

September 6, 2017

Ref: 206477

Rainer Borkenhagen

Email: rborkenhagen@yahoo.com

Dear Mr. Borkenhagen:

Thank you for your email dated August 3, 2017 to the Honourable Selina Robinson, Minister of Municipal Affairs and Housing respecting the changes to the *Vancouver Charter* to authorize the City of Vancouver to impose a tax on vacant homes. Your email has been referred to me by the Minister for reply.

In 2016, in response to a request from the City of Vancouver, the Province introduced amendments to the *Vancouver Charter* enabling the City to impose a tax on unoccupied residential properties. The City's interest in authority for the tax is to address specific concerns regarding housing in Vancouver, in particular the shortage of rental properties. The City intends that the tax will encourage the owners of vacant properties to add those properties to Vancouver's rental housing inventory, rather than pay the tax.

The enabling amendments provide the City of Vancouver with full authority to design and implement the tax without involvement from the Province. The empty homes tax is imposed by the City directly, including determination of the definition of a vacant property and the degree to which its occupation establishes its vacant or occupied status, including the design of exemptions. Vancouver City Council approved the bylaw establishing the tax in November 2016, which is effective for the 2017 tax year. The City of Vancouver website contains information regarding consultations undertaken by the City and some of the considerations it took into account in developing the tax (see <a href="http://vancouver.ca/home-property-development/empty-homes-tax.aspx">http://vancouver.ca/home-property-development/empty-homes-tax.aspx</a>).

The Province will monitor the effects of the tax as it is implemented in 2017 and I anticipate that the City will also be closely assessing the implementation and impact of the tax. It is important that tax design accomplishes both its objectives and ensures fairness to those who are subject to tax. Since the City will have opportunities to reflect upon and refine its vacancy tax bylaw in the future, I encourage you to provide feedback to the City of Vancouver regarding its empty homes tax policy.

Ministry of Municipal Affairs and Housing

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Thank you again for your input on this issue.

Sincerely,

Kara Woodward

Director

Local Government Policy, Research, and Legislation

Ministry of Municipal Affairs and Housing