
NEWS RELEASE

For Immediate Release
2021FIN0002-000024
Jan. 11, 2021

Ministry of Finance

SVT expands rental options for British Columbians

VICTORIA – Data collected from the second year of the speculation and vacancy tax (SVT) year show the tax is working to increase the long-term rental housing supply.

“The COVID-19 pandemic demonstrated what British Columbians have always known – affordable and safe housing is critically important to the health and safety of people, our communities and our economy,” said Selina Robinson, Minister of Finance. “That’s why our government will continue to advocate for more affordable housing options and ensure housing is used to shelter people and not money.”

Mayors have recently received region-specific 2019 SVT declaration data for their communities. This data will help inform consultation with mayors and discussion on whether any changes to the tax are necessary.

Every year, the Ministry of Finance consults with mayors from areas where the tax applies. This annual consultation is an opportunity for the ministry to share data and analysis generated from the tax, providing mayors and councils with the opportunity to share how the tax is working in their communities.

“The 2019 declaration data and reports from organizations like the Canada Mortgage and Housing Corporation show an increasing number of properties are being repurposed as long-term rentals, and this shift is critically important for our urban communities,” Robinson said. “This change in behaviour, and the tax continuing to capture speculators while exempting almost all British Columbians, shows this tax is working for the people of our province.”

Highlights from 2019 data include:

- More than 99.9% of British Columbians are exempt from paying the tax.
- Foreign owners, satellite families, Canadians from outside B.C. and other non-B.C. resident owners paid more than 92% of the tax levied.
- Declaration data is reported by calendar year. The 2019 calendar-year revenue based on tax assessed plus revenue received to date is \$88 million.
- The tax has contributed to the ongoing moderation of the housing market and has not negatively impacted housing supply.
- B.C. housing starts were 16% higher in 2019 compared to 2018 in the SVT regions.
- Vacancy rates throughout the province increased by 7%, creating more affordable housing options for B.C. residents.

Housing affordability continues to be out of reach for many British Columbians. The SVT has brought in more than \$130 million since it was first introduced in 2018, and all revenue generated from the tax goes toward funding housing, shelter or rental initiatives in the five

regional districts where the tax applies.

The SVT is part of the B.C. government's 30-point plan to improve housing affordability in B.C. by:

- targeting foreign and domestic speculators who own homes in B.C. but do not pay tax there;
- turning empty homes into housing for people struggling to find a safe and affordable place to live; and
- raising revenue to support affordable housing in communities where the tax applies.

Learn More:

To learn more about the speculation and vacancy tax, visit:

www.gov.bc.ca/spectax

To learn more about government's 30-point plan for housing affordability, visit:

<https://workingforyou.gov.bc.ca/>

To download the data outcomes from the 2019 SVT declaration year:

http://news.gov.bc.ca/files/SVT_2019_Data.pdf

To download the technical briefing about the 2019 SVT declaration year:

http://news.gov.bc.ca/files/SVT_2019_Technical_Briefing.pdf

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