

**METRO VANCOUVER REGIONAL DISTRICT
REGIONAL PLANNING COMMITTEE**

Thursday, June 5, 2025

O N T A B L E

1. Invited Presentation: Matt Gemmel, Director, Policy and Public Affairs, Federation of Canadian Municipalities, *Canada's Infrastructure Gap*

Housing Enabling Infrastructure

Presentation to Metro Vancouver Regional Planning Committee

June 5, 2025

Matt Gemmel, Director, Policy and Research

Context:

- Geopolitical volatility continues
- Liberal commitments: build 500,000 homes per year, reduce DCCs by 50%, invest in nation-building infrastructure
- Focus on building a stronger, more resilient Canadian economy



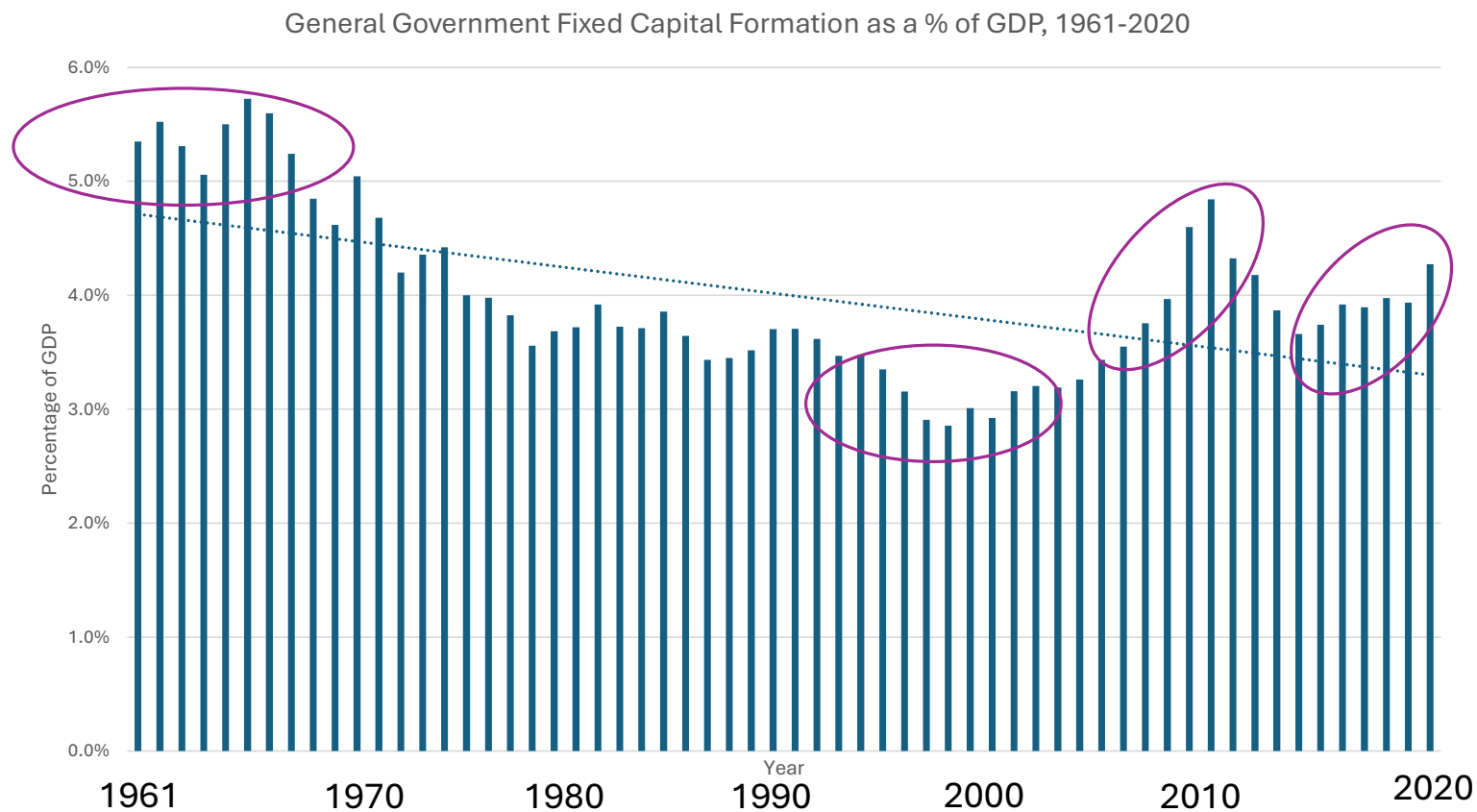
Canadian Infrastructure Deficit

14th in the world



Insufficient infrastructure is the 3rd most problematic factor for doing business in Canada

Infrastructure spending over time



Infrastructure Renewal

According to Statistics Canada's 2020 Core Public Infrastructure Survey, 14% of municipal waste and water infrastructure and 14% of municipal transportation assets are currently in "poor" or "very poor" condition and require immediate repair or replacement.

The cost of replacing or rehabilitating all municipal assets currently in "poor" and "very poor" condition exceeded **\$200 billion** in 2022.



Infrastructure and Housing

Canada's housing challenge is also an infrastructure challenge.

To double housing construction to 500,000 units per year, existing infrastructure will need to be renewed, and new infrastructure will need to be built.



Infrastructure and Housing

In 2023, FCM determined that a housing unit requires an average investment of **\$107,000** in municipal infrastructure.

That's grown to **\$126,000** per unit in 2025.



| Asset Class | Total replacement value of municipally-owned core public infrastructure, 2020 (x \$1,000) | Total adjusted for construction cost inflation, Q3 2023 (x \$1,000) | Replacement value in 2023, per dwelling (16,107,003 units) |
|-----------------------|---|---|--|
| Road | \$439,505,400 | \$570,387,523 | \$35,412 |
| Bridge and tunnel | \$45,258,200 | \$58,735,826 | \$3,647 |
| Public transit | \$33,564,000 | \$43,559,162 | \$2,704 |
| Active transportation | \$29,972,900 | \$38,898,653 | \$2,415 |
| Potable water | \$226,373,900 | \$293,786,716 | \$18,240 |
| Wastewater | \$256,925,000 | \$333,435,754 | \$20,701 |
| Stormwater | \$181,694,300 | \$235,801,794 | \$14,640 |
| Solid waste | \$7,504,400 | \$9,739,166 | \$605 |
| Culture, rec, sports | \$107,729,600 | \$139,810,841 | \$8,680 |
| TOTAL | \$1,328,527,700 | \$1,724,155,434 | \$107,044 |

The problem: An outdated fiscal framework

While the responsibilities of all orders of government, and especially municipalities, have expanded significantly since 1867, municipal revenue has not.



The current framework governing municipal funding has not been updated since the reign of Queen Victoria.

The root of the problem: Over-reliance on the property tax

In Canada, property taxes generally account for around 50% of all municipal revenue and nearly 90% of revenue derived from taxation.

Among OECD members, Canada has one of the highest dependency on property tax as a share of all public sector taxation revenue (10.5%, fifth highest in 2022) and as a share of gross domestic product.

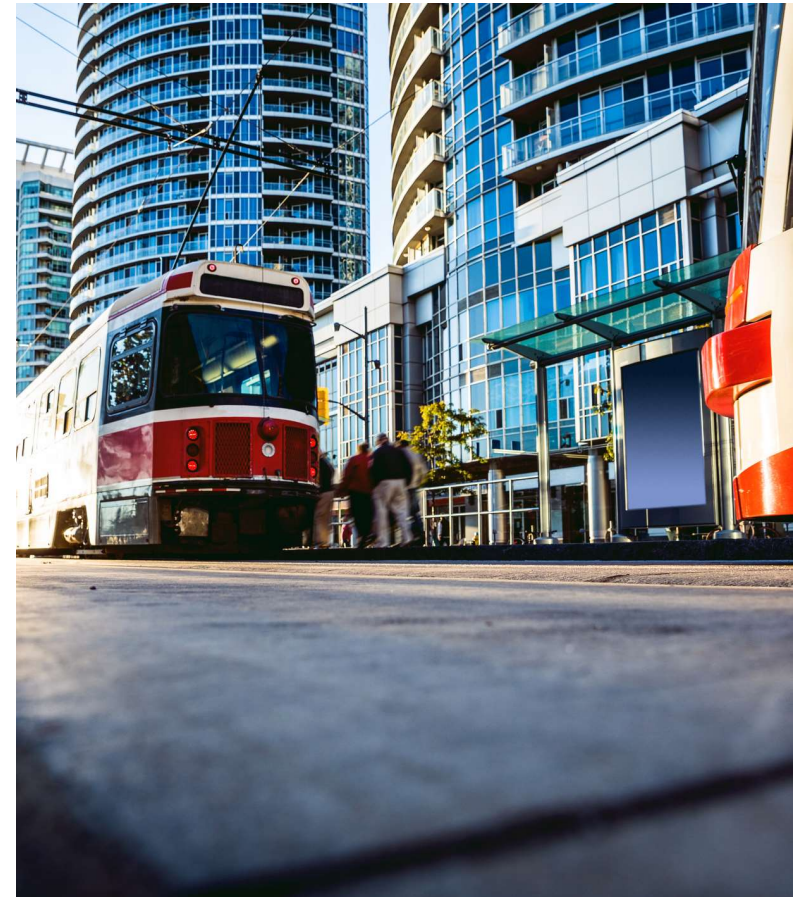


FCM is calling on the federal government to modernize municipal funding by:

- › Increasing annual transfers to municipalities to \$5 billion per year.
- › Linking federal transfers to economic growth by indexing them to Gross Domestic Product (GDP).



As part of a new fiscal framework, **provincial and territorial governments (PTs)** would agree to cost-match the level of funding provided to municipalities by the federal government, providing an equivalent of **\$5 billion per year** in new PT funding, tax room or taxation power to municipalities at the national level.



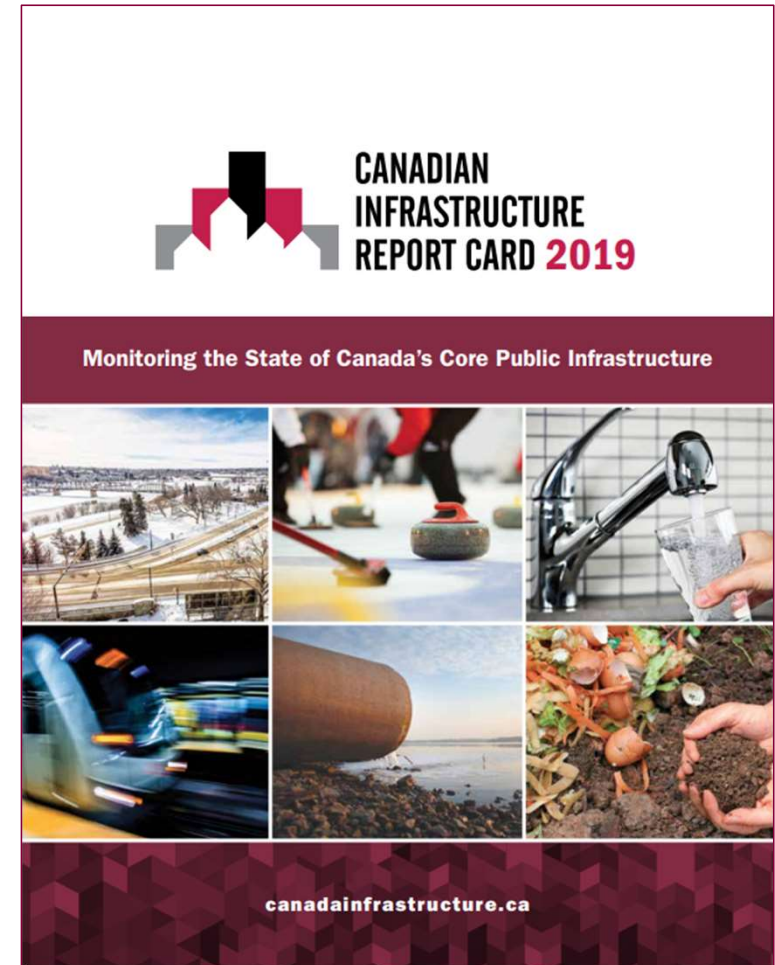
FCM Advocacy:

- Liberal pledge to cut DCCs + housing enabling infrastructure \$
- Municipal infrastructure = trade enabling infrastructure
- Climate resilient infrastructure
- Infrastructure renewal



Upcoming Advocacy Core Infrastructure Renewal

- Canada Infrastructure Report Card Update
- National snapshot based on Statistics Canada data
- Core infrastructure renewal needed to build homes and grow the economy
- Partnership with construction and business sectors



A person in a blue jacket and dark pants stands on a rocky outcrop, holding a large Canadian flag high in the air. The flag is waving in the wind. The background shows a rugged coastline with dark rocks, white waves crashing against the shore, and a blue sky with scattered white clouds. The overall scene conveys a sense of national pride and resilience.

Narrative: *Stronger Together — Local Strength, National Prosperity*

Building a prosperous and resilient Canada starts in our local communities. It's time for a modernized National Prosperity Partnership to improve economic resilience and quality of life for all Canadians.