



# The Corporation of the Town of Milton

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Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: March 16, 2026

Report No: ES-012-26

Subject: 2026 Annual Development Charges Indexing

**Recommendation:** THAT the indexing of the Town's development charges be received for information.

## EXECUTIVE SUMMARY

- The Town's Development Charge By-laws allow for the indexing of development charges annually on April 1<sup>st</sup> without requiring an amendment to the By-law.
- Annual indexing of development charges ensures the proceeds from development charges maintain pace with the infrastructure construction costs required to support growth in the Town.
- Indexing at a rate of 3.7% is applicable to residential and non-residential development charge rates in 2026.
- Clauses within various financial agreements also provide for indexing in accordance with the Development Charges By-law as described further in this report.

## REPORT

### Background

In 2021, Council passed By-law No. 045-2021 (the "Development Charges By-law"), being a by-law of the Corporation of the Town of Milton for the imposition of development charges. The Development Charges By-law includes a provision to adjust the development charge rates on April 1<sup>st</sup> of each year. The indexing is based on the Statistics Canada Quarterly, Building Construction Price Indexes ("BCPI") related to non-residential building construction (Table 18-10-0289-02) as prescribed by O. Reg. 82/98, as amended for the Toronto, Ontario metropolitan area. The indexing provisions of the legislation and the Town's Development Charges By-law are intended to ensure proceeds from development charges retain the same purchasing power to support capital investment throughout the term of the Development Charges By-law.



## Discussion

The BCPI is a quarterly series that measures change over time in the prices that contractors charge to construct a range of new commercial, industrial and institutional buildings. The contractors' prices reflect the value of all materials, labour, equipment, overhead and profit to construct a new building and excludes value added taxes and any costs for land, land assembly, building design, land development and real estate fees.

The indexing factor is derived by calculating the percentage change between the fourth quarter of 2025 and the fourth quarter of 2024.

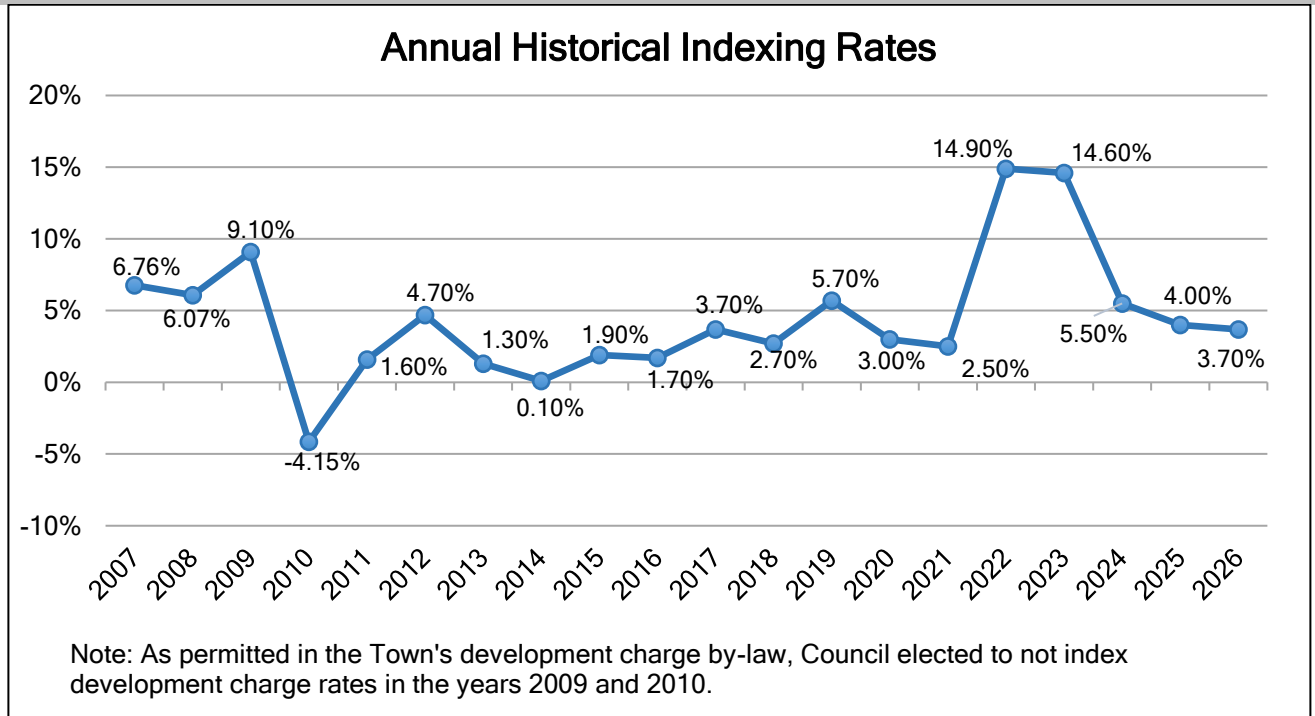
The base year for BCPI is 2023 (2023 = 100) and the figure for Q4 2024 has been restated from 105.7 to 105.8 by Stats Canada. The original base figure of 105.7 as reported by Stats Canada in February 2025 has been used to calculate the indexing factor for this year. For the period of January 1 to December 31, 2025, the percentage change in BCPI for non-residential construction in the Toronto area is an increase of 3.7%, as the Q4 2025 price index is 109.6.

Non-residential construction cost growth was driven by the continued cost pressure from skilled labour shortages, related labour rate increases, and impacts from rising material prices.

To put the 3.7% increase in context relative to historical changes in the BCPI, the following graph summarizes historical movement in the index. As illustrated in the graph, the BCPI experienced a 20-year high in 2021, followed by a similar double digit increase in 2022. Construction costs increases have slowed significantly since 2022 to more historically average levels. A municipal scan has been undertaken and confirms that several of the surrounding municipalities are proceeding with similar indexing in accordance with the legislation and their respective By-laws.



Discussion



The following tables summarize the changes in the Town's residential and non-residential development charge rates. In accordance with the timing of the development charge payments as outlined in the Town's Development Charges By-law, the indexed rates will be imposed on any unissued building permit as at close of business on March 31, 2026; for all applications not subject to the development charge rate freeze legislative requirements enacted through Bill 108: *More Homes, More Choice Act, 2019*.

**Residential Town of Milton Development Charges\***

Rates by Dwelling Type	Indexed Rate	Current Rate	Increase
Single/Semi-Detached	\$ 31,290	\$ 30,173	\$ 1,117
Multiples	\$ 23,531	\$ 22,690	\$ 841
Apartments (2 or more bedrooms)	\$ 14,441	\$ 13,925	\$ 516
Apartments (1 bedroom or less)	\$ 10,647	\$ 10,267	\$ 380
Special Care/Special Needs	\$ 9,048	\$ 8,725	\$ 323



## Discussion

### Non-Residential Town of Milton Development Charges\*

Non-Residential Rates by Use	Indexed Rate	Current Rate	Increase
Retail per square metre	\$ 123.87	\$ 119.46	\$ 4.41
Retail per square foot	\$ 11.52	\$ 11.10	\$ 0.42
Non-Retail per square metre	\$ 70.16	\$ 67.65	\$ 2.51
Non-Retail per square foot	\$ 6.51	\$ 6.29	\$ 0.22

\* All rates noted above exclude the area specific charges for stormwater monitoring in the various secondary plan areas. Please refer to attachment for the full details of the indexed rates.

The Town has also entered into financial agreements with residential developers. Clauses within those agreements outline the collection of the capital provision payment, the overcontribution payment, and the parkland capital provision payment from the developers. These financial contributions are indexed in accordance with the indexing provisions of the Development Charges By-law.

The Cash Flow Assistance Amending Agreement (Amending Agreement) was executed during 2022 with an effective date of March 31st, 2022. As per the terms of the Amending Agreement, the cash flow assistance letters of credit were reduced by 50% to \$33.9 million in 2023. In accordance with the agreement, the cash flow assistance letters of credit were fully drawn upon in February 2024. The Amending Agreement requires these funds to be repaid no later than June 30, 2028 with no interest or indexing applicable to the repayments.

The development charge rates included in this report for all services will remain in force until the expiry of the Development Charges By-law on June 26, 2026. The Town is currently undertaking a Development Charges Background Study and by-law update. A public meeting was held on February 9, 2026 to gather feedback on the Development Charges Background Study release on December 19, 2026. It is anticipated a new by-law with a commencement date of June 26, 2026 will be presented to Council for approval in advance of the expiry of the current by-law.

## Financial Impact

As noted previously, indexing of development charges is important for the Town to ensure development charge revenues are sufficient to cover the increased cost of construction projects in the capital budget and forecast. The 2026 Capital Budget and Forecast includes funding from development charges of \$716.3 million, including development charge debt and post period development charges, and developer recoveries of \$35.5 million to support the overall investment of \$1.62 billion in infrastructure and related studies.





**Town of Milton**  
**Development Charge Rates**  
**Effective April 1, 2026**

Residential Rates	Single and Semi Detached	Multiple 3 or more Bedrooms	Multiple Less than 3 Bedrooms	Apartments 2 or more Bedrooms	Apartments Bachelor and 1 Bedroom	Special Care/ Special Need Dwelling
<b>Town of Milton</b>						
Services Related to a Highway	\$ 9,715.00	\$ 7,306.00	\$ 7,306.00	\$ 4,483.00	\$ 3,306.00	\$ 2,808.00
Other Town-wide Services	\$ 21,575.00	\$ 16,225.00	\$ 16,225.00	\$ 9,958.00	\$ 7,341.00	\$ 6,240.00
Stormwater Management - Sherwood *	\$ 251.00	\$ 189.00	\$ 189.00	\$ 117.00	\$ 84.00	\$ 74.00
Stormwater Management - Boyne *	\$ 89.00	\$ 68.00	\$ 68.00	\$ 43.00	\$ 29.00	\$ 26.00
Stormwater Management - Derry Green *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stormwater Management - Trafalgar *	\$ 220.00	\$ 164.00	\$ 164.00	\$ 101.00	\$ 75.00	\$ 62.00
Stormwater Management - Agerton *	\$ 146.00	\$ 110.00	\$ 110.00	\$ 68.00	\$ 50.00	\$ 43.00
Stormwater Management - Britannia *	\$ 131.00	\$ 99.00	\$ 99.00	\$ 60.00	\$ 45.00	\$ 37.00
Stormwater Management - MEV *	\$ 389.00	\$ 292.00	\$ 292.00	\$ 180.00	\$ 132.00	\$ 112.00
Stormwater Management - MEV Supplemental Lands *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Town - Municipal Wide Services</b>	<b>\$ 31,290.00</b>	<b>\$ 23,531.00</b>	<b>\$ 23,531.00</b>	<b>\$ 14,441.00</b>	<b>\$ 10,647.00</b>	<b>\$ 9,048.00</b>
<b>Total Town - Sherwood</b>	<b>\$ 31,541.00</b>	<b>\$ 23,720.00</b>	<b>\$ 23,720.00</b>	<b>\$ 14,558.00</b>	<b>\$ 10,731.00</b>	<b>\$ 9,122.00</b>
<b>Total Town - Boyne</b>	<b>\$ 31,379.00</b>	<b>\$ 23,599.00</b>	<b>\$ 23,599.00</b>	<b>\$ 14,484.00</b>	<b>\$ 10,676.00</b>	<b>\$ 9,074.00</b>
<b>Total Town - Derry Green</b>	<b>\$ 31,290.00</b>	<b>\$ 23,531.00</b>	<b>\$ 23,531.00</b>	<b>\$ 14,441.00</b>	<b>\$ 10,647.00</b>	<b>\$ 9,048.00</b>
<b>Total Town - Trafalgar</b>	<b>\$ 31,510.00</b>	<b>\$ 23,695.00</b>	<b>\$ 23,695.00</b>	<b>\$ 14,542.00</b>	<b>\$ 10,722.00</b>	<b>\$ 9,110.00</b>
<b>Total Town - Agerton</b>	<b>\$ 31,436.00</b>	<b>\$ 23,641.00</b>	<b>\$ 23,641.00</b>	<b>\$ 14,509.00</b>	<b>\$ 10,697.00</b>	<b>\$ 9,091.00</b>
<b>Total Town - Britannia</b>	<b>\$ 31,421.00</b>	<b>\$ 23,630.00</b>	<b>\$ 23,630.00</b>	<b>\$ 14,501.00</b>	<b>\$ 10,692.00</b>	<b>\$ 9,085.00</b>
<b>Total Town - MEV</b>	<b>\$ 31,679.00</b>	<b>\$ 23,823.00</b>	<b>\$ 23,823.00</b>	<b>\$ 14,621.00</b>	<b>\$ 10,779.00</b>	<b>\$ 9,160.00</b>
<b>Total Town - MEV Supplemental Lands</b>	<b>\$ 31,290.00</b>	<b>\$ 23,531.00</b>	<b>\$ 23,531.00</b>	<b>\$ 14,441.00</b>	<b>\$ 10,647.00</b>	<b>\$ 9,048.00</b>

Non-Residential Rates	Retail uses per square metre of development	Non-Retail uses per square metre of development	Retail uses per square foot of development	Non-Retail uses per square foot of development
<b>Town of Milton</b>				
Town-wide Services	\$ 123.87	\$ 70.16	\$ 11.52	\$ 6.51
Stormwater Management - Sherwood *	\$ 6.95	\$ 4.02	\$ 0.65	\$ 0.37
Stormwater Management - Boyne *	\$ 1.44	\$ 0.99	\$ 0.13	\$ 0.09
Stormwater Management - Derry Green *	\$ 2.74	\$ 1.12	\$ 0.25	\$ 0.10
Stormwater Management - Trafalgar *	\$ 3.23	\$ 1.93	\$ 0.30	\$ 0.18
Stormwater Management - Agerton *	\$ 2.74	\$ 1.93	\$ 0.25	\$ 0.18
Stormwater Management - Britannia *	\$ 1.93	\$ 1.12	\$ 0.18	\$ 0.10
Stormwater Management - MEV *	\$ 6.29	\$ 4.02	\$ 0.58	\$ 0.37
Stormwater Management - MEV Supplemental Lands *	\$ 5.96	\$ 4.02	\$ 0.55	\$ 0.37
<b>Total Town - Municipal Wide Services (T.F.A.)</b>	<b>\$ 123.87</b>	<b>\$ 70.16</b>	<b>\$ 11.52</b>	<b>\$ 6.51</b>
<b>Total Town - Sherwood (T.F.A.)</b>	<b>\$ 130.82</b>	<b>\$ 74.18</b>	<b>\$ 12.17</b>	<b>\$ 6.88</b>
<b>Total Town - Boyne (T.F.A.)</b>	<b>\$ 125.31</b>	<b>\$ 71.15</b>	<b>\$ 11.65</b>	<b>\$ 6.60</b>
<b>Total Town - Derry Green (T.F.A.)</b>	<b>\$ 126.61</b>	<b>\$ 71.28</b>	<b>\$ 11.77</b>	<b>\$ 6.61</b>
<b>Total Town - Trafalgar (T.F.A.)</b>	<b>\$ 127.10</b>	<b>\$ 72.09</b>	<b>\$ 11.82</b>	<b>\$ 6.69</b>
<b>Total Town - Agerton (T.F.A.)</b>	<b>\$ 126.61</b>	<b>\$ 72.09</b>	<b>\$ 11.77</b>	<b>\$ 6.69</b>
<b>Total Town - Britannia (T.F.A.)</b>	<b>\$ 125.80</b>	<b>\$ 71.28</b>	<b>\$ 11.70</b>	<b>\$ 6.61</b>
<b>Total Town - MEV (T.F.A.)</b>	<b>\$ 130.16</b>	<b>\$ 74.18</b>	<b>\$ 12.10</b>	<b>\$ 6.88</b>
<b>Total Town - MEV Supplemental Lands (T.F.A.)</b>	<b>\$ 129.83</b>	<b>\$ 74.18</b>	<b>\$ 12.07</b>	<b>\$ 6.88</b>