



URBAN DEVELOPMENT INSTITUTE – PACIFIC REGION

#1100 – 1050 West Pender Street
Vancouver, British Columbia V6E 3S7 Canada
T. 604.669.9585 F. 604.689.8691
www.udi.bc.ca

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Premier John Horgan,
501 Belleville St.,
Victoria, B.C.,
V8V 1X4

RE: Immediate Crisis Relief for Property Owners Will Protect Jobs, Aid Recovery, Deliver Hope

Dear Premier Horgan,

Your government has taken bold leadership to protect the health and safety of British Columbians during this crisis and we are sincerely thankful. Nothing is more important than the well-being of the people of our province, which is why I write to you today with an urgent appeal for action.

The members of the Urban Development Institute are looking to the future to ensure the economic security of British Columbians. Development is often seen as a beacon of hope in challenging times but without immediate intervention, we fear the economic crisis we face today will cripple our ability to recover as an industry or as a province.

In recent days, our members have scrambled to cope with the emerging health crisis and provide employee support while also rewriting leases and remortgaging properties. But as we have done this, we have been flooded with correspondence from tenants, both residential and commercial, who say they won't be paying their rent on April 1. Our residents have lost their jobs and our commercial tenants have been ordered closed. These are good, hardworking British Columbians with heartbreaking stories of hardship.

Property owners depend on cash flow to ensure buildings are maintained, utilities paid and obligations are met for employees, mortgage holders and insurers. If leases aren't paid, landlords can't meet their obligations, leading to a downward spiral with dire consequences.

Although your government has made commitments to ease the burden for residential tenants and ban evictions, our members are faced with the harsh reality of rents not being paid, commercial leases not being paid and construction projects – including purpose-built rentals – being stopped or delayed. It amounts to hundreds of millions of dollars in lost revenue, striking at the lifeblood of our industry.

In my March 26 letter to the Ministry of Finance, I recommended numerous tax measures to help alleviate the financial burden. In large measure, those requests remain. But the ensuing days have made it clear that more is required.

Today, in support of British Columbia's economy, **I request an immediate moratorium on the remittance of property taxes until the end of this crisis.** To ensure this does not cause increased hardship on municipalities, we are asking the Province of British Columbia to ensure municipalities are equitably compensated.

This isn't a handout. This is a temporary bridge toward economic recovery. The targeted relief your government has announced, such as the reduction in school tax for certain businesses, is welcomed and accepted with sincere gratitude. But this is not nearly enough to mitigate the economic ravages faced by landlords.

The development industry supports more than 230,000 jobs in every region of the province, creating billions in economic activity and substantially contributing to government coffers. For generations, we have built British Columbia's homes, stores, offices and factories. Our industry has weathered many turbulent times but nothing like the crisis of COVID-19 which promises to reshape everything.

As stated in my previous correspondence, our members simply cannot afford to pay these property taxes and also remain solvent. Faced with a choice, they are choosing to pay wages and mortgage payments over taxes. Stimulus, in the form of a short-term property tax suspension, is critical and can be an economic life preserver for this foundational industry in British Columbia. We can't allow the foundation to crumble.

By taking decisive action on property taxes today, as other jurisdictions are doing or considering, British Columbia can help shore up the future economy. It is the urgent action needed to support residents, workers and the vital businesses we all rely upon.

For decades, development has been British Columbia's key economic driver but as we endure this health crisis, we must ensure the economic engine doesn't seize up. Thoughtful measures today can ensure development will once again drive British Columbia toward prosperity.

Our industry requests an immediate meeting with you or your designate as we work quickly but collaboratively to resolve these issues.

Enclosed is a sampling of the hundreds of letters we have received from commercial and residential tenants facing hardship, along with my March 26 letter to the Ministry of Finance.

This is the crisis of our generation. We must act now to ensure a resilient British Columbia emerges even stronger.

Sincerely,



Anne McMullin
President and CEO