



## Council Report For the Meeting of June 16, 2022

---

**To:** Council **Date:** June 3, 2022  
**From:** Philip Bellefontaine, Director of Engineering and Public Works  
**Subject:** Demolition Waste and Deconstruction Bylaw

---

### RECOMMENDATION

That Council conduct initial readings of Demolition Waste and Deconstruction Bylaw No. 22-062.

### BACKGROUND

Up to 37% of Victoria's landfilled material is generated from the construction sector. The salvage of wood from demolished homes can help to divert up to 3,000 tonnes of material from the landfill each year, achieving 15% of the City's Zero Waste Victoria 2040 waste reduction target.

In May 2021, Council directed staff to bring forward a bylaw to motivate the salvage of reusable and recyclable materials from building demolitions. The "Demolition Waste and Deconstruction Bylaw No. 22-062" ("the Bylaw") is attached and includes two phases for implementation:

**Phase 1** – in force September 12, 2022: Demolition of single-family dwellings and duplexes, built before 1960, which are being demolished to build another single-family dwelling or duplex

**Phase 2** – in force May 12, 2025: Demolition of all single-family dwellings and duplexes built before 1960, including those being demolished to build multi-family housing

#### *Market Assessment Outcomes*

A study was commissioned to assess the capacity of local and regional markets to accommodate used building materials generated as a result of the Bylaw. The study indicated sustained demand for recyclable materials such as aggregate, asbestos-free drywall, and metal. The study also found significant demand and value for wood salvaged for reuse, especially old-growth wood and large dimension lumber. Current demolition practices typically result in these wood materials being sent to landfill. Salvaged wood vendors on the Island indicated interest to acquire additional material to meet growing demand. The Bylaw establishes a refundable fee to motivate the salvage and reuse of wood with confirmed value in the market.

#### *Housing Considerations*

Analysis of permit data indicates that about 75% of demolition permits over the past few years were for single-family dwellings and duplexes. Almost all these demolished buildings were built before

1960 (the threshold for homes containing significant quantities of valuable wood materials) and most were replaced with a house or duplex. This provides a subset of about 20 demolition permits per year for the first phase of regulation resulting in the salvage of up to 200 tonnes of high value old-growth wood and the diversion of 1,000 tonnes of recyclable construction materials.

Application of the Bylaw initially to projects where a single-family home or duplex is demolished and replaced with a new single-family home or duplex aligns with affordability goals established in the *Victoria Housing Strategy* including avoiding potential impacts to missing middle and rental developments. The initial phase of the Bylaw encompasses projects with an assessed value in the top 3% of residential properties in Victoria, representing an estimated current market home value above \$2 million.

Staff expect contractors and builders to adapt to deconstruction and material salvage as common practice during the first phase of regulation. This will enable all pre-1960 single-family home and duplex demolitions to be brought under the Bylaw in a later phase without impacting housing affordability.

### *Industry Engagement*

Following direction to develop the Bylaw, staff continued engagement with construction and waste/recycling industry representatives to seek feedback on details including the refundable fee amount, salvage potential, and transition provisions. Staff also sent a survey to a broader industry audience through the Canadian Homebuilders' Association Vancouver Island chapter and met with the chapter to present information about the Bylaw. In December 2021, staff initiated a working group made up of industry stakeholders and City staff from across departments to inform the Bylaw and plan for implementation.

### *Bylaw Approach*

For demolitions that fall under the scope of the Bylaw, permit applicants will be required to pay a refundable "waste management fee" of \$19,500 to receive their demolition permit in addition to an administrative fee of \$500 (that replaces the equivalent building permit fee). The Bylaw requires that at least 40 kg of wood per above-ground square metre of floor area is salvaged for reuse to receive a full refund of the waste management fee. The Bylaw does not restrict the ability to issue a building permit to ensure that the construction of new housing is not impeded.

Phase 1 will come into force September 12, 2022, with a one-year grace period before the refundable fee is charged. The grace period will allow those working in building and demolition to adapt to salvaging and tracking materials under the Bylaw without penalty as they learn new practices. Phase 2 will come into force May 12, 2025 for new multi-family developments to provide a clear signal of the future local demand for deconstruction services while allowing adequate time for industry capacity to grow. Staff will provide continued guidance and support to permit applicants and other industry participants before the Bylaw comes into force and during implementation.

The Bylaw approach has been developed considering the following:

- Industry survey responses indicated a considerable range in costs for conventional demolition for a single-family dwelling between \$15,000 to \$75,000 including waste and recycling costs. Industry stakeholders noted that if the fee is too low, the salvage requirement would be ignored and the fee considered a cost of doing business. Establishing the refundable fee at \$19,500 was evaluated to be appropriate to motivate wood salvage and waste reduction.

- The salvage rate of 40 kg of wood per square metre of building floor area, which is needed to get the fee refund, is based on industry best practice. Deconstruction experience indicates that this amount is achievable and will maximize reuse and recycling opportunities.
- The Bylaw targets motivating the salvage and reuse of wood with existing value in regional and global markets (e.g., old-growth dimensional lumber and flooring).

Phase 1 is expected to capture about 20 houses per year. The market assessment and communication with industry stakeholders indicate that current deconstruction capacity and outlets for salvaged wood can manage this market expansion. Local vendors of salvaged wood would like to receive more inventory and local builders are interested in finding new uses for the material.

A copy of Demolition Waste and Deconstruction Bylaw No. 22-062 is attached as Appendix A and Council may consider initial reading of the Bylaw.

Respectfully submitted,

Rory Tooke  
Manager, Sustainability, Assets &  
Support Services

Philip Bellefontaine  
Director, Engineering and Public Works

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

#### **List of Attachments**

Appendix A: Demolition Waste and Deconstruction Bylaw No. 22-062