

## Msg to City Council. April 25/2023

Your honour the Mayor, and councillors

I am here on behalf of the advisory committee for the **Unjust Property Tax Coalition**. We are 150 members, mainly from BC, some from other provinces and a few from overseas. **95% are Canadian citizens**. There are likely more owners of secondary homes like us that have yet to join our coalition. We have lobbied and stood before council previously,.. but this review is particularly relevant given the 5 year anniversary of the Vacancy Tax bylaw, and a new sitting council.

In a poll of our group this February: 92% are seniors, of which 1/3rd are between age 60-69, and 2/3 are over age 70.

**We are definitely not speculative investors. We use our secondary homes for valid personal reasons.**

**We ask that you consider the following points :**

- the **intent** of the Vacancy tax (or EHT), was to free up under-utilized or empty homes for rental by "*people who live and work in Vancouver*".
- the **projection was** that 10-22,000 homes were under-utilized. Ultimately only **2,193** homes were deemed vacant and taxed in the first year the EHT went into effect. That number fell in subsequent years. In 2021, slightly more than 1/2 that amount, **1,395** homes were taxed, with a corresponding decline in tax revenue. City staff have focussed on this **relative** decline, but it is a pittance in **absolute** numbers.
- the **assumption** was that the EHT would increase rental vacancy and make rentals more affordable. However **CMHC** data show that neither have occurred. The rental market is as tight as ever, and rents continue to rise. The city needed to increase **long-term rental** capacity. To be exempt from the EHT, one only needs to rent one's second home for a cumulative 6 months of the year, ie **short-term** intermittent rental.

### **Impact of the Vacancy Tax on our members**

- Following the introduction of the EHT, about 1/3 of the units owned by coalition members were being tenanted part-time, while 2/3 were owner-occupied. This has gradually shifted.
- **3%** tax increase in 2022: a further 26% of coalition members are selling.
- **5%** projected tax increase : another 48% are deciding to sell.

This confirms that the seniors represented by our coalition are selling out instead of becoming the part-time landlords, which they never intended to be.

Simply put, renting a furnished home on a short term basis is not practical for seniors who require usage flexibility and have little experience as landlords. The city previously established a **Renters office**, but no help was ever provided to neophyte elder landlords.

### **Vancouver purportedly has a “senior friendly” focus.**

Within a decade, 1/4 of Vancouverites will be over age 65.

Council passed a motion in February to hire a senior planner focussing on age-friendly initiatives, **The concept:** aging-in-place and providing home care is a better alternative than seniors homes, which cannot be built fast enough to meet demand. By 2035, British Columbia will need **30,000** additional long term-care beds, and on March 23rd, city administration launched a survey seeking seniors input. (<https://vancouver.ca/news-calendar/city-asking-for-input-on-vancouver-s-first-seniors-housing-strategy.aspx>). We, as seniors, are giving you input.

### **The EHT discriminates against seniors- it makes life much more difficult for them**

It views only “paid work” as an exemption. Not unpaid family support. We are not part of the **problem**,.. but a part of the **solution** to the housing crises. Instead of us occupying large family homes in isolation, that could be put to better use by young families, **we are flexibly transitioning**. But maintaining a small secondary residence allows for intergenerational family support such as child-minding, staying connected to family events, filling in during family illness, allowing accommodation of visiting relatives, or grandchildren during initial university years, maintaining social ties, etc. This goes to the heart of family resilience and ultimately, community resilience.

### **Other factors: the shift to home support**

This spring the BC Seniors Advocate published an updated report ( <https://www.seniorsadvocatebc.ca/app/uploads/sites/4/2023/02/OSA-HOME-SUPPORT-REPORT-2023-ONLINE.pdf> ) reviewing BC’s home support services. Many seniors want to age-in-place as long as possible. But home care support is far from keeping up with the projected needs, and remains unaffordable for many. **The result:** more caregiving responsibility is shifting to family members. **A personal-housing initiative, that includes a small city pied-a-terre, as families restructure and support each other, will nurture community resilience.** Seniors who help a young family while they are healthy eventually transition to needing help themselves. A pied-a-terre helps with medical appointments, care-giving, temporary accomodation for extended family, etc. and thereby alleviates family distress.

**City planners often cite concern about declining community resilience, and the erosion of the middle class,** who fundamentally underpin it. Middle-age professionals are finding Vancouver unaffordable. Most of the seniors represented by our coalition are members of the middle class. A pied-a-terre for them anchors the family, enables retention of strong community ties, supports intergenerational family care, and has a positive impact on middle age professional **retention and repatriation.**

### **Added revenue for subsidized housing has been the only side benefit of the EHT.**

There is need for such revenue, but there are better ways to generate it than this unjust punitive tax. The EHT will only bring diminishing returns as owners opt to sell as a

result of tax increases. Compared to equivalent global cities, 1% or less is the most common EHT taxation.

**Our recommendations:**

- rescind EHT entirely or scale back to 0.5-1% (in line with other cities globally)
- create a broader tax base (**social resiliency surtax**) on **all Vancouver property owners**- not just the **declining 1.1% of property owners subject to the EHT**
- allow **one** secondary home for Canadian seniors over age 55 with who have family members living within metropolitan Vancouver. Time limits can be placed on allowable turnover of this property.
- Vancouver gets a lot of federal funding to make it a western hub. Medical, judicial, government, educational, administrative and business interests make it important for many people to spend significant time within Vancouver as their 2<sup>nd</sup> home. More flexibility needs to be added to the current onerous occupancy requirement of the Vacancy tax bylaw.

**Ernst and Young** in 2016 to developed the taxation and audit structure to implement the Vacancy tax bylaw. Their executive summary acknowledges that expedient implementation of the tax would take precedence over fairness. This may be an acceptable stance of an accountancy firm, but it is unacceptable for a publicly elected institution, that espoused fairness from the inception of the Vacancy tax. Given the experience of the last five years, we believe city council in it's review, has the opportunity to take a more ethical, compassionate position on this tax issue.

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