Purpose-Built Rental (PBR) Housing - Development Charges Incentive Program (DCIP)

Public Guidelines - September 2025

1. Program Overview

The City of Brampton has launched the Purpose-Built Rental (PBR) Development Charges Incentive Program to support the creation of more primary, purpose-built rental housing.

Brampton faces a shortage of stable, family-friendly, and long-term rental options. Vacancy rates remain below healthy levels, forcing many residents to rely on basement apartments or rented condos. This program makes it more financially viable for developers to build new rental apartments through reductions in Development Charges (DCs).

The program will:

- Encourage more purpose-built rental housing in Brampton
- Promote mixed-use buildings that bring housing, shops, and services together
- Help create complete, inclusive communities

2. Program Details

- The program provides reductions of Development Charges (DCs) for qualifying purpose-built rental projects.
- These reductions are designed to encourage:
  - Construction of larger, family-friendly apartments (2- and 3-bedroom units).
  - Mixed-use projects with ground-floor non-residential uses (e.g., retail, commercial, office).
  - Long-term, stable rental housing (25-year minimum rental tenure).
- Reductions apply to the City's portion of DCs and are stackable with:
  - The Region of Peel's incentive program.
- Reductions through this program are not stackable with any other City funding programs, including but not limited to:

    - The City’s existing “Central Area CIP Development Charges Incentive Program”.
    - The City’s existing “CIP for Affordable Housing”.
- The Development Charges Incentive Program for PBR is inclusive of the provincial Bill 23 mandatory discounts.

3. Program Timeline and Cap

- Building permit must be issued between September 10, 2025 and November 13, 2026.
- Projects must achieve complete occupancy within 36 months of the first building permit issuance date. There is opportunity for a 6-month extension at the discretion of the Commissioner of Planning, Building and Growth Management, dependent on construction progress reports, project scale, and timelines.
- The program has a city-wide cap of 5,000 units. Reductions will be allocated on a first-come, first-served basis, determined by the date a building permit application is accepted for review towards issuance of a permit to the satisfaction of the Chief Building Official (CBO). Once this cap is reached, staff will pause intake for the program and report back to Council.

4. Eligibility Criteria

To qualify, projects must meet all of the following criteria:

- Be a purpose-built rental (PBR) apartment building of at least 5 storeys, with 4 or more units.
- Units are allocated on a first-come, first-serve basis upon meeting all program requirements and dependent on the number of Council approved units for the program.
- To qualify as a mixed-use project, at least 50% of the ground floor must be non-residential (commercial or office uses). Non-residential use does not include spaces such as amenity areas, corridors, or other residential-related facilities.
- Pull a building permit for any phase of the building construction (such as foundations or below-grade structure) or for the complete apartment building between September 10, 2025 and November 13, 2026.
- To remain eligible, building permit applications must remain active throughout the review process. Any period of inactivity by the applicant exceeding one month may render the application ineligible for this program.

- To remain eligible, construction must meaningfully commence within six months of the issuance of building permits, including any phased permits. Following commencement, inspections must occur at intervals of no more than three months to demonstrate ongoing progress. Extended gaps in inspections or inactivity beyond these timelines may render the project ineligible for this program.
- Achieve complete occupancy within 36 months of first building permit issuance date.
- Remain in rental tenure for at least 25 years (units cannot be converted to condos or sold individually).

5. DC Reductions

The amount of DC reduction depends on unit type.

1) 50% DC reduction for 1-bedroom dwelling units;
2) 75% DC reduction for 1-bedroom + den and 2-bedroom dwelling units;
3) 100% DC reduction for 3-bedroom dwelling units;
4) 100% DC reduction for 1-bedroom + den, 2-bedroom and 3-bedroom dwelling units within a development having non-residential use(s), other than uses accessory to the residential use(s), in 50% or more of the ground floor gross floor area;
5) If 66% or more of the dwelling units qualify for the same incentive reduction under either incentive (2), (3), or (4) above, then the remaining eligible units will receive either that same incentive reduction or any higher incentive reduction they qualify for, whichever is greater.

6. Examples

- **Example 1:**
  - Building Composition (Building with Smaller Units)
    - 20 Units: Studio
    - 50 Units: 1-bedroom
    - 20 Units: 2-bedroom
  - DC Reduction
    - Studio: 15% (under the provincial Bill 23 DC discounts)
    - 1-bedroom units: 50%
    - 2-bedroom units: 75%

- **Example 2:**
  - Building Composition (Building with units achieving the 66% threshold)
    - 20 Units: 1-bedroom
    - 10 Units: 2-bedroom
    - 70 Units: 3-bedroom
  - DC Reduction
    - All units: 100%, as 70 units out of 100 (>66%) qualify for the higher incentive level

- **Example 3:**
  - Building Composition (Mixed-Use Building)
    - 50% or more of the ground floor is non-residential (excluding accessory use)
    - 40 Units: 1-bedroom
    - 20 Units: 2-bedroom
    - 40 Units: 3-bedroom
  - DC Reduction
    - 1-bedroom: 50%
    - 2-bedroom and 3-bedroom units in a mixed-use building: 100%

7. Application Process

1) Submit a Letter of Intent to participate in the program along with the building permit application to the Building Division.
2) Conditional Approval: Once the building permit application is accepted for review towards issuance of a permit to the satisfaction of the Chief Building Official (CBO), City staff (Planning, Finance, Legal) will review the project against the eligibility criteria. If eligible, the proponent will be Conditionally Approved to receive DC reductions under the program and will be allocated a portion of the available Council-approved units.
3) Confirmed Approval: Once the building permit application is deemed complete and accepted for detailed review to the satisfaction of the Chief Building Official (CBO), City staff will confirm approval for DC reductions under the program.
4) The proponent will sign a DC Reduction Agreement with the City:
   a. This agreement will be legally binding and registered on the property title.
   b. It will confirm the 25-year rental tenure commitment.
5) Once the agreement is executed, DC reductions will be applied at the building permit issuance stage.

8. Legal and Financial Conditions

- The program will run until November 13, 2026. If the program unit cap is reached (whether before or on that date), City staff will pause all intake for the program and report back to Council.
- The applicant shall agree to enter into and cause to be registered on title to the property the DC Agreement, on the City's standard form, as-is.
- The applicant shall agree to and cause to be registered on title to the property a restriction pursuant to Section 118 of the *Land Titles Act* (Ontario), in form and content satisfactory to the City. The restriction shall prohibit any transfer or charge of the property without the prior written consent of the City.
- If rental units are converted to condominium or any other use within the 25-year tenure period, the applicant will be required to pay the then-applicable Development Charges for the development. Further details will be outlined in the DC Agreement.

9. Communication and Monitoring

The City will:

- Share program details on its website and social media channels.
- Monitor compliance with agreements to ensure that projects remain rental-only for 25 years.

Contact Us:

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