



## Committee of the Whole Report For the Meeting of February 20, 2025

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**To:** Committee of the Whole **Date:** February 7, 2025  
**From:** William Doyle, Acting Director, Engineering & Public Works  
**Subject:** Deconstruction Bylaw Updates and Amendments

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### RECOMMENDATION

That Council direct staff to:

1. Prepare an amendment to the *Demolition Waste and Deconstruction Bylaw (No. 22-062)* to establish a length-based target for wood salvage that is equivalent to the existing mass-based target; and
2. Prepare housekeeping amendments to the *Demolition Waste and Deconstruction Bylaw (No. 22-062)* to simplify site signage requirements and remove distinct reporting requirements for small quantities of material.

### EXECUTIVE SUMMARY

Construction and demolition waste accounts for more than one-third of Victoria's waste sent to landfill. In 2022, the City of Victoria introduced the *Demolition Waste and Deconstruction Bylaw (No. 22-062)* recognizing the immediate opportunity to reuse valuable old-growth wood from building demolitions. The Bylaw motivates the salvage of wood from demolished single-family homes and duplexes built before 1960 and is being implemented in two phases to allow industry time to adapt and to grow local capacity and end markets for salvaged materials. The second phase of the Bylaw comes into effect May 12, 2025.

Since implementation, the Bylaw has resulted in the salvage of over 200 tonnes of construction materials for reuse and recycling from nine buildings, including the relocation of two entire homes. A significant increase in compliance was observed following the application of the \$19,500 refundable fee, suggesting the Bylaw is realizing its intended impact on waste reduction.

Industry engagement has been ongoing from the development of the Bylaw through the initial two and half years of implementation and includes observations from City-commissioned industry advisors and a recent focus group involving stakeholders with direct experience under the Bylaw. These stakeholder conversations revealed opportunities to streamline bylaw reporting in addition to various supports that could grow the regional capacity for wood salvage. In response to industry feedback, staff are recommending bylaw amendments to add a new option to document compliance using a length-based target and to modify reporting requirements that would improve the efficiency

for permit applicants. These amendments can be advanced without additional City resources and are easily integrated with current permit administrative processes.

## **PURPOSE**

The purpose of this report is to update Council on the impacts of the *Demolition Waste and Deconstruction Bylaw* and recommend minor amendments that would support a more efficient reporting process for permit applicants.

## **BACKGROUND**

The *Demolition Waste and Deconstruction Bylaw* was enacted in September 2022 to salvage valuable wood and reduce the volume of demolition waste being sent to landfill from across the City of Victoria. The Bylaw establishes a target for a minimum quantity of wood to be salvaged from the demolition of single-family houses and duplexes constructed before 1960 and has been phased in to support compliance and foster a local market for deconstruction services. The initial phase of the Bylaw applies to the demolition of any single-family dwelling or duplex built before 1960, unless they are being demolished to build multi-family housing. The second phase of the Bylaw comes into effect on May 12, 2025 when the wood salvage requirement will apply to the demolition of all single-family houses or duplexes built before 1960, regardless of the type of new development.

This report is intended to update Council on the impacts of the Bylaw over the first two and half years of implementation and recommend minor amendments to support a more efficient reporting process for permit applicants before the next phase of the bylaw becomes effective in May.

## **ISSUES & ANALYSIS**

### Bylaw Compliance & Salvage Target Performance

To date, a total of 20 demolition permits have been completed under the Bylaw. Applicants reported the salvage of over 62 tonnes of wood for reuse since September 2022 and staff estimate that an additional 160 tonnes of other building materials have been recycled from these projects.

The Bylaw motivates the salvage of wood using a \$19,500 fee that is fully refunded if the applicant meets an established salvage target based on the size of the building being demolished. This fee was waived during the first year of implementation to support the industry in adapting to the regulatory changes. During this initial year, two of 11 applicants successfully met the salvage target. Since the refundable fee was applied starting September 12, 2023, seven of nine applicants have met or exceeded their salvage target. On average, each compliant permit salvaged 1.5 times the required target (an additional 1.7 tonnes). The cumulative wood salvaged since the introduction of the Bylaw is shown in Figure 1 while also highlighting the increase in compliance since the refundable fee came into effect.

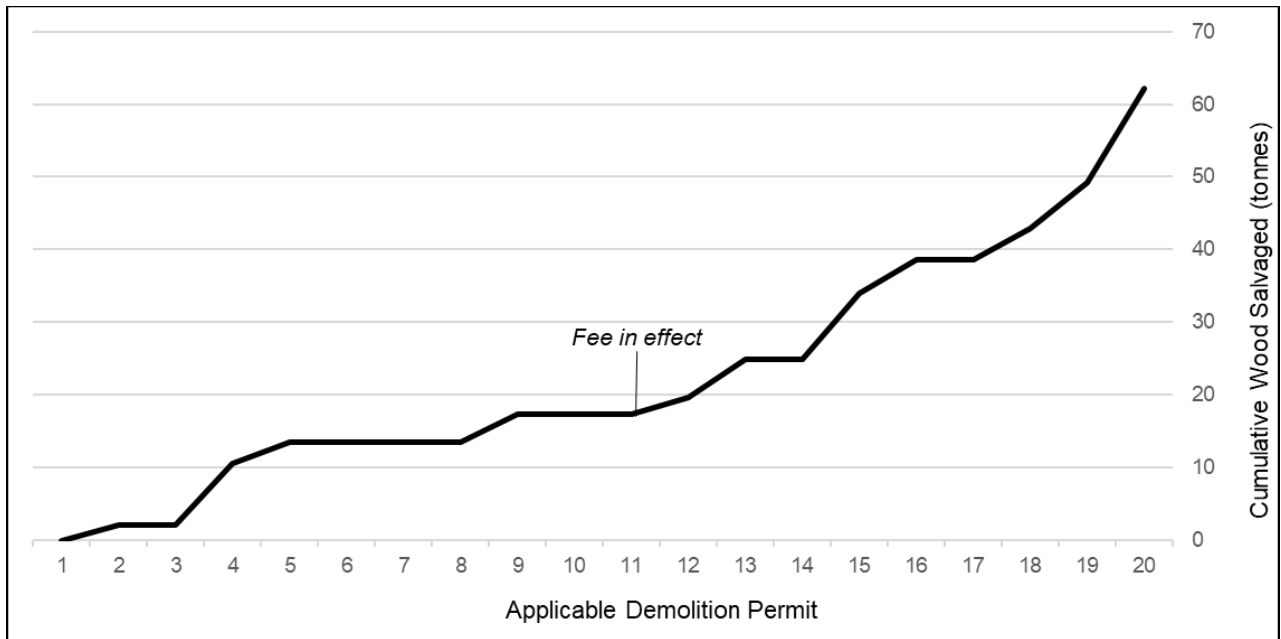


Figure 1. Wood salvaged under the Demolition Waste and Deconstruction Bylaw.

Through permit administration, staff observed that many applicants struggle to comply with all the details of the on-site signage requirements and that specific provisions contained in schedules under the Bylaw were never applicable, indicating opportunities for Bylaw modifications to simplify the process for applicants.

Starting in May 2025 when the second phase of the Bylaw comes into effect, staff anticipate that it will apply to over 20 permits a year.

### Deconstruction System

Project details provided by demolition permit holders as part of their Bylaw reporting requirements suggest that Victoria is served by a healthy decentralized system of service providers and end markets for salvaged wood. Under the Bylaw, the practice of deconstruction and wood salvage has been conducted by specialized deconstruction service providers, demolition companies, homeowners, and general builders and contractors. The destination of salvaged wood also varies and includes resale, donation to charitable groups, off-site storage for future use, and on-site storage for reuse in the new building.

Recent and planned changes by the Capital Regional District to material bans and tipping fees at Hartland Landfill have increased the cost of conventional demolition which further supports the economic case for wood salvage and recycling. Landfill disposal costs for mixed loads of construction waste is proposed to increase from \$110 to \$300 per tonne as early as 2026. For a typical house demolition, this change adds approximately \$3,100 in avoidable costs. Disposal costs, the City's refundable fee, and the availability of tax credits if salvaged materials are donated to a registered charity work together to support a local market where the financial case increasingly favors deconstruction over conventional demolition.

## Industry Engagement

### *Industry Advisory Support*

During the first two years of implementation the City offered applicants access to a third-party advisory service to identify deconstruction service providers and end markets for salvaged wood at no cost. The contracted advisors also provided City staff with their observations of the local deconstruction system and additional project documentation not captured for permit compliance.

The advisors noted that:

- Each demolition permit falling under the Bylaw had unique considerations and received distinct advice for material reuse and compliance.
- Permit holders seeking target reductions because of damage or building alterations were particularly reliant on these advisors to support with the preparation of required documentation.
- Several contractors experienced challenges reporting salvage quantities using the established mass-based target, particularly when wood was salvaged from the original home to be reused on-site in a new home or accessory building.

The advisors also observed changing trends in the local deconstruction system over the past two and half years, including an increase in builders taking on the practice of deconstruction as opposed to specialized deconstruction service providers, an increase in business-to-business sales of salvaged wood and fewer projects pursuing charitable donation of the materials.

### *Industry Focus Group*

City staff hosted a focus group on October 4, 2024 designed and facilitated by a third-party industry expert to explore opportunities for process efficiencies and to support ongoing compliance with the Bylaw. The session was attended by 14 practitioners experienced with the Bylaw, including deconstruction service providers, builders, contractors, salvage yard operators and reuse charitable organizations. The findings from the focus group are summarized as follows:

- **Economic considerations:** The cost to perform deconstruction is typically higher than conventional demolition. However, rising disposal costs for demolition materials in the region often contribute to a more favourable financial case for deconstruction or house relocation.
- **Streamlined reporting:** Reporting salvaged material using a mass-based target (tonnes) can be inefficient given the need to repeatedly stack and move the materials since the bylaw stipulates that the salvaged wood is weighed using a commercial scale for reporting purposes. A length-based target was identified as a more efficient and accessible metric to document compliance.
- **Industry education and training:** While the salvage of specialized items before demolition is common, full deconstruction to maximize waste diversion requires skilled contractors. Continued education for the industry including training on deconstruction practices would help to grow the availability of local qualified contractors.
- **Material reuse space:** There is demand from contractors and builders for a dedicated storage facility to consolidate and redistribute salvaged wood for reuse and to facilitate house relocations.

## OPTIONS & IMPACTS

### **OPTION 1 (Recommended) – Supportive Bylaw Amendments**

Staff recommend advancing amendments to the *Demolition Waste and Deconstruction Bylaw (No. 22-062)* that would provide an equivalent length-based target reporting option and remove inefficient reporting and site signage requirements. Specifically, the length-based target should be equivalent to the mass-based target in the current Bylaw and allow applicants to avoid the potential burden of moving multiple loads of material to a commercial scale to validate that the target has been achieved. For clarity, it is intended that the mass-based target remain as an option for applicants who prefer to use this method of compliance verification. Minor housekeeping amendments are also being recommended specifically to remove distinct reporting requirements for small quantities of material (Schedules A and B of the Bylaw) and to simplify the site signage requirement by removing the 90-day posting condition and offering signs that are prepared and issued by the City (Schedule D of the Bylaw).

The amendments proposed in this option have been determined after a thorough staff review of compliance documentation, recommendations from advisory consultants, and outcomes from an industry focus group.

This option can be achieved in advance of the second phase of the Bylaw coming into effect May 12, 2025 with no additional resources. This option is also not expected to require any substantive changes to existing systems and processes for permit administration.

### **OPTION 2 - Comprehensive Industry Support**

This option considers that staff report back to Council on opportunities and considerations to advance the recommendations from industry to establish a more supportive system for deconstruction and house relocation in the City and in the region. In addition to the Bylaw amendments proposed in Option 1, this option requires further staff investigation and industry engagement to assess the role, feasibility, benefits and costs of more involvement of the City of Victoria in the regional deconstruction system and wood salvage market. Staff anticipate that this option will require additional resources and therefore will have an impact on the City's Financial Plan.

#### *Accessibility Impact Statement*

The recommendations in this report consider the City's commitment to remove barriers and increase participation in local government programs, services and bylaws. Furthermore, deconstruction and material salvage activities provide economic opportunities for different types of businesses, as well as access to entry level or low-barrier employment for residents. Salvaged materials that are donated to charitable organizations also generate a range of downstream social and economic benefits, including free building materials and infrastructure for the region's housing construction and agricultural sectors.

#### *2023 – 2026 Strategic Plan*

The recommendations in this report address the commitments to “Accelerate the reduction of emissions from transportation and waste” under the Climate Action and Environmental Stewardship council priority and to “Accelerate Victoria 3.0 to create a strong, resilient local economy” under the Economic Health and Community Vitality council priority.

### *Impacts to Financial Plan*

The staff recommendations described in Option 1 in this report will have no impact on the Financial Plan since the proposed Bylaw amendments can be accommodated with existing resources and the changes can be implemented using the existing systems and processes already in place for permit administration.

Option 2 requires further analysis and a report back to Council on specific opportunities to further support the deconstruction and wood salvage industry. Option 2 is anticipated to require additional resources that will impact the Financial Plan.

### *Official Community Plan Consistency Statement*

Waste reduction is consistent with Plan Goals related to Infrastructure and Climate Change and Energy in the City of Victoria's Official Community Plan (OCP No. 12-013). Specifically, the OCP states that the City is to "support steps for Victoria to move towards a zero net solid waste community in partnership with the Capital Regional District (CRD) and the private sector" and provides the broad objective that "solid waste [is] managed as [a] closed loop system with optimal levels of recovery and reuse" across different stakeholder groups.

## **CONCLUSIONS**

The City of Victoria's *Demolition Waste and Deconstruction Bylaw* came into effect in 2022 with the objective of reducing the volume of construction waste sent for landfill disposal from house demolitions across the community. Over 62 tonnes of wood have been salvaged for reuse under the Bylaw over the past two and half years. In May 2025, the second phase of the Bylaw comes into effect; expanding the application of wood salvage targets to any single-family house or duplex being demolished regardless of the type of new development. This change is expected to double the total number of applicable permits subject to the Bylaw each year. In advance of the second phase of the Bylaw coming into effect, staff recommend minor amendments that would support a more efficient reporting process for permit applicants. Specifically, these recommendations include the addition of an equivalent length-based target, the removal of unnecessary reporting requirements for small quantities of material, and the simplification of site signage requirements.

Respectfully submitted,

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**Report accepted and recommended by the City Manager.**