

# DEVELOPMENT CHARGE INDEXING

*Information Sheet*

*April 30<sup>th</sup>, 2025*

Development Charge rates can be indexed to account for inflation. Most Development Charges By-laws call for annual indexing. The *Development Charges Act, 1997* (s.5 (1) (10)) and *O.Reg. (82/98)* (s.7) prescribe one index for adjusting development charge rates for inflation: the Statistics Canada Non-residential Building Construction Price Index.

## NON-RESIDENTIAL BUILDING CONSTRUCTION PRICE INDEX

- Data published for 15 census metropolitan areas throughout Canada, including Toronto and Ottawa;
- Measures the change in the contractors' selling price of new non-residential construction projects (i.e. commercial, industrial and institutional);
- Includes both general and trade contractors' work and excludes the cost of land, design and real estate fees; and
- Samples are taken of six different building types.

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## NON-RESIDENTIAL BUILDING COST INDEX: TORONTO CMA

	Actual Index	% Changes		
		Quarterly	Semi-Annual	Annual
<b>2024</b>				
1 <sup>st</sup> Quarter	102.6	1.0%	1.5%	4.6%
2 <sup>nd</sup> Quarter	104.0	1.4%	2.4%	4.8%
3 <sup>rd</sup> Quarter	104.5	0.5%	1.9%	3.4%
4 <sup>th</sup> Quarter	105.8	1.2%	1.7%	4.1%
<b>2025</b>				
1 <sup>st</sup> Quarter	106.5	0.7%	1.9%	3.8%

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Hemson Consulting assists the public and private sectors with municipal finance, planning policy, demographics, and property assessment. Recent work includes studies on:

- Development Charges
- Long Range Financial Planning
- Fiscal Impact Analysis
- Financial Incentives
- Water and Sewer Rate Setting Studies
- Building, Planning and Engineering Fees
- Growth Management

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