

Update on Canada Post Fees for CMB Installation

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In our previous Blaney's on Building, we reported on a new plan by Canada Post to charge developers a one-time fee of \$200 per new address for the installation of Community Mail Boxes ("CMBs") in new residential and commercial developments. For our condominium developer clients, this new initiative represented yet another increase in development costs which, in this competitive market where hard and soft costs are skyrocketing around the GTA faster than we can object to or accommodate them, are already way too high.

Canada Post's new fees became effective on January 1, 2013, and are intended to offset the costs incurred by Canada post to connect new mail equipment to an expanding delivery network. Interestingly, most of these "costs" are already funded in large part if not entirely, by developers through usual costs imposed on new construction.

In large part thanks to BILD's communication and advocacy efforts, the industry responded quickly to Canada Post's initial announcement, leading Canada Post to clarify its new "tax" in a recent "Developer's Guide to Ensuring Mail and Parcel Delivery with New Neighbourhoods" piece which sheds some new light on how these fees will be implemented - an improvement from what was originally proposed. According to Canada Post, the fees will apply only to new CMBs installed where residences or businesses do not share a common indoor entrance. Good news for high-rise condominium developers, as this would exclude these multi-unit buildings. The Guide confirms that these new fees will be implemented as a condition during the development application process much like other utilities and infrastructure conditions. A set up agreement will also be required to be entered into by the developer with Canada Post to complete the process, and a security deposit may be required.

Contact the writers for any questions in this regard.