

March 3, 2026

Mayor and Council
City of West Kelowna
3731 Old Okanagan Highway
West Kelowna, BC

Re: Support for 0% Development Cost Charge Adjustment – 2026

Dear Mayor and Council,

There was a time not long ago when our region needed residential construction more than ever.

When tourism shut down.
When restaurants closed.
When offices emptied.
When families were unsure how they would make it through the month.

Residential construction did not stop. We were declared essential, and we showed up.

We faced historic supply chain disruptions and material prices skyrocketing. Lumber volatility alone added tens of thousands of dollars to homes. Windows, appliances, trusses, and mechanical systems were delayed for months. In many cases, builders and trades absorbed increased costs because contracts were already signed.

We kept building because our communities needed stability.

Residential construction helped carry the Central Okanagan economy through crisis. Today, we are writing because that same industry is under extraordinary strain.

The average home builder in our region builds three to five homes per year. These are not large corporate developers. They are small local businesses. They are parents, volunteers, sponsors of youth sports, and active members of this community.

Some of our members have not pulled a permit in over two years.

When builders stop building, the ripple effect is immediate. Residential construction is a top employer in our region and in many years outperforms tourism.

Before discussing policy, it is important to clearly state the current reality: ***Our industry is hurting.***

Others are operating at a fraction of historic volume. Subcontractors are reporting fewer calls. Suppliers are seeing order slowdowns.

Our industry is not simply slowing — it is contracting.

On behalf of the Canadian Home Builders' Association – Central Okanagan (CHBA-CO), we are writing to express strong support for the proposed 0% Development Cost Charge (DCC) adjustment for 2026. We respectfully urge Council to approve the proposed 0% adjustment.

The residential construction sector is facing unprecedented pressure nationally and locally. According to CHBA's 2026 report *Unlocking the Door to Homeownership*

- Canada requires 4.8 million new homes over the next decade, meaning housing starts must nearly double to 430,000–480,000 units annually.
- Ownership housing starts have fallen from 69% of total starts in 2021 to 49% in 2025.
- 38% of builders report they or their subcontractors have laid off workers with no plans to rehire.
- Development-related charges nationally have increased over 700% in the past 25 years.

These statistics translate directly into stalled projects and shrinking industry capacity.

We are already seeing many projects postponed or cancelled because they no longer meet lender viability thresholds. In today's financing environment, even modest cost increases can push projects below required return metrics, effectively stopping housing before it begins.

West Kelowna plays a critical role in the Central Okanagan housing ecosystem.

As a young municipality incorporated in 2007, the City continues to manage meaningful infrastructure demands while balancing growth and affordability. We recognize that addressing infrastructure deficits requires disciplined fiscal management.

At the same time, many of the tradespeople who build housing across the region reside in West Kelowna. When projects stall, it means fewer contracts for local electricians, framers, plumbers, suppliers, and small builders who call West Kelowna home. Reduced building activity quickly translates into lost income for families in your community.

Once builders and skilled trades leave the industry or relocate, that capacity does not quickly return. Permanent loss of industry capacity makes it significantly harder to respond when market conditions improve — prolonging housing shortages and price pressure.

Approving the proposed 0% DCC adjustment for 2026 helps prevent compounding these pressures at a fragile time.

Even incremental increases can determine whether housing proceeds or is shelved. Stability in municipal charges provides developers, lenders, and investors with the predictability required to move forward.

There is also a broader fiscal consideration. A material slowdown in housing activity impacts municipal revenues tied to development and building activity, further constraining long-term infrastructure funding options. Supporting housing stability today protects municipal fiscal health tomorrow.

We also acknowledge Council's previous decision to remove water meter pits. That demonstrated thoughtful review of legacy requirements and a willingness to reduce unnecessary construction costs. It positioned West Kelowna as pragmatic and solution-oriented in its approach to housing delivery.

West Kelowna now has the opportunity to distinguish itself regionally as a municipality that understands the cumulative impact of cost escalation and chooses stability over automatic increases during a housing contraction.

Approving the 0% DCC adjustment is a measured and responsible action that:

- Supports housing supply stability
- Protects local employment
- Maintains investor confidence
- Safeguards long-term municipal revenue streams
- Demonstrates leadership during economic uncertainty

As Council prepares for the broader 2027 DCC review, we respectfully request early and collaborative engagement with industry to ensure long-term infrastructure funding models are balanced against housing viability and regional economic stability.

Growth and affordability are not opposing forces — but they do require careful calibration. We appreciate your leadership and consideration.

Sincerely,



Krista Paine
Board President
CHBA-CO



Cassidy deVeer
Executive Officer
CHBA-CO