



December 3, 2021

489031

Their Worship Mayor Lisa Helps
City of Victoria
mayor@victoria.ca

Dear Mayor Helps:

Thank you for your letter of July 2, 2021, addressed to the Honourable Josie Osborne, Minister of Municipal Affairs, regarding the City of Victoria's resolution (EB44) at the 2020 Union of BC Municipalities Convention concerning separate property tax rates for land and improvements to encourage development of affordable housing. As Minister responsible for tax policy, I am pleased to respond on their behalf and apologize for the delay in getting back to you.

The speculation and vacancy tax (SVT) was introduced as part of Government's 30-point housing plan in February 2018 and targets those who are holding their properties vacant, putting pressure on already low vacancy rates and housing supply levels. The SVT included an exemption for vacant land for the first two years of the tax, the purpose of the land without residence exemption was to ensure that those who held vacant land would have enough time to adjust to the new tax by either beginning to develop the land or to sell it to someone who would then develop the land. Property owners that are not taking reasonable steps to develop their vacant land are subject to the annual tax.

In addition to existing tools, government is also conducting a targeted review of the property assessment and taxation system which is focused on long-term property tax mitigation solutions for commercial tenants, particularly small businesses and non-profits, with triple-net leases. As part of the consultation process, will be seeking the City of Victoria's input.

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The issue of vacant land is different than the issue of land that is under-utilized but occupied by small businesses. These businesses and organizations make our communities unique and vibrant; as such, the need for increased density must be balanced with the needs of these operations while the properties they occupy await further development. Your request to allow for land to be taxed at a different (higher) rate from improvements to encourage development may be considered within the context of the current property assessment and taxation review.

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

Sincerely,

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

Selina Robinson
Minister

cc: Honourable Josie Osborne, Minister of Municipal Affairs