

From: Timothy Peterson
Sent: Thursday, December 21, 2023 10:51 AM
To: Salt Spring Island Local Trust Committee
Subject: Fw: Letter from Ministry of Finance
Attachments: Speculation and Vacancy Tax

From: Minister, FIN FIN:EX <FIN.Minister@gov.bc.ca>
Sent: December 21, 2023 10:46 AM
To: Timothy Peterson
Subject: Letter from Ministry of Finance

Ref: 504543

Timothy Peterson, Chair
Salt Spring Island Local Trust Committee
tpeterson@islandstrust.bc.ca

Dear Timothy Peterson:

Thank you for your letter dated October 30, 2023, regarding BC's Speculation and Vacancy Tax (SVT) and Salt Spring Island. We appreciate your feedback on behalf of the Salt Spring Island Local Trust Committee.

Making life more affordable is one of the key commitments this government has made to British Columbians. Our 30-point housing plan, *Homes for B.C.*, and our refreshed housing strategy, *Homes for People*, lay out the many actions being taken to meet that commitment. We hope you will take a moment to review the plans and learn more about the steps we are taking to help tackle BC's housing crisis:

http://bcbudget.gov.bc.ca/2018/homesbc/2018_Homes_For_BC.pdf;
https://news.gov.bc.ca/files/Homes_For_People.pdf.

The SVT was introduced as part of Government's 30-point housing plan in February 2018. The SVT is designed to prevent housing speculation and help turn vacant and underutilized properties into homes for people who live and work in BC. When choosing where to apply the SVT originally, the government focused on urban centres with low vacancy rates and affordability challenges in which house prices and rents exceeded local incomes.

An independent review report of the SVT released in 2022 shows the tax is working as intended. As part of the *Homes for People* plan, the Province is committed to expanding the SVT in a phased and measured way to help more people find homes they can afford. The expansion of the SVT into communities facing low vacancy rates and disproportionately high housing prices, including those near existing taxable areas, will help reduce the risk of speculators taking advantage of these exempt communities.

For 2023, the tax was expanded to six additional municipalities, including North Cowichan, Duncan, Ladysmith, Lake Cowichan, Lions Bay and Squamish. People in these communities will declare for the first time in 2024 based on how they used their properties in 2023.

Starting in 2024, 13 additional communities will be included in the SVT specified areas. Property owners in these 13 communities will declare for the first time in 2025 based on how they used their properties in 2024: Vernon, Coldstream, Penticton, Summerland, Lake Country, Peachland, Courtenay, Comox, Cumberland, Parksville, Qualicum Beach, Salmon Arm; and Kamloops.

As you mention in your letter, we have received requests to apply the SVT to Salt Spring Island. There are a number of factors that are taken into consideration in determining the SVT expansion, including assessed values of residential property, population, requests for inclusion, proximity to other SVT specified areas, and whether the community is primarily a vacation area. We are aware that Salt Spring Island's unique characteristics, including its desirability as a vacation area, require special consideration and a measured approach with regard to the application of the SVT.

Each year, government reviews provincial taxes and considers changes in preparation of the provincial budget. Government then implements tax changes that it determines to be appropriate within the context of the Province's fiscal situation and other priorities. The Salt Spring Island Local Trust Committee's position regarding the SVT has been noted and will be considered as part of these discussions.

Thank you again for taking the time to write. We appreciate your support and input on how we can build a better BC.

Sincerely,

Office of the Minister



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October 30, 2023

File No: 11-5770-30-10

Via e-mail: FIN.minister@gov.bc.ca

The Honourable Katrine Conroy
Minister of Housing
Room 153 Parliament Buildings
Victoria, BC, V8V 1X4

Dear Minister Conroy,

Re: Speculation and Vacancy Tax

The Salt Spring Island Local Trust Committee passed the following resolution on October 12, 2023:

“That the Salt Spring Island Local Trust Committee request staff to send a letter from the LTC Chair to Honourable Katrine Conroy Minister of Finance and copy Honourable Ravi Kahlon Minister of Housing which references the September 7, 2023 letter from Colin Plant, CRD Board Chair to Minister Conroy, and requests the province to examine the projected effect of the Speculation and Vacancy Tax on the housing conditions on Salt Spring Island, before considering including the Salt Spring Island Electoral Area in the Speculation and Vacancy Tax taxable area.”

We generally agree with the rationale provided in [Colin Plant, Capital Regional District Chair’s September 7, 2023 letter](#) to you. However, we would like to request that the Province examine the projected effect of the Speculation and Vacancy Tax on the housing conditions on Salt Spring Island. Salt Spring Island is the most populated Gulf Island and deserves to be considered separately from the other islands in the Islands Trust Area. It would be useful to review if the tax would assist in resolving the lack of available housing options which is causing severe impacts for Salt Spring Island employers.

Yours sincerely,

Timothy Peterson
Chair, Salt Spring Island Local Trust Committee
Islands Trust

Preserving and protecting over 450 islands and surrounding waters in the Salish Sea

Bowen Denman Hornby Gabriola Galiano Gambier Lasqueti Mayne North Pender Salt Spring Saturna South Pender Thetis

Cc: The Honourable Ravi Kahlon, MLA, Minister of Housing
Adam Olsen, MLA, Saanich North and the Islands
Salt Spring Island Local Trust Committee
Islands Trust Executive Committee
Islands Trust website

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