

Minister, FIN FIN:EX

From: s.22
Sent: Wednesday, April 25, 2018 10:39 AM
To: Minister, FIN FIN:EX
Subject: speculation tax -- message from s.22
Categories: FYI

Dear Minister James

I was just rereading the Vancouver proposal to Amazon, for HQ2. On Page 18, the proposal notes Vancouver is:

1) "Tackling housing affordability in large part is being addressed through the abundance of new housing starts in the market. The City's annual housing starts have risen by an average of 9% each year between 2012 and 2016, with 2016 seeing a record growth of 34%."

2) "Despite the high prices in the downtown core, we are fortunate to have a wide variety of affordable housing options all within a 25-minute radius of our top sites for Amazon HQ2."

3) "Vancouver currently has three times the number of homes for sale under USD \$500,000, compared to Seattle"

It's surprising to me that this proposal, signed by your boss, boasts about how accessible affordable housing is, while at the same time, implementing the Speculation Tax. Nowhere in the proposal is there a reference to the future implementation of the speculation tax, although increases to the foreign transfer tax are presented as a benefit to Amazon (and likewise, its exceptions).

What this highlights to me is how little advance planning and how little thought went into the development of the Speculation Tax. It wasn't modeled, it wasn't highlighted in a high profile bid to Amazon, it was so ill-conceived that it had to be re-engineered one month later because apparently, no one realized that BC voters might balk at paying tons more in carrying costs for their vacation properties.

As a Canadian, I am appalled that your government is scapegoating decades of bad urban planning on the backs of second homeowners, and I'm embarrassed by the animus I am seeing by your supporters. If you and your colleagues were to look at the comments on any Speculation Tax article in the Vancouver Sun, it is rife with ugly racist remarks and filled with delight at those who've planned and saved to purchase second homes being forced to sell or pay through the nose to retain them. It's an ugly sentiment, and one that does not befit your party. I hope this ugly animus is a bug, and not a feature, of your budget.

Please scrap the tax before the economy gets upended and your government pisses people off from Calgary, and beyond. Canadians don't deserve this treatment, and frankly, I'm struck by how callous a deal this is for recent purchasers from outside the country, too. Imagine if, a year or two ago, you're a foreigner and you purchase a place and pay the 15% tax, and now you're being extorted to sell? This tax has been proposed cavalierly and cruelly, and there are many better ways to address the shortages in affordable housing. You're on the right track by making it easier for rentals to get built. But there are more and better ways of bolstering the supply side without punishing second homeowners who contribute to local economies while taking very little out.

All my best,
s.22