

From: ["Mochrie, Paul" <Paul.Mochrie@vancouver.ca>](mailto:Paul.Mochrie@vancouver.ca)
To: ["Direct to Mayor and Council - DL"](#)
Date: 11/29/2022 4:56:21 PM
Subject: [EHT Annual report and update](#)

Dear Mayor and Council,

The attached memo contains an update on the Empty Homes Tax. The purpose of the memo is to:

- 1) Provide a copy of the 2021 EHT annual report (will be made public on the city website on December 1st) along with key summary highlights of the report
- 2) Interim updates on the motion approved at the April 27, 2022 Standing Committee of Council on City Finance and Services, "Increasing the Empty Homes Tax to Five Percent and Improving Compliance". A fulsome report back to Council will occur in early Q2 2023.

Staff will be providing Council and Orientation briefing on EHT at 10:30 on November 20th and can take any questions related to the report at that time, or please feel free to contact me or Patrice Impey at Patrice.Impey@vancouver.ca or 604-873-7610.

Best,
Paul

Paul Mochrie (he/him)
City Manager
City of Vancouver
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səliwətał (Tsleil-Waututh) Nations.

MEMORANDUM

November 29, 2022

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Rosemary Hagiwara, Acting City Clerk
Teresa Jong, Administration Services Manager, City Manager's Office
Maria Pontikis, Chief Communications Officer, CEC
Kareem Allam, Chief of Staff, Mayor's Office
Trevor Ford, Director of Operations, Mayor's Office
David Grewal, Senior Advisor, Mayor's Office
Sandra Singh, General Manager, Arts Culture Community Service
Theresa O'Donnell, General Manager, Planning, Urban Design & Sustainability
Dan Garrison, Assistant Director of Housing Policy & Regulation, PDS
Iain Dixon, Assistant Director, Legal Services
Julia Aspinall, Director, Financial Services

FROM: Patrice Impey
General Manager, Finance, Risk and Supply Chain Management

SUBJECT: 2021 Empty Homes Tax Annual Report and Update on April 2022 Council Motions

Dear Mayor and Council,

This memo is to provide the following:

- 1) Summary of the 2021 Empty Homes Tax ("EHT") Annual Report, including key impact indicators and a summary of revenue and expenditures to date, as contained in Appendix A;
- 2) Update on the motion approved at the April 27, 2022 Standing Committee of Council on City Finance and Services, "Increasing the Empty Homes Tax to Five Percent and Improving Compliance"

Background/Context

The Empty Homes Tax (“EHT”) or “Vacancy Tax” is levied on empty and under-utilized class 1 residential properties in the City of Vancouver. Homes or land determined or deemed to be vacant are subject to a 3% tax (1% for the 2017 to 2019 vacancy reference periods, 1.25% for the 2020 vacancy reference period) of a property’s assessed taxable value. For the 2023 vacancy reference period, the rate will increase to 5%.

The EHT is applied annually, with the first tax reference year having begun January 1, 2017. Most residential properties are not subject to the tax, including homes that are principal residences or rented out for at least six months of the year; or homes that are eligible for one of the exemptions set out in the by-law.

The core objectives of the EHT are:

- To return empty or under-utilized properties to use as long-term homes for people who live and work in Vancouver; and
- To prevent additional properties from becoming empty.

EHT revenues collected are allocated to support affordable housing initiatives.

1. 2021 EHT Annual Report

The EHT annual report is required to be prepared under the *Vancouver Charter*, and it is posted to the City of Vancouver website no later than December 1 each year pursuant to the provisions of the Vacancy Tax By-Law. Regular updates on EHT property status declarations, audits, and use of EHT revenue are part of the EHT annual report.

The 2021 EHT Annual Report includes revenue and compliance activities up to November 1, 2022 for vacancy reference years up to 2021. Declarations for the 2022 vacancy reference period opened in November 2022 and will be reported in the next EHT Annual Report.

Key trends from the 2021 EHT annual report:

1. **Reduction in vacant properties:** In 2021, 1,398¹ properties (approximately 0.7% of all properties required to declare) were vacant; this is 357 fewer units than in 2020 (20.3% reduction).
2. **Increase in declared tenanted properties:** There was a net increase of 521 tenanted properties between 2020 and 2021.
3. **Vacant¹ properties converted to occupied:** Of the 1,755 vacant properties in 2020, 49% were occupied in 2021 (29% principal residences, 20% tenanted).

2021 declaration trends are subject to change as declarations continue to be audited through 2023.

¹ **Vacant properties** include properties that are declared, deemed, or determined vacant. Properties that have not made a property status declaration are “deemed vacant”. Properties are “determined” vacant through the compliance process (audit, compliant or review).

EHT Revenue and Expenditures

The amount of EHT revenue allocated to support affordable housing since the inception of EHT is \$115.3 million, (\$28.7 million allocated in current reporting period), net of program setup, administration and systems expenses, and allowances. Available EHT funds have either been allocated or will be allocated through Council reports or the operating and capital budgets. The recommended allocation is consistent with the Vancouver Charter requirement that EHT net revenues be spent on initiatives respecting affordable housing.

Revenue for the period ending November 1						
in \$ Millions	2018	2019	2020	2021	2022	Total
Revenue (Tax Levy)	\$ 38.0	\$ 39.4	\$ 36.0	\$ 26.0	\$ 67.0	\$ 206.4
Revenue (Penalties and Bylaw Fines)	\$ 1.1	\$ 1.8	\$ 1.9	\$ 1.8	\$ 1.8	\$ 8.4
Total Revenue	\$ 39.1	\$ 41.2	\$ 37.9	\$ 27.8	\$ 68.8	\$ 214.8
Collected	\$ 33.6	\$ 23.3	\$ 27.9	\$ 20.8	\$ 32.5	\$ 138.1
Allocated*	\$ 7.8	\$ 37.9	\$ 14.7	\$ 26.2	\$ 28.7	\$ 115.3

* Proposed allocation for 2022 is subject to council approval.

Revenue increased in 2022 mainly due to the increase in the vacancy tax rate from 1.25% for the 2020 vacancy reference period to 3% starting in the 2021 vacancy reference period. In addition, the average assessed value of vacant property increased by 23% in 2021. Also, revenue in 2021 was lower due to the tax reversals resulting from City Council's approval to implement a one-time extension of the declaration deadlines for the 2017 and 2018 vacancy reference years.

Allocation of funds is based on the net amount of revenue *collected*; \$28.7 million is available and fully allocated in this reporting period to fund affordable housing initiatives. The proposed funding allocation (subject to Council approval) includes:

- \$15 million allocated to the 2023 Capital budget to support housing initiatives including:
 - Community Housing Incentive Program (CHIP) grants. The CHIP supports non-profit and co-op partners to deepen affordability in new social/co-op housing projects, and deliver on the affordability targets set out in the Housing Vancouver strategy.
- \$3.6 million for staffing resources mainly to support the Vancouver Affordable Housing Endowment Fund (VAHEF) to deliver affordable housing projects.
- \$10.1 million for emerging priorities, and will be added to the capital budget as housing opportunities arise.

Additional details and trends are available in the 2021 EHT Annual Report Key Indicators in Appendix A.

2. Update on the motion approved at the April 27, 2022 Standing Committee of Council on City Finance and Services, “Increasing the Empty Homes Tax to Five Percent and Improving Compliance”

On April 27th, 2022, Council directed Staff to increase the EHT rate to 5% for the 2023 tax year, and report back to Council on several additional items related to the tax. Council subsequently approved bylaw amendments enacting the 5% EHT rate for 2023. A summary of initial staff responses to the Council motion is included in Appendix B.²

Further to Council direction, Staff will report back to Council in early Q2 2023 with additional amendments to the Vacancy Tax By-law to improve EHT fairness and effectiveness at the higher rate. This report will also include analysis of how the increase in the EHT rate from 1.25% in 2020 to 3% in 2021 may have impacted the number and rate of conversion of empty homes. Staff will also seek input from academic experts and other stakeholders about the potential impact of future rate increases on empty homes, tax administration, and possible unintended consequences.

Summary

This memo has provided Council with 1) a copy of the 2021 annual Empty Homes Tax annual report and summary of key highlights, 2) an update on the motion approved at the April 27, 2022 Standing Committee of Council on City Finance and Services, “Increasing the Empty Homes Tax to Five Percent and Improving Compliance”.

If you have any questions or require further information, please feel free to contact me at patrice.impey@vancouver.ca or (604) 873-7610.

Best Regards,



Patrice Impey
General Manager, Finance, Risk and Supply Chain Management/CFO

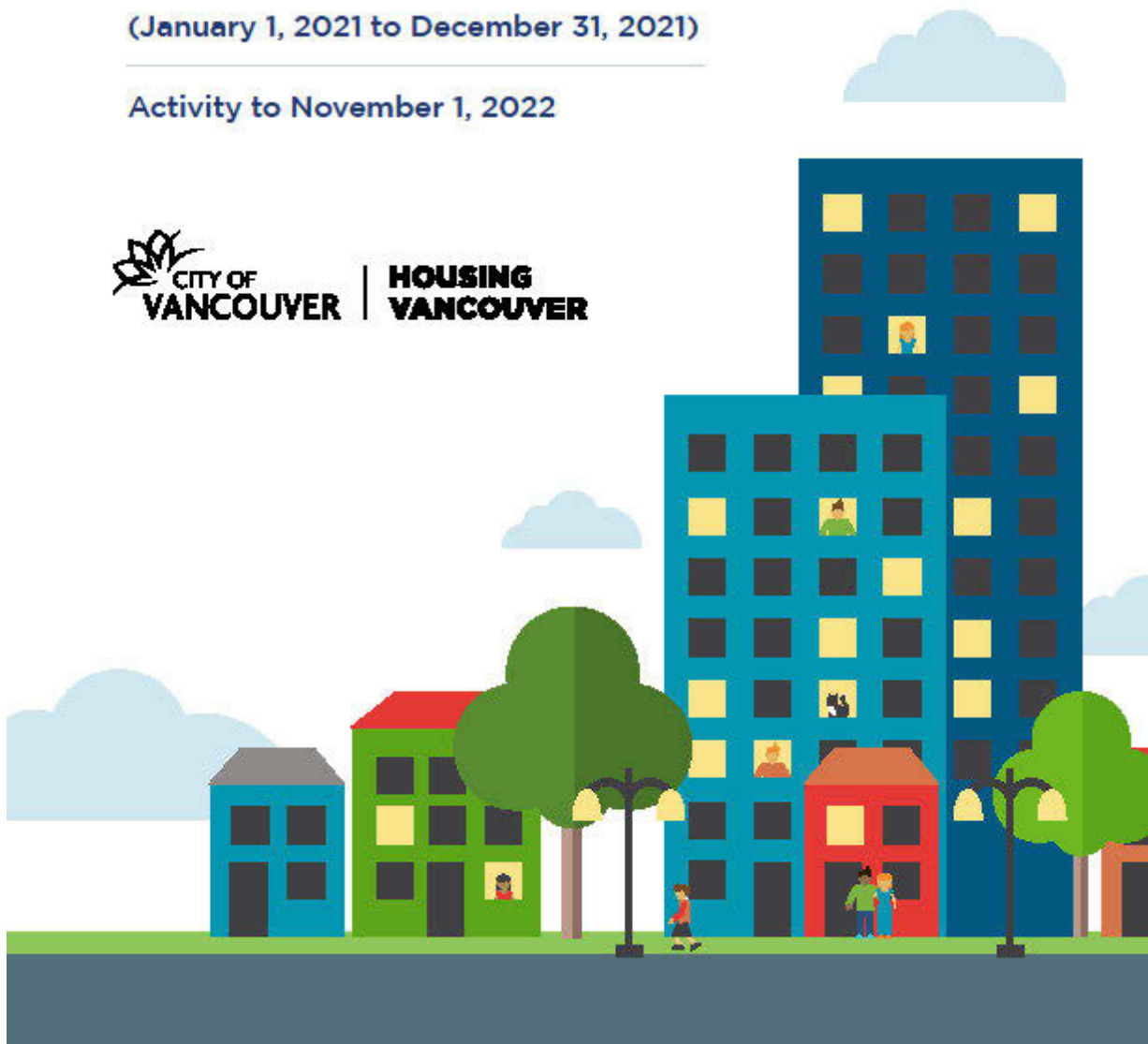
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² Appendix B also includes a response to Broadway Plan Recommendation U(d)

Empty Homes Tax Annual Report

2021 Vacancy Reference Year
(January 1, 2021 to December 31, 2021)

Activity to November 1, 2022



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INTRODUCTION

Vancouver continues to experience the lowest rental vacancy rates and highest rents among Canada's major cities, making rental housing affordability and availability a significant challenge for those who live and work in Vancouver, and those who would like to in the future.

In an effort to address these housing affordability and availability challenges and to increase the supply of rental housing in Vancouver, in 2017, the City of Vancouver introduced the Empty Homes Tax (EHT), also known as the Vacancy Tax. The EHT's purpose is to encourage residential property owners to return empty and under-used properties to the market as long-term rental homes.

While isolating the effect of a single policy like the EHT in Vancouver's dynamic housing market is challenging, City staff continue to observe positive trends. This report presents the data to date on these trends, including key performance indicators, compliance activities, and an overview of funds raised and how they are allocated.

As all revenue and compliance activity related to the vacancy reference period starts in the following year, this report includes revenue and compliance data up to November 1, 2022.

Learn more about the history of the EHT, and other actions the City is taking to tackle housing affordability and availability at vancouver.ca/ehf.

HOW DOES THE EMPTY HOMES TAX WORK?

To determine whether a property will be assessed the tax, residential property owners in Vancouver are required to declare their property status each year. Properties that are declared, determined, or deemed vacant¹ are subject to a tax on the property's assessed taxable value. The tax rate was 1% at inception in 2017 and increased to the 3% for the 2021 vacancy reference year. **The tax rate will increase to 5% for the 2023 vacancy reference year.**

Most residential properties are not subject to EHT, including homes that are principal residences for at least six months of the year; homes that are rented out for at least six months of the year; or homes that are eligible for an exemption, as set out in the Vacancy Tax By-law.

IS THE EMPTY HOMES TAX WORKING?

There is strong evidence that the Empty Homes Tax is reducing the number of vacant residential properties in Vancouver. From the 2017 to 2021 reference years, the number of vacant properties decreased by 36% based on data collected by the City under the EHT program.

External data also highlights the positive impact of the EHT on Vancouver's rental housing supply. The Canada Mortgage Housing Corporation² (CMHC) observed a significant shift toward long-term rental in Vancouver following the introduction of EHT, with an increase of 5,920 condominium units in the long-term rental stock between their surveys in 2018 and 2019. The overall number of condominium units in the rental pool reported by CMHC continued to increase in 2020 (+2,455 units) and 2021 (+615 units).

Since the tax launched, more than \$115.3 million of net revenues from the tax has been allocated to support affordable housing initiatives in Vancouver.

¹ Properties that have not made a property status declaration are "deemed" vacant. Properties are "determined" vacant through the compliance process (audit, complaint or review).

² Differences in data collection methodology for rented condominiums in the CMHC Rental Market Report may not always align with EHT property status data.

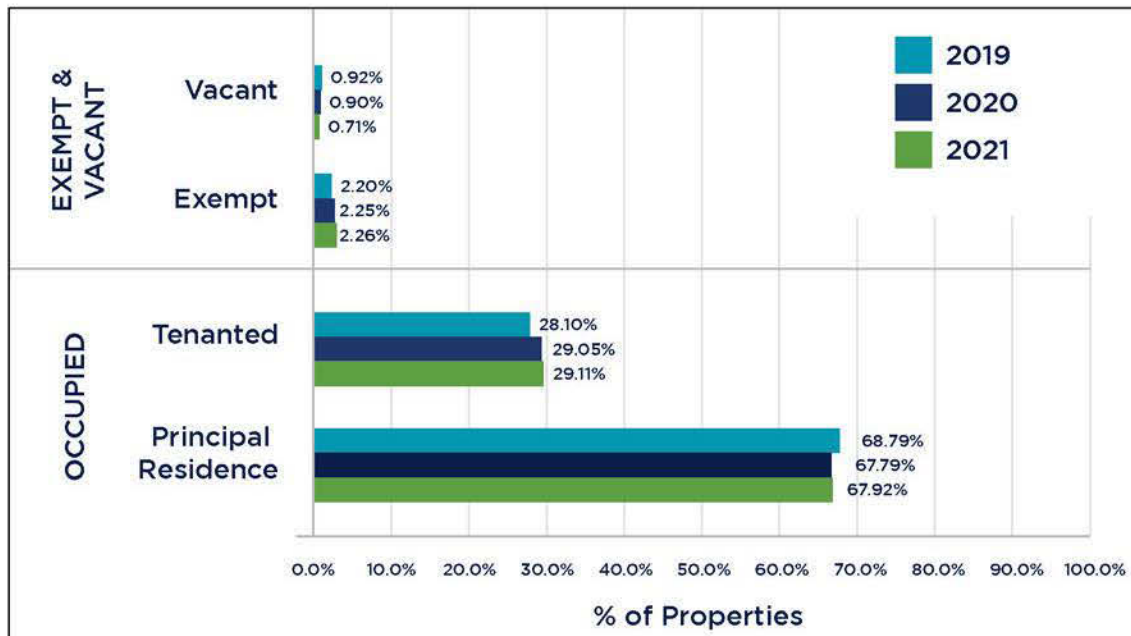


VANCOUVER DECLARATIONS: VACANCY AND GEOGRAPHIC DATA³

Property Status: 2019 to 2021 Tax Reference Years

	2019	2020	2021
EXEMPT & VACANT			
Exempt	4,226	4,392	4,440
Vacant*	1,762	1,755	1,398
OCCUPIED			
Principal Residence	132,153	132,205	133,422
Tenanted	53,976	56,660	57,181
Total	192,117	195,012	196,441

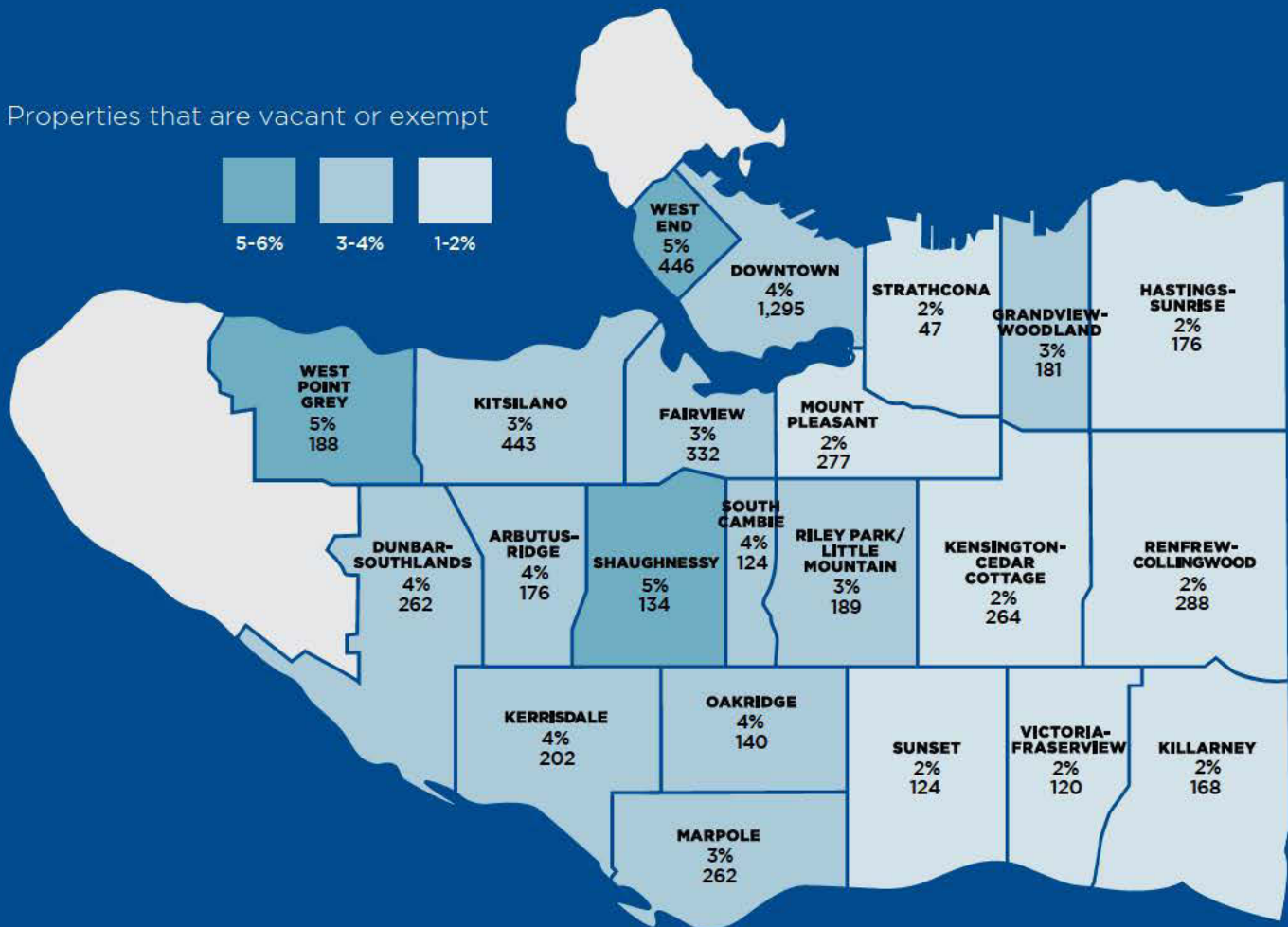
*Includes properties declared vacant, determined vacant through the compliance process, and deemed vacant (properties that have not made a property status declaration).



³ Some data for the 2019 and 2020 vacancy reference years has been restated to reflect compliance activities since data for those years was reported in prior annual reports.

2021 EHT VACANT AND EXEMPT PROPERTIES

(5,838 TOTAL - SHOWN AS PERCENTAGE OF TOTAL/NUMBER OF PROPERTIES IN NEIGHBOURHOOD)



Similar to the prior year, the majority of exempt and vacant properties are condominiums, which account for 56% of combined exempt and vacant properties.

Aligning with the high density of condominiums in the downtown core, the largest number of vacant and exempt properties was recorded in Downtown Vancouver. West Point Grey, West End and Shaughnessy recorded the highest percentage of unoccupied properties, relative to the number of residential properties in these neighbourhoods that were required to declare.

MONIES RAISED

Revenue

Revenue by activity for the period ending November 1.

	2020 \$ Millions	2021 \$ Millions	2022 \$ Millions
Tax Levy	\$36.0	\$26.0	\$67.0
Penalties	\$1.9	\$1.8	\$1.8
Total Tax and Penalties	\$37.9	\$27.8	\$68.8
Collected	\$27.9	\$20.8	\$32.5

Revenue increased in the current activity period mainly due to the increase in the vacancy tax rate from 1.25% for the 2020 vacancy reference period to 3% for the 2021 vacancy reference period. In addition, the average assessed value of vacant property increased by 23% in 2021.

Annual revenue for each year is estimated at November 1, even though late declaration and compliance activities continue for a longer time period. Additional revenue after November 1, 2022 will be included in next year's revenue results.

If a payment for an EHT tax notice is not made by December 31 of the year levied, outstanding amounts may be added to the owner's property tax account and start accruing interest of approximately 8.7% starting January 1 of the following year.

COMPLIANCE ACTIVITY

Using a risk-based approach, as well as random audits, the EHT audit program has a goal of verifying property status declarations and reinforcing compliance with the by-law.

The Vacancy Tax By-law equally applies to all property owners; therefore, all property status declarations are subject to the audit process, in line with best practices for provincial and federal tax programs.

Audits

Audits completed during the period November 2, 2021 to November 1, 2022 are outlined below, along with a comparison to the prior year ending November 1.

	Period to November 1*		
	2020	2021	2022
Audits Completed	9,289	9,876	12,806

* The number of audits completed in each activity period include audits for multiple vacancy reference years. For the period ending November 1, 2022, 55% of audits completed were for the 2021 vacancy reference year, and the remainder related to prior vacancy reference years.

The effective non-compliance rate of the EHT audit program since inception by vacancy reference year, net of appeal outcomes to November 1, 2022, is shown below:

Effective Non-Compliance Rate by Vacancy Reference Year			
	2019	2020	2021*
Audits Completed	9,814	11,890	7,072
Non-Compliant Audits	593	576	104
Non-Compliance Rate	6.0%	4.8%	1.5%

* Many audits for the 2021 vacancy reference period are still in progress, and audits for the 2021 vacancy reference period can be initiated until December 31, 2023.

Property owners who were found to be non-compliant were levied the EHT. Revenue generated from non-compliant audits during the period from November 2, 2021 to November 1, 2022 was \$11.4 million.

Owners found non-compliant in their audits have the opportunity to submit a Notice of Complaint. If they are unsuccessful in their complaint, owners may request a review by an external review panel.

Many audits are still in progress and owners may file a Notice of Complaint and external review request to dispute the non-compliant audit determination in future years. As a result, revenue generated from audit activities may be adjusted in future years.

Complaints

Complaints received were primarily triggered in instances where property owners had failed to make their declaration on time, or where property owners were in disagreement with their audit determination. In order to contest the EHT notice they received, these property owners were required to submit a Notice of Complaint.

Total complaints completed by the vacancy tax review officer to November 1, 2022, are as follows:

	Period to November 1*		
	2020	2021	2022
Accepted*	403	900	761
Rejected	156	171	110
Total	559	1,071	871

* Most of the accepted complaints related to property owners who were originally deemed vacant because they failed to make a declaration. For 2022, 31% of the accepted complaints were for properties previously deemed vacant. 59% of the complaints completed in 2022 related to owners who disagreed with their non-compliant audit determination.

Property owners whose complaints were rejected were required to pay the tax or request a review of their case from the external review panel.

Review panel

Total reviews completed by the external vacancy tax review panel from November 2, 2021 to November 1, 2022, are as follows:

	Period to November 1		
	2020	2021	2022
Accepted	14	11	9
Rejected	44	58	70
Total	58	69	79

All review requests go to an independent external panel for a property status determination. This is the last appeal stage to determine the property status and the status determined by the review panel is considered final. The review panel activities are ongoing. For reviews that were accepted, the tax was rescinded.

Late Declarations

Owners who have not submitted a property status declaration by the opening of the subsequent year's declaration period are required to submit a Notice of Complaint to make a late property status declaration. For the 2019 vacancy reference period and beyond, the deadline to submit a late property status declaration is the second business day of July in the year following the original declaration deadline.



USE OF FUNDS

Since the inception of the Empty Homes Tax, \$115.3 million has been allocated to support a variety of affordable housing initiatives to increase the supply and affordability of social housing and to support renters.

Money collected from the EHT is first allocated to cover annual operating costs associated with administering the tax with the remainder being available for initiatives respecting affordable housing.

The information and table below summarize the funding allocation for additional EHT amounts in the current reporting period (November 2, 2021 to November 1, 2022).

Community Housing Incentive Program (CHIP)

The Community Housing Incentive Program (CHIP) provides non-profit housing providers with grants to deepen the level of affordability of social and co-op housing projects.

The program is a key way to deliver on the goals of the Housing Vancouver strategy by supporting the work of local non-profits, who play an important role in both operating and delivering affordable housing to low-income households.

The grants aim to put non-profit and co-op housing providers in a strong position to attract other funds, including federal and provincial funding programs.

Each grant provides a capital contribution towards the development of non-profit or co-op housing projects, resulting in deeper affordability.

In spring 2022, two grants were approved by Council, awarding \$5.5 million to Brightside Community Homes for the redevelopment of Alice Saunders House, creating 146 new homes (82 net new units), and \$6.0 million to Soroptomist International Vancouver for the redevelopment of a 21 unit apartment, to create 135 new homes for women including seniors, single women and working professionals. In July 2022, a grant of \$4.8 million was approved for

the redevelopment of First United Church at Gore and Hastings, in partnership with Lu'ma Native Housing, creating 103 new units at deep levels of affordability.

CHIP grants help achieve the 10-year Housing Vancouver target of 12,000 new social and supportive housing units and prioritize deeper levels of affordability and emphasis on alignment with City housing and strategic objectives. The capital grants are payable after building permit issuance, following execution of a grant agreement and confirmation of funding sources. The developments also require registration of Housing Agreements securing all units as social housing for the greater of 60 years or the life of the building.

An additional \$60 million will be added to the 2023-2026 Capital Plan to support additional CHIP Grants and other non-profit capital grants from EHT revenue collected in the current reporting period.

Land Acquisition/ Development opportunities

The City continues to look for opportunities to work with partners to acquire or develop housing opportunities on City land, as well as respond to new senior government funding programs.

EHT FUNDING AVAILABLE FOR THIS REPORTING PERIOD*:

Priority	Project Description	Funding Allocation \$ millions
	Funding for land acquisition and CHIP grants	15.0
	Funding for staff working on affordable housing projects	3.6
	Emerging priorities	10.1
	TOTAL:	\$28.7

* Funds available for allocation are net of allowance for refunds and EHT administration expenses.

APPENDIX 1: KEY EHT PROGRAM INDICATORS BY VACANCY REFERENCE YEAR

As part of the EHT Annual Report, staff report on selected indicators related to performance of the tax against key metrics, including the number of properties converted from vacant to occupied; the number of new properties reported as vacant; and the number of properties declared as tenanted. These indicators were developed in partnership with housing policy experts.

Some data for the 2019 and 2020 vacancy reference years has been restated to reflect compliance activities since data for those years was reported in prior annual reports.

Indicator	Key Trends
1. Number of properties required to declare	Increase in properties required to declare EHT <ul style="list-style-type: none"> The number of Class 1 residential properties required to declare increased by 0.7% (1,429 properties) between 2020 and 2021, which is mainly due to newly constructed properties added to the property tax roll.
2. Change in vacant and exempt properties	Reduction in vacant and exempt properties from 2020 to 2021 <ul style="list-style-type: none"> In 2021, 4,440 properties (approximately 2.3% of all properties) were exempt; this is 48 more units than in 2020 (1.1% increase). In 2021, 1,398 properties (approximately 0.7% of all properties) were vacant; this is 357 fewer units than in 2020 (20.3% reduction).
3. Breakdown of exemptions by type	Property transfer is the largest exemption category, followed by renovation and strata rental restriction <ul style="list-style-type: none"> The majority (49%) of exempt properties in 2021 claimed the property transfer exemption; 30% claimed the renovation exemption, and 11% claimed the strata rental restriction exemption. Most properties (61%) claiming transfer in 2021 were condos; most properties (74%) claiming renovation were single-family homes.
4. Change in tenanted properties	Increase in tenanted properties from 2020 to 2021 <ul style="list-style-type: none"> There was a net increase of 521 tenanted properties between 2020 and 2021; this includes an increase of 655 tenanted condominiums, net of decreases of 99 single-family homes, and 45 of other property types. This data does not provide insights on basement/secondary suites – since a tenanted single-family home could refer to a fully rented house or just a rented suite in an otherwise empty home. Significant flows were also observed between categories in and out of tenanted, indicating overall that this stock is less secure than purpose-built rental.
5. Occupancy status of previously vacant/properties	Properties vacant in 2020 converted to occupied in 2021 <ul style="list-style-type: none"> Of the 1,755 vacant properties in 2020, 49% were occupied in 2021 (29% principal residences, 20% tenanted).
6. Average assessed value of vacant property vs. all properties	Vacant property has a slightly higher assessed value than properties overall <ul style="list-style-type: none"> For 2021, the average assessed value of a vacant condo (\$1.2M) is 11% higher than the average condo (\$1.1M). The average assessed value of a vacant single-family home (\$2.5M) is 6% higher than the average single-family home (\$2.4M). Overall, the average assessed value of vacant properties was \$1.9M compared to the average value of \$1.7M for all properties and 80% of vacant properties are condos.

APPENDIX 2: DETAILED DATA

Key data highlights for the 2019 to 2020 vacancy reference years has been restated to reflect compliance activities since data for those years was reported in prior annual reports.

Indicator #1: Number of properties required to declare⁴

	2019	2020	2021	2020 to 2021 Change	
Condo	101,162	104,153	105,581	1,428	1.4%
Single Family Including Duplex	80,730	80,640	80,645	5	0.0%
Other	10,225	10,219	10,215	-4	0.0%
TOTAL	192,117	195,012	196,441	1,429	0.7%

Indicator #2: Change in vacant and exempt properties⁴

Number of vacant and exempt properties by property type:

Condo	2019	2020	2021	2020 to 2021 Change	
Vacant	1,343	1,377	1,112	-265	-19.2%
Exempt	2,061	2,230	2,142	-88	-3.9%
TOTAL	3,404	3,607	3,254	-353	-9.8%

Single Family	2019	2020	2021	2020 to 2021 Change	
Vacant	337	307	221	-86	-28.0%
Exempt	1,800	1,775	1,869	94	5.3%
TOTAL	2,137	2,082	2,090	8	0.4%

Other	2019	2020	2021	2020 to 2021 Change	
Vacant	82	71	65	-6	-8.5%
Exempt	365	387	429	42	10.9%
TOTAL	447	458	494	36	7.9%

⁴ Housing categories were developed by grouping BC Assessment use codes. Duplexes are included in the single-family category, and row houses are included in the condominium category. Other includes non-stratified multi-unit buildings and other miscellaneous codes (e.g. strata parking stalls and vacant lots)

Indicator #3: Breakdown of exemptions by type

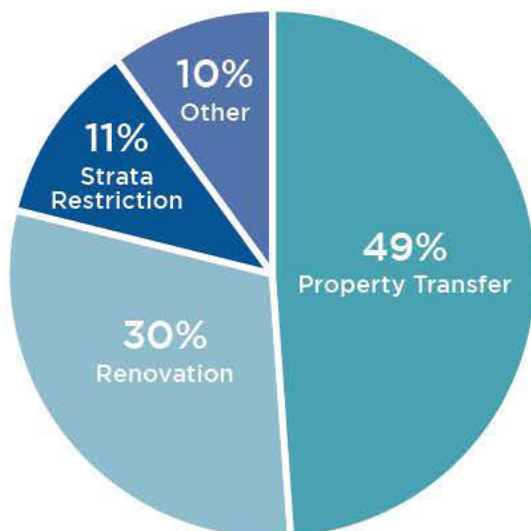
Breakdown of properties by property type that qualified for an exemption⁵:

Condo	2019	2020	2021	2020 to 2021 Change	
Property Transfer	1,132	1,283	1,323	40	3.1%
Redevelopment/ Renovation	87	126	138	12	9.5%
Strata Restriction	559	530	499	-31	-5.8%
Other	283	291	182	-109	-37.5%
TOTAL	2,061	2,230	2,142	-88	-3.9%

Single Family	2019	2020	2021	2020 to 2021 Change	
Property Transfer	510	672	794	122	18.2%
Redevelopment/ Renovation	1,121	917	973	56	6.1%
Strata Restriction	0	2	1	-1	-50.0%
Other	169	184	101	-83	-45.1%
TOTAL	1,800	1,775	1,869	94	5.3%

Other	2019	2020	2021	2020 to 2021 Change	
Property Transfer	20	15	44	29	193.3%
Redevelopment/ Renovation	169	182	197	15	8.2%
Strata Restriction	8	10	6	-4	-40.0%
Other	168	180	182	2	1.1%
TOTAL	365	387	429	42	10.9%

Breakdown of properties that qualified for an exemption in 2021:



⁵ Housing categories were developed by grouping BC Assessment use codes. Duplexes are included in the single-family category, and row houses are included in the condominium category. Other includes non-stratified multi-unit buildings and other miscellaneous codes (e.g. strata parking stalls and vacant lots)

Indicator #4: Change in tenanted properties⁶

	2019	2020	2021	2020 to 2021 Change	
Condo	34,080	35,910	36,575	665	1.9%
Single Family	12,298	12,515	12,416	-99	-0.8%
Other	7,598	8,235	8,190	-45	-0.5%
TOTAL	53,976	56,660	57,181	521	0.9%

Indicator #5: Occupancy status of previously vacant properties**Current status of 2020 vacant properties in 2021**

Status	2021
Principal Residence	507
Tenanted	361
Occupied Total	868
Exempt	158
Vacant	706
Declaration not required	23
Total	1,755

Indicator #6: Average assessed value of vacant property vs. all properties⁶

	Vacant 2021	All Properties 2021	% Higher Assessment
Condo	\$1.2M	\$1.1M	10.5%
Single Family	\$2.5M	\$2.4M	6.0%
Total	\$1.9M	\$1.7M	7.4%

⁶ Housing categories were developed by grouping BC Assessment use codes. Duplexes are included in the single-family category, and row houses are included in the condominium category. Other includes non-stratified multi-unit buildings and other miscellaneous codes (e.g. strata parking stalls and vacant lots)



For More Information:

Visit: vancouver.ca | Phone: 3-1-1

Outside Vancouver: 604-873-7000

Hỏi chi tiết **Obtenga Información**

資料查詢 **ਜਾਣਕਾਰੀ ਲਵੋ** **3-1-1**

Appendix B: Status / Progress on Council Motions

Council Direction	Staff Update
Motion Approved at the Standing Committee of Council on City Finance and Services on April 27, 2022	
A. The Empty Homes Tax will be increased from three percent to five percent for the 2023 vacancy tax reference year	Bylaw amendments adopted by Council on June 7, 2022
B. The number of audits will be doubled from the current rate of 9,000, and increased to 20,000 for the 2023 vacancy tax reference year;	Planned for the 2023 vacancy reference year (audits to commence in 2024).
C. Report back to Council on how EHT might be used to reduce the large number of short-term rental properties;	Work is ongoing to identify ways that EHT and STR compliance teams can share data and assist with mutual compliance initiatives.
Report back on how the EHT exemptions might be altered to improve fairness so that those with legitimate reasons for vacancy, and/or having a second property, are not penalized;	Report to Council coming in Q2 2023 with recommended amendments to exemptions to improve tax fairness, including exemptions that may be applicable for certain properties being used as second homes.
Report back on what additional measures the City may need to counteract EHT avoidance;	Report to Council coming in Q2 2023 with recommended measures to counteract EHT avoidance.
Report back with a cost-benefit analysis of doubling the number of audits;	Report to council coming in Q2 2023 with cost-benefit analysis of doubling the number of audits for the 2023 vacancy reference year (audits to commence in 2024).
Report back on how EHT will be affected by new federal anti-flipping measures that tax profits from properties sold within 12 months of a purchase;	New federal rules will require that properties sold less than 365 days after initial purchase will have to pay full capital gains tax. These rules are complimentary to the goals of EHT of discouraging speculation.
Report back on how increasing the rate to 5% or 10% might increase the rental stock and/or increase the risk of tax evasion or unintended consequences	Initial EHT data from 2021 suggests that the number of properties declaring vacant declined at a higher rate under the new 3% rate compared to recent years. Audits to 2021 declarations are in early stages. Staff will provide updated data as part of a report to Council in Q2 2023.

Council Direction	Staff Update
<p>D. Staff to improve the EHT web portal with the end user in mind to ensure property owners get clear information about the EHT, how to report empty homes and how to navigate the different reporting and appeal processes;</p>	<p>Based on feedback from user experience, a review of content on the EHT website has been completed and published. The EHT website will continue to be reviewed and updated on an on-going basis.</p>
<p>E. Staff to bring forward more information for Council to consider related to the possibility and impacts of exempting land owned by MST from the empty homes tax.</p>	<p>Currently the number of MST properties required to make an EHT property status declaration is very small (<5 properties), and staff do not consider an exemption is required at this time; however, staff will continue to monitor and review for future consideration.</p>
<p>Broadway Plan Recommendation U(d)</p>	
<p>Broadway Plan Recommendation U: THAT, subject to Council approval of the Broadway Plan, Council direct staff to work with senior government, industry, and tenant groups as applicable to develop new policies to monitor and protect affordability found in existing purpose-built rental buildings that considers:</p> <p>d) Amending the Empty Homes Tax property status declaration for multi-unit purpose-built rental to list all tenancy agreements, and replacing the current exemption that requires only one unit within the building be rented for six months with new requirements proportional to current vacancy rates in the City of Vancouver.</p>	<p>EHT is currently administered at the parcel/folio level. As a non-stratified purpose-built rental building is only one folio, if any unit in the building is occupied then the building would not be subject to EHT. These properties are currently exempt from the Provincial Speculation and Vacancy Tax.</p> <p>There are over 1,800 non-stratified rental properties in Vancouver, amounting to well over 60,000 individual purpose-built rental units.</p> <p>Amending the EHT property status declaration for these properties to list all tenancies and altering the threshold for units rented out would require significant initial and ongoing staff resourcing to create and administer a new declaration process.</p> <p>Previous analysis and consultation with academic stakeholders and rental owners has indicated that given the very low vacancy rate in purpose-built rental buildings in Vancouver, it is unlikely that a higher EHT threshold would have a meaningful impact on vacancy rates in these types of properties. Staff will continue to monitor rental vacancy rates City-wide and by local area to determine if future action is needed.</p>

Appendix C: Previous Amendments to the [Vacancy Tax By-law 11674](#)

On [November 16, 2016](#), Council approved and enacted the Vacancy Tax By-law to levy a tax on empty and under-utilized class 1 residential properties within the City of Vancouver. The first vacancy reference year was 2017.

Enactment Date	Report	Summary of Amendment(s)
July 11, 2017	RTS 012051	Council enacted By-law No. 11855 to amend the Vacancy Tax By-law following program design and public feedback
October 30, 2018	RTS 012401	Council enacted By-law No. 12287 to further amend the Vacancy Tax By-law in order to provide clarifications to existing exemptions following the commencement of the first year of declaration, audit, and compliance work.
March 12, 2019	RTS 012956	Council enacted By-law No. 12396 to further amend the Vacancy Tax By-law to existing exemptions following the substantial completion of the first year of declaration, audit and compliance work.
January 21, 2020	RTS 013389	Council enacted By-law No. 12628 to further amend the Vacancy Tax By-law to increase the tax rate to 1.25% for the 2020 vacancy reference year, add a new exemption, and extend the notice period for complaints and reviews, including an amendment to state that the Vacancy Tax Review Officer may only consider the submission of late filed notices of complaint regarding vacancy tax notices, including late declarations up until December 31 of the year in which the tax is due.
May 26, 2020	RTS 013608	Council enacted By-law 12701 to further amend the Vacancy Tax By-Law to extend the late property status declaration filing date for 2019 and later vacancy reference years to the second business of the July of the year after the tax is due and payable and to approve an extension for late property status declarations for the 2017 and 2018 vacancy reference years to December 31, 2020.
June 23, 2020	n/a	Council enacted By-law 12723 to further amend the Vacancy Tax By-Law for a housekeeping amendment to section 3.5 (Transfer of Property).
December 10, 2020	RTS 014171	Council enacted By-law 12846 to further amend the Vacancy Tax By-Law to increase the vacancy tax rate to 3% for the 2021 vacancy reference period.
February 8, 2022	RTS 014579	Council enacted By-law 13528 to further amend the Vacancy Tax By-Law to make minor amendments to by-law sections 1.2 2.9, 3.2, 3.9 and 4.9. Also, the exemption in section 3.3 (Property of Owner in Care) was amended.
June 7, 2022	n/a	Council enacted By-law 13341 to further amend the Vacancy Tax By-Law to increase the vacancy tax rate to 5% for the 2023 vacancy reference period.