

CHANGES TO PAYMENT OF DCCs, ACCs AND SSACs ARE NOW IN EFFECT

Introduction

When a developer obtains subdivision approval or a building permit, they may be required to pay one or more of the following:

- a) a local government development cost charge ("DCC") pursuant to Section 559 of the *Local Government Act*,¹ ("LGA");
- b) an amenity cost charge ("ACC") pursuant to Section 570.2 of the *LGA*; and
- c) a school site acquisition charge ("SSAC") pursuant to Section 572 of the *LGA*,

in addition to other charges that may be imposed by government bodies.² DCCs, ACCs and SSACs are used to fund significant infrastructure and amenities, from sewage and highways to daycare facilities and land for schools. In recent years, the development community has criticized the cost of these charges, among others, as hindering the feasibility of constructing more homes.³ In response, the Province has made several changes to the *Development Cost Charge (Instalments) Regulation*,⁴ (the "**Original DCC Regulation**"), many of which took effect on January 1, 2026.

Original DCC Regulation

The Original DCC Regulation:

- a) permitted developers to pay DCCs in instalments;

- b) required payment in full within two years after the date of subdivision approval or the date on which the building permit was granted, provided that:
 - i) 1/3 of the charge had to be paid at the time of approval/granting; and
 - ii) 1/2 of the balance had to be paid within one year following the date of approval/granting;
- c) required a developer paying by instalment to deposit with the treasurer (at the same time as paying the first instalment), an irrevocable letter or credit or undertaking, a surety bond, or a "security duly assigned".

Changes to the Original DCC Regulation

Critical amendments to the Original DCC Regulation have been made in the last two years by way of four amending regulations. First, ACCs can now be paid in the same manner as DCCs.⁵

Second, and more importantly, as of January 1, 2026:

- a) SSACs can be paid in the same manner as ACCs and DCCs;

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- b) only 1/4 of the charge must be paid at the time of subdivision approval or building permit issuance, while the balance had to be paid by the earlier of:
 - i) 4 years after the date of subdivision approval or building permit issuance; and
 - ii) if occupancy permits are required, 15 business days after all required occupancy permits are issued and the local government gives written notice to the developer that all conditions in those permits are satisfied and payment of the balance of the charge is due; and
- c) the local government's financial officer cannot refuse an on-demand surety bond where the insurer and the bond meet certain requirements in respect of credit ratings, the ability for a local government to demand payment, and restrictions against the insurer terminating obligations under the bond.

However, if a developer has paid the first installment under the Original DCC Regulation—1/3 of the charge at the time of subdivision approval or granting of a building permit—prior to January 1, 2026, then that developer does not qualify for the new extended payment timeline taking effect as of January 1, 2026.⁶

The change in payment timeline reduces a developer's upfront costs for a housing project, since three-quarters of the applicable DCCs, ACCs and SSACs are payable closer to when a developer should be generating revenue from their project. This also means, however, that local governments will be receiving the full amount of the DCCs, ACCs

and SSACs payable on a project over the course of up to four years rather than two and will need to account for this deferred payment when setting fees and funding projects.

By allowing the deposit of certain on-demand surety bonds, there are fewer scenarios where developers must "lock up" their cash by depositing letters of credit with a local government. However, irrevocable letters of credit are seen as more desirable as local governments can more easily draw upon those funds if it becomes necessary to. As on-demand surety bonds become more widely used, there will be more opportunities to assess whether they are a suitable compromise between developers' desire for cash flow and ability to obtain financing and local governments' need for security.

Conclusion

The Province has said that the changes "will improve the viability of housing projects as homebuilders can invest in new housing projects sooner."⁷ Similarly, the Canadian Home Builders' Association British Columbia referred to the extended payment timeline, change to the payment structure, and ability for developers to use on-demand surety bonds as "a critical step toward addressing the rising costs of housing delivery by providing greater flexibility, reducing holding costs, and freeing up capital for home builders and developers to support new housing projects".⁸ However, other pressures still exist, from other fees⁹ to increased construction costs,¹⁰ and municipalities such as the City of Vancouver have taken their own steps to increase the viability of certain housing projects.¹¹ As such, while these changes to payment of DCCs, ACCs and SSACs may help the feasibility of housing projects, only time will tell as to whether these—together with

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others that have been implemented in recent years—are enough.

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- 1 RSBC 2015, c 1.
- 2 See e.g., "Development Cost Charges", online: *Metro Vancouver* <metrovancouver.org/about-us/development-cost-charges>; see e.g., *South Coast British Columbia Transportation Authority Bylaw Number 155-2024*.
- 3 See "Developers concerned about added fees to cost of construction" (15 January 2025), online: *CHEK News* <cheknews.ca/developers-concerned-about-added-fees-to-cost-of-construction-1234120>.
- 4 See BC Reg 166/84.
- 5 See *Development Cost Charge and Amenity Cost Charge (Instalments) Regulation*, BC Reg 158/2024; see *Development Charge (Instalments) Regulation*, BC Reg 99/2025; see BC Reg 161/2025.

6 See BC Reg 239/2025.

7 British Columbia, Ministry of Housing and Municipal Affairs, *More flexibility for development charges will unlock more homes for people* (Victoria: Ministry of Housing and Municipal Affairs, 2025) <<https://news.gov.bc.ca/releases/2025HMA0056-000638>>.

8 "Member Bulletin: BC Government Announces Changes to Development Charges Installments", online: *Canadian Homebuilders' Association British Columbia* <chbabc.org/member-bulletin-bc-government-announces-changes-to-development-charges-installments>.

9 See "Government charges stifling rental development in Vancouver, says report" (21 November 2025), online: *Business in Vancouver* <www.biv.com/news/real-estate/government-charges-stifling-rental-development-in-vancouver-says-report-11525610>.

10 See "Labour and material costs on the rise in B.C." (4 November 2025) online: *On-Site* <www.on-sitemag.com/construction/labour-and-material-costs-on-the-rise-in-b-c/1003986487>.

11 See "Temporary 20% cut in building development fees approved by Vancouver City Council to help save housing projects" (10 December 2025), online: *Daily Hive* <dailyhive.com/vancouver/vancouver-development-cost-charge-temporary-cut-new-housing-building>.



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Kai is an associate lawyer of the firm and maintains a general municipal law practice with a focus on real estate development. In particular, he regularly drafts section 219 covenants, statutory rights of ways and other legal agreements for real estate projects, and he has provided assistance during various stages of the development process, from rezoning and development permit issuance to air space parcel subdivision and occupancy permit issuance. He has also assisted with other local government matters, ranging from procurement to regulatory issues.

Kai obtained his Juris Doctor from the Peter A. Allard School of Law at The University of British Columbia, articled with a provincial organization, and was called to the Bar of British Columbia in May 2022. Prior to law school, Kai obtained his Bachelor of Applied Science in Mechanical Engineering with Distinction from UBC. Upon graduating, he was employed as a Process Improvement Specialist at an architectural glass fabrication company for several years, where he designed and implemented a new laminated glass line as well as numerous mechanical and organizational process improvements.

Our lawyers combine legal experience in local government, commercial real estate development, and construction law to provide legal services to local governments, owners, builders and developers on a range of projects, from concept to completion, and beyond.

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