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## MEMORANDUM

Date: February 18, 2020

File: 0005-01

To: Council

From: Mayor Mary-Ann Booth

Re: **Submission of Speculation and Vacancy Tax Resolution to the Lower Mainland Local Government Association**

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### Purpose

To advise that the District of West Vancouver will submit the following proposed resolution regarding Speculation and Vacancy Tax to the Lower Mainland Local Government Association for consideration at the Annual General Meeting on May 6-8, 2020:

WHEREAS housing affordability is a key challenge in many municipalities but particularly in the District of West Vancouver with a median house price of \$2.5 million, and a rental vacancy rate of 1.2%;

AND WHEREAS according to the 2016 Census, approximately 1700 homes, or almost 10% of dwellings in West Vancouver, were identified as "unoccupied";

AND WHEREAS the Province reported that in 2018, \$58 million was collected under the Speculation and Vacancy Tax program, and that \$6.6 million of that was collected from West Vancouver homeowners;

AND WHEREAS the Province of British Columbia gave the City of Vancouver the power to impose its own vacancy tax which has provided Vancouver with approximately \$40 million in additional revenue;

THEREFORE BE IT RESOLVED THAT the Provincial Government provide local governments with the power to levy their own Speculation and Vacancy Tax, so that they too can address housing affordability and other community effects of vacant homes.

### Background

The provincial government introduced the Speculation and Vacancy Tax (SVT) in 2018 as one measure to address the housing crisis. It was designed to discourage foreign investment and holding empty homes as vacant investment properties, and revenues are intended to be used to fund affordable housing for BC residents.

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In September 2019, mayors across the province attended a meeting with Finance Minister Carole James, to discuss the impact of the SVT on their communities. At the meeting, the province provided data on the first 15 months of the Speculation and Vacancy Tax. Of the \$58 million collected in 2018, \$6.6 million—almost 11 per cent—was collected from West Vancouver.

West Vancouver, along with some of the larger urban municipalities, is experiencing a housing crisis caused by factors including money laundering, speculation, and foreign investment. This has hollowed out the community and created stratospheric housing prices that are out of sync with local incomes. West Vancouver is really “ground zero” of the problem, given the 1,700 multimillion-dollar empty homes (affecting local businesses, neighbourhood character, and the crime rate as empty homes are inviting targets for break and enters).

West Vancouver is requesting the ability to impose its own vacancy tax in West Vancouver, which the municipality does not currently have the authority to do.

#### Financial Implications

West Vancouver has not received a share of the SVT revenue to date. Additional revenue generated by West Vancouver if it was given the authority to impose its own vacancy tax could be used to address the housing crisis and other effects of empty homes in the community.



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Mary-Ann Booth  
Mayor, District of West Vancouver