



PKHBA
Peterborough & The Kawartha
Home Builders Association

City of Kawartha Lakes Development Charges

The Housing Market is in decline

- Increasing the DCs when sales are at all time low means future DC revenue will be affected
 - Current new housing starts are down 70% province wide
 - Current new home sales are down 85%
 - Kawartha Lakes starts have been declining since 2022
- Raising DCs in the current market will result in lower housing starts
 - Projects take at least 4 years of planning before shovels are in the ground, the current increase will result in lower housing starts for at least the next 4 years
 - Less work for skilled workers will result in an erosion of skilled tradespeople
 - Current temporary layoffs will become permanent for tradespeople

Municipal Building Costs are Rising

	January 1, 2024	January 1, 2026	% increase	Sources
Official Plan Amendment (major)	\$5,935	\$30,475	413%	Current Planning Fees Report CORP 2023-023 Schedule D
Zoning by Law Amendment (major)	\$3,567	\$17,475	390%	
Site Plan Approval	\$8,780	\$10,030	14%	Report CORP2024-028 Nov. 19, 2024 2025 Proposed Amendments to By-law 2018-234
Single Family DC Lindsay	\$25,385	\$67,697	166%	2025 DC Background Study 2024 DC By Law

Housing Costs vs Sale Price

Kawartha Lakes Cost to Build		
Municipal Fees	\$138,892.00	20.00%
Building Costs	\$402,900.00	58.02%
Operating Costs	\$47,100.00	6.78%
HST	\$105,526.46	15.20%
Total	\$694,418.46	100.00%

Costs do not include interest charges and carrying costs for financing building

Average Sale Price of resale & new Detached Homes									
	Sept 2025			July 2025			May 2025		
AVG	COKL	Lindsay	YTD Lindsay	COKL	Lindsay	YTD Lindsay	COKL	Lindsay	YTD Lindsay
\$687,662	\$751,951	\$634,135	\$644,735	\$711,139	\$660,374	\$656,452	\$789,392	\$674,223	\$666,553
https://cdn.agentbook.com/accounts/J4Uliy2r37/assets/elements/links/CLAR_KawarthaLakes_Sept25.pdf?timestamp=1759512636304									

The new DC fees will result in less growth in Lindsay as prices are higher and fees are lower in other areas of Kawartha Lakes

Development Charges hinder growth

- What deters new development
 - Increasing Development Charges
 - Slow Planning application approvals
 - Inconsistent & lack of communication from planning &/or building departments
- What incentivises new development
 - Lower DCs
 - Incremental fee increases
 - DC deferrals & exemptions
 - Predictable and well communicated approval timelines
 - Timely building inspections
 - Timely planning approvals



Development Charges are a

**New
Neighbour
Tax**

DC increases are controlled

- DCs pay for expanded capital infrastructure for the municipality
- Municipal councils have control over those project costs & time
- Reducing long term projects reduces immediate large DC increases



CITY OF
Burlington

COUNCIL UNANIMOUSLY APPROVES:

**Lowering Development
Charges to Encourage
Additional Housing Builds**

DC are a result of growth

0 new housing starts

X \$\$\$\$ DCs

= \$0 DC Fund

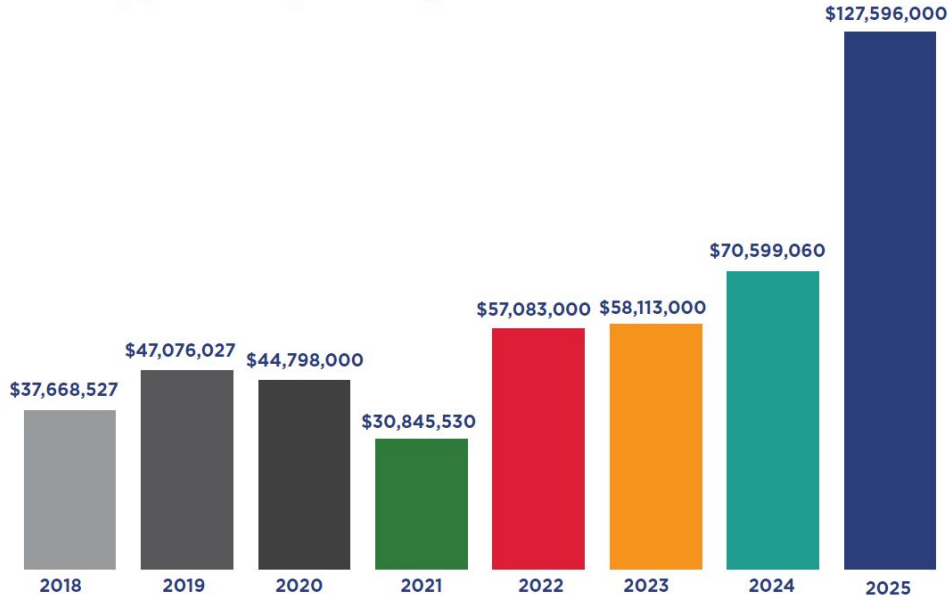
Who should pay for growth?

- Municipal funding cannot cover the infrastructure costs
- It is unfair for new home buyers to pay a new neighbour tax
- AMO estimates that Ontario municipalities are planning for between \$250 - \$290 billion in capital investments over the next ten years, with \$100 billion of that related to growth. (<https://www.amo.on.ca/policy/finance-infrastructure-and-economy>)
 - The Provincial Government gives municipalities 9% of tax revenue (<https://www.barrie.ca/government-news/budget/budget-101#:~:text=Did%20You%20Know...the%20Federal%20Government%20only%202%25.>)
 - The Federal Government gives municipalities 12% of tax revenue (<https://fcm.ca/en/focus-areas/municipal-fiscal-reform>)
 - Municipalities own 57% of infrastructure in Ontario

Municipal Capital Expenditure

Capital Budget Trend

Tax-Supported Capital Budget Totals for 2018-2025



Municipal Capital Expenditure



Water Services — Comparison of 2019 vs. 2025 DCBS

Project / Program	2019	2025	Change	Change	Notes / Evolution
Lindsay WTP Expansion	\$14.9 M	\$25.6 M	+ \$10.7 M	+ 72 %	Expanded project scope to include higher design capacity and updated growth forecast.
Bobcaygeon WTP Upgrades	\$4.3 M	\$8.2 M	+ \$3.9 M	+ 91 %	Increased for treatment process modernization and greater service population.
Fenelon Falls WTP Expansion	\$3.9 M	\$6.8 M	+ \$2.9 M	+ 74 %	Higher cost due to plant expansion and new intake/disinfection systems.
Transmission Main & Storage (Lindsay)	\$7.4 M	\$12.1 M	+ \$4.7 M	+ 64 %	Updated sizing and routing; includes elevated storage tank
Pressure District Expansion	\$4.8 M	\$7.6 M	+ \$2.8 M	+ 58 %	New district creation and extended distribution system.
Watermain Extension/Looping	\$5.1 M	\$5.3 M	+ \$0.2 M	+ 4 %	Minor inflationary increase.
Studies & Master Plan Updates	\$3.5 M	\$3.4 M	– \$0.1 M	– 3 %	Routine updates; relatively stable.
Total – Water	\$48.9 M	\$82.0 M	+ \$33.1 M	+ 68 %	Driven by major plant expansions and network upgrades.

Municipal Capital Expenditure



Wastewater Services — Comparison of 2019 vs. 2025 DCBS

Project / Program	2019 Gross	2025 Gross	Change	Change	Notes / Evolution
Lindsay WWTP Expansion	\$13.5 M	\$23.2 M	+ \$9.7 M	+ 72 %	Expanded capacity target and new regulatory compliance measures.
Bobcaygeon WWTP Upgrades	\$4.2 M	\$7.8 M	+ \$3.6 M	+ 86 %	Larger treatment process replacement; new growth
Fenelon Falls WWTP Expansion	\$3.8 M	\$6.3 M	+ \$2.5 M	+ 66 %	Expanded to meet higher growth in settlement area.
Trunk Sewer (Lindsay East)	\$8.9 M	\$11.5 M	+ \$2.6 M	+ 29 %	Alignment modified; includes additional sections.
Pump Station Upgrades	\$7.4 M	\$10.2 M	+ \$2.8 M	+ 38 %	Broader scope and inflationary escalation.
I/I Reduction & Studies	\$4.3 M	\$4.5 M	+ \$0.2 M	+ 5 %	Similar program, adjusted for inflation.
Collection System Extensions	\$5.7 M	\$12.5 M	+ \$6.8 M	+ 119 %	Extensive new growth-area sewers.
Total – Wastewater	\$47.8 M	\$76.0 M	+ \$28.2 M	+ 59 %	System-wide capacity growth and inflation impacts.

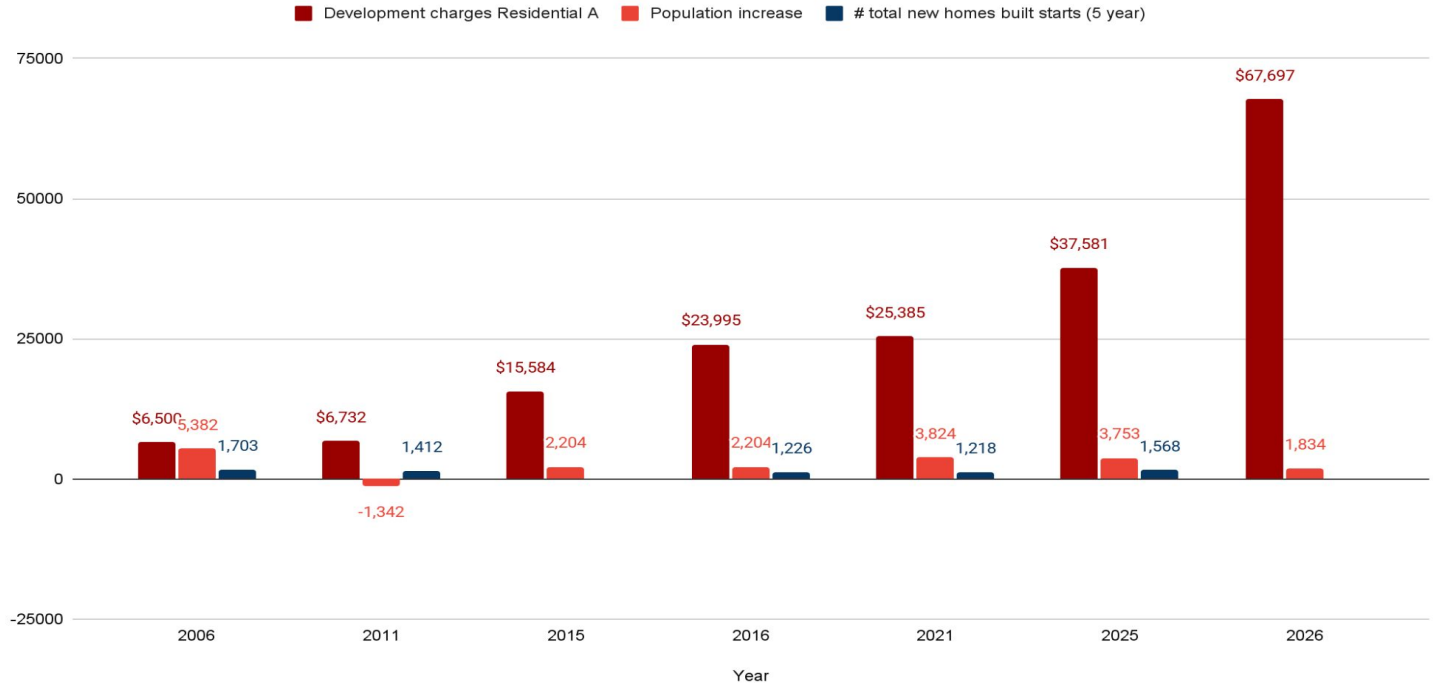
Costs & Population Growth

Data Notes:

- 2025 Starts are 3.58 years rather than 5 years
- 2026 population is 1 year of estimate from the 2025 Background Study

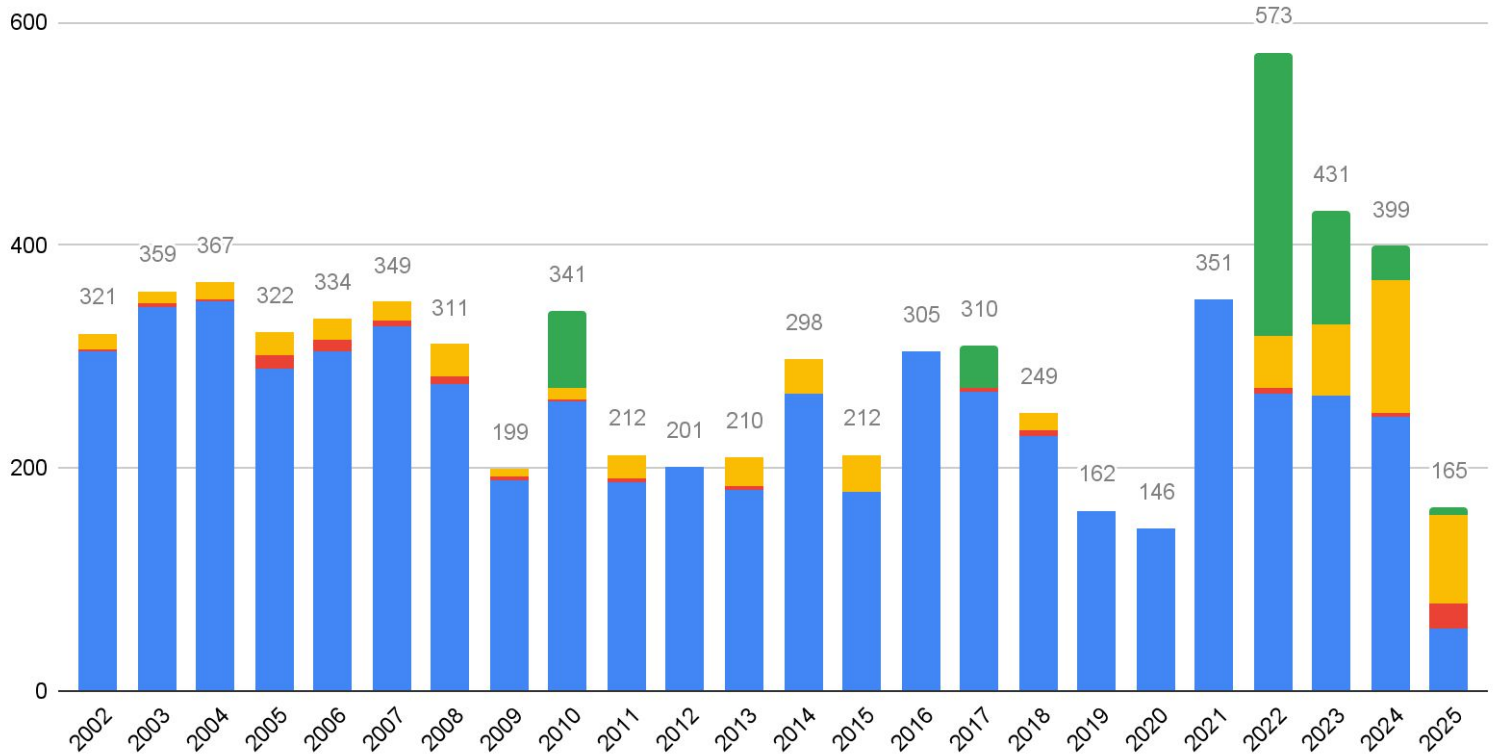
Ontario Population Projection to 2051:
Kawartha Lakes 27.1%

City of Kawartha Lakes: Lindsay Development Charges



Kawartha Lakes Housing Starts

■ Apartment
 ■ Row
 ■ Semi
 ■ Single



67% Single Family Homes 2019-2025
 vs.
 83% Single Family Homes 2002-2025



source : CMHC [https://www03.cmhc-schl.gc.ca/hmip-pimh/#TableMapChart/3516010/4/Kawartha%20Lakes%20\(CY\)%20\(Ontario\)](https://www03.cmhc-schl.gc.ca/hmip-pimh/#TableMapChart/3516010/4/Kawartha%20Lakes%20(CY)%20(Ontario))

Upcoming Legislative Changes

- The Provincial Government is working on supplementary legislation to support Bill 17 “Protect Ontario by Building Faster & Smarter Act”
- Acts affected:
 - Development Charges Act
 - Collected at occupancy rather than with building permit
 - Standardized method for determining DC fee
 - Requirement to spend/allocate 60% of all DCs at the beginning of the year
 - Planning Act
 - Required studies must be outlined in the Official Plan
 - Building Code Act
 - Prohibits by-laws that go beyond the building code

Issues with the DC Background Study

Population Projections

- Province of Ontario estimates Kawartha Lakes to grow by 27% by 2051

Source: <https://www.ontario.ca/page/ontario-population-projections>

- 2021 census 79,247 *27% total population 100,723
- 2021 DC BgdS 82,166 *27% total population 103,529
- Residential Growth Forecast in DC BgdS total population 130,000 (Table 3-1 on page 3-4)
 - The population is 25% seniors, expected to rise to 30% thus, different housing types will be required with more apartments
- Benefit to Existing - elimination of chronic servicing problem
 - I/I is not mentioned in the Water & wastewater Master Plan, this omission costs developers millions of dollars because there is no reduction plan and it is not being monitored

Ripple Effects of Increasing DCs

- Lower housing starts in 2026
 - Less DC revenue for Kawartha Lakes
 - Less Construction Landfill Revenue for Kawartha Lakes
 - Less housing options for current and future residents
 - Less supply inflates the cost of housing
- Skilled Workers job losses
 - Building is down 60% in 2024 and many skilled workers are laid off
 - Many skilled workers will not return to the industry
 - 62% of trades industry had a skills shortage in 2024
 - Skilled workers is the top industry in Kawartha Lakes
 - 13.6% of the labour force in Kawartha Lakes are skilled trades

source: https://www.kawarthalakes.ca/media/ibnncttx/kl-business-count-insight-report-2024_accessible.pdf

Source: https://issuu.com/kawarthalakes/docs/housing_needs_assessment_-_kawartha_lakes_-_2025-0

Council controls the DC rate

We ask for the increase to be reduced AND also phased in over the next 10 years to provide predictability & restore affordability

- Phasing in the increase provides predictability for business owners who are building the housing our community needs
- The current economic climate is not favorable for home building and every effort must be made to improve conditions to support local businesses (most home builders & developers have under 50 employees)
- Tradespeople are leaving the industry and it will cost both time & money to retrain new tradespeople, resulting in higher homes prices
- Capital projects can wait until home building has picked up again



**Development Charges
hinder growth
&
erode Housing Affordability
for our community**