

Speculation and vacancy tax: Supporting new communities

Expanding the speculation and vacancy tax is part of the Province's Homes for People plan that includes actions to fight speculation, deliver more homes within reach for people, and speed up delivery of new homes.

An independent review released in 2022 found that the tax had helped deliver more than 20,000 homes in Metro Vancouver alone.

The report included recommendations that government consider taking a phased approach to expanding the speculation and vacancy tax to additional communities to build on the success of the measure and deliver more homes for people.

Quick Help:

People can find information about the speculation and vacancy tax, exemptions and declaration process at:

- [gov.bc.ca/spectax](https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/ministries/citizens-services/servicebc)

Property owners – including seniors and persons with a disability - can access help or confidentially complete their declaration over the phone at:

- 1 - 833 554-2323 (toll-free Canada/U.S.) or 604 660-2421 (international)
- Service is available in multiple languages.
- Service BC office staff (in communities) can assist you in completing a declaration

<https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/ministries/citizens-services/servicebc>

The speculation and vacancy tax rate is:

- 2% for foreign owners and untaxed worldwide earners
- 0.5% for Canadian citizens or permanent residents of Canada

New communities:

The expansion of the tax includes 13 new municipalities:

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

Residential property owners in these communities will need to declare for the first time in January 2025 based on how they used their property in 2024.

Communities already benefitting from speculation and vacancy tax:

- Municipalities in the Capital Regional District
- Municipalities in the Metro Vancouver Regional District (including Lions Bay*) and part of electoral area A that comprises UBC and University Endowment Lands
- City of Abbotsford
- District of Mission
- City of Chilliwack
- City of Kelowna
- City of West Kelowna
- City of Nanaimo
- District of Lantzville
- North Cowichan
- Duncan*
- Ladysmith*
- Lake Cowichan*
- Squamish*

*In 2022 we announced these areas would be added. Owners will need to declare for the first time starting 2024.

SVT top statistics:

- Since 2018, the speculation and vacancy tax, together with other housing measures, has helped add more than 20,000 condo units to the long-term rental market in Metro Vancouver alone.

- Since 2018, the tax has raised more than \$313 million to help fund new, more affordable types of housing in speculation and vacancy tax communities. [Data as of Jan. 2023]
- During the same period, more than \$3.9 billion has been allocated for new housing in the regional district these communities are located in. [Data as of Jan. 2023]

QUESTION & ANSWER – OWNERS IN NEW AREAS:

Data used to support expansion:

- The communities chosen for expansion are municipalities experiencing challenging housing markets with low vacancy rates and high housing prices.

Help declaring/questions about exemptions:

- Residential property owners in the 13 new communities will need to declare for the first time in January 2025.
- People can declare or learn about speculation and vacancy tax exemptions online at gov.bc.ca/spectax
- If people do not have a computer or have more complex ownership questions, our call centre agents can help:
 - 1-833-554-2323 toll-free; 1-604-660-2421 outside North America
 - Agents are available from 7:30 am to 5:00 pm Pacific Standard Time, Monday to Friday.
- Translation services are also available.
- Service BC office staff can also assist:
<https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/ministries/citizens-services/servicebc>

All owners must declare:

- All individuals listed on a land title, as well as corporations, partnerships and trusts that may be listed on a title, must declare. Individuals such as a life tenant or a registered occupier of a residential property must also declare.
- If your property has more than one owner, even if the other owner is your spouse, a separate declaration must be made for each owner.

- Each owner must declare because everyone's tax situation is unique. For example, one spouse might earn income in B.C., but the other might earn international income and not have to report it.
- Because the speculation and vacancy tax is a tax on owners, not property, each spouse would be assessed differently for their ownership portion.

Can someone other than the property owner complete the declaration on their behalf?

- Yes. The residential property owner can designate someone, such as an adult son/daughter, spouse, family member, accountant or notary, to complete the declaration and exemption process – if they have the legal authority to do so (i.e., they have a power of attorney).
- The individual who completes the declaration on the property owner's behalf will be asked to declare online they have the property owner's permission to do so.

What if a property owner isn't eligible for an exemption – what happens next?

- Residential property owners who are not eligible for an exemption will receive a tax notice in the mail.
- More information about payment options is available online at <https://www2.gov.bc.ca/gov/content/taxes/speculation-vacancy-tax/pay>
- Residential property owners who are not eligible for any of the speculation and vacancy tax exemptions, may be eligible for a tax credit to reduce the amount of tax they have to pay.
- More information about tax credits for the speculation and vacancy tax can be found at <https://www2.gov.bc.ca/gov/content/taxes/speculation-vacancy-tax/tax-credits>

Speculation and vacancy tax exemptions:

- 99% of people who live in B.C. are exempt from paying this tax.
- Generally, an owner is exempt from the tax if the residential property is their principal residence.
- People are also exempt if their residence is occupied by a tenant (for a minimum of six months, at least 30 days at a time), is only accessible by water or is uninhabitable.
- Personal circumstances such as separation or divorce, bankruptcy and recent death of an owner are also eligible exemptions.
- The full list of exemptions can be found online at gov.bc.ca/spectax

What if I have a deceased owner on title?

- This declaration process isn't as quick or simple as when land titles are kept current.
- That is why we recommend that deceased owners are removed from a land title.
- If you are unable to remove the deceased person from title, a call centre agent will be able to assist. You may be required to provide documentation.

I have a property in this area – what do I do:

- 99% of people who live in B.C. are exempt from paying this tax.
- Generally, an owner is exempt from the tax if the residential property is their principal residence.
- People with vacant homes or units can get started now to ensure they're exempt when they declare for the first time in 2025.
- For example, they can rent out an empty unit in 2024 for a minimum of six months, at least 30 days at a time, or use it as their own home.

- Personal circumstances such as separation or divorce, bankruptcy and recent death of an owner are also eligible exemptions.
- We're announcing the expansion now to give owners of secondary homes time to decide how they want to move forward with their properties.

I have an unused property in this area – what do I do:

- We're announcing the expansion now to give owners of secondary homes time to decide how they want to move forward with their properties.
- People with vacant homes or units can rent out an empty unit in 2024 for a minimum of six months, at least 30 days at a time, or use it as their own home or sell the property.
- Currently, 99% of people who live in B.C. are exempt from paying the tax and we expect that will continue to be the case with the addition of the new communities as well.