



200 - 1627 Fort St., Victoria, BC V8R 1H8
Telephone **(250) 405-5151** Fax (250) 405-5155

Toll Free via Enquiry BC in Vancouver 604.660.2421. Elsewhere in BC **1.800.663.7867**

Email information@islandstrust.bc.ca

Web www.islandstrust.bc.ca

March 23, 2018

File Number: 0420-20

via e-mail: FIN.Minister@gov.bc.ca

The Honourable Carole James
Minister of Finance
PO Box 9048 Stn Prov Govt
Victoria, BC V8W 9E2

Dear Minister James:

Re: Proposed Speculation Tax

On behalf of the Islands Trust Council, I am writing to express concern about the potential impacts of the proposed B.C. speculation tax on island communities and landowners and to emphasize the need for affordable housing solutions tailored to the needs of island communities. There is a pressing need for additional information and clarity on the new tax. We were pleased to read recently that you are considering changes to the tax to address its potential unintended consequences.

As you re-examine the tax we feel it is important for you to know that the tax would apply to the Gabriola, Galiano, Mayne, North Pender, South Pender, Salt Spring, and Saturna local trust areas as well as Bowen Island Municipality. Our preliminary assessment of land titles (residential and agricultural classes) for these islands shows that non-resident ownership ranges from 27% to 65%, with approximately 8% of properties owned by non-BC residents.

We are fielding many calls and e-mails from concerned homeowners who have second homes in our region, seeking more information about the speculation tax. These homeowners are raising concerns such as having houses or cottages that may be subject to the tax but are in fact unsuitable for long-term rental because, for example, they are not suitable for year-round habitation, or they have only private boat access, or, are in an isolated location without services. We are also hearing concerns from British Columbians who have inherited a vacation property in the islands but have insufficient income to offset the proposed tax-exemption. That said, we are also hearing from islanders who hope the tax could result in more availability in rental housing and fewer seasonally vacant houses in their communities.

The notion of "part-timers" is integral to the culture of the islands and it's worth noting that many of our part-time residents make valuable contributions to their communities, with many of them planning to retire to their island community. By-and-large these part-timers, many of whom have a multi-generation connection to their island community, are not seen locally as 'speculators'.

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We would appreciate clarification from you or your ministry staff on how you see the proposed speculation tax being applied and administered to the affected Gulf Islands. Islands Trust also welcomes a discussion with the Province on how we can collaborate on affordable housing solutions that are tailored to the specific needs of our island communities.

Yours sincerely,

A handwritten signature in black ink, appearing to read "P. Luckham". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Peter Luckham
Chair, Islands Trust Council
pluckham@islandstrust.bc.ca

cc: Minister of Municipal Affairs and Housing
Islands Trust Area MLAs
Bowen Island Municipal Council
Islands Trust Council
Islands Trust website