

Bob Bracken



RE/MAX Real Estate Services
Each office independently owned and operated.

NEWSLETTER



office **604.263.2823**
mobile **604.220.2035**
bobbracken.com
bob@bobbracken.com

Real Estate Investment Think Bob Bracken



New Vancouver Empty Homes Tax, Will It Empty Your Pockets?

By Bob Bracken

By now you likely thought we have been taxed enough? Did you also think that the City's social engineering agenda had completely gone into Totalitarian State mode? As of Feb 2nd (now moved to March 5th) all Vancouver residential property homeowners must submit a property status declaration each year to determine if their property is subject to the new Vancouver Empty Homes Tax. The question everyone may be thinking is "how will this impact me?" If you own your own home (principle residences) or rent out any additional residences for at least 6 months of the year, you will not be required to pay the new Tax. Property owners with empty or vacant houses, condos and apartments will be subject to the new tax of 1% of the property's assessed taxable value and a \$250 non-declaration fine. For example, if your Vancouver residential residence is declared "empty" and has an assessed value of \$1,500,000, you pay the new tax of \$15,000; for \$2,000,000 you pay the new tax of \$20,000; for \$3,000,000 you pay the new tax of \$30,000 - and so on - **Every Year!**

The likelihood that this will have any significant impact on vacancy rates in Vancouver is nonsense, but take a moment to think through the larger implications of this bylaw. This

means that those owning a 2nd home in Vancouver (because their work or business is in, say Whistler, Prince George, Nanaimo etc) will be subject to the tax. Those who have owned a Vancouver home for years but have outgrown it, moved to the burbs or out of country, but keep it as a pied a terre are taxed. Celebrities and regular folks owning a vacation home in the City are subject to the tax. Corporations and businesses which maintain residences here for visiting staff and clients are subject to the tax. Developers which may retain a unit from their projects going forward are subject to the tax. At least that is the theory. It will be interesting to see how vigilant the City auditors will be in enforcing this on say, Oprah Winfrey & other celebrities/important types, or Microsoft, Amazon, or other large corporations which necessarily maintain residences here. **Oh, by the way, Vancouver City owned properties are exempt from the tax.**

The City's stated reason for this new tax is to help address Vancouver's housing crisis. Net Revenues from the Empty Homes Tax are proposed to go towards affordable housing. In case anyone is going to try and dodge the tax and provide inaccurate information, the City will have a team out there doing random audits.



Where is the mandate for this by-law coming from? If the current City Council majority had made this policy a stated part of their last election pitch, would it have been accepted by City voters? In any case, it is what it is, and it is the new reality for property ownership in Vancouver.

The City of Vancouver website has pages of data on the New Vancouver Empty Homes Tax at this link:

<http://vancouver.ca/home-property-development/empty-homes-tax-frequently-asked-questions.aspx>

The Website has very detailed instructions regarding requirements for disclosure and compliance with this new bylaw and taxation structure. **If you are a property owner in Vancouver, you MUST review it and become familiar with its rules, and your obligations under it.**

Please consider Bob a resource if you have questions regarding Vancouver Real Estate. Please contact Bob Bracken at

604-220-2035 cell
604-263-2823 office
bob@bobbracken.com email

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