
**LONDON
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40 YEARS**

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Q3 - 2026

P1: MACRO SNAPSHOT

P2: THE SLEDGEHAMMER & THE TOLL BOOTH

EXECUTIVE SUMMARY

CONTRIBUTED BY BEN WILLIAMS

Eighteen months ago, I called the province's Transit-Oriented Area legislation, "urban planning with a sledgehammer." I was being generous. Hastily planned transit densification with no overarching contextual considerations; mandated, enforceable, and extremely political.

Within a single week this October, British Columbians will vote twice: municipal elections on October 17, and a snap provincial election on October 24. Four years of council terms and the province's housing record will go to the ballot box together. From municipal fees soaring to new heights, to flip-flopping provincial housing policy, the development and construction industry, together with real estate has been targeted and villainized, yet contributes roughly a quarter of BC's economy? Voters should be asking a simple question at the polls: Can we afford four more years down this destructive path?

When David Eby's NDP passed its TOA legislation, it promised up to 100,000 new homes near transit. What it delivered was a vacuum. The province set the heights and densities, then handed everything that actually determines whether a project gets built to the municipalities: the zoning details, the timelines and, most importantly, the fees. Then everyone waited. Landowners waited for OCP updates. Developers waited for ACC bylaws. Lenders waited for numbers they could underwrite. You cannot price land, let alone a project, when the cost of building it hasn't been written yet.

When the numbers finally arrived, too many municipalities treated the DCC and ACC charge as a License to Fee. Burnaby and Coquitlam lead the way: once shining leaders in new housing, now starved of new development. A typical six-storey wood-frame project, with an average unit size of 750 square feet (and by nature more affordable for its end user than a concrete tower), now carries combined DCC and ACC fees in excess of \$38,000 per unit. This is before Metro Vancouver and TransLink take their share. The ill-conceived density the province mandated has been hijacked and stacked with fees to fund every item on the city hall wish list or, in some cases, to stall development altogether.

The result is the irony of the decade: no growth, no new development and no fees. Condo starts fell another 40% in the first half of 2026, the weakest start since 2011. A charge levied on a building that never breaks ground collects exactly nothing. Meanwhile, foreclosures are mounting, sites sit idle

while interest accrues, sales and projections are a shadow of their former selves, and once-reliable institutional investors are looking East for greener pastures.

The broader economy offers little cover. The Bank of Canada is holding at 2.25%, inflation sits at 3.0%, and Canada shed 68,000 jobs in September. Buyers are cautious, presales are stalled, and the margin for layered government costs is gone.

My ask of every candidate, on both ballots, is the same. Stop treating the people who build homes as the problem. Stop adding new cost layers. Test every charge against today's economics, not yesterday's prices. Give the industry the certainty it needs to put shovels in the ground.

This year London Pacific celebrates 40 years in business. We have seen many cycles, and the lesson of each one is that this region rewards those who take a disciplined, long-term view.

Ever the optimist, I remain confident: Metro Vancouver will be ok, but not without good governance, and common-sense doors open policy.



Sincerely,

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PART 1: MACRO SNAPSHOT

01. INTEREST RATES

The Bank of Canada maintained its benchmark policy interest rate at 2.25% through the Third Quarter of 2026. Energy prices and trade/tariff uncertainties continue to plague the outlook.

RBC's September 29th Data Flash stated "Our base case remains for the Bank to hold interest rates through the end of 2026 before gradually raising them in 2027, but recent BoC communications have signaled risks around that base-case are tilted to earlier rather than later hikes."

The next BoC interest Rate Announcement is scheduled for **October 28, 2026**.

<https://www.rbc.com/en/economics/canadian-analysis/data-flashes/canadas-gdp-growth-paused-in-july-but-still-on-track-for-q3-gain/>

02. GDP

Canada's Q3 GDP growth is tracking at a slower annualized pace of roughly 1.5% to 2% following a reported stronger Q2.

There was a 1.3 per cent gain for the construction sector in July, which marked its fourth consecutive month of growth after declines in late 2025 and early 2026. Non-residential building construction saw its best month since the start of 2022, StatCan said, owing primarily to activity around a new hospital building in Toronto.

Declines reported in July span from manufacturing, mining, oil and gas extraction as well as retail and wholesale trade. "Manufacturing's 0.9 per cent decrease was the sector's first drop in four months" - StatsCan.

<https://globalnews.ca/news/12076894/gdp-july-2026/>

03. INFLATION

Canada's annual headline inflation rate held steady at 3.0% at the close of Q3 2026, driven largely by geopolitical disruptions and volatile fuel costs. According to the latest data from Statistics Canada, the Consumer Price Index (CPI) remained unchanged in August, matching market expectations but hovering above the Bank of Canada's 2% target.

Energy & Gasoline was the key driver with increase of 22.8% Year over Year. Rent inflation remains a pressure point ticking up to 2.8% Year-over-Year. Grocery price growth slowed to 2.8% in Q3, dropping below the headline rate for the first time in two years.

https://www.statcan.gc.ca/en/subjects-start/prices_and_price_indexes/consumer_price_indexes

04. LABOUR MARKET

Canada's labour market showed further signs of weakness in September, shedding 68,000 jobs following a loss of 42,000 positions in August. The second consecutive monthly decline brought the unemployment rate up slightly to 6.5% mirroring levels seen at the beginning of 2026.

The results fell well short of economists' expectations for a gain of 9,200 jobs. BMO Chief Economist Doug Porter stated that monthly employment figures can fluctuate significantly, particularly in recent years, but emphasized that back-to-back declines of this magnitude are uncommon and warrant closer attention.

By sector, educational services, health care and social assistance, and manufacturing led the declines. The private sector added some jobs and held steady however — a silver lining, according to Porter.

<https://www.cbc.ca/news/business/canada-jobs-numbers-september-2026-9.7375345>

COV OPPORTUNITIES



THE PRINCE | 1775 ADANAC

- Grandview Woodland Multifamily
- 6 Units | 5 x 1 Bedroom | 1 x Studio
- Cap Rate 5.18%



MT PLEASANT | 227 EAST 15TH AVE

- 8 Unit Multifamily: 1 x 2 Bdrm | 7 x 1 Bdrm
- 3 Units vacant upon Possession
- MSAB up to 6.8 FSR | 24 Storeys



2175 – 2197 WEST 13TH AVENUE

- Broadway Plan high-density rental tower site
- Proposed 18 storeys and 6.1 FSR
- 172 secured rental units

REAL ESTATE MARKET UPDATE

METRO VANCOUVER

GVR reports that residential sales in the region totalled 1,717 in September 2026, an 8.4 per cent decrease from the 1,875 sales recorded in September 2025. This was 25 per cent below the 10-year seasonal average (2,289).

“While sales were down about eight per cent overall in September, this figure hides the fact the weakness is contained to the sizeable apartment segment, which typically accounted for half of sales in any given month in recent years,” Andrew Lis, GVR chief economist



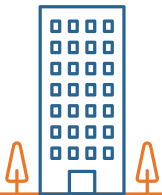
DETACHED

Active Listings: 5,908
Sales: 575
Benchmark Price: \$1,784,700
Avg. Days on Market: 51



ATTACHED/TOWNHOUSE

Active Listings: 2,927
Sales: 358
Benchmark Price: \$1,016,700
Avg. Days on Market: 44



APARTMENT

Active Listings: 6,831
Sales: 777
Benchmark Price: \$682,500
Avg. Days on Market: 46

<https://members.gvrealtors.ca/news/GVR-Stats-Package-September-2026.pdf>

BC HOUSING MARKET

Year-to-date, BC residential sales dollar volume is down 6.5 per cent to \$43.26 billion, compared with the same period in 2025. Residential unit sales are down 5.5 per cent year-over-year at 46,069 units, while the average MLS® residential price is down 1 per cent to \$939,028.

“Provincial home sales remain well below long-term averages but have been steadily improving throughout the year,” said BCREA Chief Economist Brendon Ogmundson. **“We expect a gradual recovery in sales to continue, though new tariffs and a recent spike in longterm interest rates add a layer of risk to that scenario.”**

<https://www.bcrea.bc.ca/economics/housing-market-update/>

MUNICIPAL ELECTIONS

Vote on Final Voting Day: October 17, 2026

Advanced Voting by Municipality with Links:

MUNICIPALITY	ADVANCED VOTING DATES
Vancouver	Oct. 3, 7, 10 & 13
Burnaby	Oct. 3, 7 & 10
Richmond	Oct. 3, 7, 8, 9 & 10
Surrey	Oct. 7, 10, 14 & 15
Coquitlam	Oct. 5, 7, 8, 10, 13 & 15
Port Coquitlam	Oct. 7 & 10
Port Moody	Oct. 7 & 10
New Westminster	Oct. 7, 8, 9, 10 & 14
Delta	Oct. 3, 6 & 7
Maple Ridge	Oct. 7, 10, 14 & 15
Pitt Meadows	Oct. 6, 7, 8 & 9
White Rock	Oct. 7, 8 & 13
City of NVancouver	Oct. 7, 10, 13, 14 & 15
District of NVancouver	Oct. 7, 10 & 12
West Vancouver	Oct. 7, 10 & 12
Township of Langley	Oct. 6, 7, 8, 9 & 10
City of Langley	Oct. 6, 7, 8 & 14
Abbotsford	Oct. 7, 10 & 11
Mission	Oct. 7 & 10

PROVINCIAL ELECTIONS

Advanced Voting: October 16th to 21st
8:00 am to 8:00 pm

Vote on Final Voting Day: October 24th
8:00 am to 8:00 pm

Vote by Mail Visit: elections.bc.ca/votebymail
Call 1.800.661.8683

For information on ways to vote and for a list of electoral offices please visit: <https://elections.bc.ca/2026-provincial-election/ways-to-vote/>



**LONDON
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PART 2:

THE SLEDGEHAMMER & THE TOLL BOOTH

A TALE OF DEVELOPMENT FEE STRUCTURE

For years, a central principle of Council direction has been that **growth should pay for growth**. New development contributes toward the infrastructure and amenities required to support expanding communities, from water and sewer systems to parks, community facilities and public spaces. With new policy enacted this September, the city of Vancouver attempts to move the needle by restructuring development contributions against a back drop of higher construction costs, softer land values and challenging project economics. In contrast, the development community stands firm that there is a massive disconnect; simply put, small adjustments or roll backs on Metro and municipal development fees will not solve this new construction derth.

The City of Vancouver's Approach

Effective **September 30, 2026**, Vancouver is restructuring the way development contributes toward infrastructure and community amenities. The changes maintain reduced DCL rates and rental waivers, introduce a city-wide Amenity Cost Charge (ACC); alter CAC treatment and remove the separate public-art levy for applicable new applications.

The City is also eliminating density bonus contributions across a large share of affected sites as it transitions portions of the system toward outright density and inclusionary zoning.

The restructuring should make some costs easier to identify earlier in the development process. For developers, investors and landowners, that predictability has value because fewer unknowns at acquisition and underwriting can reduce project risk.

But ... greater predictability and modestly lower developer contribution rates do not necessarily translate into a meaningful reduction in overall development costs. Projects that were previously unviable will not suddenly pencil.

Its important to consider that Development charges are only part of the viability equation. COV's new framework also relies on **inclusionary zoning** in the form of below-market rental, social housing or affordable ownership. Vancouver can require this housing "in-kind" within the project or in certain circumstances permits a cash-in-lieu payment. This additional layer directly impacts a project's residual land value.

Approving density is not same as delivering development. The headlines make clear that the economics of development have changed considerably.

Ultimately, private capital must be willing and able to finance a project, lenders must be satisfied with the achievable rents and/or sale prices must support the cost of construction.

"The priority at this time should be stabilizing the development environment. This includes pausing the introduction of new cost layers and, where possible, considering the recalibration of measures that are hindering project viability." - Urban Development Institute

Metro Vancouver Reality

Metro Vancouver has "rolled back" its development charges to 2025 levels which effectively cancels the latest (2026). Does such a rollback to an already elevated base line provide any meaningful reset?

How Regional Development Charges Escalated

Pre-2019 | A Limited Regional DCC System:

Metro Vancouver's development charges were historically concentrated on liquid-waste infrastructure. Water-system expansion was primarily funded through utility fees and property taxes, while a regional parkland-acquisition DCC did not yet exist.

2019–2023 | Capital Costs Escalate:

As Metro Vancouver's regional capital requirements expanded, pressure increased to recover a greater share of growth-related infrastructure costs from new development.

2024 | The DCC System Expands:

Metro Vancouver expanded its approach beyond sewer charges, establishing DCCs for regional water infrastructure and parkland acquisition. The parkland-acquisition DCC was established in 2024.



2025–2026 | Development Costs Climb:

The cumulative effect of municipal DCCs and ACCs, TransLink charges and Metro Vancouver's regional DCCs created an increasingly significant upfront cost on new construction. Metro Vancouver's own 2025 comparison, for example, showed municipal + TransLink + regional DCCs of approximately \$41,485 per apartment in Burnaby and \$40,560 per apartment in Coquitlam—before accounting for municipal ACCs.

April - July 2026 | Industry Pressure & Roll Back:

Following substantial concern over development viability, Metro Vancouver directed staff in April to roll 2026 DCC rates back to 2025 levels, reduce the planned 2027 increase and postpone the transition to a 1% assist factor from 2027 until 2029. The amended rates ultimately took effect July 24, 2026.

Metro Vancouver's rollback illustrates the problem. Returning the latest DCC increase to 2025 rates reduces a scheduled cost escalation, but it does not establish that the underlying regional charge structure is appropriate for today's market.

"30% of the cost ... is fees, levies, and taxes by all levels of government." stated Beau Jarvis, President & CEO, Wesgroup Properties in recent interview with Jas Johal.

https://udi.org/knowledge/research/library/vancouver-financing-growth-policy?utm_source=chatgpt.com

He explains further that DCC, ACC costs among other charges are merely getting imbedded in the same homes that developers are struggling to sell at current prices.

While the city of Vancouver is at minimum acknowledging the underlying issues and attempting to make meaningful changes to their developer requirements, it is far from the gleaming City of hope across the Metro Vancouver canvas.

More recent land use policies such as the Broadway Corridor and Rupert Renfrew plan are mired in flawed thinking with respect to onerous inclusionary policies or social housing provisions that render their own projects just as unviable as those coming from the steep Fees of Burnaby and Coquitlam.

In order, Coquitlam, The District of North Vancouver, Township of Langley, Richmond and Burnaby posted the top five highest comparable DCC and ACC rates in Metro Vancouver for 2026. More recently however, Richmond deferred implementation and instead froze existing DCC rates until March 2027 and directed staff to return with additional ACC options.

Getting construction moving again will require exactly this, governments need to stop and examine the cumulative cost of delivering development against today's economics rather than treating yesterday's charges as an appropriate baseline.

"Failing to act decisively and boldly will entrench the current slowdown and set back new housing, amenities, and City revenues for years." - Urban Development Institute

https://metrovancover.org/services/liquid-waste/liquid-waste-development-cost-charges?utm_source=chatgpt.com

METRO VANCOUVER 2026 DCC RATES

SEWERAGE AREA	RESIDENTIAL LOT	TOWNHOUSE	APARTMENT	NON-RESIDENTIAL
Fraser (FSA)	\$22,886/Lot	\$20,296/Unit	\$14,396/Unit	\$10.95/SF
Vancouver (VSA)	\$21,941/Lot	\$19,874/Unit	\$13,392/Unit	\$10.84/SF
North Shore (NSSA)	\$21,203/Lot	\$19,277/Unit	\$13,099/Unit	\$10.54/SF
Lulu Island West	\$17,126/Lot	\$15,208/Unit	\$10,610/Unit	\$8.09/SF
+Translink DCC	\$3,416/Lot	\$2,837/Unit	\$1,774/Unit	\$0.56-\$1.44/SF

THE CITY OF VANCOUVER

RESIDENTIAL	DCL	ACC	INCLUSIONARY POLICY
≤1.2 FSR	\$32.47/SQFT	\$2.32/SQFT	Applicable in designated zones & rezoning policies - requirement varies.
>1.2–1.5 FSR	\$32.47/SQFT	\$5.00/SQFT \$10.30/SQFT (as of 09.30.27)	Forms of contribution: below market rental, social housing, affordable ownership.
>1.5 FSR	\$32.47/SQFT	\$5.00/SQFT	Method: In-kind housing or wehre permitted, cash-in-lieu

<https://metrovanancouver.org/about-us/development-cost-charges>

<https://vancouver.ca/home-property-development/development-cost-levies.aspx>

<https://vancouver.ca/home-property-development/amenity-cost-charges.aspx>

THE CITY OF COQUITLAM

RESIDENTIAL	DCC	ACC	INCLUSIONARY POLICY
SINGLE FAMILY HOME	\$64,396/Lot	\$21,205/Unit	In high-density residential (RA-3) and mixed-use zones (MU-2) a developer can access up to 1.5 FAR of additional density but that density must be purpose built rental including a portion of affordable housing (which can be below market rental or non-market housing). Developers can either satisfy the obligation to construct the actual requirement or pay cash-in-lieu or a combination of the two.
MULTIPLEX	\$43,483/Unit	\$21,205/Unit	
TOWNHOME	\$38,537/Unit	\$21,205/Unit	
APARTMENT	\$24,435/Unit	\$21.31/SQFT MidRise ≤12 floors \$38.53/SQFT HighRise >12 floors	

THE DISTRICT OF NORTH VANCOUVER

RESIDENTIAL	DCC	ACC	INCLUSIONARY POLICY
SINGLE FAMILY HOME	\$33,269.61/Lot	\$41,358/Unit	No universal District wide rate is currently adopted. Requirements therefore depend on the applicable development, zoning, housing agreement.
TOWNHOUSE / GROUND ORIENTED	\$170.80/m ² GFA	\$37,221/Unit	
APARTMENT	\$183.65/m ² GFA	\$26,193/Unit	

THE TOWNSHIP OF LANGLEY

RESIDENTIAL	DCC	ACC	INCLUSIONARY POLICY
SINGLE / TWO FAMILY HOME	\$86,787/Unit	\$19,571/Unit	No universal District wide rate is currently adopted. Additional density may be considered project-by-project for affordable housing. DCC waivers are available for qualifying affordable-housing projects.
GROUND ORIENTED MULTIFAMILY	\$52,532-\$58,004/Unit	\$13,584/Unit	
APARTMENT >74 UNITS/HA	\$38,482/unit	\$8,634/Unit	

THE CITY OF RICHMOND

RESIDENTIAL	DCC	ACC	INCLUSIONARY POLICY
SINGLE / TWO FAMILY HOME	\$63,767.14/lot	not implemented	Low-End Market Rental (LEMR) Program.
GROUND ORIENTED MULTIFAMILY	\$33.79/SQFT	not implemented	Inside City Centre 15% of total habitable residential floor area must be built as LEMR.
APARTMENT >74 UNITS/HA	\$35.79/SQFT	not implemented	Outside of City 10% of residential floor area must be built as LEMR

THE CITY OF BURNABY

RESIDENTIAL ^h	DCC	ACC	INCLUSIONARY POLICY
LOW DENSITY RESIDENTIAL	\$54,870/Unit	\$26,963/Unit	Burnaby's Community Benefit Bonus (CBB) allows additional residential height in exchange for community benefits, CBB housing or cash-in-lieu.
MEDIUM DENSITY RESIDENTIAL	\$37,423/Unit	\$18,874/Unit	10% of dwelling units to be provided as CBB housing.
HIGH DENSITY / APARTMENT	\$25,360/Unit	\$13,481/Unit	The "Inclusionary Rental Rate" is separate from the CBB and requires affordable rental units secured through housing agreements; no more than 20% must be below the applicable CMHC market median rent.

<https://www.coquitlam.ca/285/Development-Cost-Charges-DCCs>

<https://www.coquitlam.ca/1399/Amenity-Cost-Charges>

<https://docs.dnv.org/documents/bylaw-8705.pdf>

<https://www.tol.ca/en/building-development/development-cost-charges.aspx>

<https://www.tol.ca/en/building-development/amenity-cost-charges.aspx>

https://www.richmond.ca/_shared/assets/BL_9499_070824_ABL10558_and_1057773171.pdf

https://citycouncil.richmond.ca/agendafiles/Open_FaA_3-2-2026.pdf

<https://www.burnaby.ca/services-and-payments/development-permits-construction/development-funding-program>

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https://citycouncil.richmond.ca/agendafiles/Open_FaA_3-2-2026.pdf This is not intended to provide specific investment advice and should not be considered as investment advice. Sources: UDI, Altus Data Solutions; Bank of Canada; Paragon; Real Property Data; RBC; CPA Canada, Real Estate Magazine, Stats Canada, BoC, CBC, BCREA, GVR, Elections BC, Municipal and Metro websites, Impact Commercial

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