

British Columbia

B.C. government expands speculation tax to 13 more municipalities

Property owners will need to declare for the first time in January 2025

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Minister of Housing Ravi Kahlon talks during a news conference in the rotunda at the legislature in Victoria on Oct. 16. (Chad Hipolito/The Canadian Press)

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The B.C. government is expanding its speculation tax to 13 new municipalities in a move it says will help deliver more housing to people living across the province.

Finance Minister Katrine Conroy and Housing Minister Ravi Kahlon made the announcement during a media event on National Housing Day on Wednesday.

The speculation and vacancy tax will be applied to the following municipalities:

- Vernon, Coldstream
- Penticton, Summerland
- Lake Country, Peachland
- Courtney, Comox, Cumberland
- Parksville, Qualicum Beach
- Salmon Arm
- Kamloops

According to a release from the province, residential property owners in the new communities will need to declare for the first time in January 2025 based on how they used their property in 2024.

Exemptions include primary residences, properties with a long-term tenant, and life events such as separation or divorce.

The B.C. government [first introduced the tax in 2018](#) and it was initially [expanded to six more communities](#) for the 2023 tax year. The expansion announced Wednesday brings the total number of communities where the tax is applied to 59.

The speculation and vacancy tax rate is two per cent for people who don't pay the majority of their taxes in Canada, and 0.5 per cent for Canadian citizens or permanent residents who pay the majority of their taxes in the country.

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"Homes are meant to be lived in by people in our communities, not used for speculation. While some would cancel the speculation tax — giving a handout to speculators and turning homes back into empty condos — we know that people can't afford that," said Kahlon in a statement Wednesday.

He said the government's recent legislation restricting short-term rental accommodations in B.C. is already showing increases in long-term rental listings in Kelowna and Victoria despite the law not taking affect until May 2024.

Conroy said Wednesday that Lake Country in the Okanagan Valley was found to have the highest rate of empty homes when staff were researching what regions to expand the tax to. She also said the majority of municipal leaders who are affected by the expansion asked for it.

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"That money is going right back into those communities to build affordable housing," said Conroy.

The government says since the tax was first introduced, more than \$313 million has been raised for affordable housing initiatives in the regional districts where it has been applied.

Conroy says independent data found the speculation tax helped increase the available rental stock in Metro Vancouver in 2020 by 20,000 units.

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