,896	$3,171
Goods and Services Tax (GST)	$11,149	$7,289	$5,360
Total:	**$27,019**	**$18,674**	**$12,186**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development Cost Levy (DCL): there are different rates for different areas of the city, ranging from $1.90 to $9.36 per square foot. The largest area is the Vancouver DCL area where a rate of $2.50 per square foot applies for residential uses.

DCLs are currently not charged for single-detached units and projects where there are less than 4 residential units (and no other use). The rate would be the same for row housing, apartment condominiums, or rental apartments.

Regional Development Cost Charge (DCC): the Greater Vancouver Regional District collects DCCs which differ by sewerage area—the Fraser Sewerage Area has higher rates, but the majority of the City is in the Vancouver Sewerage area where the rates are:

- single/semi-detached: $944 per unit (in subdivisions only);
- townhouses: $826 per unit:
- apartment: $590 per unit.

Engineering Fees: in addition to refundable deposits, the following inspection fees apply:

- single-detached home: $155
- row/apartment (no excavation): $470
- row/apartment (less than 3 stories with excavation): $875
- row/apartment (3+ stories with excavation): $1,750

In addition, sewer connection fees for single-family dwellings are $5,105. For new subdivisions and larger buildings, fees vary from $6,669 (100 mm pipe) to $13,347 (375 mm pipe). In addition, except for single-family dwellings, there is a sewer connection inspection fee of $173.

Water connection fees for new subdivisions and larger buildings vary upwards from $4,720 (20 mm—appropriate for single-family dwellings). For 100 mm pipes, the fee is $8,193.

Land Dedications

The City can require a parkland dedication of 10 per cent upon subdivision of a parcel in excess of 20 acres – the size limit applies to *parcels* not entire sites. There are few such parcels in Vancouver but they do exist in some industrial areas wherein industrial redevelopment has involved subdivision and a corresponding park dedication.

Regardless of the residential density proposed, most development sites comprise historical parcels within a traditional rectilinear block pattern and, there is no dedication for park purposes. However, for rezonings, a park dedication may be required as a condition of approval for high density redevelopment, as part of the "community amenity contribution" or CAC negotiated with the rezoning applicant/developer.

Vancouver is a fully developed city with an existing urban pattern of subdivision and no subdivisions or rezonings for low density residential development. Since land dedications are typically required only for rezonings, a 0 per cent land dedication is assumed for the purpose of the estimates presented here.

Development Application and Processing Fees

Subdivision application fees: $117-$32,700, depending on circumstances. Since there is virtually no undeveloped land in Vancouver, large-scale subdivisions for low-density residential development are extremely rare. Most subdivisions involve minor street/lane dedications as a condition of development permit approval or two single-family parcels being subdivided into three, although mega-project developments (e.g., former EXPO lands; Marathon's Coal Harbour lands) and air space subdivisions do entail more costly applications.

In many of Vancouver's zoning districts, residential uses are permitted on an "as of right" (or outright) approval basis. Developments with greater floor areas, greater building heights, lesser yards/setbacks, etc. are permitted on a discretionary "conditional" approval basis—most frequently subject to satisfactory compliance with Council-approved design guidelines. Development permits for new dwellings:

- One or two-family dwellings: $730-$890 (outright); $1,060-$2,040 (conditional)
- Multiple dwellings: $490 for each 100 square metres of gross floor area, up to 500 square metres, and $244 per 100 square metres for the remainder, to a maximum of $19,610 (outright); $660 for each 100 square metres of gross floor area, up to 500 square metres, and $410 for each additional 100 square metres, to a maximum of $32,700 (conditional).

Building Permit Fees

Building permit fees: $83 for the first $5,000 of the estimated cost of the work, $7.60 for each additional $1,000 up to $50,000, and $3.80 for each additional $1,000 above $50,000

Additional fees related to building include:

- Inspections of a drainage tile system: $134 for a single-family dwelling; $251 for other buildings where the estimated cost of construction is less than $500,000, $419 if the estimated cost is in the $500,000-$1 million range, and $478 for buildings of $1 million+.
- Plumbing permit fees: $100 for the first 3 fixtures, and $36 for each additional fixture
- Electrical permit fees: graduated fees of $40-$76 for up to $1,000 of electrical work; for larger jobs: $99 for the first $1,000 in electrical work, plus $42 for every additional $1,000 of electrical work up to $10,000; above $10,000, $476 plus $22.70 for each additional $1,000 of work above $10,000 up to $50,000; above $50,000, $1,382 plus $13.40 for each additional $1,000 of work above $50,000 up to $100,000; $100,000-$500,000, $2,050 plus $9.30 for each additional $1,000 above $100,000
- Temporary power permits: $109 for a single/semi dwelling; and $230 for other uses
- Electrical inspection fees: $108 per hour
- Gas fitting fees: $106 for up to three appliances

Estimates of Levies, Fees, Charges and Taxes ***BURNABY***

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST) *	$395,000	$200,000	$165,000	$120,000
Size (sq.ft.)	2,000	1,200	900	650
Lot frontage (ft.)	33			
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$3,439	$2,491	$1,912	$1,912
Land Dedications	$6,521	$4,344	$3,974	$2,870
Development Application and Processing Fees	$39	$226	$277	$225
Building Permit Fees	$1,750	$1,369	$886	$749
Other Charges and Taxes:				
New Home Warranty Program Fees	$500	$500	$650	
Registry Fees/Land Transfer Tax	$5,955	$2,055	$1,705	
Homeowner Protection Office Fees	$25	$775	$775	
Provincial Sales Tax	$5,425	$4,118	$3,896	$3,171
Goods and Services Tax (GST)	$22,175	$8,576	$7,075	$5,145
Total:	**$45,829**	**$24,454**	**$21,150**	**$14,074**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

No general municipal development cost charges—other than land acquisition charges (see below). The developer is responsible for the costs of installing all services, not only inside the subdivision, but also to connect the subdivision with the existing municipal infrastructure.

Area-specific charges apply in some areas for pedestrian bridges and grade separated crossings—for example $392 per unit for grade-separated crossings in Edmonds Town Centre and $0.306 per gross square foot of building floor area for separated pedestrian links in Metrotown.

The Greater Vancouver Sewerage and Drainage District applies development cost charges to assist in paying capital costs incurred in expanding sewerage facilities to service development. In the Fraser sewerage area, which includes most of Burnaby, the charges are:

- single-detached: $1,731
- townhouses: $1,515
- apartments: $1,082

There is also a school site acquisition charge of $1,000 per unit for low-density developments (-8.5 units per acre), $900 (8.5-20 upa), $800 (20-51 upa), $700 (51-81 upa), and $600 (82+ upa).

Additional infrastructure charges:

- for one and two-family dwellings, there are fees of $21.40 for sanitary connection, and $26.75 for storm connection. For multi-family projects, the fee for installation of on-site storm and sanitary sewer, and domestic water piping, is $26.20 for each 30 metres of piping, and $25 each for connection to sanitary and storm sewers; and
- an engineering fee of 4 per cent of estimated cost of services both in the subdivision and those required outside the subdivision.

Land Dedications

Parkland acquisition charge of $6,521 per unit for single and semi-detached dwellings, $3.62 per square foot for low-density townhouses (roughly 10-20 units per acre), $3.84 per square foot for medium-density low-rise apartments (roughly 25-50 units per acre), and $3.55 per square foot for high-density apartments

No additional public land use dedication is required, though contributions of land can be used to offset some or all of the parkland acquisition charges.

Development Application and Processing Fees

Subdivision application fee: $1,560

Preliminary plan approval fee: $1.77 per $1,000 of construction value (this fee does not apply to single-detached dwellings).

No fees for single-detached and row dwellings. For apartments, there would be a preliminary plan approval application fee of 0.1 per cent of construction value.

Building Permit Fees

Building permit fee: for construction value of not more than $200,000, $289.40 plus $8.52 per $1,000 above $20,000. For construction value above $200,000, the fee is $1,823 plus $7.35 per $1,000 above $200,000.

Electrical permit fee for one and two-family dwellings is 20 per cent of the building permit fee. For other types of buildings, the electrical permit fee is based on construction value of the electrical work:

- $100,000-$500,000: $1,909.05 plus $8.42 per $1,000 or part thereof over $100,000;
- $500,001-$1.5 million: $5,277.05 plus $7.25 per $1,000 or part thereof over $500,000;
- Over $1.5 million: $12,527.05 plus $2.35 per $1,000 or part thereof over $1.5 million.

Plumbing fees are $20.90 per fixture.

Gas permit fees are $26.25 for each gas appliance.

Heating permit fees are $2.12 per 1,000 BTUs, with a minimum charge of $105 per appliance.

Estimates of Levies, Fees, Charges and Taxes — **SURREY**

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$315,000	$190,000	$120,000	$100,000
Size (sq.ft.)	2,200	1,300	800	700
Lot frontage (ft.)	40			
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$19,820	$12,796	$9,150	$8,194
Land Dedications**	$3,609	$0	$0	$0
Development Application and Processing Fees	$101	$98	$98	$98
Building Permit Fees	$1,738	$1,458	$782	$707
Other Charges and Taxes:				
New Home Warranty Program Fees	$500	$500	$650	
Registry Fees/Land Transfer Tax	$4,355	$1,955	$1,255	
Homeowner Protection Office Fees	$25	$775	$775	
Provincial Sales Tax	$5,930	$4,208	$3,182	$2,814
Goods and Services Tax (GST)	$14,112	$8,512	$5,376	$4,480
Total:	**$50,190**	**$30,301**	**$21,268**	**$16,292**

* Development cost for rental apartment
** Included in DCC for multiples

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development cost charges vary by density for single-detached houses. Average charges for typical densities are:

2 units/hectare	$13,918 per lot
4-5 units/hectare	$15,983 per lot
14-25 units/hectare	$16,875 per lot
30+ units/hectare	$15,019 per lot

These development cost charges for single-detached houses apply where there is a 5 per cent park dedication.

For multi-family residential, development cost charges range from $7.43 per square footage of dwelling units for seniors housing and $8.32 per square footage of dwelling units for apartments/ condominiums in the city centre, to $10.64 (seniors) and $12.30 (apartments/condominiums) in other areas. For high density multi-family as part of mixed commercial development, the charges range from $6.72 to $9.88 per square foot of dwelling unit, for apartments including seniors apartments. These DCCs include a contribution in lieu of parkland dedications—for example, for multiples, there is no

additional parkland dedication requirement beyond payment of the DCC.

Additional infrastructure charges:

- $47 for connection of single-family dwellings to the sanitary sewer; and
- land development servicing agreement processing fees: $860 per unit (minimum $3,880/maximum $14,000) for 2-20 units; $650 per unit (maximum $23,680) for 21-50 units; $540 per unit (maximum $38,750) for 51-100 units; fixed fee of $40,365 00 for over 100 units

The City also collects school site acquisition charges on behalf of the Surrey School District. The per unit school site acquisition charges are:

- low density (up to 21 units per hectare): $517
- medium (21-50 units per hectare): $465
- medium (51-125 units per hectare): $414
- medium/high (126-200 units per hectare): $362
- high (more than 200 units per hectare): $310

The Greater Vancouver Sewerage and Drainage District applies charges to assist in paying capital costs incurred in expanding sewerage facilities to service development. In the Fraser sewerage area, the per unit charges are:

- single-detached: $1,731
- townhouses: $1,515
- apartments: $1,082

The developer is responsible for the installation of internal subdivision services and connections, extensions or upgrading of trunk services required for the subdivision.

Land Dedications

There is a 5 per cent dedication for public park land use. For multiple projects, the DCC includes a parkland contribution so no additional parkland dedications are required.

Development Application and Processing Fees

For the subdivision and creation of single lots: a base rate of $1,355 plus $67 per lot; for multi-family developments: a $1,860 base fee plus from $25 (high density) to $51 (medium density) per unit as Development Permit fees

Building Permit Fees

Building Permit fees are $47 for the first $1,000, plus $10.50 for each additional $1,000 up to $100,000, plus $8.65 for each additional $1,000 up to $250,000, plus $7.90 for each $1,000 over $250,000.

Electrical Permit fees are based on the deemed installation value which is calculated as three times the cost of materials: $41 (value $0-$300); $67 (value $301-$700); $94 (value $701-$1,000) $94 plus $14.50 per $1,000 of value over $1,000.

Plumbing Permit fees are $47 for the first fixture and $19 for each additional fixture.

Estimates of Municipal Levies, Fees, Charges and Taxes			***KELOWNA***
	Single Detached House	**Row House**	**Condominium Apartment**
Dwelling Characteristics:			
Price (excluding GST)	$210,000	$150,000	$130,000
Size (sq.ft.)	1,500	1,200	1,000
Lot frontage (ft.)	50		
Municipal Levies, Fees and Charges:			
Infrastructure Charges	$8,863	$8,067	$5,331
Land Dedications	$2,290	$2,290	$2,290
Development Application and Processing Fees	$131	$156	$29
Building Permit Fees	$1,041	$759	$671
Other Charges and Taxes:			
New Home Warranty Program Fees	$500	$500	$650
Registry Fees/Land Transfer Tax	$2,255	$1,555	$1,355
Homeowner Protection Office Fees	$25	$25	$25
Provincial Sales Tax	$4,452	$3,887	$3,159
Goods and Services Tax (GST)	$9,408	$6,720	$5,824
Total:	**$28,966**	**$23,959**	**$19,333**

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development cost charges vary by area in Kelowna. The ranges and most common charges are:

	Low Density		High Density	
	Range	Most Common	Range	Most Common
Arterial roads	$2,745-11,188	$2,745	$2,059-8,389	$2,059
Water*	$2,309-2,521	$2,309	$1,616-1,765	$1,616
Sanitary trunks	$706-1,323	$706	$494-926	$494
Sewer treatment	$1,388	$1,388	$972	$972

* No charges in areas where the City is not the supplier of the water.

There is also a DCC for parks—this is discussed in the section on land dedications.

Additional infrastructure charges:

– drainage works charges of $3,544-$9,113 per gross acre, depending on the zone; typical charges by dwelling type are: $3,544 per gross acre for single-detached dwellings, $4,557 per

gross acre for row dwellings, and $7,088-$8,101 for apartment buildings;

- a water meter charge of $235 to connect single-detached and row dwellings to the water system; and
- an engineering fee of 3 per cent of cost for review and approval

The developer is responsible for the installation of internal subdivision services and the construction of connections from the subdivision to trunk services.

Land Dedications

The City has no land dedication requirement other than what might be required for road widening or creek dedication.

Parks are funded through the Development Cost Charge fund which would reimburse developers for land required for parks. The public open space DCC (not included in the infrastructure charges shown above) is $2,290 per unit for all types of dwellings.

Development Application and Processing Fees

Subdivision applications (preliminary layout review): $500 for the first 0.4 hectares, and $75 per hectare, up to a maximum of $3,500.

Subdivision approvals: $310 plus $105 per lot

No charge for development applications for single-detached dwellings. Fee of $1,140 for development permit applications for multiple unit projects

Building Permit Fees

Building permit fee: $45 plus $8.50 per $1,000 up to $100,000 in value; $100,000-$500,000: $7.00 per $1,000; above $500,000: $6.25 per $1,000

For the purposes of valuation for the building permit, single-detached dwellings are valued at $490 per square metre (one-storey, no basement); $670 per square metre (one-storey, unfinished basement); $860 per square metre (two-storey, no basement); $940 per square metre (two-storey, unfinished basement). Add $3,000/$4,800 for single/double carports, and $5,000/$9,000 for single/double garage. For multiples, use construction value.

$40 for permits for installation of appliances including vent and gas piping (1-2 appliances) in single-family dwellings; $20 for each additional appliance. In multiple dwellings, $30 for each appliance in individual dwelling units

A plumbing fee of $40 plus $10 per fixture also applies.

PRINCE GEORGE

Estimates of Levies, Fees, Charges and Taxes	*PRINCE GEORGE*
	Single-Detached House
Dwelling Characteristics:	
Price (excluding GST)	$160,000
Size (sq.ft.)	1,600
Lot frontage (ft.)	55
Municipal Levies, Fees and Charges:	
Infrastructure Charges	$3,412
Land Dedications	$1,067
Development Application and Processing Fees	$184
Building Permit Fees	$686
Other Charges and Taxes:	
New Home Warranty Program Fees	$600
Registry Fees/Land Transfer Tax	$1,655
Homeowner Protection Office Fees	$25
Provincial Sales Tax	$4,072
Goods and Services Tax (GST)	$7,168
Total:	**$18,869**

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development cost charges vary by area. In the core area (with water), DCCs per unit are:

- single-detached: $3,412
- multiple (up to 44 units/hectare): $2,390
- multiple (45+ units/hectare): $1,907

The developer is responsible for the installation of internal subdivision services as well as connections to existing trunk services.

Land Dedications

The public land use dedication is 5 per cent.

Development Application and Processing Fees

$300 plus $50 per lot for a subdivision application, plus $125 per lot inspection fee. In addition, there is a Statutory Examination Fee under the Land Title Act of $50 per subdivision plan.

Development permits are required for block developments in some areas of the city; where they apply these are $400 per block.

Building Permit Fees

$70 for the first $1,000 plus $7 for each additional $1,000 up to $50,000. Above $50,000 in value, $413 plus $4 per $1,000 of value in excess of $50,000. Value is estimated based on $75 per square foot

for one-storey dwellings with an unfinished basement; for two-storey dwellings, the main floor is $65 per square foot and second floor is $45 per square foot (if finished) and $30 per square foot (if unfinished). For multi-family residential, the cost of construction is $65,000 per unit.

There is also a plumbing fee of $65 plus $7 per fixture.

Estimates of Levies, Fees, Charges and Taxes — **SAANICH**

	Single Detached House	Row House	Condominium Apartment	Modest Rental Apartment
Dwelling Characteristics:				
Price (excluding GST)*	$255,000	$180,000	$125,000	$98,500
Size (sq.ft.)	1,700	1,400	800	700
Lot frontage (ft.)	55			
Municipal Levies, Fees and Charges:				
Infrastructure Charges	$10,014	$4,433	$4,433	$4,333
Land Dedications	$3,762	$1,778	$1,028	$508
Development Application and Processing Fees	$110	$12	$12	$12
Building Permit Fees	$1,593	$1,554	$949	$888
Other Charges and Taxes:				
New Home Warranty Program Fees	$500	$500	$650	
Registry Fees/Land Transfer Tax	$3,155	$1,855	$1,305	
Homeowner Protection Office Fees	$25	$775	$775	
Provincial Sales Tax	$4,827	$4,095	$3,182	$2,942
Goods and Services Tax (GST)	$11,424	$8,064	$5,600	$4,413
Total:	**$35,409**	**$23,066**	**$17,935**	**$13,096**

* Development cost for rental apartment

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development cost charges vary from $808 to $23,365 per unit by area within the District. In most areas, DCCs are in the $3,000-$6,000 per unit range—the average is roughly $4,000 per unit. The charges are the same for all dwelling types.

Additional infrastructure charges vary depending on the development. Typical additional charges are:

- $1,300 for water for a single-detached dwelling (includes the water meter); for a 40-unit multiple building, the charge would be roughly $5,300;
- $1,800 for sewer connection for a single-detached house; for a 40-unit multiple building, the charge would be roughly $4,500;
- $1,800 for storm sewer connection for a single-detached house; for a 40-unit multiple building, the charge would be roughly $7,500; and
- administration and inspection fee equivalent to 4.5 per cent of the cost estimates of the works and services required in

the subdivision.

The developer is responsible for the installation of internal subdivision services as well as connections to existing trunk services.

Land Dedications

The public land use dedication is 5 per cent for subdivisions creating 3 or more additional lots.

Development Application and Processing Fees

Subdivision application fees are $450 for the first lot and $100 for each additional lot. The fee is $475 for a development permit for an multi-family development.

There is a plan inspection fee of $50 per subdivision once a plan has been submitted for final approval. Plan inspections are not required for development permits.

Building Permit Fees

$50 for the first $1,000 plus $13 per $1,000 or part up to $500,000, plus $10 per $1,000 above $500,000.

Plumbing fees are $19 per fixture (minimum $50).

WHITEHORSE

Estimates of Levies, Fees, Charges and Taxes	*WHITEHORSE*
	Single-Detached House
Dwelling Characteristics:	
Price (excluding GST)	$150,000
Size (sq.ft.)	1,400
Lot frontage (ft.)	55
Municipal Levies, Fees and Charges:	
Infrastructure Charges	$2,500
Land Dedications	$0
Development Application and Processing Fees	$25
Building Permit Fees	$613
Other Charges and Taxes:	
Registry Fees/Land Transfer Tax	$155
Provincial Sales Tax	$0
Goods and Services Tax (GST)	$6,720
Total:	**$10,013**

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

Development cost charges of $2,500 for an urban single-detached lot and $1,250 for a rural lot, $2,000 for a row unit and $1,500 for an apartment unit. $1,500 for a secondary suite in urban, serviced areas and $750 for secondary suites in rural, unserviced areas. The urban area development charge has been used in the analysis here.

The developer is responsible for the installation of internal subdivision services.

Land Dedications

10 per cent—but almost all land is developed by the Territorial Government so there is minimal impact on development costs.

Development Application and Processing Fees

Subdivision applications are $100 per lot, with a minimum fee of $250. The maximum fee is $1,000.

Development permits are required for multiple housing—at a rate of $1.00 per square metre of gross floor area. Single-detached and duplex units are exempt.

Building Permit Fees

0.6 per cent of construction dollar value or minimum $50.00

Plumbing fees are $5.00 per fixture or a minimum of $50 whichever is greater. For row and apartment complexes, the fee is based on the total number of fixtures in the complex.

YELLOWKNIFE

Estimates of Levies, Fees, Charges and Taxes	*YELLOWKNIFE*
	Single-Detached House
Dwelling Characteristics:	
Price (excluding GST)	$165,000
Size (sq.ft.)	1,200
Lot frontage (ft.)	45
Municipal Levies, Fees and Charges:	
Infrastructure Charges	$170
Land Dedications	$0
Development Application and Processing Fees	$9
Building Permit Fees	$926
Other Charges and Taxes:	
Registry Fees/Land Transfer Tax	$165
Provincial Sales Tax	$0
Goods and Services Tax (GST)	$7,392
Total:	**$8,662**

Description of Municipal Levies, Fees and Charges:

Infrastructure Charges

No development charges. The developer is responsible for the installation of internal subdivision services, as well as covering the costs of connecting the subdivision to trunk services.

There is a water meter charge of $140 plus a connect fee of $30.

Land Dedications

No public land use dedication since the land is released from the publicly owned land reserve.

Development Application and Processing Fees

Development permits: $50 for single-detached developments, $100 for multi-family developments—an additional fee of $10 per $100,000 is levied for developments where the estimated construction value exceeds $1 million.

Building Permit Fees

Building permit fees: $27.50 plus $0.39 per square foot (of total floor area, including unfinished basements) for single-detached units, plus $0.22 per square foot for garages. For other dwelling types, $27.50 plus $6.05 per $1,000 of construction costs (excluding mechanical)

Mechanical permits for HVAC systems are $27.50 plus $6.05 per $1,000 of mechanical construction costs.

Plumbing fees are $27.50 plus $6.60 per fixture

Appendix B – Municipal Infrastructure Charges Versus Costs of Installing Municipal Infrastructure

This appendix presents a brief overview of the legislative context within which municipalities levy infrastructure charges on new development. In addition, it provides information comparing the costs borne by municipalities in installing municipal infrastructure, and the infrastructure charges levied on new residential development. The overview covers only provinces in which municipalities have infrastructure charges, and municipalities which were able to provide background information on their costs of installing infrastructure.

Nova Scotia

The *Municipal Government Act* (Section 274) establishes the basis for municipalities in the province to levy infrastructure charges on new development. In essence, the legislation allows municipalities to cover all, or part of, the capital costs involved in the installation of municipal infrastructure—a detailed description of the contents of the legislation is provided in Chapter 2 of the main body of the report.

In Halifax, according to officials at the Halifax Regional Municipality, the methods used to determine the Capital Cost Charge seek to apportion the costs involved in installing new infrastructure between the "cost causer" and whoever benefits from the services. Under this model, the existing tax base funds the regional share of the costs while the share apportioned to the local residents in the new community is funded through infrastructure charges. Each "charge area" has its own distinct infrastructure charge depending on the location and density of the development—the charges range from $3,000 to $10,000 for a single-family house (different charges apply to different types of dwellings) and are based on the estimated costs of installing infrastructure in that area (and the share of that infrastructure which "benefits" the local residents rather than the region as a whole).

Quebec

The *Act Respecting Land Use Planning and Development* (*Loi sur l'aménagement et l'urbanisme*) allows municipalities the choice of three models for financing infrastructure:

- General taxes – the cost of new infrastructure is paid for by all citizens through their property taxes;
- Sector taxes – the cost is charged to those who will benefit from the new infrastructures—that is the new residents pay through a local improvement tax, either upfront or over time;
- Development agreement—the cost is paid by developers and charged to purchasers of new houses.

Within this legislative framework, which was passed in 1994, municipalities have the flexibility to use the various models or a combination of approaches. In recent years, more municipalities have been using development agreements with private developers.

Two of the Quebec municipalities included in this analysis have significant infrastructure charges:

- **Montréal** – the City's infrastructure charges total $1,284 per metre of frontage ($391 per front foot)—this can be charged upfront to the developer, or levied over time on the occupants of the development as a local improvement tax. This covers all infrastructure required for the project—including internal subdivision services. According to City officials, the infrastructure charges are less than the actual cost of the infrastructure; current charges reflect 1995 estimated costs adjusted by the index of industrial prices.

- **Laval** – the City's infrastructure charges are $450 per front foot. This includes all infrastructure required for the development. According to City officials, these charges are intended to fully cover the cost of installing new infrastructure. If the actual costs involved in any particular development are greater than the prescribed charge, the developer is expected to make up the difference.

Ontario

The *Development Charges Act* allows municipalities to use development charges to fully finance most types of growth-related municipal capital expenditures—including water, sewer and road systems, and police and fire services. Some types of capital expenditures (for examples, park development, libraries, recreation centres, transit) are also eligible for development charges, but are subject to a 10 per cent discount which must be borne by the municipality. Development charges cannot be levied for cultural and entertainment facilities, convention centres, acquisition of land for parks, hospitals, waste management services, city halls and other similar facilities in Ontario; however, the *Education Act* allows school boards to levy development charges for the acquisition costs of school sites.

Municipalities are required to formulate a "development charges background study" which provides detailed estimates of expected municipal capital expenditures of each type (sewer, water, roads, libraries, etc.) which will be required to provide services (based on detailed projections of employment, population and household growth by type of dwelling). From a review of a selection of these studies for the municipalities covered in this analysis, it is clear that many, but not all, municipalities seek to recover all or the vast majority of the costs associated with installing new infrastructure:

- **Toronto** – the City's development charges are based on a report by a consultant (C.N. Watson and Associates: *City of Toronto Development Charge Background Study*) prepared in 1999. As stipulated in the Provincial legislation, the study provides extensive information on growth-related capital costs, as well as projections of population, households and employment. To cover growth-related capital costs, the study recommended development charges ranging from $2,163 for a 1-bedroom apartment unit

to $5,003 per single-detached unit (in 2000). Prior to finalizing the development charge schedule, discussions with industry associations led to a reduction in these charges by roughly 20 per cent—to $1,692 for a 1-bedroom apartment and $3,912 for a single-detached house. Effectively, the City's development charges are less than their estimates of growth-related capital costs.

- **Mississauga** – the City undertook an analysis of growth-related capital costs and published the results in *1999 Development Charges Study*. The study documented expected growth-related capital costs and estimated that a development charge of $6,498 (for single-detached houses in 1999) would be required to cover the City's costs. An appeal to the Ontario Municipal Board resulted in a reduction of the proposed development charges—for single-detached houses, the reduced development charge was $5,902,

- **Vaughan** – the City's development charges are based on a report by Hemson Consulting (*Development Charges Background Study, The City of Vaughan*) in 1999. The report documents the projected capital costs associated with new development based on a negotiated settlement. The projected city-wide costs are fully recovered in the City's development charges—$6,890 for a single-detached house in 1999. In addition, there are area-specific charges for some parts of Vaughan.

- **Kanata** – the City has disappeared with the amalgamation of all the municipalities in the Region of Ottawa-Carleton into the City of Ottawa; however, the development charges for each of the previous municipalities still apply. The previous City's charges were based on *Development Charges Background Study*, prepared for the City by C.N. Watson and Associates in 1999. The study documented the growth-related capital costs and recommended a development charge of $6,401 (in 1999) for single-detached houses of 1,100 square feet or more.

- **Windsor** – estimates of growth-related capital costs were prepared by Hemson Consulting in *Development Charges Background Study*, 1998. According to the estimates contained in the study, a development charge of $8,619 (single-detached houses) would have been required to cover the City's growth-related capital costs. Following discussions with the development community, the actual development charges were substantially less than this—the development charge for a single-detached unit is currently $3,700.

Manitoba

Under the *Municipal Act*, municipalities are given the authority to require licenses, permits or approvals relating to various things, and to establish fees for these. There is no infrastructure charges legislation at this time and, therefore, there is no specific limit on how the these charges are to be established and no requirement in legislation that the charges be based on supporting evidence related to the costs involved. Manitoba officials point to the Supreme Court decision that limits local governments from using fees as a back door system of taxation as a way of ensuring that fee rates are reasonable and relate to actual costs.

Winnipeg charges developers a Trunk Services Rate that varies from $5,000-$16,000 per acre, depending on the area of the City—at the overall average rate of roughly $10,000 per acre, this works out to an average of approximately $1,600 for a 35 foot lot. The Trunk Services Rate is a means of distributing the cost of regional land drainage facilities over all the lands in the benefiting development area. It is site specific—it varies for each drainage area based on the actual facilities which will be required in each area, as determined by an engineering assessment. The total cost for each drainage area is used to calculate a "per acre" rate to determine each developer's share. The goal is that the total costs are borne by those developing the lands; however, the City is responsible for any shortfalls in the collection of costs.

Saskatchewan

Under the *Planning and Development Act*, municipalities are allowed to establish "development levies for the purpose of recovering all or a part of the municipality's capital costs of providing, altering, expanding or upgrading the following services and facilities associated, directly or indirectly, with the proposed development: sewage, water or drainage works; public highways; parks; recreational facilities." The capital costs are defined to include "the municipality's current estimated cost of providing construction, planning, engineering and legal services" based on specific engineering studies on servicing requirements and studies on recreation needs.

Both Regina and Saskatoon have development levies:

- **Regina** – the City has development levies of $66,760 per gross hectare to cover the costs of installing the above types of municipal infrastructure. The City is currently in the process of discussing increases in the charge rates in an attempt to ensure that shortfalls in the overall account do not occur.

- **Saskatoon** – the City's offsite services charges are $709 per front metre. As with Regina, these charges are designed to cover the City's costs of installing infrastructure required for new development.

Alberta

Under the *Municipal Government Act*, municipalities are allowed to charge for off-site services required for land to be developed or subdivided. These levies are restricted to pay for all or part of the capital costs of new or expanded facilities for the storage, transmission or supply of water; the treatment, movement or disposal of sanitary sewage; storm sewer drainage facilities; or land required in connection with these services. Off-site levies may only be collected once and the bylaw enacted to collect the levies must specify the object of each levy and how the amount was determined.

Both Calgary and Edmonton have off-site levies:

- **Calgary** – the City has developed a schedule of assessment levies for new infrastructure. For some services (for example, storm sewer), the assessment levies vary for developments in different parts of the city—based on the estimated costs of installing the infrastructure. According to the City, the assessment levies are based on the historical costs involved in installing similar infrastructure, with adjustments to reflect differing circumstances and inflation. The levies are reviewed and jointly approved by the City and the development industry.

- **Edmonton** – the City levies Permanent Area Contributions (PACs) and Arterial Roadway Assessments, both of which are a form of off-site levy. PACs are typically $40,000+ per hectare, but they vary from one drainage basin to another; they are designed to recover the costs associated with installation of storm and sanitary trunk sewers within a defined drainage basin by ensuring that all developers within a drainage basin pay an equitable share of the servicing costs for the basin. Similarly, Arterial Roadway Assessments typically vary from $10,000 to $26,000 per hectare, based on the cost of providing arterial roadways to various catchment areas. The levies are based on estimates of the costs of providing the infrastructure and were developed in cooperation with the development industry.

British Columbia

Under the *Local Government Act*, municipalities are allowed to levy charges on developments which create the need for new infrastructure—including sewage, water, drainage, highway facilities and parkland. As in Ontario, municipalities are required to prepare and publish estimates of the capital costs associated with providing the infrastructure required to accommodate growth—such as separating projected capital expenditures into shares generated by new development versus the existing population. Municipalities are also required to make some contribution (an "assist factor") to be included as part of the calculation of the development cost charges (DCCs) to be levied on new developments—the minimum assist factor is 1 per cent of the portion of the capital costs attributable to new development (that is, after allowing for a share of the capital costs to be borne by the existing population).

Many B.C. municipalities have infrastructure charges:

- **Vancouver** – the City operates under the *Vancouver Charter*, which provides the authority to use development charges (called the Development Cost Levy—or DCL) to pay for the capital facilities required due to growth. At present, DCLs are used only to fund parks, replacement housing (housing that replaces affordable rental units lost through redevelopment), childcare, and engineering infrastructure (transportation, sewer, water and drainage). According to the City, DCL-eligible capital costs over the next 25 years are expected to total $480 million—of which the current (interim) level of DCLs would fund about $125 million (roughly one-quarter). The City is currently engaged in a public consultation process to determine how best to fund the shortfall—including an

option to raise the DCL, and possibly to extend it to include single-family homes (which are currently exempt).

- **Surrey** – the City has undertaken a detailed analysis of future population and household growth patterns, the infrastructure required to accommodate this growth, the capital costs associated with installing the necessary infrastructure, and the share of these capital expenditures which are attributable to new development. It has also determined that 5 per cent of the capital costs attributable to new development for roads, and 10 per cent of the capital costs attributable to new development for sewer and water, should be borne by the City (that is, 95 per cent and 90 per cent of these costs, respectively, should be borne by new development through DCCs). In terms of the DCCs collected on a new single-detached house (see description in Appendix A), it is estimated that DCCs would fund roughly 92% of the capital costs of new infrastructure which the City estimates to be attributable to new single-detached houses.

- **Greater Vancouver Regional District** – the GVRD collects a regional DCC to cover the growth-related capital costs of sewage systems. The DCC is based on estimates of capital costs for primary systems (for example, pump stations and sewer lines) or treatment facilities. The DCC is designed to cover 99 per cent of the share of the primary system costs which are deemed to be growth-related and 10 per cent of the costs deemed to be non-growth-related (on the basis that when a line is replaced, it is normally upsized to accommodate growth). The capital costs associated with secondary treatments are disaggregated into the districts which are considered to benefit from the new facilities.

- **Prince George** – the City bases its DCCs on estimates presented in the report *City of Prince George Development Cost Charge Review* (July 1997) prepared by UMA Engineering Ltd. Based on projected capital costs associated with growth, the DCC for a single-detached house in the core area was calculated at $8,069 (1 per cent assist factor). In fact, since this would have resulted in a significant increase in DCCs, the actual DCC for single-detached houses in the core area was established at a much lower level—$3,412 in 2002.

Appendix C – Estimates of Property Taxes on New Dwellings

This appendix presents estimates of the property taxes which are likely to apply to new dwellings in 30 municipalities across Canada. Property taxes are estimated for four different types of new dwellings: modest single-detached houses, row dwellings, condominium apartments, and modest rental apartments. Details on the prices and sizes of the new dwellings are presented in Appendix A – the characteristics of the dwellings vary significantly among the municipalities.

The estimates of assessed values were prepared by the consultant based on discussions with assessment and tax officials in the various jurisdictions. Given the fact that the estimated assessed values are based on dwellings which were entirely theoretical in nature (that is, there was no information on exact locations of the properties and exact descriptions of their attributes), plus the sometimes murky nature of assessment practices (that is, it appears to be much more an art than a science), it was not possible to determine the precise assessed values which qualified assessors might place on the various properties in each case—the estimated assessed values are considered to be broad estimates of the likely assessed values. Therefore, the estimated taxes presented here should be regarded as only broadly indicative of the actual taxes which would apply in each case.

The process for estimating the assessed values for the dwellings consisted of the following:

- Discussions with local assessment officials determined the general practices involved in assessing new properties—for example, whether the assessed values are based on comparative values or estimated costs (or income for rental properties); whether typically there are discounts from market value; the base year for assessed values; and other factors involved in determining assessments.

- For ownership dwellings, in most jurisdictions, the price of the dwelling (from Appendix A, but adding on GST/HST) is assumed to represent fair market value as of 2002. In most jurisdictions, the base year for assessments is prior to 2002, so the estimated 2002 fair market values were deflated to the base year value (utilizing the change in the Statistics Canada new house price index over the relevant period as the deflator).

- For rental dwellings, in jurisdictions where capitalization rates or gross income multipliers are used to determine assessed value, estimates of the assessed value of the rental units were based on estimated market rents. In some jurisdictions, assessment officials were willing to provide estimated assessments based on information provided by the consultant; others indicated the estimated operating costs that they would use in determining assessed values—which were typically based on local experience with operating costs (from existing rental properties) and were, therefore, not always consistent with the estimates of operating costs developed independently by the consultant. In Quebec, where assessment officials indicated that assessed values are based broadly on development costs, the estimated development costs of the units were assumed to reflect the value for assessment purposes. For reasons of confidentiality, several of the assessment officials asked that the precise procedures (for example, cap rates and revenue/cost estimates) regarding the formulation of the estimated assessed

values not be included in the report—so only the actual estimated assessed values are presented here for rental housing (Exhibit C-4).

- Current tax rates in the municipalities were applied to the assessed values to determine the property taxes payable. In some jurisdictions, the property tax rates were adjusted to reflect adjustments normally applied in determining property taxes—for example, in some jurisdictions, a factor is applied to residential assessments prior to applying the published tax rates; for the purposes here, this adjustment is reflected in a lower tax rate, rather than an adjustment to the assessed value.

- In some jurisdictions, additional charges apply for various things—for example, trash removal, snow removal, etc. Where they apply, these additional charges have been added to the estimated property taxes in order to be consistent with other municipalities where the costs of such services are covered by the general property taxes. Water and sewage charges are an exception to this—in order to be consistent with the majority of municipalities (where water and sewage charges are metered), these charges have not been included in the analysis here.

- In Manitoba and British Columbia, the provincial governments offer grants to owner-occupants of dwellings – the grants are $400 and $470, respectively, and are not available for rental housing landlords. These grants have been deducted from the total property taxes payable for owner-occupied dwellings.

As is discussed in the main body of the report, the estimated property taxes presented here are not based on a consistent unit of comparison—unit sizes, values and the features included in the properties can differ significantly from one municipality to the next. As a result of this, plus the fact that (as discussed above) the estimated assessed values are considered to be broad estimates only, readers should be very cautious about drawing conclusions related to apparent differences in the estimated level of property taxes in one municipality compared to another.

Also, as discussed in the main body of the report, estimates of the prices and development costs for row houses, condominium apartments and rental apartments were not undertaken for some of the smaller municipalities. This is because little information was available on development costs and prices for these types of dwellings since there had been few such developments in these communities in the recent past.

Exhibit C-1
Assessed Values and Property Taxes
Single-Detached Houses

	Type of Assessment	Base Year	2002 Price	Price Incl. GST/HST	Deflator	Assessed Value	Tax Rate	Estimated Taxes	Additional Charges	Credits	Net Total
St. John's	Market value	1999	130,000	146,224	0.93	135,500	1.2700%	1,721			1,721
Charlottetown	Market value	Current	125,000	130,600	1.00	130,600	1.6900%	2,207	155		2,362
Halifax	Market value	2000	140,000	157,472	0.94	148,000	1.4330%	2,121			2,121
Moncton	Market value	Current	120,000	134,976	1.00	135,000	1.6047%	2,166			2,166
Montréal	Market value	1999	145,000	158,768	0.87	138,500	2.3202%	3,213			3,213
Laval	Market value	1999	155,000	169,717	0.87	148,000	1.9900%	2,945	179		3,124
Longueuil	Market value	1999	140,000	153,293	0.87	133,700	1.9590%	2,619	96		2,715
Gatineau	Market value	1999	135,000	147,818	0.78	114,600	1.9270%	2,208	234		2,442
Québec City	Market value	1999	110,000	120,445	0.93	111,500	2.0926%	2,333	156		2,489
Toronto	Current value	1999	285,000	297,768	0.92	275,100	1.1038%	3,037			3,037
Mississauga	Current value	1999	260,000	271,648	0.92	250,900	1.2423%	3,117			3,117
Vaughan	Current value	1999	275,000	287,320	0.92	265,400	1.2038%	3,195			3,195
London	Current value	1999	160,000	167,168	0.93	154,700	1.6646%	2,575			2,575
Ottawa	Current value	1999	230,000	240,304	0.78	186,300	1.7231%	3,210			3,210
Sudbury	Current value	1999	150,000	156,720	1.01	159,000	1.7554%	2,791			2,791
Windsor	Current value	1999	150,000	156,720	0.99	154,900	1.7426%	2,699			2,699
Winnipeg	Market value	1999	145,000	151,496	0.93	141,600	2.7041%	3,829	89	400	3,518
Regina	Fair value	1998	135,000	141,048	0.90	126,900	2.4641%	3,127			3,127
Saskatoon	Fair value	1998	145,000	151,496	0.92	140,100	1.8600%	2,606			2,606
Calgary	Market value	2001	175,000	182,840	0.95	174,500	0.8972%	1,566			1,566
Edmonton	Market value	2001	165,000	172,392	0.94	161,800	1.1601%	1,877	118		1,995
Grande Prairie	Market value	2001	130,000	135,824	0.98	132,500	1.3110%	1,737	97		1,834
Burnaby	Market value	2001	395,000	417,175	0.98	407,200	0.7813%	3,181		470	2,711
Surrey	Market value	2001	315,000	329,112	0.98	321,300	0.7794%	2,504	177	470	2,211
Kelowna	Market value	2001	210,000	219,408	0.98	214,000	1.1477%	2,456	93	470	2,079
Prince George	Market value	2001	160,000	167,168	0.98	163,000	1.7309%	2,821		470	2,351
Saanich	Market value	2001	255,000	266,424	0.97	258,600	1.0106%	2,613	107	470	2,250
Whitehorse	Replacement cost (less depreciation)		150,000			140,000	1.1990%	1,679	87		1,766
Yellowknife	Market value (land) plus replacement cost		165,000	165,000		165,000	1.4689%	2,424	120		2,544

Exhibit C-2
Assessed Values and Property Taxes
Row Houses

	Type of Assessment	Base Year	2002 Price	Price Incl. GST/HST	Deflator	Assessed Value	Tax Rate	Estimated Taxes	Additional Charges	Credits	Net Total
St. John's	Market value	1999	115,000	129,352	0.93	119,800	1.2700%	1,521			1,521
Halifax	Market value	2000	160,000	179,968	0.94	169,100	1.4330%	2,423			2,423
Montréal	Market value	1999	170,000	186,142	0.87	162,400	2.3202%	3,768			3,768
Laval	Market value	1999	130,000	142,344	0.87	124,200	1.9900%	2,472	179		2,651
Longueuil	Market value	1999	120,000	131,394	0.87	114,600	1.9590%	2,245	86		2,331
Gatineau	Market value	1999	125,000	136,869	0.78	106,100	1.9270%	2,045	234		2,279
Québec City	Market value	1999	100,000	109,495	0.93	101,400	2.0926%	2,122	156		2,278
Toronto	Current value	1999	225,000	235,080	0.92	217,200	1.1038%	2,397			2,397
Mississauga	Current value	1999	200,000	208,960	0.92	193,000	1.2423%	2,398			2,398
Vaughan	Current value	1999	210,000	219,408	0.92	202,700	1.2038%	2,440			2,440
London	Current value	1999	165,000	172,392	0.93	159,600	1.6646%	2,657			2,657
Ottawa	Current value	1999	185,000	192,933	0.78	149,600	1.7231%	2,578			2,578
Windsor	Current value	1999	150,000	156,720	0.99	154,900	1.7426%	2,699			2,699
Winnipeg	Market value	1999	160,000	166,861	0.93	156,000	2.7041%	4,218	51	400	3,869
Regina	Fair value	1998	120,000	125,376	0.90	112,800	2.4641%	2,780			2,780
Saskatoon	Fair value	1998	105,000	109,704	0.92	101,400	1.8600%	1,886			1,886
Calgary	Market value	2001	145,000	151,496	0.95	144,600	0.8972%	1,297			1,297
Edmonton	Market value	2001	125,000	130,600	0.94	122,600	1.1601%	1,422	77		1,499
Vancouver	Market value	2001	260,000	271,149	0.98	264,700	0.6621%	1,753	119	470	1,402
Burnaby	Market value	2001	200,000	208,576	0.98	203,600	0.7813%	1,591		470	1,121
Surrey	Market value	2001	190,000	198,512	0.98	193,800	0.7794%	1,510	177	470	1,217
Kelowna	Market value	2001	150,000	156,720	0.98	152,900	1.1477%	1,755	93	470	1,378
Saanich	Market value	2001	180,000	188,064	0.97	182,600	1.0106%	1,845		470	1,375

Exhibit C-3
Assessed Values and Property Taxes
Condominium Apartments

	Type of Assessment	Base Year	2002 Price	Price Incl. GST/HST	Deflator	Assessed Value	Tax Rate	Estimated Taxes	Additional Charges	Credits	Net Total
St. John's	Market value	1999	135,000	151,848	0.93	140,700	1.2700%	1,787			1,787
Halifax	Market value	2000	125,000	140,600	0.94	132,100	1.4330%	1,893			1,893
Montréal	Market value	1999	135,000	147,818	0.87	128,900	2.3202%	2,991			2,991
Laval	Market value	1999	145,000	158,768	0.87	138,500	1.9900%	2,756	179		2,935
Longueuil	Market value	1999	100,000	109,495	0.87	95,500	1.9590%	1,871	81		1,952
Québec City	Market value	1999	85,000	93,071	0.93	86,200	2.0926%	1,804	156		1,960
Toronto	Current value	1999	140,000	146,272	0.92	135,100	1.1038%	1,491			1,491
Mississauga	Current value	1999	130,000	135,824	0.92	125,500	1.2423%	1,559			1,559
Vaughan	Current value	1999	160,000	167,168	0.92	154,400	1.2038%	1,859			1,859
London	Current value	1999	150,000	156,720	0.93	145,100	1.6646%	2,415			2,415
Ottawa	Current value	1999	130,000	135,574	0.78	105,100	1.7231%	1,811			1,811
Windsor	Current value	1999	160,000	167,168	0.99	165,200	1.7426%	2,879			2,879
Winnipeg	Market value	1999	120,000	125,145	0.93	117,000	2.7041%	3,164	20	400	2,784
Regina	Fair value	1998	105,000	109,704	0.90	98,700	2.4641%	2,432			2,432
Saskatoon	Fair value	1998	110,000	114,928	0.92	106,300	1.8600%	1,977			1,977
Calgary	Market value	2001	125,000	130,600	0.95	124,600	0.8972%	1,118			1,118
Edmonton	Market value	2001	105,000	109,704	0.94	102,900	1.1601%	1,194	77		1,271
Vancouver	Market value	2001	170,000	177,289	0.98	173,100	0.6621%	1,146		470	676
Burnaby	Market value	2001	165,000	172,075	0.98	168,000	0.7813%	1,313		470	843
Surrey	Market value	2001	120,000	125,376	0.98	122,400	0.7794%	954	177	470	661
Kelowna	Market value	2001	130,000	135,824	0.98	132,500	1.1477%	1,521		470	1,051
Saanich	Market value	2001	125,000	130,600	0.97	126,800	1.0106%	1,281		470	811

Exhibit C-4
Assessed Values and Property Taxes
Modest Rental Apartments (per unit)

	Main Method of Determining Assessed Value	Assessed Value	Tax Rate	Estimated Taxes	Additional Charges	Total Taxes	New Multi-Res Rate (Ontario)	
							Tax Rate	Tax
St. John's	Income approach	41,600	1.2700%	528		528		
Charlottetown	Income approach	42,500	1.6900%	718	155	873		
Halifax	Income approach	55,000	1.4330%	788		788		
Moncton	Income approach	46,200	3.1547%	1,457		1,457		
Montréal	Estimated cost	84,000	2.4121%	2,026		2,026		
Laval	Estimated cost	82,000	2.0100%	1,648	179	1,827		
Longueuil	Estimated cost	75,000	1.9590%	1,469	81	1,550		
Gatineau	Estimated cost	78,000	1.9270%	1,503	234	1,737		
Québec City	Estimated cost	75,000	2.0926%	1,569	156	1,725		
Toronto	Income approach	89,800	3.2973%	2,961		2,961	1.1038%	991
Mississauga	Income approach	76,800	1.8801%	1,444		1,444		
Vaughan	Income approach	74,500	1.4531%	1,083		1,083	1.2038%	897
London	Income approach	54,700	3.0953%	1,693		1,693		
Ottawa	Income approach	65,500	3.2903%	2,155		2,155	1.7231%	1,129
Sudbury	Income approach	60,500	3.0784%	1,862		1,862		
Windsor	Income approach	55,400	3.8246%	2,119		2,119		
Winnipeg	Income approach	51,000	2.7041%	1,379	20	1,399		
Regina	Adjusted cost	53,800	3.5586%	1,915		1,915		
Saskatoon	Adjusted cost	54,300	3.1600%	1,716		1,716		
Calgary	Income approach	82,300	0.8972%	738		738		
Edmonton	Income approach	67,000	1.2999%	871	77	948		
Vancouver	Income approach	127,100	0.6621%	842		842		
Burnaby	Income approach	109,400	0.7813%	855		855		
Surrey	Income approach	88,300	0.7794%	688	177	865		
Saanich	Income approach	88,000	1.0106%	889		889		

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