



URBAN DEVELOPMENT INSTITUTE – PACIFIC REGION

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January 29, 2019

Mayor Kennedy Stewart and Council
City of Vancouver
453 West 12th Avenue
Vancouver, BC V5Y 1V4

Dear Mayor and Council:

Re: Motion on Notice B.2- Improving the Effectiveness of the Empty Homes Tax

On behalf of the 850 members of the Urban Development Institute – Pacific Region (UDI), we respectfully submit our comments on the Motion on Notice B.2, [Improving the Effectiveness of the Empty Homes Tax](#).

After consideration of the proposed motion, UDI and its members wish to express our ongoing opposition to the City's use of property taxation measures in an attempt to improve affordability. By increasing the Empty Homes Tax (EHT) it will levy higher fees on property owners, with no material impact on the availability of rental homes. It is clear that we cannot tax our way to affordability, instead, the City should be supporting Vancouverites by encouraging the creation of more housing options.

Should this motion be approved, UDI would ask that City staff consider mirroring the exemptions as adopted in the Province's Speculation and Vacancy Tax (SVT). We ask that specific consideration be given to the exemption of lands under development. With this exemption provided under the SVT, the Province acknowledged that additional taxes applied to lands under development will have an impact on the affordability of homes in British Columbia. This is an important precedent and we respectfully request that similar recognition be made under Vancouver's EHT.

UDI also requests that a review of the EHT reconsider provisions to exempt unsold inventory. Due to changing market conditions and slower absorption levels caused by government interventions, some new homes may remain on the market for an extended period of time. We request that an exemption for all new homes be considered as part of the overall review of the EHT, acknowledging the current market situation. Furthermore, we ask that a review include provisions for the reduction of the EHT rate, should vacancy rise above a predetermined desired level.

UDI and our members appreciate the opportunity to provide comments on the proposed motion. We look forward to continuing to engage with city staff and hope that UDI and the home building sector will be included in any future public consultations on this issue.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anne McMullin', written over a light blue horizontal line.

Anne McMullin
President & CEO