



March 15, 2024

Anthem Properties
1100-1055 Dunsmuir Street
Vancouver, BC
V7X 1K8

Attention: City of Burnaby Mayor and Council

Re: Development and Amenity Cost Charges

Dear Burnaby Mayor and Council,

We write to you today to express Anthem’s deep concern with the recent industry consultation session which highlighted the forthcoming changes to Burnaby’s DCC’s, and introduction of the new Amenity Cost Charge (ACC).

From our perspective, the net result of these fee updates adds \$38,841 to the cost to build a home in the City of Burnaby. This is a 100 % increase in costs for these items as they did not previously exist. On its own this doesn’t seem like a lot of money, **but on a typical 300 home building this is \$11,652,300!** It is a lot of money which works against the affordability of building homes. Unfortunately, this cost increase can’t be looked at in isolation, it will just be another cost added to the already very high costs of building a home in the City of Burnaby.

We feel we have a good handle on building homes in the City of Burnaby, Anthem has:

- 2,107 homes built and completed in the City of Burnaby
- 1,908 homes currently under construction in the City of Burnaby
- 951 homes currently stuck due to cost in the City of Burnaby
- 3,770 homes currently in approval process in the city of Burnaby and likely to get stuck due to cost.
- **8,736 total homes in some form or another in the City of Burnaby**

The very high cost to build a home in the City of Burnaby:

Current Cost	Future Cost with New Burnaby DCC + ACC
1Bed home (550 sq ft) - \$678,056	1Bed home (550 sq ft) - \$678,056 + \$38,841 = \$716,897
2Bed home (825 sq ft) - \$1,017,084	2Bed home (825 sq ft) - \$1,017,084+ \$38,841 = \$1,055,925
3Bed home (1025 sq ft)- \$1,118,275	3Bed home (1025 sq ft) - \$1,118,275 + 38,841 = \$1,157,116

This translates into monthly rental rates in the City of Burnaby:

\$38,481/12mths x 4% cap=\$129.47 per month more in rent.

Current	Future
1 Bed home (550 sq ft.) -\$2,569 rent per mth	1 Bed home (550 sq ft.) \$2,569 + 129.47 = \$2,698 per mth
2 Bed home (825 sq ft) -\$3,853 rent per mth	2 Bed home (825 sq ft) -\$3,853 + 129.47 = \$3,982 per mth
3 Bed home (1025 sq ft) -\$4,787 rent per mth	3 Bed home (1025 sq ft) -\$4,787 + 129.47 = \$4,916 per mth

We understand there could be a tentative reduction to bonus density to offset these increases, but without an understanding of that reduction, the increases are unpalatable. This comes at a time of other significant Macro-Economic headwinds, including:

- Rising Hard / Construction Costs + Increased Construction Requirements: Building Code + Step Code
- Interest Rate Levels
- Metro Vancouver Water DCCs

The proposed increases are significant when examined in the “big picture” and they will undoubtedly have a profound impact on the home building industry’s ability to bring new housing to market. We are not the first ones to say this, but housing is the number one issue in the region, we are in a housing crisis and your proposed increases will ensure the housing crisis gets worse and more people are left on the sidelines as housing projects come to a halt.

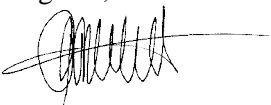
Burnaby has been a champion in addressing the housing crisis with the introduction of affordable units as a requirement of larger rezonings; however, even that is not possible with all the new costs.

- Each **affordable home** is subsidized by each home builder - **at a cost of \$800 to \$850 per sq ft.**
- Each **rental replacement home** is subsidized by each home builder - **at a cost of \$1,000 per sq ft.**

It already, does not work and by adding more costs to the overall equation, the City of Burnaby will see the number of home starts decline because projects are not economical and can not be financed any longer. With less supply, the cost of housing in the City of Burnaby will increase even more and become more unaffordable. All of this will completely undermine recent measures introduced by the Provincial and Federal governments to tackle the housing crisis and get more homes built.

Finally, **phasing in or “grandfathering”** – the time frames of one year are not long enough for any fee increases. The municipalities (Burnaby and all municipalities) control the costs and they control the permitting time frame. Builders routinely get hit with in stream cost increases and there is absolutely nothing the builder can do to avoid paying the increased fee because of the simple fact that the municipality can’t process a building permit fast enough. We have been hit in another municipality with a \$2,000,000 fee increase, because the city is slow and under resourced. It’s wrong. In-stream application should not be penalized with new fees if they can’t get a BP by a certain date, if the applicant is doing everything they can and the city is doing everything they can there should be a waiver provision, anything else is unfair. Please change this or make the phasing in or grandfathering much longer for “instream” applications.

Regards,



Rob Blackwell,
Executive Vice President, Development

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