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Expanded Speculation Tax Rewards Failed Governance

In 2018, the BC government launched the Speculation Tax claiming “speculators” were responsible for housing shortages and rising prices.

Their claim has been thoroughly debunked by ongoing low inventory and record-high prices.

High prices are caused by population growth and lack of new supply created by obstructive municipal rezoning and permit processes.

Canada is the fastest growing country in the G7, with a large number of the 1.8 million new Canadians choosing BC in the past 5 years.

Add a large demographic of millennials starting families and it’s clear the demand requires significant new housing supply.

David Eby, BC’s Minister Responsible for Housing now admits, “The bottom line is that municipalities are not approving enough housing for our population growth. I think it’s quite possible that we’re going to need to be more prescriptive. One thing is clear is that the status quo is not acceptable.”

A reasonable person could conclude the failed Speculation Tax would be scrapped because it punishes British Columbians with family cottages, retirement homes or out-of-town condos necessary for work.

However, the government plans to

expand the tax in 2022 to generate even more revenue beyond the \$281 million so far.

They are removing the exemption for units that cannot be rented due to strata bylaw restrictions.

Even if stratas don’t permit rentals, British Columbians will be charged the tax. Newlyweds, each owning a condo, must pay thousands of dollars annually or sell and still pay thousands in Property Transfer Tax.

Young couples starting a family may need the unit for a home office, storage etc until they can afford a larger home. Keeping the property also maintains their equity in the market until ready to purchase.

The worst part is British Columbians are paying for a problem significantly caused by the BC government.

Their policy of municipal self-determination enables councils to obstruct rezonings and create inefficient permit processes, which the province has the power to correct.

Instead, they undermine our right to private property and generate more revenue by expanding the Speculation Tax – a reward for failed governance.



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