URBAN DEVELOPMENT INSTITUTE - PACIFIC REGION



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The Honorable John Horgan Premier of British Columbia 501 Belleville St. Victoria, B.C. V8V 1X4

Dear Premier:

On behalf of the Board of Directors of the Urban Development Institute – Pacific Region (UDI) and our over 950 members, I would like to congratulate you on your recent re-election victory and securing a majority government. UDI looks forward to continuing to work with your Government to fulfill its mandate from British Columbians. Our members will be critical in assisting you with the Province's economic recovery after the COVID-19 pandemic; delivering the 114,000 affordable homes; and achieving the objectives of the *CleanBC* plan.

The efficient cooperation between our industry and your Government to keep constructions sites open at the outset of COVID-19, the economic impact of the pandemic was lessened. Our members are ready and able to partner with government and provide leadership in restoring jobs and the economy, as they did after the 2008 recession. As you know, the BC Property Building and Development Industry is a key sector in our economy. Our sector contributes over 230,000 well-paying jobs to B.C., as well as billions of dollars in government revenues and economic activity.

UDI is eager to work with your Government on a growth and re-employment agenda as we now hopefully near the end of the pandemic.

We are also keen to support a key objective of your Government – providing 114,000 new affordable homes to British Columbians. Advancing this goal has been difficult; only 2,963 units were built in the past three years. It has been made clear that we cannot just tax our way to affordability or to the creation of new homes. Rather, the housing industry requires solutions-based incentives to spur the construction of purpose-built rental homes.

UDI recently released a <u>Housing Policy Priorities</u> paper, which outlines strategies to support the creation of many more new homes for British Columbians. We believe the focus on housing taxes has not provided relief to tenants and homebuyers. In fact, because many of these taxes apply to housing projects (including Purpose Built Rental), they have added to the cost of new homes.

While we support your Government's commitment to provide tenants in need with an annual \$400 renters rebate, UDI has concerns with the commitment to extend the rent freeze into next year. The rent increases allowed under the *Residential Tenancy Act* were already reduced 2% per year in 2018. In addition, the costs that rental providers are facing – property taxes, hydro bills and rapidly escalating insurance costs – are not being frozen. We ask that the Government work proactively with the rental housing sector to cap these costs and consider income testing for the rent freeze. For example, the income threshold for the \$400 renter rebates could be applied to the rent freeze as well.

I'd like to again congratulate you on your Government's new mandate. UDI looks forward to working with the Province on economic and job growth, housing affordability, the climate change challenge and your other priorities.

Yours sincerely,

Anne McMullin President & CEO

C.C. Geoff Meggs, Chief of Staff to the Premier Lori Wanamaker, Deputy Minister to the Premier