



November 3, 2022

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Colin Plant, Chair  
Capital Regional District Board  
[crdboard@crd.bc.ca](mailto:crdboard@crd.bc.ca)

Dear Colin Plant:

Thank you for your thoughtful letter dated July 27, 2022, regarding the Speculation and Vacancy Tax (SVT). I appreciate you taking the time to share your ideas and feedback with me.

Our government is committed to improving housing affordability in our province, and our 30-point housing plan, *Homes for B.C.*, lays out the many actions being taken to meet that commitment. Some of these actions include stabilizing the market, investing in affordable housing, tackling tax fraud and money laundering, and allowing online accommodation providers to apply taxes on short-term rentals. We hope you'll take a moment to review the plan and learn more about the steps we're taking to help tackle BC's housing crisis:  
[http://bcbudget.gov.bc.ca/2018/homesbc/2018\\_Homes\\_For\\_BC.pdf](http://bcbudget.gov.bc.ca/2018/homesbc/2018_Homes_For_BC.pdf).

The SVT was introduced as part of Government's 30-point housing plan in February 2018. The SVT targets those who are holding their properties vacant, putting pressure on already low vacancy rates and housing supply levels. The SVT also targets foreign owners and satellite families who do not pay their share of income taxes in our province but enjoy British Columbia's services and high quality of life.

Data collected from the first three years has shown the tax is working as intended. In the third year of the tax, more than 86 per cent of SVT revenue came from foreign owners, satellite families, Canadians living outside of BC and other non-BC resident owners. For each of those three years, more than 99 per cent of British Columbians did not pay the tax. Revenue generated from the SVT is being used toward affordable housing initiatives in the regional districts where the tax applies.

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The SVT is designed to prevent housing speculation and help turn vacant and underutilized properties into homes for people who live and work in BC. When initially choosing where to apply the SVT, government focused on urban centres with low vacancy rates and affordability challenges in which house prices and rents exceeded local incomes.

A recently released independent review report of the SVT shows it is working in existing areas by helping to keep housing prices and rents lower than they would have been without the tax. Government is carefully monitoring housing data in all areas of the province moving forward to ensure these desired results are achieved.

One of the recommendations of the review was that government consider expanding the areas of the province where the SVT applies. In July, government announced that the tax would be expanded to six additional areas (North Cowichan, Duncan, Ladysmith, Lake Cowichan, Lions Bay and Squamish).

We recognize that the Salt Spring Island Electoral Area (Salt Spring) is experiencing high demand and low vacancy rates for rental properties and appreciate you reaching out to request that the SVT be expanded to this area. As the recently released SVT review report indicates, there are a lot of factors to consider, and it is important to take a measured and phased approach. Future expansion will be decided through careful consideration of several factors, including near zero vacancy rates and high affordability pressures.

Salt Spring Island would have to be considered in the context of the southern gulf islands electoral area and has unique challenges that may not be sufficiently addressed within the SVT.

Housing affordability is a priority for this government, and we will continue to work with partners to help find housing affordability solutions that best suit the individual needs of communities.

Each year, government reviews provincial taxes and considers changes in preparation of the provincial budget. Government then implements tax changes that it determines to be appropriate within the context of the Province's fiscal situation and other priorities. Be assured that your request regarding the SVT has been noted and will be considered as part of these discussions.

If you have further questions on the SVT, we encourage you to visit our website, <http://www.gov.bc.ca/spectax>, which includes updated information on exemptions, answers to frequently asked questions and more.

If you require further assistance, representatives are available to help via telephone at 1 833 554-2323 (toll-free Canada/U.S.) or 1 604 660-2421 (International).

Thank you again for taking the time to write. Your comments are important to us and I appreciate your input on how we can build a better BC.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Robinson', written over a light blue rectangular background.

Selina Robinson  
Minister

cc: Adam Olsen, MLA Saanich North & the Islands  
Robert Lapham, Chief Administrative Officer, Capital Regional District