

**FINANCIAL MANAGEMENT COMMITTEE**

*HIS WORSHIP, THE MAYOR  
AND COUNCILLORS*

**SUBJECT: SPECULATION AND VACANCY TAX**

**RECOMMENDATIONS:**

1. THAT Council receive this report for information.
2. THAT Council submit the proposed response to the Province provided in Attachment 2 of this report.

**REPORT**

The Financial Management Committee, at its meeting held on 2022 December 14, received and adopted the *attached* report conveying information regarding the status and achievements of the Speculation and Vacancy Tax and proposing feedback to be provided to the Province.

Respectfully submitted,

Councillor Dhaliwal  
Chair

Councillor Gu  
Vice Chair

|            |  |
|------------|--|
| Copied to: | Chief Administrative Officer<br>Deputy Chief Administrative Officer & CFO<br>GM Corporate Services |
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**TO:** CHAIR AND MEMBERS  
FINANCIAL MANAGEMENT COMMITTEE

**DATE:** 2022 December 06

**FROM:** DEPUTY CHIEF ADMINISTRATIVE  
OFFICER & CHIEF FINANCIAL OFFICER

**FILE:** 7815-01

**SUBJECT: SPECULATION AND VACANCY TAX**

**PURPOSE:** To convey information regarding the status and achievements of the Speculation and Vacancy Tax and to propose feedback to be provided to the Province.

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#### **RECOMMENDATIONS:**

1. **THAT** the Financial Management Committee recommend Council receive this report for information.
2. **THAT** the Financial Management Committee recommend Council submit the proposed response to the Province attached in this report.

### **REPORT**

#### **1.0 INTRODUCTION**

On 2022 November 22, the City received a briefing from the Province providing data and commentary over the status and achievements of the Speculation and Vacancy Tax (SVT). Additionally, a letter provided alongside the report from the Provincial Minister of Finance formally invites Mayor Mike Hurley to participate, through written correspondence, in the fourth annual consultation on the SVT.

#### **2.0 POLICY SECTION**

- A Dynamic Community
  - Build and maintain infrastructure that meets the needs of our growing community.

### 3.0 BACKGROUND

#### About the SVT:

The SVT is a tax applied to all properties owned within the Metro Vancouver Regional District, the Capital Regional District, Kelowna, Nanaimo, and various nearby cities. Property owners are required to complete an annual declaration that is used to obtain an exemption to the tax if the property is being utilized as a principal residence, occupied by a tenant, or not occupied for other appropriate reasons such as being recently acquired or inherited.

Since 2019, the tax rate has been equal to 0.5% of a property's assessed value or 2% for foreign owners and satellite families. The SVT is distinct from Vancouver's empty homes tax which is applied against Vancouver properties in addition to the SVT.

#### Report Highlights:

Within the technical briefing provided for the 2021 Tax Year, the Province reports that the SVT is working as intended with a 10.3% reduction in taxpaying properties and more than 20,000 homes returned to the long-term rental market in Metro Vancouver. Of those paying the SVT, it is noted that the number of foreign owners decreased by 33%, demonstrating that the program is continuing to prompt changes in behavior such as the rent or sale of the properties in question. Approximately 99.8% of British Columbians are exempt from the tax with the majority, with 84% of revenues coming from satellite families and foreign owners.

During 2021, the SVT collectively generated \$78.4 million in revenue of which \$55 million is associated with properties located within Metro Vancouver. This is a slight reduction from the \$80.6 million generated in 2020; \$80 million has been budgeted for the upcoming year. It should be noted that these amounts are subject to a degree of change due to a portion of property owners remaining undeclared and the fact that property owners may amend their declarations for up to three years.

The distribution of taxpayers for properties within Burnaby is as follows:

| <b>Foreign Owners &amp; Satellite Families who pay the SVT for properties in Burnaby</b> | <b>BC Residents who pay the SVT for properties in Burnaby</b> |
|--|---|
| 236  | 137   |

All taxes collected are directed into a Provincial Housing Priority Initiatives Special Account (HPI) for use in funding affordable housing programs, shelters, and rental initiatives within the regional districts that are taxed. The recipient of these funds is BC Housing. Although there is no indication of the value of funds reinvested by BC Housing into Burnaby specifically, BC Housing did expend \$686.4 million and \$749.4 million on initiatives within Metro Vancouver during the 2020/2021 and 2021/2022 fiscal years.

Changes to the Program:

Following the first three annual SVT consultations, the SVT program has been/will be adjusted as follows:

- The program will be expanded to apply to six additional areas:
  - City of Duncan
  - District of North Cowichan
  - District of Squamish
  - Town of Ladysmith
  - Town of Lake Cowichan
  - Village of Lions Bay
  
- Exemptions have been added, extended

Previously, the City has advocated to the Province to include additional information in its report that would help to assess whether the SVT is functioning as intended. Examples of which include the use of metrics such as vacancy rates or the number of rental units added to the market from existing pre-existing builds. In addition, the City has also previously proposed that taxes collected be distributed not only to BC Housing, but also directly to the municipalities in an amount proportionate to what was contributed. Receiving funding directly would help Burnaby to implement locally-appropriate housing solutions as opposed to relying solely on BC Housing.

While the inclusion of housing metrics has been addressed to an extent, with the inclusion of statistics such as counts of new homes added or under construction, there has been no change to the funding model. Should Council wish to reiterate this feedback, or expand it to request additional powers permitting municipalities to implement an empty home's tax, similar to Vancouver's, a proposed response to the Province has been drafted within Attachment 2.

To: *Financial Management Committee*  
From: *Deputy Chief Administrative Officer & Chief Financial Officer*  
Re: *Speculation and Vacancy Tax*  
2022 December 14.....Page 4

#### **4.0 RECOMMENDATION**

It is recommended that the Financial management Committee recommend Council receive this report for information.



Noreen Kassam, CPA, CGA  
DEPUTY CHIEF ADMINISTRATIVE OFFICER  
& CHIEF FINANCIAL OFFICER

NK:GM/kl:mt

*Attachment: 1 – SVT Technical Briefing – 2021 Tax year*  
*2 – Letter/Response to Minister Robinson*

Copied to: Mayor and Members of Council

# Speculation and Vacancy Tax Annual Mayors' Consultation – Technical Briefing

2021 Tax Year

November 22, 2022

# Speculation and Vacancy Tax - Key Facts

For 2021 (the fourth year of the tax), approximately 99.8 per cent of British Columbians are exempt from the tax.



 Exempt       Non-Exempt

The majority of tax revenue based on received declarations comes from foreign owners and satellite families

(\$millions)



- \$78.4M<sup>1</sup> in revenue was generated in 2021, in line with Budget forecast of \$80M.
- 4.3 per cent fewer BC residents are subject to the tax in 2021 (3,230 in 2021 vs. 3,376 in 2020).
- There are 10.3 per cent fewer taxpaying properties in 2021 (5,603 in 2021 vs. 6,252 in 2020).
- The average value of taxpaying properties increased by 12.5 per cent in 2021 vs. 2020.

## Housing Affordability

While it is clear that recent economic factors such as historically low interest rates and market conditions have contributed to rising costs and constrained supply, housing affordability continues to be an issue facing all levels of government. Housing affordability is now also being affected by the current period of high inflation and rising interest rates that will impact the ability of British Columbians to enter into an expensive housing market.

Our government is committed to improving housing affordability in our province, and our 30-point housing plan, *Homes for B.C.*, lays out the many actions being taken to meet that commitment over 10 years, starting in 2018. Some of these actions include stabilizing the market, investing in affordable housing, and tackling tax fraud and money laundering.

*Budget 2022* adds \$166 million in funding to *Homes for B.C.* to help achieve the goal of delivering 114,000 affordable homes in our province by 2028, bringing annual housing investments to more than \$1.2 billion by fiscal year (FY) 2024/25. This funding includes \$100 million in FY2022/23 for non-profit housing providers to accelerate the construction of mixed-income housing through the Community Housing Fund. It also adds additional staffing resources for the HousingHub<sup>2</sup> at BC

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<sup>1</sup> Numbers may not add due to rounding.

<sup>2</sup> The HousingHub is a division of BC Housing that aims to leverage public and private sector partnerships to create affordable rental housing and homeownership options for middle-income British Columbians.



Housing to keep up with growing demand for the \$2 billion in low-cost financing announced in *Budget 2021*.

### Housing Affordability Highlights

- Since 2017, the Province has funded nearly 36,000 affordable homes that are either complete or underway.
- Since the implementation of the speculation and vacancy tax (SVT), more than 20,000 homes have been returned to the long-term rental market in Metro Vancouver.
- More than 6,000 HousingHub homes are open or underway for middle-income families and more staff are being hired to accelerate projects.
- Thousands of new student housing beds are under construction and will soon be easing pressure on local housing markets.
- Last year, more than 53,000 new homes were registered in B.C.
- In the last five years, B.C. has registered more rental homes than in the previous 15 years combined.
- During the pandemic, the Province froze rents and then capped increases permanently.
- *Homes for B.C.*'s annual funding will reach more than \$1.2 billion for housing and homelessness supports.
- Starting in 2023, there will be a mandatory three-day "Homebuyer Protection Period" to allow buyers adequate time to consider whether to move forward with a property purchase.
- Budget 2022 provides \$100 million to support non-profit partners in building even more mixed-income rentals through the Community Housing Fund.
- The Province introduced legislation in 2021 allowing local governments to speed up development approval processes by updating certain public hearing and permit requirements to get more homes built faster.
- The Province is helping to uncover hidden ownership with both the Land Owner Transparency Registry and the Condo and Strata Assignment Integrity Register.

## Year 4 Improvements

In Year 4 of the SVT, the Province made the following legislative and regulatory changes:

- Created a new exemption for properties damaged by a flood or landslide in late 2021 that would have been exempt as principal residence or tenanted property if the damage had not rendered the property uninhabitable.
- Created a permanent exemption for strata accommodation properties. The exemption for strata accommodation properties applies to a residential property that is defined in the *Assessment Act* as a strata accommodation property (i.e., strata hotels). The exemption was set to expire at the end of the 2021 tax year but was made permanent.
- Extended the deadline for tax credit applications in certain circumstances, where a notice of assessment or Minister's decision is given more than three years after the end of the calendar year for which the tax is payable.
- Clarified the method for providing notice of appeal to the Minister of Finance.

## Speculation and Vacancy Tax Review Report and Expansion

In the recently released five-year SVT Review Report (Report), two of B.C.'s leading researchers in housing affordability (Dr. Tsur Somerville and Dr. Jake Wetzel) highlight how foreign ownership, speculation and vacant homes were driving housing costs up in large urban areas, and at a rate higher than elsewhere in Canada.

The Report indicates that prior to the pandemic, the SVT was helping to improve housing affordability for renters and homebuyers in areas subject to the tax. It also confirms that the tax, and specifically the two per cent tax rate for foreign owners and satellite families, has contributed to the return of more than 20,000 condo units to the long-term rental market in Metro Vancouver.

The report suggests phasing in an expansion of the SVT's scope to help protect housing in other areas of the province experiencing similar pressures. Based on the Report's findings, continued analysis of communities in proximity to SVT specified areas and stakeholder requests, the Province is applying the SVT in six new municipalities: North Cowichan, Duncan, Ladysmith, Lake Cowichan, Lions Bay and Squamish.

These changes will come into effect in January 2023, requiring residential property owners in the expansion communities to declare and claim any exemptions for the first time in January 2024.

The Province will continue to monitor additional areas that are in close proximity to the existing SVT areas or that are facing acute housing pressures related to speculation and empty homes. The Province must contemplate any changes to the SVT at the provincial level and consider taxation at other levels of government, such as the federal government's Underused Housing Tax (UHT), implemented for the 2022 tax year. The UHT levies an annual 1 per cent tax on the value of vacant or underused residential property directly or indirectly (e.g. through a corporation or partnership) owned by non-resident non-Canadians.

## Speculation and Vacancy Tax - Revenue

- Based on declarations and revenue received to date, 2021 calendar year revenue will be \$78.4 million.
- The *Budget 2022* revenue estimate for 2022/2023 was \$80 million. [Budget and Fiscal Plan 2022/23 - 2024/25 \(gov.bc.ca\)](#)
- In the *2022/23 First Quarterly Report*, the revenue estimate for 2022/2023 was projected to be \$90 million. [First Quarterly Report - September 2022 \(gov.bc.ca\)](#)
- Actual annual revenue will continue to change as there is a portion of property owners who are undeclared, and owners may amend a declaration for up to three calendar years.

Table 1: Tax Revenue<sup>3</sup> by Region

| Regional District | Tax Revenue         |
|-------------------|---------------------|
| Capital           | \$6,613,428         |
| Central Okanagan  | \$4,883,414         |
| Fraser Valley     | \$2,337,699         |
| Metro Vancouver   | \$55,036,707        |
| Nanaimo           | \$854,852           |
| Undeclared Owners | \$8,702,293         |
| <b>Total</b>      | <b>\$78,428,393</b> |

Table 2: Tax Revenue by Owner Type (\$m)

|              | BC Resident | Other Canadian | Foreign Owner | Satellite Family | Other      | Undeclared Owners | Total <sup>4</sup> |
|--------------|-------------|----------------|---------------|------------------|------------|-------------------|--------------------|
| <b>Total</b> | <b>12.7</b> | <b>6.7</b>     | <b>20.3</b>   | <b>24.1</b>      | <b>6.0</b> | <b>8.7</b>        | <b>78.4</b>        |

<sup>3</sup> "Tax Revenue" is tax assessed on received declarations plus amounts received from owners who have not yet declared (as of October 2, 2022).

<sup>4</sup> Columns do not add to total due to rounding.

Table 3: SVT Revenue and BC Housing Expenditures (\$m)<sup>5</sup>

| Regional District | SVT Revenue |             | BC Housing Total Expenditures <sup>6</sup> |                |
|-------------------|-------------|-------------|--|----------------|
|                   | 2020        | 2021        | 2020/2021                                  | 2021/2022      |
| Capital           | 6.5         | 6.6         | 131.6                                      | 123.9          |
| Central Okanagan  | 4.3         | 4.9         | 60.5                                       | 51.0           |
| Fraser Valley     | 2.0         | 2.3         | 68.4                                       | 78.0           |
| Metro Vancouver   | 59.1        | 55.0        | 686.4                                      | 749.4          |
| Nanaimo           | 1.0         | 0.9         | 42.1                                       | 52.1           |
| Undeclared Owners | 7.7         | 8.7         | -  | -              |
| <b>Total</b>      | <b>80.6</b> | <b>78.4</b> | <b>827.6</b>                               | <b>1,054.3</b> |

The *Special Accounts Appropriation and Control Act* requires that all revenue collected by government from the SVT goes into the Housing Priority Initiatives Special Account (HPI) and that the revenue is used to fund housing, shelter, or rental initiatives in the regional districts where the tax applies.

Funding for the HPI is generated through the SVT and the property transfer tax. BC Housing is the primary recipient of funds from the HPI Special Account.

BC Housing also receives other funding to support government's investments in housing affordability. The Province is providing \$1.8B in annual funding to BC Housing in 2021/22, and \$1.7B in 2022/23.

Funding from the HPI Special Account is provided for a range of affordable housing purposes, including:

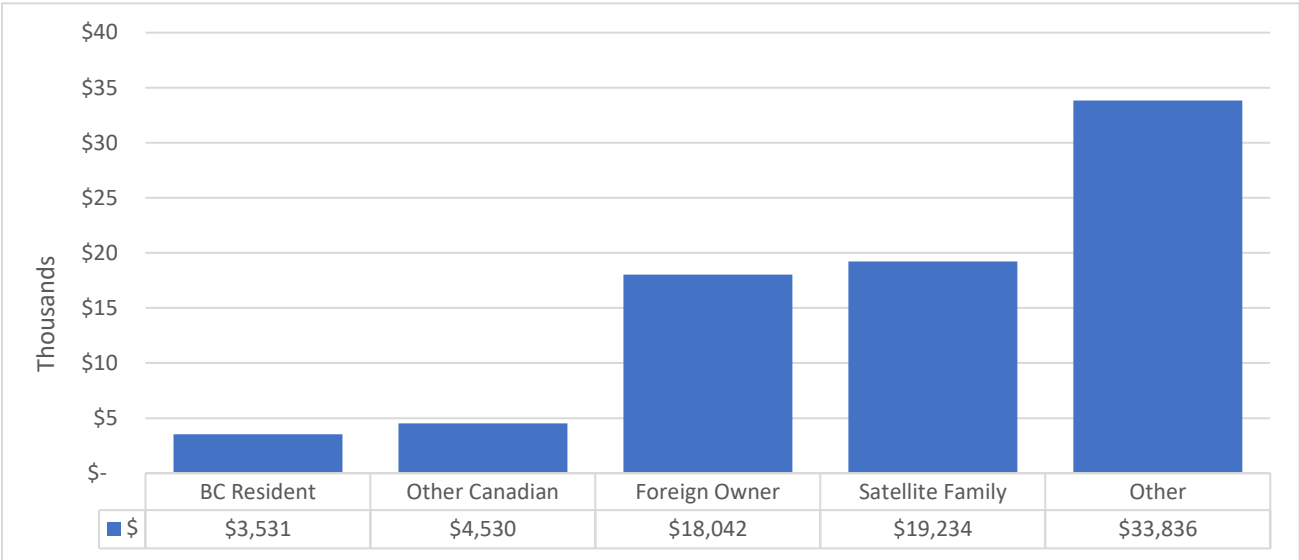
- Renovating, constructing or maintaining housing or shelter.
- Acquiring or improving land that will be used for housing or shelter.
- Supporting housing, rental or shelter programs.
- Providing loans for supportive housing or acquiring land for affordable housing.

BC Housing identifies potential affordable housing projects in part through collaboration with municipalities and by working with other partners.

<sup>5</sup> Columns may not add to total due to rounding.

<sup>6</sup> "Total Expenditure" includes all direct costs incurred to provide subsidized housing, including all costs that directly contribute to units (i.e., projects for new development, capital renewal projects, one-time grants, operating subsidies/rental assistance to societies/tenants).

Graph 1: Average Tax Assessed by Owner Type



Foreign owners and satellite families are taxed at a rate of 2 per cent.

B.C. residents and Other Canadians are taxed at a rate of 0.5 per cent.

Corporations, trusts, and partnerships are assigned an owner type based on their interest holders. If their interest holders are more than one owner type, they are assigned to the “Other” category.

The “Other” category also represents ownership types which have not yet been assigned an owner type because the owner has not declared or the declaration is incomplete.

## Speculation and Vacancy Tax - Owners

Table 4: Owners Who Own Residential Properties

|                   | BC Resident      | Other Canadian | Foreign Owner | Satellite Family | Other        | Total            |
|-------------------|------------------|----------------|---------------|------------------|--------------|------------------|
| <b>Exempt</b>     | 1,432,935        | 25,716         | 16,514        | 17,445           | 7,450        | <b>1,500,060</b> |
| <b>Non-exempt</b> | 3,230            | 1,442          | 1,074         | 1,227            | 130          | <b>7,103</b>     |
| <b>Total</b>      | <b>1,436,165</b> | <b>27,158</b>  | <b>17,588</b> | <b>18,672</b>    | <b>7,580</b> | <b>1,507,163</b> |

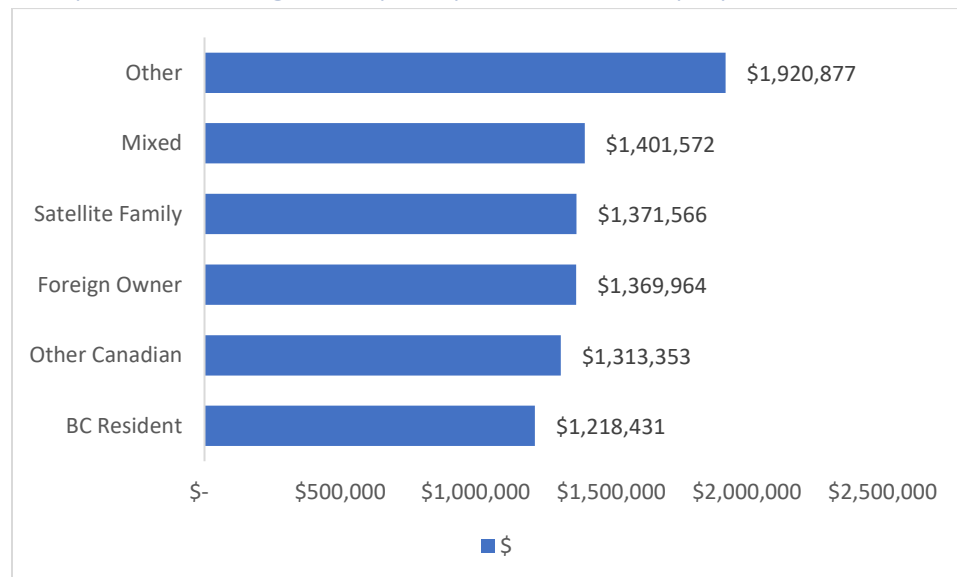
“Exempt” are owners who do not pay any tax. This can occur if all the properties owned by that owner are exempt, or if the owner has enough tax credits to offset the tax assessed on any properties that do not qualify for exemptions.

“Non-exempt” are owners who pay some amount of tax on a property (taxpayers).

Corporations, trusts, and partnerships with multiple interest holders are assigned a singular owner type.

The “Other” category represents ownership types which have not yet been assigned an owner type because the owner has not declared or the declaration is incomplete.

Graph 2: Average Property Value – Taxpayers



The average property value is the average of the properties that non-exempt owners pay tax on.

“Mixed” are properties that have multiple owners that do not all belong to the same category.

Table 5: Top 10 Exemptions Claimed

| Exemption                      | 2020 Count       | 2021 Count       | 2020 to 2021 Change |
|--------------------------------|------------------|------------------|---------------------|
| Principal residence            | 1,322,068        | 1,347,896        | 25,828              |
| Occupied by a tenant           | 378,896          | 383,819          | 4,923               |
| Recently acquired or inherited | 24,768           | 26,133           | 1,365               |
| Construction or renovation     | 17,755           | 19,454           | 1,699               |
| Rental restrictions            | 4,661            | 4,081            | -580                |
| Death of an owner              | 4,102            | 3,863            | -239                |
| Vacant new inventory           | 3,795            | 2,799            | -996                |
| Phased development             | 2,401            | 2,572            | 171                 |
| Strata accommodation           | 1,829            | 1,825            | -4                  |
| Other exemptions               | 7,162            | 6,484            | -678                |
| <b>Total</b>                   | <b>1,767,437</b> | <b>1,798,926</b> | <b>31,489</b>       |

Exemptions are claimed by owners. Owners may claim multiple exemptions if they own multiple properties, and properties may have multiple exemptions applied to them if the property has multiple owners. An owner who does not qualify for an exemption may not be liable for the tax; many owners have a tax credit that brings their tax owing down to zero (e.g., where the property is assessed at less than \$400K).

Some of the changes in exemption numbers may be due to net new properties from new housing supply.

Changes from year to year may be due to amended declarations, or improvements to data collection methods.

Both 2020 and 2021 numbers are as of October 2, 2022.



Table 6: Comparison in Non-exempt Owners 2020 to 2021

| Owner type         | 2020         | 2021         |
|--------------------|--------------|--------------|
|                    | #            | #            |
| BC Resident        | 3,376        | 3,230        |
| Other Canadian     | 1,530        | 1,442        |
| Foreign Owner      | 1,611        | 1,074        |
| Satellite Families | 1,166        | 1,227        |
| Other              | 106          | 130          |
| <b>Total</b>       | <b>7,789</b> | <b>7,103</b> |

“Non-exempt” owners are owners who pay some amount of tax on a property (taxpayers).

The number of taxpayers in each owner category stayed relatively consistent from 2020 to 2021 except non-exempt foreign owners, which saw an approximate decrease of 33 per cent. Foreign owners continue to change their behaviour (renting out or selling their properties), as intended in response to the tax, which contributed to a decrease in non-exempt foreign owners.

Changes from year to year might be due to amended declarations, or improvements to data collection methods.

Both 2020 and 2021 numbers are as of October 2, 2022.

## Speculation and Vacancy Tax - Properties

Table 7: Residential Properties – Declared Properties

|                       | BC Resident      | Other Canadian | Foreign Owner | Satellite Family | Mixed         | Other         | Total            |
|-----------------------|------------------|----------------|---------------|------------------|---------------|---------------|------------------|
| Exempt                | 1,038,670        | 16,944         | 13,231        | 14,150           | 13,224        | 19,540        | <b>1,115,759</b> |
| Non-exempt            | 2,475            | 853            | 717           | 825              | 547           | 186           | <b>5,603</b>     |
| <b>Total Declared</b> | <b>1,041,145</b> | <b>17,797</b>  | <b>13,948</b> | <b>14,975</b>    | <b>13,771</b> | <b>19,726</b> | <b>1,121,362</b> |

“Declared Properties” are properties for which there is at least one owner who has declared or for which at least one owner has paid tax.

“Non-exempt” are properties with at least one owner who must pay or has paid some amount of tax, net of credits (taxpaying property).

“Exempt” are properties for which no declared owner owes tax on the property.

Corporations, trusts and partnerships are assigned an owner type based on their interest holders.

“Mixed” are properties that have multiple owners that do not all belong to the same category.

“Other” are properties that have not yet been assigned an owner type.

Table 8: Taxpaying Properties

|                   | BC Resident  | Other Canadian | Foreign Owner | Satellite Family | Mixed      | Other      | Total        |
|-------------------|--------------|----------------|---------------|------------------|------------|------------|--------------|
| Condominium       | 961          | 456            | 457           | 412              | 205        | 28         | <b>2,519</b> |
| Detached Home     | 508          | 227            | 121           | 292              | 220        | 20         | <b>1,388</b> |
| Other Residential | 842          | 74             | 62            | 23               | 48         | 138        | <b>1,187</b> |
| Townhouse         | 164          | 96             | 77            | 98               | 74         | -          | <b>509</b>   |
| <b>Total</b>      | <b>2,475</b> | <b>853</b>     | <b>717</b>    | <b>825</b>       | <b>547</b> | <b>186</b> | <b>5,603</b> |

Housing types are derived from BC Assessment’s “Actual Use” categories.

“Other Residential” includes housing types that do not fit into the categories of Detached Home, Townhouse, or Condominium (e.g., duplex).

“Mixed” are properties that have multiple owners who do not all belong to the same category.

“Other” are properties that have not yet been assigned an owner type.

Corporations, trusts and partnerships are assigned an owner type based on their interest holders.

Table 9: Comparison in taxpaying properties 2020 to 2021

|                                       | 2020         | 2021        |
|---------------------------------------|--------------|-------------|
| Number of taxpaying properties        | 6,252        | 5,603       |
| Average value of taxpaying properties | \$ 1,163,544 | \$1,309,105 |

“Taxpaying properties” are properties that have at least one owner who is non-exempt.

The number of taxpaying properties decreased by 10 per cent and the average value of taxpaying properties increased by 13 per cent in 2021.

Changes from year to year might be due to amended declarations, or improvements to data collection methods.

Both 2020 and 2021 numbers are as of October 2, 2022.

Table 10: Changes to 2020 taxpaying properties in 2021

|              | Remains Non-exempt in 2021 | No Longer on Title in 2021 (sold) | Claims Occupied by Tenant in 2021 | Claims Principal Residence in 2021 | Claims Another Exemption in 2021 | Total <sup>7</sup> |
|--------------|----------------------------|-----------------------------------|-----------------------------------|------------------------------------|----------------------------------|--------------------|
| <b>Total</b> | 3,379                      | 1,180                             | 792                               | 446                                | 393                              | <b>6,252</b>       |

For the 2020 filing year, there were 6,252 properties where at least one owner was liable for tax. Table 10 follows these properties into the 2021 filing year to see what happens with them.

“Remains non-exempt” are properties that continue to have an owner who is liable for tax in 2021.

“Is no longer on title in 2021 (sold)” are properties where an owner is no longer on title for 2021.

“Claims occupied by tenant” are properties where an owner claimed a tenancy exemption in 2021.

“Claims principal residence” are properties where an owner claimed the principal residence exemption on the property in 2021.

“Claims another exemption” are properties where an owner claimed another exemption in 2021.

Table 11: Changes to 2020 Taxpaying Properties in 2021 – Foreign Owners and Satellite Families Only

|                       | Remains Non-exempt in 2021 | No Longer on Title in 2021 (sold) | Claims Occupied by Tenant in 2021 | Claims Principal Residence in 2021 | Claims Other Exemption in 2021 | Total <sup>7</sup> |
|-----------------------|----------------------------|-----------------------------------|-----------------------------------|------------------------------------|--------------------------------|--------------------|
| Foreign Owner         | 661                        | 261                               | 251                               | 100                                | 33                             | <b>1,308</b>       |
| Satellite Family      | 35                         | 7                                 | 7                                 | 1                                  | 1                              | <b>51</b>          |
| Foreign Satellite Mix | 469                        | 220                               | 122                               | 122                                | 33                             | <b>970</b>         |
| <b>Totals</b>         | <b>1,165</b>               | <b>488</b>                        | <b>380</b>                        | <b>223</b>                         | <b>67</b>                      | <b>2,323</b>       |

For the 2020 filing year, there were 6,252 properties where at least one owner was liable for the tax. Table 11 identifies the 2,323 properties (of the 6,252) that have a foreign owner, a satellite family owner, or a mix of both a foreign and satellite family owner, and looks at what that owner type did in 2021.

<sup>7</sup> There is a small “other” category included in the total column for taxpaying properties in 2020 that do not have a 2021 filing.



January 23<sup>rd</sup>, 2023

Minister Selina Robinson  
BC Minister of Finance  
PO Box 9048 Stn. Prov. Govt.  
Victoria BC  
V8W 9E2

Dear Minister Robinson,

On November 22, 2022 the City of Burnaby received a correspondence from the Ministry of Finance inviting the City to provide feedback as part of the third annual consultation on the Speculation and Vacancy Tax (SVT). We are pleased to hear that the data received for the 2021 year is showing that the tax is working as intended and have provided below, our comments and suggestions for improvement.

With respect to funding, all revenue collected from the SVT is directed into the Housing Priority Initiatives Special Account (HPI) for the subsequent funding of housing, shelter, and rental projects within the taxed regional districts. Although we agree that the intended use of the funds is appropriate, it is noted that the primary recipient of the funds is BC Housing and not the regional districts or even the municipalities within. As such, municipalities with a higher portion of homes left empty would presumably benefit from more housing projects but are not guaranteed to receive the corresponding funding assistance. We believe this is an opportunity to adjust how taxes are collected are redistributed. As municipalities like Burnaby actively take on an increased role in the provision of housing options within their borders, a portion of the funds otherwise provided to BC Housing could be invested in municipalities using an amount proportionate to the taxes collected from their citizens. Funding received directly from the HPI would be of great assistance in providing the flexibility to complete locally-appropriate housing projects with a reduced concern over how to fund them.

Alternatively, the Province could bestow additional authorities to local governments. This includes the ability to administer our own tax, similar to the Empty Home's Tax administered by the City of Vancouver. Such a tax would act within the confines of Burnaby, encourage the sale or rent of unused homes, and generate funding for housing initiatives undertaken by the City of Burnaby.

The City of Burnaby is appreciative of the information provided and the opportunity to provide input and insight into the SVT. Regardless of the distribution method used, funding for housing projects has a positive impact on the livability of the region. We look forward to your response.

Sincerely,

*Mike Hurley*

Mike Hurley

Mayor, City of Burnaby