

FIRST READING SPEAKING NOTES

Bill 28 – 2016

Miscellaneous Statutes (Housing Priority Initiatives) Amendment Act, 2016

Honourable Speaker, I have the honour to present a message from her Honour the Lieutenant Governor.

You give the message to the Page.

Sit down

[Page takes message to the Speaker.]

[The Speaker reads the message.]

[The Speaker will acknowledge you.]

You, Minister of Finance, rise and state:

I move that the Bill be introduced and read a first time now.

Keep Standing

[The Speaker puts the question.]

[The Speaker will acknowledge you.]

Honourable Speaker, I am pleased to introduce the *Miscellaneous Statutes (Housing Priority Initiatives) Amendment Act, 2016*.

Madam Speaker, this Bill amends the ***Vancouver Charter*** to enable the City of Vancouver to impose a municipal vacancy tax on owners of vacant residential property.

The legislation enables but does not require Vancouver to impose a vacancy tax. If Vancouver chooses to impose a vacancy tax, the legislation sets out key elements of the tax, but leaves the design details to Vancouver to determine and impose by bylaw.

In addition, the legislation would ensure that the revenues received under this vacancy tax could only be used by Vancouver in relation to affordable housing initiatives and administration of the tax.

Second, this bill amends the ***Real Estate Services Act*** to substantially implement the key recommendations of the Independent Advisory Group report, and to end self-regulation of the real estate industry.

All members of the Real Estate Council of British Columbia will be appointed by the Lieutenant Governor in Council, and the

amendments provide the superintendent of real estate with broad new rule-making and oversight powers.

The amendments also strengthen the regulatory regime and deter and punish the worst behaviour in the marketplace. Measures allow for substantial increases in monetary fines, the forfeiture of any commissions earned, and the ability to fine licensees for each contravention of the Act, regulation, or rules.

Third, the *Act* amends the ***Special Accounts Appropriation and Control Act*** to establish a new Housing Priority Initiatives special account within the Consolidated Revenue Fund.

The new Housing Priority Initiatives special account is intended to provide a strategic central funding vehicle from which priority initiatives may be funded in respect of provincial housing and rental/shelter supply; access and support programs. It is intended to be complementary to the proposed amendments to the *Property Transfer Tax Act*. The special account will be effective on Royal Assent of the Bill.

And finally, Madam Speaker, Bill 28 amends the ***Property Transfer Tax Act*** to impose an additional tax of 15 per cent on transfers of residential properties where the transferee is a foreign national, as well as certain corporations or trusts involving foreign nationals.

For example, the tax on the purchase of a home valued at \$2 million will amount to an additional \$300,000.

This additional tax will be effective August 2, 2016, and will apply to property transfers located in the Greater Vancouver Regional District excluding the lands of the Tsawwassen First Nation.

Honourable Speaker, I move that the Bill amendments be placed on the Orders of the Day for second reading at the next sitting of the House after today.

[The Speaker puts the question.]

SECOND READING SPEAKING NOTES

Bill 28

Miscellaneous Statutes (Housing Priority Initiatives) Amendment Act, 2016

[The House Leader calls for second reading of Bill 28
Miscellaneous Statutes (Housing Priority Initiatives) Amendment Act, 2016]

[The Speaker calls upon the Minister]

The Minister rises and moves:

...

MADAM SPEAKER,

I move that Bill 28 be read a second time now.

Madam Speaker

For quite a number of months now, there has been growing surprise, concern, and consternation about the rapid rise in the price of homes in certain regions of the province – primarily in Metro Vancouver, but also in the Capital Region and other cities.

There has been speculation – some of it informed, some of it less so – about the various factors underlying the continued and sustained rise in prices—particularly centred in Metro Vancouver.

Metro Vancouver is large and has a diverse economy – a regional GDP of more than \$100 billion. It is home to a diverse, educated and growing population – currently estimated at more than 2.5 million people and forecast to grow to almost 3 million in the next ten years.

In asking the reasonable question – what is driving the price of residential real estate ever higher? – we have been confronted with many further questions, both economic and social.

What is the role of demand ... the role of supply?...

Questions of correlation – did this happen and that happen at the same time?

Questions of causation – did this happen because of that?

The role of the flow of capital from outside our provincial and national borders?...

... whether and to what extent this flow of foreign capital is sufficient to drive a market as broad and diverse as that of Greater Vancouver?...

... are the recent price rises sustainable, and if not, what could the consequences be to families that borrowed to enter into this rapidly rising market?

We have also been confronted with questions that tend to challenge our notion of ourselves as a tolerant, welcoming people who value our interconnectedness and openness to the world, who respect the privacy of our neighbours and others, and who embrace a free-flowing, wide ranging modern society and dynamic economy.

Our province, our country, is increasingly connected through trade agreements and trade flows to the rest of the world.

Thirty years ago, our province and the city of Vancouver—we put ourselves on the world stage with Expo 86. We invited the world, and they came, they saw, and many probably fell in love with this place we call home – just as we did once.

Our government has worked since 2001 to build on our social, cultural and economic ties with the world that came to know us in that year and those that followed.

We have encouraged twinning relationships with communities across the Pacific; we have launched trade missions that created new opportunities and jobs; we have opened up new markets particularly for our forestry products, maritime, aerospace, and financial sectors; we made the world aware of us as Canada's Pacific Gateway, and through that we connected ourselves to the flow of global trade.

We further established our province as a green gem in the world's imagination with the drama and success of the 2010 Winter Olympic Games, at a time when so many economies around the world were beginning to flag and falter.

This is part of the story that saw B.C.'s economy stand as a safe harbour for investment through the tempests of the global economic slowdown, and helped us emerge from that economic crisis with now four straight balanced budgets, a triple-A credit rating from the three major rating agencies, and with an economy that is forecast to lead growth among provinces both this year and the next.

Since 2001, economic growth in BC has averaged 2.6 per cent annually, compared to 1.9 per cent in the rest of Canada.

Yes, we have a strong economy, we have strong migration numbers, people are moving here. Our population is growing. And a growing population looks for homes to live in. This, then, speaks to the problem of demand.

On the other side, in the face of economic growth and rising demand for homes, we have issues of supply.

But what is that supply? Sometimes when I talk to people about this, I feel they think almost entirely of single family homes, with a nice yard, maybe a garden, lots of space outside for kids to play, and lots of space inside too—because sometimes it rains in Vancouver.

And nobody can blame them for that. In the vast majority of cases, that's the experience they had growing up. And as good, hardworking parents, they want the same or better for their kids. That's fair – it's a common, human dream.

Yet one fact struck me early on in this entire discussion – there were in 2011 about one thousand **fewer** single-family homes in the Vancouver area than there were in 1991.

And since 1991, the population has risen by almost one million new people (from 1.6 million to 2.5 million in 2015).

Where do those one million new people live? Townhouses, condos, other styles of housing. The number of multi-family units doubled in the same period that single family homes fell by 1,000.

In the late-1980s, more than half the housing starts in the Vancouver area were single-detached homes. By 2015, only 22% of housing starts were single-detached homes. And so far this year, 19% of housing starts are single detached.

Based on the current trends, forecasters anticipate the next 10 years could see a further half-million people or more move to Metro Vancouver.

If we want to provide long term stability and affordability in the real estate market and help current and future local residents realize the dream of home ownership in our communities...

... we need to bring more homes to market, more quickly, in livable communities that are supported by efficient, and cost-effective, rapid-transit networks.

That's one of the reasons that with Budget 2016 we exempted newly built homes priced up to \$750,000 from the Property Transfer Tax. To create an incentive for builders to start homes at affordable prices.

So far, [July 14, 2016]

- 4,027 families have saved an average of \$7,698 on their newly built homes.
- Total savings to families: \$31,770,029
- 191 per week on average (21 weeks)
- 27 per day on average.

The existing First Time Buyers Program has helped more than 11,000 families buy their first home this year. [to July 14, 2016]

The cursory review of permitting and approvals that I released two weeks ago showed that an estimated 108,000 units of housing are currently somewhere in the development planning and approvals process of just six lower mainland local governments.

Even though housing starts are currently trending strongly above the historical average, there's more supply available if local governments can get those homes through their processes and onto the market.

There are steps that the Province can take to help with that, and we are willing and anxious to work with local governments to help speed that process.

But however much we want to get new homes onto the market, there are legitimate and appropriate local governance processes that need time, and local residents have a legitimate say.

At the current prices and levels of demand, there's more that needs to be done while we work to bring forward new supply if we are to help people afford to buy in the current market.

In short, there needs to be a short term answer on the demand side of the equation, while housing supply has a chance to catch up.

That brings us to the specific changes this government proposes in this bill.

Bill 28 creates new measures to help make home ownership more affordable, establishes a fund for market housing and rental initiatives, strengthens consumer protection, and gives the City of Vancouver the tools it requested to increase rental property supply.

First, to the Property Transfer Tax Act.

In Budget 2016, responding to the questions the public was asking about foreign ownership of residential property, I announced government would begin collecting data to identify foreign purchasers, and better understand whether—and to what extent—foreign capital was having an effect on residential real estate prices.

That data—still very early results—is showing some interesting figures. We now have 20 days' worth of data – From June 10 through to June 30.

For the period we could capture, there were:

- There were 19,383 residential property transactions in British Columbia
- 1,276 transactions involved foreign nationals, a rate of 6.6%
- The total investment by foreign nationals was \$1,024,031,118 representing 7.9% of the total investment
- Metro Vancouver accounted for 49.7% of the real estate transactions, and 73.3% of transactions by foreign buyers
- By value, Metro Vancouver accounted for a total \$8,815,699,993 worth of transactions; foreign purchasers accounted for \$885,393,373.

- The average investment by non-foreign buyers in Metro Vancouver was \$911,425, while the average investment by a foreign buyer was \$946,945.

This is not, from what we can tell, inconsistent with Toronto, for example, or many other major, world-class cities.

But the volume of capital, in the face of our economy's ability to meet that demand, appears to need further measures to help our local residents afford to realize their dream of owning a home.

Accordingly, Bill 28, proposes amendments to the Property Transfer Tax Act, that, effective August 2, 2016, impose an additional tax on residential properties where the transferee is a foreign purchaser.

The foreign purchaser is defined as foreign national, a trust where the trustee or a beneficiary is a foreign national, as well as certain corporations that are transferees.

The additional tax will be 15 per cent of the fair market value of the foreign entity's proportionate share of the residential property. For example, the tax on the purchase of a home valued at \$2 million will amount to an additional \$300,000.

We chose this rate in part as it reflects the rate other jurisdictions faced with similar circumstances have chosen. Singapore, for example, and Hong Kong, both apply a rate of 15% to residential property bought by foreign nationals.

The amendments will allow government to set the rate as low as 10% and as high as 20% of the property value by regulation.

This flexibility will allow government to adjust the tax rate depending on the needs of the market.

The additional tax will initially apply to property transfers located in the Greater Vancouver Regional District, excluding the lands of the Tsawwassen First Nation.

The amendments also allow for expanding or reducing the areas in which the tax applies, should that prove necessary.

Some will doubtless seek to probe loopholes in these provisions, and our provisions to prevent that can be explored in committee-stage debate.

For now, let me say that the amendments are backed up by a specific anti-avoidance rule. Transactions structured to avoid the tax, will be caught by the anti-avoidance rule and will be subject to the tax.

We are also establishing broad, six-year provisions for audit, additional penalties for those who seek to evade the tax, and the government's intent is to ensure sufficient new audit staff to enforce the tax.

Furthermore, we are proposing fines payable as a result of offences with respect to the additional tax as the amount of unpaid tax, with interest, plus \$200,000 for corporations and \$100,000 for individuals. The maximum liability for imprisonment, two years, remains unchanged.

Housing Priority Initiatives Fund

Madam speaker, as a second measure, the government is establishing a new Housing Priority Initiatives Fund for provincial housing, rental and shelter priority initiatives and programs. The fund will primarily receive a portion of revenues from the Property Transfer Tax.

Proposed amendments under the ***Special Accounts Appropriation and Control Act*** establish the new Housing Priority Initiatives special account within the Consolidated Revenue Fund, along with its operating rules and oversight.

The purpose of the Housing Priority Initiatives Fund is to provide a strategic central funding vehicle from which priority initiatives may be funded in respect of provincial housing and rental/shelter supply, and access and support programs and activities.

The fund is established with a starting balance of \$75 million, and it will primarily receive periodic transfers of Property Transfer Tax revenues as approved by Treasury Board.

This account is under the responsibility of the Minister of Finance. It has the authority to fund operating expenditures, capital investments, and loans and loan-guarantees related to supply of housing and rental housing, or other shelter, access and support programs and initiatives, subject to the specific prior approval of Treasury Board.

Real Estate Services Act Amendments

Madam Speaker, it's clearly important that we British Columbians should have the help they need to enter the market to buy homes. And when they're doing so, they need to know that the process will be fair, respectful, and that if they choose to engage professional support, that person will act in **the client's** best interests, not the best interests of the agent.

We saw earlier this year that, in the face of an extraordinarily strong real estate market, some licensees took the opportunity to put their own gain ahead of their clients', and sought to profit at the expense of regular, vulnerable people.

Some in the industry saw what was happening, but regrettably, they were too busy selling homes to act in the broader interest of their profession.

That, Madam Speaker, is the inherent challenge of self-regulation. And that is why the government has chosen to go beyond the recommendations of the independent report, and end self-regulation for real estate licensees.

Madame Speaker, under these changes, the government will appoint all members of the Real Estate Council board to ensure a focus on consumer protection for British Columbians.

Furthermore, the superintendent of real estate will assume all rule-making powers that were formerly held by the Real Estate Council. The Superintendent is also provided with broad powers, including the ability to oversee and direct the council.

Finally, the amendments implement recommendations to address the necessary improvements to the regulatory regime as identified by the Independent Advisory Group.

The amendments we are proposing would also substantially increase the fines for licensee misconduct from \$10,000 to \$250,000 for licensees, and from \$20,000 to \$500,000 for brokerages. This measure will ensure there is a serious deterrent to misconduct, particularly considering the value of commissions derived from the current market.

Licensees that contravene the Act, regulations, or rules will also be subject to the forfeiture of any commissions earned, and may be penalized for each contravention.

The vast majority of real estate licensees are honest, hardworking people who have had their reputations tarnished by a few unscrupulous actors.

These amendments will help protect consumers by providing an effective deterrence to misconduct and will adequately penalize those licensees that put their own interests ahead the interests of their clients.

Vancouver Charter

Finally, we come to the amendments that will enable the City of Vancouver to implement a stand-alone tax on vacant residential properties.

Vancouver is facing a record-low vacancy rate of 0.6%, which City Council feels is putting upward pressure on housing stock and contributing to unprecedented affordability issues.

This amendment seeks to respond to a lack of supply through interim measures that will give time for new supply to come on to the market.

When I met with Mayor Robertson two weeks ago, he spoke to both the need to take measures that create an incentive for new supply, while the longer term issues of encouraging development of rental accommodation could be addressed.

Vancouver's intent in applying a vacancy tax is to seek to increase the rental housing stock on the market

A recent City of Vancouver study suggested that there are nearly 11,000 empty homes in the city, 9,700 of which are condominiums and apartments.

The legislation enables but does not require Vancouver to impose a vacancy tax. If Vancouver chooses to do so, the legislation sets out key elements of the tax, but leaves the design details to Vancouver to determine and impose by bylaw.

The legislation balances flexibility in enabling Vancouver, while also providing enough certainty for the taxing authority to be legally valid.

In brief, the authority to tax applies only to residential land and improvements, and will not apply to properties otherwise exempt from property taxation.

Vancouver is limited to using monies received under this ‘vacancy tax’ for initiatives respecting affordable housing and administration of the tax.

Vancouver would be responsible for administration, implementation, collection and enforcement of the tax.

The proposed legislation enables a self-declaration approach; Vancouver may require information from property owners regarding the status of their residential property and seek verifying evidence as to whether it is vacant or occupied – and if such information is not provided, Vancouver has recourse, including considering the property to be vacant and taxable.

These changes to the Vancouver Charter are intended to help address housing affordability by enabling the City of Vancouver to implement a vacancy tax, should the City choose to do so.

There is still a great deal of work to be done for the city to establish the necessary means to levy, collect, administer and enforce this tax.

I know that other local governments that have similar concerns are looking with interest at Vancouver's approach.

I hope they will have the opportunity to learn from Vancouver's experience, and accordingly decide whether it's something they also wish to pursue.

Conclusion

Madam Speaker, the legislation today creates new measures to help make home ownership more affordable, establishes a fund for market housing and rental initiatives, strengthens consumer protection, and gives the City of Vancouver the tools it requested to increase rental property supply.

Owning a home should be accessible to families of middle-class British Columbians. And when they seek to purchase that home, they should be treated fairly and respectfully. And finally, those who seek to rent should also be able to find a suitable home.

The changes we are proposing today are about making sure that British Columbians can continue to live, work and raise their families in our communities.

MADAME SPEAKER, I MOVE SECOND READING OF BILL 28.

[THE MINISTER SITS]

[Bill is Debated]

[The Speaker Puts Motion and Announces The Result]

[Bill Read a Second Time]

[THE MINISTER RISES AND STATES:]

Madame Speaker, I move that the bill be referred to a committee of the whole house for consideration at the next sitting after today.

[THE MINISTER SITS]

[Speaker Puts Motion]

Feedback received from

- Steve H
- Sadaf M
-

NEWS RELEASE

For Immediate Release
2016PREM0080-001346
July 25, 2016

Office of the Premier
Ministry of Finance

Action on foreign investment, consumer protection and vacancy puts British Columbians first

VICTORIA – Legislation introduced today creates new measures to help make home ownership more affordable, establishes a fund for market housing and rental initiatives, strengthens consumer protection, and gives the City of Vancouver the tools it requested to increase rental property supply.

Bill 28, Miscellaneous Statutes (Housing Priority Initiatives) Amendment Act, 2016, was introduced in the legislature today.

“Owning a home should be accessible to middle-class families, and those who are in a position to rent should be able to find a suitable home,” Premier Christy Clark said. “These changes are about helping to make sure that British Columbians can continue to live, work and raise their families in our vibrant communities.”

An additional property transfer tax rate of 15% will apply to purchasers of residential real estate who are foreign nationals or foreign-controlled corporations. The additional tax will take effect Aug. 2, 2016, and will apply to foreign entities registering their purchase of residential property in Metro Vancouver, excluding the treaty lands of the Tsawwassen First Nation.

For mixed-use property, the additional tax would apply on the residential component of the foreign interest in a property. For example, the additional tax on the purchase of a home valued at \$2 million will amount to \$300,000.

“The data we started collecting earlier this summer is showing that foreign nationals invested more than \$1 billion into B.C. property between June 10 and July 14, more than 86% of it in the Lower Mainland,” said Finance Minister Michael de Jong. “While investment from outside Canada is only one factor driving price increases, it represents an additional source of pressure on a market struggling to build enough new homes to keep up. This additional tax on foreign purchases will help manage foreign demand while new homes are built to meet local needs.”

Second, the government is creating a new Housing Priority Initiatives Fund for provincial housing and rental programs, which will be announced in the near future. The fund will receive an initial investment of \$75 million. It will receive a portion of revenues from the property transfer tax, including revenues from the new additional tax on foreign buyers.

Third, the Province is amending the Real Estate Services Act to substantially implement the key recommendations of the independent advisory group report, and to end self-regulation of the real estate industry. Government has accepted all the recommendations in the report. These changes will increase significantly the superintendent of real estate’s authority and oversight.

The power to make the rules that apply to the conduct of licensees will rest with the new

superintendent of real estate instead of with council. The new superintendent will also have the authority to direct and oversee council operations, including requiring council to investigate a particular matter, issue a notice of a disciplinary hearing, and provide reports on the operations and activities of council to the superintendent. As well, the chair, vice-chair and all other members of the council will be appointed by government.

“We need to ensure that when people are ready to make such an important investment, the proper protections and oversight are in place,” said de Jong. “Consumers must be confident their interests are held above all else.”

Fourth, amendments to the Vancouver Charter provide the legislative authority for the city to implement and administer a tax on vacant homes. The City of Vancouver will design the framework of the vacancy tax, including details like the tax rate, when it will apply and any necessary exemptions.

“The issue of housing supply and affordability is impacting British Columbians and the livability of our Province, especially the Metro Vancouver region,” said Minister Peter Fassbender. “The City of Vancouver has identified the need for a vacancy tax in order to meet rental supply issues. We are taking action by introducing legislation today that enables them to do this work.”

The Province is working on additional measures to address the complex causes of rising housing prices in Metro Vancouver, as well as other regions of the province. This work focuses on ensuring the dream of home ownership remains within the reach of the middle class, increasing housing supply, smart transit expansion, supporting first-time home buyers, strengthening consumer protection and increasing rental supply.

Learn More:

Learn more about the proposed changes to the property transfer tax:

<http://www2.gov.bc.ca/assets/download/A2960ACDB6BD443280CA34C285BAEA80>

Visit to learn more about the Province's actions on housing affordability:

<http://gov.bc.ca/housingaffordability>

Two backgrounders follow.

Media Contacts:

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Connect with the Province of B.C. at: www.gov.bc.ca/connect

BACKGROUND 1

For Immediate Release
2016PREM0080-001346
July 25, 2016

Office of the Premier
Ministry of Finance

Additional property transfer tax for foreign entities

Effective Aug. 2, 2016, foreign nationals, taxable trustees and foreign-controlled corporations registering their purchase of residential property in Metro Vancouver will pay an additional 15% tax on the residential component of the foreign interest in a property. The tax does not apply within the treaty lands of the Tsawwassen First Nation.

The additional tax presently only applies in the Metro Vancouver, but government can prescribe in regulation other areas where the additional tax would apply. The Province continues to monitor data on foreign investment and foreign ownership in B.C.'s real estate market.

Application:

A trustee will be subject to the additional tax if the trustee is a foreign entity, or if at least one beneficiary of the trust is a foreign entity. Similarly, a corporation would be liable if it is not incorporated in Canada, or if the corporation is incorporated in Canada but is controlled by foreign entities.

The additional tax will only apply to the portion of a property's value that is for residential use. For example, if a foreign corporation purchases a mixed-use development that combines residential space with commercial space, the additional 15% tax will apply only to the portion of the property's value that is for residential use.

Enforcement:

Audit measures already in place for the property transfer tax will be extended to encompass the additional tax. Additional auditors will be required and the process is underway to begin recruitment to ensure the additional tax is paid by those required to do so under the legislation.

The amendments extend the limitation period for audit and enforcement of the additional tax to six years. The existing limitation period for the regular tax is one year. The property transfer tax return form will be updated to require a Social Insurance Number from all transferees who are Canadian Citizens or permanent residents. Invalid social insurance numbers or other discrepancies on a return will lead to an audit and investigation of the transaction.

Avoidance Rules:

The amendments include anti-avoidance rules designed to capture transactions that are specifically structured to avoid the tax. For example, a transferee who would otherwise be taxable cannot hide behind a local trustee. The legislation is structured to look through

Canadian trustees to beneficiaries of the trust as an anti-avoidance mechanism. If the trustee is foreign, the transaction is taxable even if the beneficiaries are not foreign.

Increased Penalties:

Fines payable as a result of offences with respect to the additional tax are the amount of unpaid tax, with interest, plus up to \$200,000 for corporations and \$100,000 for individuals. The maximum liability for imprisonment, two years, remains unchanged.

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BACKGROUNDER 2

For Immediate Release
2016PREM0080-001346
July 25, 2016

Office of the Premier
Ministry of Finance

Strengthening consumer protection and restoring consumer confidence

The independent advisory group established by the Real Estate Council of B.C. released its report into regulation of the real estate industry on June 28, 2016. The report presented a comprehensive examination of real estate practices and raised important questions about the effectiveness of the existing regulatory framework for the industry.

The report made 28 primary recommendations to enhance governance, oversight, transparency and accountability to consumers. The Province accepted the report's recommendations, and is taking the additional steps of ending self-regulation of the industry and dramatically increasing the superintendent of real estate's oversight and authority.

The following amendments are proposed to the Real Estate Services Act in response to the recommendations of the independent advisory group:

- Increase maximum disciplinary and administrative penalties (recommendation #16).
- Allow for commissions from licensees and brokerages engaging in misconduct to be taken back to the Real Estate Council. (recommendation #17).
- Require all members of council to be appointed by government (expansion of recommendation #19).
- Significantly increase the superintendent's oversight of council (recommendation #21).
- Allow owners to train and supervise licensees only if owners are themselves licensees (response to recommendation #23).

The amendments provide the superintendent of real estate with the exclusive rule-making powers that previously rested with the Real Estate Council.

The superintendent of real estate has been given explicit authority in the following areas, to address the recommendations of the IAG:

- Establish a Code of Ethics (recommendation #1).
- Prohibit licensees from offering dual agency and require licensees to provide information to unrepresented parties (recommendation #2).
- Establish standards of conduct and business practices for licensees (response to recommendations #3, #4, #9, #11).
- Establish conditions and restrictions on a licensee acquiring an interest in trade (recommendation #7, #8).
- Strengthen requirements for managing brokers to have active and direct oversight over licensees (recommendation #22).
- Require licensees to keep records and report information to Council (recommendation #24).

The recommendations respecting authority over unlicensed activity, which remains with the superintendent of real estate, and the extension of contract assignment rules to transactions not involving licensees require further analysis by government, the superintendent and the Real Estate Council of B.C. (recommendations #6, #20).

Other recommendations do not require any additional authority and plans for their implementation are underway (recommendations #5, #10, #12, #13, #14, #15, #18, #25, #26, #27, #28).

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BACKDROP – CAPITAL PARK PROJECT:

Office

- Approximately 235,000 square feet of office space in two 4-5 storey buildings.
- first large-scale LEED platinum office buildings constructed in Victoria
- Developed in two phases on the northern portions of the site, the majority of this office space will be occupied by the Province of British Columbia.

Retail

- Street-level retail of approximately 17,500 square feet, primarily fronting onto Menzies Street.
- A portion of the retail area will also be located in a plaza pavilion between the office buildings

Residential

- Includes a wide range of condominium and rental homes designed to suit diverse needs.
- Approximately 175 rental and condominium homes are integrated into four buildings on the western and southern portions of the site.
- These buildings range in height from three to five storeys.
- Three existing heritage homes currently located on Superior Street have been relocated and restored as a group to provide additional residential rental apartments.

BACKGROUND INFORMATION

The Province sold the property in 2014 to Jawl Development Corporation of Victoria and Concert Real Estate Corporation from Vancouver for \$34 million, which was \$6.3 million above the most recent appraised value (\$27.7 million) and well above the 2012 property assessment of \$21.5 million.

Page 031 to/à Page 032

Withheld pursuant to/removed as

s.12;s.13

Ministry of Finance

Tax Information Sheet



ISSUED: July 2016

Information Sheet 2016-006

gov.bc.ca/propertytransfertax

Additional Property Transfer Tax on Residential Property Transfers to Foreign Entities in the Greater Vancouver Regional District

Property Transfer Tax Act

Effective August 2, 2016, an additional property transfer tax applies to residential property transfers to foreign entities in the Greater Vancouver Regional District.

The Greater Vancouver Regional District includes Anmore, Belcarra, Bowen Island, Burnaby, Coquitlam, Delta, Langley City and Township, Lion's Bay, Maple Ridge, New Westminister, North Vancouver City and District, Pitt Meadows, Port Coquitlam, Port Moody, Richmond, Surrey, Vancouver, West Vancouver, White Rock and Electoral Area A. The additional tax does not apply to properties located on Tsawwassen First Nation lands.

The additional tax applies on all applicable transfers registered with the Land Title Office on or after August 2, 2016, regardless of when the contract of purchase and sale was entered into.

Foreign Entities

Foreign entities are transferees that are foreign nationals, foreign corporations or taxable trustees.

Foreign nationals are transferees who are not Canadian citizens or permanent residents, including stateless persons.

Foreign corporations are transferees that are corporations:

- not incorporated in Canada or
- incorporated in Canada, but controlled in whole or in part by a foreign national or other foreign corporation, unless the shares of the corporation are listed on a Canadian stock exchange

Taxable trustees are trustees that are a foreign national or foreign corporation, or a beneficiary of a trust that is a foreign national or foreign corporation.

Applying the Additional Tax

The additional tax on property transfers to foreign entities is 15% of the fair market value of the foreign entity's proportionate share of a residential property located in whole or in part in the Greater Vancouver Regional District, excluding Tsawwassen First Nation lands. This tax applies in addition to the general property transfer tax.

The additional tax does not apply to non-residential property. The value of the residential portion of a transfer is calculated in the same way as for the property transfer tax.

The additional tax applies on the foreign entity's proportionate share of any applicable residential property transfer, even when the transaction may normally be exempt from property transfer tax. This includes transactions such as:

- a transfer between related individuals
- a transfer resulting from an amalgamation
- a transfer to a surviving joint tenant
- a transfer where the transferee is or becomes a trustee in relation to the property, even if the trust does not change

The additional tax does not apply to trusts that are mutual fund trusts, real estate investment trusts or specified investment flow-through trusts.

Filing and Paying the Additional Tax

Filing the Return

Foreign entities registering a transfer, or their legal representative, must file an *Additional Property Transfer Tax Return (FIN 532)*. The return must be filed at the time the property transfer is registered with the Land Title Office. Filing instruction can be found on the return, or at gov.bc.ca/propertytransfertax on the **File Your Taxes** page.

Paying the Additional Tax

The additional tax must be paid with the general property transfer tax at the time the property transfer is registered with the Land Title Office.

Each transferee is jointly and severally liable for the additional tax payable. If one transferee does not pay the required additional tax, the other transferees, including Canadians, must pay that transferee's share of the additional tax payable.

Tax Avoidance

All property transfer transactions are subject to audit and all additional property transfer tax returns will be reviewed and verified. The audit period is six years from the date the transfer is registered at the Land Title Office.

Where transactions involve Canadian citizens, the Canadian citizen's social insurance number must be collected and their identification verified against official government issued identification such as a Canadian passport. Invalid social insurance numbers or other discrepancies on a return will lead to an audit and investigation of the transaction.

Anti-avoidance provisions exist and will be enforced to ensure all foreign entities report and pay the additional tax as required, including examining circumstances where Canadians hold property in trust for a foreign entity or are trustees where a beneficiary may be a foreign entity.

Failure to pay the additional tax as required or purposely completing the general or additional property transfer tax return with incorrect or misleading information may result in a penalty of the unpaid tax plus interest and a fine of \$200,000 for corporations or \$100,000 for individuals and/or up to two years in prison. The penalties apply to anyone who participates in tax avoidance.

Property transfers will be monitored for compliance and the province will follow up with those businesses or individuals filing incomplete or incorrect general or additional property transfer tax returns.

Further Information

Online: gov.bc.ca/propertytransfertext

Toll free in BC: 1 888 355-2700

Email: pttenq@gov.bc.ca

Subscribe to our **What's New** page to receive email updates when information changes.

The information in this notice is for your convenience and guidance and is not a replacement for the legislation.

Key Messages
Questions and Answers
Additional property transfer tax

- An additional property transfer tax rate of 15% will apply to purchases of residential real estate who are foreign nationals or foreign-controlled corporations.
- The additional tax took effect Aug. 2, 2016, and applies to foreign entities registering their purchase of residential property in the Greater Vancouver Regional District, excluding the treaty lands of the Tsawwassen First Nation.
- This tax will help manage ongoing demand in residential real estate while the housing market responds by building new homes to meet local needs.
- Placing barriers to foreign investment in GVRD real estate can help manage rising prices while supply catches up.
- The additional property transfer tax in no way changes our belief that strong ties with jurisdictions around the world benefit British Columbia. We are incredibly proud of the social, cultural and economic ties B.C. has forged with our international friends and partners.
- A tax bulletin is available here <http://www2.gov.bc.ca/assets/gov/taxes/property-taxes/property-transfer-tax/forms-publications/is-006-additional-property-transfer-tax-foreign-entities-vancouver.pdf>

1. What is this new tax?

The additional property transfer tax applies to residential property when the title is transferred to a foreign national, a taxable trustee and certain corporations. The amount of the tax is 15% of the fair market value of the residential property.

The tax applies if the residential property is in the Greater Vancouver Regional District and is payable at the time of registration at a land title office. The tax is effective August 2, 2016.

2. Is this tax aimed at a specific nationality?

The tax applies to all foreign entities and does not target entities that originate in a particular country. The purpose of the tax is to help manage ongoing demand in residential real estate in the Greater Vancouver area while the housing market responds by building new homes to meet local needs.

3. Why didn't you give people more notice?

Government needs the flexibility to change policy as situations change. Part of making any change is determining the point in time that the change will begin.

Whenever a tax policy decision is made, there may be those who feel that the timing of the change should be different so that they can be included or excluded from the new policy.

Any time a new tax is implemented there is a period of market distortion, and if the tax is effective some people will find themselves adversely affected, such as by a sale that does not complete. We hope that the amount of disruption to individuals will be limited, and that new buyers can be found. At this point, there still appears to be very healthy local demand.

When the tax is on a transaction, such as a purchase or a registration, we have found that the fairest and most efficient date for a change is usually to begin immediately after, or as soon as possible after, the change has been announced. By making the announcement through the tabling of legislation, we were able to make the information available to all taxpayers at the same time.

4. What communities are included in the GVRD?

Anmore, Belcarra, Bowen Island, Burnaby, Coquitlam, Delta, Langley City and Township, Lion's Bay, Maple Ridge, New Westminster, North Vancouver City and District, Pitt Meadows, Port Coquitlam, Port Moody, Richmond, Surrey, Vancouver, West Vancouver, White Rock and Electoral Area A.

5. Why only the GVRD?

For now, the clearest need for this response is in GVRD. The Bill contains regulatory powers that would allow the government to apply the additional tax in other areas. We will continue to monitor the data we are collecting. If the evidence shows that a significant amount of foreign investment is being displaced to other regions, we are in a position to respond by making changes quickly.

6. Won't this tax impact foreign purchasers who are living and working in B.C. with official permission – such as work visas, visitor visas, etc?

The additional tax applies to all foreign nationals, whether or not they have a visa. If the foreign national were to become a citizen or a permanent resident, the tax would not apply to them. This is about helping manage ongoing demand in residential real estate while the market responds by building new homes to meet local needs.



Legislation Privacy Impact Assessment

Why do I need to do a PIA?

Section 69(5) of the *Freedom of Information and Protection of Privacy Act* (FOIPPA) states that the head of a ministry must conduct a privacy impact assessment (PIA) in accordance with the directions of the minister responsible for the FOIPPA. Section 69 (5.1) states that the PIA must be submitted to the minister responsible for the FOIPPA Act for review during the development of any new project, program or activity, system or proposed enactment, or when making changes to an existing one. The Privacy and Legislation Branch (PLB) is the representative of the Minister for the purposes of PIAs. Ministries must attach a Legislation PIA (LPIA) to their RFLs when submitting to PLB for review and comment. If you have not prepared an RFL, please attach the LPIA to your draft legislation. When completed please submit to PIA.Intake@gov.bc.ca. If you have any questions regarding this process or when filling out the LPIA, please contact PLB Helpline at 250 356 1851.

What if my proposed enactment does not include personal information?

Ministries need to complete a PIA and submit it to PLB even if it is thought that no personal information is involved. This allows PLB to ensure that the proposed or revised enactment has been accurately assessed.

Part 1 – GENERAL

Name of Legislation:	Property Transfer Tax Amendment Act		
Date of RFL:	July 17, 2016.		
Name of Ministry:	Finance		
Ministry Contact:	Paul Flanagan	Phone:	250 387 9014
Email:	Paul.Flanagan@gov.bc.ca		

1. Please indicate whether the legislation is:

<input type="checkbox"/>	New
<input checked="" type="checkbox"/>	Amended
Name of the Act being replaced (if applicable):	

2. Provide a brief summary of the legislative proposal.

The *Property Transfer Tax Amendment Act* contains amendments to the *Property Transfer Tax Act* (the Act) which impose an additional tax applicable to transfers of residential properties where the transferee is a foreign entity as defined in the legislation.

Legislation Privacy Impact Assessment

Foreign entities include the following:

- Individuals that are foreign nationals;
- Corporations that are not incorporated in Canada, and corporations, other than those listed on a Canadian stock exchange, incorporated in Canada and controlled by foreign nationals or certain corporations.

Also included are trusts, where a trustee is a foreign entity and trusts where a beneficiary is a foreign entity.

There is an existing framework in the Act that governs the confidentiality of taxpayer information and restricts the use of taxpayer information collected under the Act. Section 32 of the Act provides that information collected under the act may only be used or disclosed for prescribed purposes:

- The administration and enforcement of the Act, the *Home Owner Grant Act* and the *Land Tax Deferment Act*.
- Court proceedings related to those acts
- Under a tax information exchange agreement entered into with the federal government
- Compilation of statistical data, and
- To the British Columbia Assessment Authority.

The amendments do not expand or modify the existing framework.

3. Please advise:

a)	For which legislative session is the proposed amendment scheduled?	Summer 2016
b)	Do you have a policy committee date?	No Date:
c)	Has the Privacy and Legislation Branch (PLB) reviewed any part of this amendment for a previous legislative session? (If yes, please list relevant parts, date reviewed and changes that have been made since. If you previously completed an LPIA or PIA, please attach a copy.)	No.

Legislation Privacy Impact Assessment

Part 2 - PRIVACY (Protection of Privacy)

In the following questions “**proposed legislation**” means the new or amended legislation that is being put forward by your Ministry. This PIA does not assess your compliance under the *Freedom of Information and Protection of Privacy Act* as it applies to existing legislation or the programs that are operational under your legislation.

4. a) Within the proposed legislation, what personal information, if any, is authorized to be collected, used or disclosed?

No specific personal information is authorized to be collected under the proposed legislation. The amendments do allow the administrator to create a form to administer the tax and in that form require information necessary to administer the additional tax. However, the power to create forms and require information already exists under the Act..

5. Collection of personal information

a)	Does the proposed legislation <u>specifically authorize the collection</u> of personal information?	
*	Yes	No (Go to question 6)
If yes, please describe and provide the rationale to support the collection.		
The amendments do allow the administrator to create a form to administer the tax and in that form require information necessary to administer the additional tax. However, the power to create forms and require information already exists under the Act.		
b)	Will the personal information be collected directly from the individual concerned?	
*	Yes (Go to question 6)	* No
If no, will the proposed legislation authorize the indirect collection of the personal information? (Please specify)		

6. Use of personal information

a)	Does the proposed legislation <u>specifically authorize the use</u> of personal information?		
	Yes	*	No (Go to question 7)

If yes, please describe and provide the rationale to support the use.

The amendments do not specifically authorize the use of personal information.

The Act currently authorizes the administrator to use the information collected from the transferee for audit purposes.

Section 32 of the Act provides that information collected under the act may only be used or disclosed for prescribed purposes:

- The administration and enforcement of the Act, the *Home Owner Grant Act* and the *Land Tax Deferment Act*.
- Court proceedings related to those acts
- Under a tax information exchange agreement entered into with the federal government
- Compilation of statistical data, and
- To the British Columbia Assessment Authority.

The amendments do not expand or modify the existing framework.

7. Disclosure of personal information

a)	Does the proposed legislation <u>specifically authorize the disclosure</u> of personal information?		
	Yes	*	No (Go to question 8)

If yes, please describe and provide the purpose and rationale to support the disclosure. Please also describe to whom the personal information would be disclosed.

b)	Does the proposed legislation <u>permit or require the disclosure</u> of personal information outside Canada? (This includes information posted on the internet.)		
	Yes (Please describe and provide the rationale)	*	No (Go to question 8)

8. Does the proposed legislation address the retention/disposal of personal information? If so, please explain.

No.

9. Will the proposed legislation support a regulation-making function related to the administration of personal information?

<input type="checkbox"/>	Yes – please explain (Please follow-up with PLB during the regulation development)
<input checked="" type="checkbox"/>	No
<input type="checkbox"/>	Unknown (If one is developed please follow-up with PLB during the regulation development)

Part 3 – ACCESS (Freedom of Information)

10. Does the proposed legislation include a section that overrides or limits provisions of the *Freedom of Information and Protection of Privacy (FOIPP) Act* (examples of this include a notwithstanding clause or “despite the FOIPP Act” clause)?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No (Go to question 11)
a)	Identify the provisions of the FOIPP Act that will be affected,		
b)	cite section in proposed legislation (if available), and		
c)	explain why the override or limitation is necessary.		

Legislation Privacy Impact Assessment

11. Does the proposed legislation include a confidentiality clause or any other provision that limits the access of an individual to their personal information or other records of the public body?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
a)	Cite section reference in proposed legislation (if available)		
b)	Explain why the confidentiality clause or other limiting provision is necessary		

Part 4 – Conclusion

This LPIA is based on the RFL dated and identified on page one. If there are any changes in scope from the original RFL you may need to complete a new Legislation Privacy Impact Assessment. Please inform PLB if you make any changes to the scope.

LPIA Completed by:	Paul Flanagan	Title:	Executive Director	Date:	July 18, 2016
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Please note that PLB's review and comment on your PIA is confirmed through the summary it sends to Cabinet Operations.

July 24, 2016

MEDIA ADVISORY – Office of the Premier – Victoria, teleconference

VICTORIA – Premier Christy Clark and Finance Minister Michael de Jong will be available to discuss the legislation introduced in the special summer sitting of the legislature.

Event Date: Monday, July 25, 2016

Time: 10:45 a.m., immediately following the Introduction of Bills

Location:
South lawn
Parliament Buildings
Victoria

Media unable to attend the event may dial in to a listen-only call.

Dial-in Numbers:

From the Lower Mainland: 604 681-0260
From elsewhere, toll-free: 1 877 353-9184
Participant Pass Code: 22352#

Contacts:

Stephen Smart
Press Secretary
Office of the Premier
778 389-6202

Jamie Edwardson
Communications
Ministry of Finance
250 356-2821

MLA Key Messages

Questions and Answers

Bill 28, Miscellaneous Statutes (Housing Priority Initiatives) Amendment Act, 2016

General:

- As a government, we recognize home ownership can be challenging in B.C., particularly in Vancouver.
- Budget 2016 introduced a number of measures designed to stimulate supply of new housing, assist purchasers, invest in affordable housing and improve our understanding of what drives growth in B.C.'s real estate market.
- Today, the Province is taking further steps to help keep the dream of home ownership within reach of middle-class families, and ensure that those who are in a position to rent are able to find a suitable home.
- This bill creates new measures to help make home ownership more affordable, establishes a fund for market housing and rental initiatives, strengthens consumer protection, and gives the City of Vancouver the tools it requested to increase rental property supply.
- These are complex issues that will require a number of different solutions. There will be more to come in the weeks and months ahead.

Additional Property Transfer Tax

- An additional property transfer tax rate of 15% will apply to purchasers of residential real estate who are foreign nationals or foreign-controlled corporations.
- The additional tax will take effect Aug. 2, 2016, and will apply to foreign entities registering their purchase of residential property in the Greater Vancouver Regional District, excluding the treaty lands of the Tsawwassen First Nation.
- This tax will help manage ongoing demand in residential real estate while the housing market responds by building new homes to meet local needs.
- Placing barriers to the foreign investment in the GVRD real estate can help manage rising prices while supply catches up.

1. What is this new tax?

The additional property transfer tax applies to residential property when the title is transferred to a foreign national, a taxable trustee and certain corporations. The amount of the tax is 15% of the fair market value of the residential property.

The tax applies if the residential property is in the GVRD and is payable at the time of registration at a land title office. The tax is effective August 2, 2016.

2. How will you enforce the tax?

Property transfer tax audit measures are already in place and will be extended to encompass the additional tax to ensure it is paid by those who are required to do so under the legislation. Additional auditors will be required and the process is already underway to begin recruitment.

The Act already contains extensive audit and investigation powers and we have extended the limitation period for audit and enforcement of this additional tax to six years while the limitation period for the regular tax is one year.

3. How much revenue do you expect to raise?

It's too soon to judge how the market will respond. We expect some transactions will proceed, paying the tax. Some portion of transactions will be deterred. The data we're collecting will allow us to monitor this and assess the effect of the tax.

4. Will tax revenues be earmarked for government housing programs?

The government is creating a new Housing Priority Initiatives Fund for provincial housing and rental programs, which will be announced in the near future. The fund will receive an initial investment of \$75 million. It will receive a portion of revenues from the property transfer tax, including all revenues from the new additional tax on foreign buyers.

4. Why only in the GVRD?

For now, the clearest need for this response is in GVRD. The Bill contains regulatory powers that would allow the government to apply the additional tax in other areas. We will continue to monitor the data we are collecting. If the evidence shows that a significant amount of foreign investment is being displaced to other regions, we are in a position to respond by making changes quickly.

5. What are we doing to ensure foreign nationals actually have to pay the tax?

Collecting the Social Insurance Number for any Canadian Citizen or Permanent Resident transferee is now mandatory on the PTT return and lawyers are being advised they must confirm the number for accuracy against other government issued identification such as a Canadian passport. The Province is introducing and will be enforcing stringent non-compliance penalties. In addition they will be monitoring businesses and individuals filing incomplete or incorrect general or additional PTT returns.

Processes are already in place to verify that a Social Insurance Number is valid. Invalid numbers or other discrepancies on a return will lead to further audit and investigation of the transaction.

6. Do any other jurisdictions have similar taxes or impose restrictions on foreign ownership of property?

United Kingdom:

Non-residents are now subject to capital gains taxation on gains when selling residential property in the UK. Non-domiciled residents who provide security for purchases with offshore assets will be considered to have repatriated those assets and pay income tax as applicable.

15-per-cent stamp duty on those using a company name to buy properties worth more than £500,000.

Singapore:

Increased buyer's stamp duties (PTT) on foreign, corporate, permanent residents, and citizens: 15% additional stamp duty on foreign and corporate purchasers. Was initially 10% but was increased after 10% did not have the desired effect. 5% additional stamp duty on permanent residents purchasing a first home. 10% on further purchases. 10% additional stamp duty on citizens purchasing their second and third homes.

Hong Kong:

A 5%-20% anti-speculation special stamp duty that is payable on property held for less than 24 months. Implemented a 15% additional Buyers Stamp Duty targeted at foreign investors and companies. Measures to restrict mortgage lending to its residents. Strict loan to value ratios. Strict Mortgage Servicing Ratios. A 40% down payment requirement.

Australia

Australia has both federal and state taxes for foreign purchasers. Australia also restricts foreign ownership of property. Foreign citizens or companies require approval from a Foreign Investment Review Board (FIRB) in order to buy residential real estate. The FIRB will accept applications where the non-resident intends to live in the residential property. The FIRB will reject applications on the following grounds: They feel the purchase is speculative in nature. They feel the purchase is for rental purposes. The exceptions to these criteria are newly built residential properties sold by developers and tourist resort properties.

New York

New York levies a mansion tax of 1% of the purchase price, if the purchase price is over \$1 million.

Ontario:

1974 Ontario Measures

Ontario implemented two measures aimed at curbing house price inflation in the 1970s. A 20% transfer tax on non-residents of Canada (similar to our PTT). An income tax on land speculation aimed at short term speculators (flippers). The taxes were enacted in 1974 and repealed by 1978. The 20% rate for non-residents remained for the acquisition of certain land (farmland) until 1997.

China

To help boost a slowing economy, China recently relaxed rules on foreign ownership.

Restrictions on foreign ownership were put in place in 2006, in an effort to prevent speculation and cool an overheated market that was pricing Chinese citizens out of major markets.

Foreign individuals and companies are now allowed to buy as many properties as they wish, but are still subject to local housing purchase limits.

Previously, foreign residents were allowed to buy only one property on the mainland once they had worked in China for a year.

Korea

There are no special requirements for land or property purchase by foreigners in Korea.

However, the registration process is slightly different for foreigners purchasing property in Korea.

Housing Priority Initiatives Fund

- The Province is investing \$75 million into a new Housing Priority Initiatives Fund for provincial housing and rental programs, which will be announced in the near future.
- The fund can receive a portion of revenues from the property transfer tax.

7. What is the Housing Priority Initiatives Fund?

The Housing Priority Initiatives Fund is a new strategic and flexible central fund to implement priority initiatives related to supply of housing, rental housing, or other shelter, and access and support programs and initiatives.

8. What can the money be spent on?

The proposed special account has a broad authority to fund a range of housing, rental, or shelter programs, initiatives and activities. This means government can not only augment existing programs like BC Housing's emergency shelter and social housing initiatives or rental assistance for low-income families and seniors, but can potentially fund new and innovative housing initiatives in the future (e.g. increasing supply of affordable or rental housing or supporting homeownership).

Vacancy Tax

- Vancouver's city council feels that a record-low vacancy rate of 0.6% puts upward pressure on housing stock and contributes to unprecedented affordability issues.
- We are proposing amendments to the Vancouver Charter to enable the City of Vancouver to implement a stand-alone tax on vacant residential properties.
- The legislation enables, but does not require, Vancouver to impose a vacancy tax and sets out key elements of the tax, but does not prescribe the design details.
- The City of Vancouver would be responsible for administration, implementation, collection and enforcement of the tax.

9. Why are you making these changes?

The Province is enabling Vancouver to implement a tax on vacant residential property in response to Vancouver's request. Vancouver has been seeking additional tools in an effort to increase the supply of rental units on the market while waiting for some of Vancouver's pending housing projects to be available. The vacancy rate in Vancouver is currently 0.6% and unused housing supply can put upward pressure on accommodation costs.

10. What is the goal of a vacancy tax?

Once implemented by Vancouver, the intent of a vacancy tax would be to encourage owners of vacant properties to add those properties to Vancouver's rental housing inventory rather than pay the tax. In addition, the legislation would ensure that the revenues received under this vacancy tax could only be used by Vancouver in relation to affordable housing initiatives and administration of the tax.

11. Is vacancy a problem in Vancouver?

A study conducted by Vancouver in 2016 indicates that Vancouver has close to 11,000 empty housing units (Vancouver estimates there are approximately 177,000 residential properties in total).

12. Why is the Province allowing Vancouver to design and implement the tax?

It is important to Vancouver that it has clear, statutory authority to impose a vacancy tax if it decides to proceed with such a tax. Whether to impose such a tax is ultimately Vancouver's decision.

While the legislation will set out key elements of the tax, the design details, implementation, administration and collection of the tax will be determined by Vancouver and imposed by municipal bylaw. Vancouver has the best ability to understand its needs and its residents and what properties and property owners should be covered by the vacancy tax.

13. What about other Lower Mainland communities struggling with housing affordability and availability? Or what about in other areas of the Province, like Victoria? Will they be able to implement a similar tax?

Addressing the issue of housing affordability is a priority for the Province. Vancouver is being empowered to design and implement a novel tax, unprecedented in Canada. On that basis, it would make sense for other communities to have the opportunity to learn from Vancouver's approach, including issues with implementation and whether the tax has the desired effect.

After that, if there is general interest from other municipalities, legislative change could be discussed further.

Consumer Protection

- The Independent Advisory Group (IAG) established by the Real Estate Council of B.C. released its report into regulation of the real estate industry on June 28, 2016.
- The report presented a comprehensive examination of real estate practices and raised important questions about the effectiveness of the existing regulatory framework for the industry.
- The amendments that are proposed to the Real Estate Services Act are intended to restore consumer confidence by increasing transparency and fairness in the real estate sector.
- These changes will help protect British Columbians when they are making the one of the largest investments of their lives – purchasing a home.
- The Province is ending self-regulation of the real estate industry and substantially implementing the key recommendations of the Independent Advisory Group's report.
- The amendments also significantly increase the Superintendent of Real Estate's authority and oversight.

14. Do these amendments implement the IAG recommendations?

Most of the amendments that require legislation have been implemented: Penalties have been increased as recommended; and the superintendent's oversight powers are greatly enhanced. The legislation also clarifies that the Superintendent has the power to make rules to effect many of the other recommendations.

15. What is happening with the other recommendations of the IAG?

Government has established an implementation team that is working swiftly to end self-regulation and implement the recommendations, including the additional powers the Superintendent will receive. The team includes senior staff from the current office of the Superintendent of Real Estate, the Real Estate Council and the Ministry of Finance. When the new Superintendent of Real Estate is hired, s/he will assume leadership of the implementation team.

16. Why do these amendments not end dual agency?

The amendments give the Superintendent the power to make rules that prohibit dual agency. However, prohibiting dual agency, together with banning double ending are important issues that government is continuing to analyse. Government may step in to address them directly by regulation rather than relying on the Superintendent to make rules.

17. When to the amendments come into force?

The amendments will come into force by regulation, which we anticipate will be relatively soon.

Monday Media Avail at the Leg

Back Lawns of the Legislature, West of Water Fountain.
Victoria, B.C.

Date:	July 25th, 2016	Arrival Time:	10:40 AM
Podium:	Yes – Action on Affordable Housing British Columbians First	Dress:	Business – Sturdy shoes as the event is on the grass

Event Summary: Premier and Minister De Jong to host a media avail following QP
Action/Visual: Premier and Minister speaking with the media
Venue Audience: Premier, Minister De Jong, Parliamentary Media and Media on the line
MLAs attending: Hon. Mike De Jong, Minister of Finance
Additional VIP's:
Media Relations: Ben Chin / Stephen Smart / Karen Van Marum

Time	Event Itinerary
10:40 AM	Premier and Minister De Jong are met at West Annex by Anish Dwivedi and provided a briefing
10:43 AM	Premier and Minister proceed to the event site. (Back of the legislature, West of the fountain in between the two large trees)
10:45 AM	Premier delivers brief remarks and calls Minister De Jong to the podium
10:48 AM	Minister De Jong provides his remarks
10:50 AM	Moderator via moderator mic calls the Premier back to the podium and opens up Qs & As
10:51 AM	Q & A Note: Minister to step in as required. Dial in information below.
11:00 AM	Q & A concludes.
11:01 AM	Premier and Minister make their way back to West Annex.

Contacts

Anish Dwivedi, BC Government, 778-875-9129

Dial in information:

Dial in #: 604-681-0260 or 1-877-353-9184

Speakers Pass Code:^{s.15} **(ONLY TO BE USED BY AV)**

Participants pass code: 22352#

PROVINCE	Cumulative (from June 10-July 14, 2016)	
	Totals	Percentage
ALL RESIDENTIAL PROPERTY TRANSFER TRANSACTIONS		
Total Number of Property Transfers	19383	
Total Number of Property Transfers that Involved foreign nationals	1276	6.6%
Total Value of All Property Transfers	\$12,893,032,500	
Total Investment from foreign nationals	\$1,024,031,118	7.9%

METRO VANCOUVER		Totals	Percentage
ALL RESIDENTIAL PROPERTY TRANSFER TRANSACTIONS			
Total Number of Property Transfers		9636	
Total Number of Property Transfers that Involved foreign nationals		935	9.7%
Total Value of All Property Transfers		\$8,815,699,993	
Total Investment from foreign nationals		\$885,393,373	10.0%

REST OF PROVINCE		Totals	Percentage
ALL RESIDENTIAL PROPERTY TRANSFER TRANSACTIONS			
Total Number of Property Transfers		9747	
Total Number of Property Transfers that Involved foreign nationals		341	3.5%
Total Value of All Property Transfers		\$4,077,332,507	
Total Investment from foreign nationals		\$138,637,745	3.4%

Percentage of all Transactions in BC that were in Metro Vancouver	49.7%
Percentage of all Investment in BC that was in Metro Vancouver	68.4%
Percentage of all Transactions that involved foreign nationals in BC that were in Metro Vancouver	73.3%
Percentage of all Investment that involved foreign nationals in BC that was in Metro Vancouver	86.5%

Average Value of Property Transfer			
District	Total	Foreign Nationals	Canadians / Permanent Res.
Province	\$665,172	\$802,532	\$655,492
Metro Vancouver	\$914,871	\$946,945	\$911,425
Rest of Province	\$418,317	\$406,562	\$418,743

For the Period June 10 - July 14, 2016

There were 19,383 residential property transactions in British Columbia

1,276 transactions involved foreign nationals, a rate of 6.6%

The total investment by foreign nationals was \$1,024,031,118 representing 7.9% of the total investment

Metro Vancouver accounted for 49.7% of the real estate transactions, and 73.3% of transactions by foreign buyers

By value, Metro Vancouver accounted for a total \$8,815,699,993 worth of transactions; foreign purchasers accounted for \$885,393,373.

The average investment by non-foreign buyers in Metro Vancouver was \$911,425, while the average investment by a foreign buyer was \$946,945.

METRO VANCOUVER	Cumulative (from June 10-July 14, 2016)	
	Totals	Percentage
ALL RESIDENTIAL PROPERTY TRANSFER TRANSACTIONS		
Total Number of Property Transfers	9636	
Total Number of Property Transfers that Involved foreign nationals	935	9.7%
Total Value of All Property Transfers	\$8,815,699,993	
Total Investment from foreign nationals	\$885,393,373	10.0%

VANCOUVER	Totals	Percentage
ALL RESIDENTIAL PROPERTY TRANSFER TRANSACTIONS		
Total Number of Property Transfers	2181	
Total Number of Property Transfers that Involved foreign nationals	237	10.9%
Total Value of All Property Transfers	\$2,544,855,667	
Total Investment from foreign nationals	\$264,178,239	10.4%

RICHMOND	Totals	Percentage
ALL RESIDENTIAL PROPERTY TRANSFER TRANSACTIONS		
Total Number of Property Transfers	727	
Total Number of Property Transfers that Involved foreign nationals	132	18.2%
Total Value of All Property Transfers	\$695,413,389	
Total Investment from foreign nationals	\$132,914,887	19.1%

SURREY	Totals	Percentage
ALL RESIDENTIAL PROPERTY TRANSFER TRANSACTIONS		
Total Number of Property Transfers	2061	
Total Number of Property Transfers that Involved foreign nationals	174	8.4%
Total Value of All Property Transfers	\$1,496,141,476	
Total Investment from foreign nationals	\$125,006,640	8.4%

BURNABY	Totals	Percentage
ALL RESIDENTIAL PROPERTY TRANSFER TRANSACTIONS		
Total Number of Property Transfers	662	
Total Number of Property Transfers that Involved foreign nationals	117	17.7%
Total Value of All Property Transfers	\$543,003,691	
Total Investment from foreign nationals	\$81,253,001	15.0%

Average Value of Property Transfer			
District	Total	Foreign Nationals	Canadians / Permanent Res.
Metro Vancouver	\$914,871	\$946,945	\$911,425
Vancouver	\$1,166,830	\$1,114,676	\$1,173,188
Richmond	\$956,552	\$1,006,931	\$945,376
Surrey	\$725,930	\$718,429	\$726,622
Burnaby	\$820,247	\$694,470	\$847,249

Percentage of all Transactions in Metro Vancouver that were in Vancouver, Richmond, Surrey and Burnaby	58.4%
--------------------------------------------------------------------------------------------------------	-------

Percentage of all Investment in Metro Vancouver that was in Vancouver, Richmond, Surrey and Burnaby	59.9%
-----------------------------------------------------------------------------------------------------	-------

Percentage of all Transactions that involved foreign nationals in Metro Vancouver that were in Vancouver, Richmond, Surrey and Burnaby	70.6%
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Percentage of all Foreign Investment in Metro Vancouver that was in Vancouver, Richmond, Surrey and Burnaby	68.1%
-------------------------------------------------------------------------------------------------------------	-------

PROVINCE OUTSIDE OF METRO VANCOUVER	Cumulative (from June 10-July 14, 2016)	
	Totals	Percentage
ALL RESIDENTIAL PROPERTY TRANSFER TRANSACTIONS		
Total Number of Property Transfers	9747	
Total Number of Property Transfers that Involved foreign nationals	341	3.5%
Total Value of All Property Transfers	\$4,077,332,507	
Total Investment from foreign nationals	\$138,637,745	3.4%

Capital Regional District		
	Totals	Percentage
ALL RESIDENTIAL PROPERTY TRANSFER TRANSACTIONS		
Total Number of Property Transfers	1417	
Total Number of Property Transfers that Involved foreign nationals	49	3.5%
Total Value of All Property Transfers	\$800,153,986	
Total Investment from foreign nationals	\$30,129,386	3.8%

Percentage of all Transactions in the Province Outside of Metro Vancouver that was in the Capital Regional District

14.5%

Percentage of the Value of all Property Transfers in the Province Outside of Metro Vancouver that was invested in the Capital Regional District

19.6%

Percentage of all Transactions that involved foreign nationals in the Province Outside of Metro Vancouver that was in the Capital Regional District

14.4%

Percentage of all Foreign Investment in the Province Outside of Metro Vancouver that was in the Capital Regional District

21.7%

Average Value of Property Transfer			
District	Total	Foreign Nationals	Canadians / Permanent Res.
Province Outside of Metro Vancouver	\$418,317	\$406,562	\$418,743
Capital Regional District	\$564,682	\$614,885	\$562,883

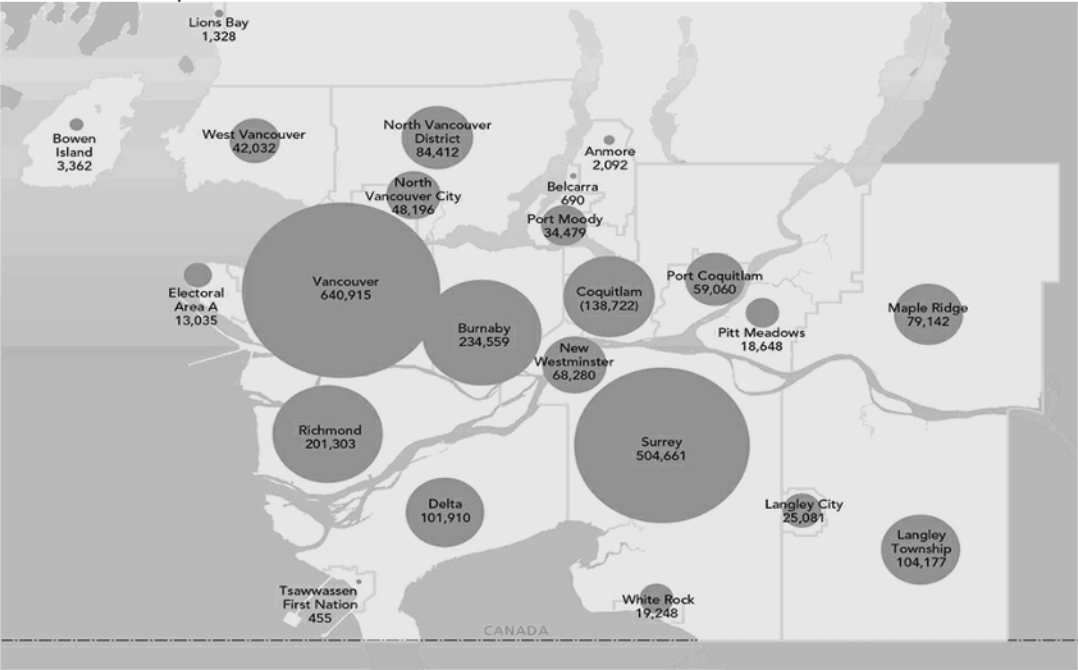
NOTES:

Property Transfer Transactions A transaction that involves the transfer of a single property (regardless of the number of individuals involved)

Foreign National Someone other than a Canadian Citizen or a Permanent Resident.

Metro Vancouver Encompasses 21 municipalities, 1 electoral district and 1 Treaty First Nation:

- Anmore
- Belcarra
- Bowen Island
- Burnaby
- Coquitlam
- Delta
- Electoral Area A
- Langley City
- Langley Township
- Lions Bay
- Maple Ridge
- New Westminster
- North Vancouver City
- North Vancouver District
- Pitt Meadows
- Port Coquitlam
- Port Moody
- Richmond
- Surrey
- Tsawwassen First Nation
- Vancouver
- West Vancouver
- White Rock



Capital Regional District (CRD) Encompasses 13 municipalities and 3 Electoral Areas (Juan de Fuca, Salt Spring, and the Southern Gulf Islands).
(Victoria, Saanich, Central Saanich, Colwood, Esquimalt, Highlands, Langford, Metchosin, North Saanich, Oak Bay, Sidney, Sooke, View Royal)

Page 056 to/à Page 076

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s.12;s.13

Page 077 to/à Page 078

Withheld pursuant to/removed as

s.13

Questions from MLA Briefing - PTTA

Q. Loopholes in General

Every time there is a new tax imposed there is a cat and mouse game between tax planners and the government. This is the case with every tax.

We have taken the stance that if the result of a transaction is that a foreign entity ends up with either a legal or beneficial interest in residential property, the transaction will be subject to the additional 15 per cent PTT.

We have accounted for legal tax planning and avoidance in the design of the legislation, which includes a specific anti-avoidance rule.

We have also accounted for illegal tax evasion in the increased penalties and limitation periods.

If tax planners discover a way around the tax and around the anti-avoidance rule we will take steps, either by regulation or through changes in legislation, to stop the behaviour. In the interest of fairness, we will also consider whether or not we need to make these changes retroactive.

Q. Canadian investment company with Canadian shareholders soliciting foreign capital

The structure described would be caught by two parts of the proposed amendments.

First the transaction described could be caught by the definition of “controlled”. The corporation would be de jure controlled by Canadians but could be considered to be de facto controlled by foreigners.

We are using the federal *Income Tax Act* definition of “controlled” which includes de facto as well as de jure control and is broad enough to capture direct or indirect control

Whether a person or group of persons has de facto control of a corporation is going to depend on the exact factual situation.

One of the factors for determining de facto control is ownership of large debts of the corporation.

Other factors include side contracts and other commercial arrangements and the influence of family members who are shareholders, or creditors etc...

Second, a transaction structured specifically to allow foreign purchasers of real estate to avoid the additional PTT would be an avoidance transaction and would be caught by our anti-avoidance rule.

Q. Effectiveness of the Anti-Avoidance Rule

We have strong investigatory powers under the *Property Transfer Tax Act* and a significant period of time to investigate transactions.

We also have the ability to match property transactions to data from the CRA and will be increasing this data through the requirement to provide Social Insurance Numbers on property transfers.

In addition we are hiring new auditors to ensure that the tax is paid when it ought to be.

Q. Proxies

If a foreign entity uses a proxy to purchase property as agent in trust for the foreign entity and the proxy conceals this fact during the transfer, the proxy will be committing an offence and is at risk of fines and imprisonment.

Q. Spouses / Children purchasing houses with gifted money

Tax treatment will depend on the specific factual circumstances of each case; however we are not intending this to operate as a gift tax or an additional tax on married couples.

Q. Condo Pre-sales

Flipping – Scalping pre-sale contracts like hockey tickets

This is in fact the opposite of scalping tickets. The “scalper” in this case *has* to get rid of their tickets or else they will be hit with a tax.

Any foreign owner who purchases a floor or a building worth of condo pre-sales as has been suggested is sitting on a ticking time bomb. If the foreign entity cannot assign the contract before construction of the building is complete they will be liable to pay the additional 15 per cent PTT.

In this situation, the bargaining power rests with any Canadian or permanent resident purchaser.

Flipping a pre-sale contract may not be so easy.

Developers typically employ sophisticated provisions in their pre-sale contracts regarding contract assignment. Depending on the specific terms of the pre-sale contract, assignments may not be permissible, or in a rapidly increasing market, many pre-sale contracts will include a provision that requires a fee to be paid to the developer should the contract be assigned.

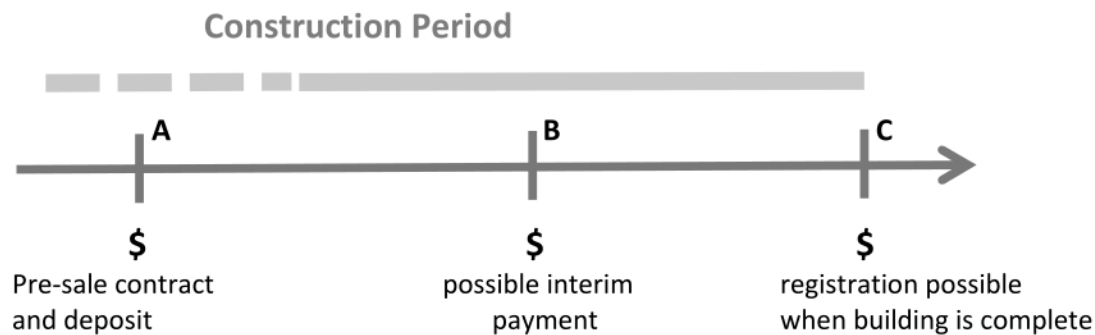
Additionally, depending on the specific terms of an assignment, the new purchaser may not recover any payments made to the initial purchaser and developer to allow the assignment. And of course, prices may not always go up. Developers know the market and don’t typically leave a lot of money on the table.

Income tax on foreign flipper...

I should also note that flipping a purchase contract has important income tax consequences for the flipper. Income derived from Canadian real property or the disposal of Canadian real property, and that includes a contract or option to buy real property, is subject to income tax in Canada, even if the owner is otherwise not a resident of Canada for income tax purposes.

The tax system has rules that impose withholding taxes on payments made to non-residents of Canada that ensure these taxes are paid.

Technical notes



The interest in a pre-sale condo cannot be registered until the condominium is constructed and a parcel identifier has been created for it. Sales often take place before this point in time.

Special fair market value rule for pre-sold condominiums:

FMV = sum of amounts paid at A,B,C; not the market value on registration date.

This rule was implemented some time ago in reaction to complaints from purchasers of pre-sold condos who faced higher than expected PTT bills because market values increased beyond their contracted purchase price during the time leading up to the registration of the property.

Foreign buyers of pre-sale condos

MLA Eby asserts that foreign buyers can avoid the property transfer tax by buying a condo at pre-sale and selling the purchase contract before the registration date of the property. By law, the registration date cannot be before the condominium is completed and a parcel identifier given to it.

The province would still receive PTT from the person who eventually registers the condominium. This has always been the case. The property still arrives on the market at the same time as it otherwise would, and the increase to housing supply is the same.

Do not tax beneficial interests

This goes to the question of taxing beneficial interests that are not registered, which the property transfer tax, and the new additional property transfer tax, was not designed to do. That is a separate discussion we have had before and may have again.

Anti-avoidance

In this situation of flipping purchase contracts before registration, the series of transactions may be subject to the new anti-avoidance provision within the act. If the transaction is considered structured for tax avoidance purposes and not for a bona fide purpose, then the avoidance transaction is taxable.

Income tax on foreign flipper...

I should also note that flipping a purchase contract has important income tax consequences for the flipper. Income derived from Canadian real property or the disposal of Canadian real property, and that includes a contract or option to buy real property, is subject to income tax in Canada, even if the owner is otherwise not a resident of Canada for income tax purposes.

The tax system has rules that impose withholding taxes on payments made to non-residents of Canada that ensure these taxes are paid.

Does the tax apply to rental buildings

The tax applies to all property that meets the definition of class 1 residential property. This includes rental buildings.

Certain forms of rental buildings, such as strata hotels, may have a split classification – partially residential, partially commercial. The rules in 2.03 that deal with apportionment are intended to ensure the residential portion is taxed.

Technical Note

s.13

Conservation Covenants

**Q. Why can't the foreign entity get the benefit of a conservations covenant?
Isn't conservation good no matter who does it?**

A. We are not trying to undo the work of conservation covenants with this amendment. We are trying to make sure the foreign entity pays the additional tax on the value of the property before this type of covenant is put on it.

Unlike the special case in section 16 of the Property Transfer Tax Act, a foreign entity that buys a residential property subject to an existing covenant would pay the additional tax based on the FMV of the property as affected by the covenant. We are not changing that.

What we don't want to happen is the foreign entity escaping the additional tax just because it is registering this type of covenant. And we do not want foreign entities considering covenants as a means of reducing their tax payable.

The existing exemption in this section is a bit of a dinosaur. To our understanding, it has been used only once, and that was in the early days of the tax. It is limited to covenants in favour of the Crown. It does not apply to covenants made in favour of Islands Trust or a nature conservancy. There are no other exemptions in the *Property Transfer Tax Act* for registration of properties with covenants, other than through the mechanism of how the covenant reduces fair market value.

Note: The new regulatory power in 37(2.1)(a) should allow the government to prescribe that the portion of the parcel subject to this type of covenant is to be excluded from the definition of "residential improvement".

Technical Notes

Registration of the Covenant as to Use and Alienation

219 (1) A covenant described in subsection (2) in favour of the Crown, a Crown corporation or agency, a municipality, a regional district, the South Coast British Columbia Transportation Authority, or a local trust committee under the *Islands Trust Act*, as covenantee, may be registered against the title to the land subject to the covenant and is enforceable against the covenantor and the successors in title of the covenantor even if the covenant is not annexed to land owned by the covenantee.

(2) A covenant registrable under subsection (1) may be of a negative or positive nature and may include one or more of the following provisions:

(a) provisions in respect of

(i) the use of land, or

(ii) the use of a building on or to be erected on land;

(b) that land

(i) is to be built on in accordance with the covenant,

(ii) is not to be built on except in accordance with the covenant, or

(iii) is not to be built on;

(c) that land

(i) is not to be subdivided except in accordance with the covenant,
or

(ii) is not to be subdivided;

(d) that parcels of land designated in the covenant and registered under one or more indefeasible titles are not to be sold or otherwise transferred separately.

(3) A covenant described in subsection (4) in favour of

(a) the Crown or a Crown corporation or agency,

(b) a municipality, a regional district, the South Coast British Columbia Transportation Authority or a local trust committee under the *Islands Trust Act*, or

(c) any person designated by the minister on terms and conditions he or she thinks proper,

as covenantee, may be registered against the title to the land subject to the covenant and, subject to subsections (11) and (12), is enforceable against the covenantor and the successors in title of the covenantor even if the covenant is not annexed to land owned by the covenantee.

(4) A covenant registrable under subsection (3) may be of a negative or positive nature and may include one or more of the following provisions:

(a) any of the provisions under subsection (2);

(b) that land or a specified amenity in relation to it be protected, preserved, conserved, maintained, enhanced, restored or kept in its natural or existing state in accordance with the covenant and to the extent provided in the covenant.

(5) For the purpose of subsection (4) (b), "**amenity**" includes any natural, historical, heritage, cultural, scientific, architectural, environmental, wildlife or plant life value relating to the land that is subject to the covenant.

(6) A covenant registrable under this section may include, as an integral part,

(a) an indemnity of the covenantee against any matter agreed to by the covenantor and covenantee and provision for the just and equitable apportionment of the obligations under the covenant as between the owners of the land affected, and

(b) a rent charge charging the land affected and payable by the covenantor and the covenantor's successors in title.

(7) If an instrument contains a covenant registrable under this section, the covenant is binding on the covenantor and the covenantor's successors in title, even though the instrument or other disposition has not been signed by the covenantee.

(8) No person who enters into a covenant under this section is liable for a breach of the covenant occurring after the person has ceased to be the owner of the land.

(9) A covenant registrable under this section may be

(a) modified by the holder of the charge and the owner of the land charged, or

(b) discharged by the holder of the charge

by an agreement or instrument in writing the execution of which is witnessed or proved in accordance with this Act.

(9.1) A covenant that was required as a condition of subdivision under section 82 and registered under this section before the coming into force of the repeal of section 82 may be

(a) modified by the approving officer and the owner of the land charged,
or

(b) discharged by the approving officer.

(9.2) For the purpose of determining whether to modify or discharge a covenant under subsection (9.1), an approving officer may exercise the powers provided under section 86 (1) (d), whether or not the modification or discharge is related to an application for subdivision approval.

(10) The registration of a covenant under this section is not a determination by the registrar of its enforceability.

(11) On the death or dissolution of an owner of a covenant registrable under subsection (3) (c), the covenant ceases to be enforceable by any person, including the Crown, other than

(a) another covenantee named in the instrument creating the covenant, or

(b) an assignee of a covenantee if the assignment has been approved in writing by the minister.

(12) If a covenantee or assignee referred to in subsection (11) is a corporation that has been dissolved and subsequently restored into existence under an enactment of British Columbia, the covenant continues to be enforceable by the restored corporation from the date of its restoration.

(13) A recital in a covenant that a person "has been designated by the minister under section 219 (3) (c) of the *Land Title Act*", or a statement to that effect in the application to register the covenant, is sufficient proof to a registrar of that fact.

(14) The minister may delegate to the Surveyor General the minister's powers under subsections (3) (c) and (11) (b).

Questions from MLA Briefing –RESA

Q. Does the legislation ban dual agency? (MLA Eby)

The legislation in Section 89.2(3)(e) allows the Superintendent to make rules that would allow him or her to ban dual agency.

Q. Does the legislation implement all the recommendations of the IAG? (MLA Eby)

Some of the recommendations of the IAG can be implemented operationally, some can be implemented by rule and some require legislation. This legislation gives the Superintendent the ability to make rules to address the IAG recommendations. The one recommendation that would require amendments to this legislation that is not implemented is the recommendation to give responsibility for unlicensed activity from the Superintendent to the Council.

Q. Where does the money from disgorgement go? (MLA Eby)

Like all penalties, it goes to the Council for the purposes of licensee and public education. However, the legislation includes a regulation power whereby government can make a regulation directing it to other uses.

Q. What are all the consequential amendments about? (independent MLAs)

The consequential amendments reflect that the members of the Real Estate Council will no longer be elected. Instead, all will be appointed by the Lieutenant Governor in Council.

Q. How is the role of the Superintendent different? (independent MLAs)

Under the amendments, the Superintendent has oversight of Council. Before these amendments, the Superintendent could only investigate if a licensee engaged in conduct that was seriously detrimental to the public interest, whereas under the amendments, the Superintendent can direct Council to investigate any matter or to issue a notice of disciplinary hearing.

These amendments also transfer the ability to make rules respecting the conduct of licensees from Council to the Superintendent.

VANCOUVER VACANCY TAX
QUESTIONS AND ANSWERS FOR MINISTER PETER FASSBENDER

General Questions

Q. What is the purpose of this legislation?

The Province is enabling Vancouver to implement a stand-alone tax on vacant residential property. The Province is supporting Vancouver's interest in additional tools in an effort to increase the supply of rental units on the market while waiting for some of Vancouver's pending housing projects to be available. The vacancy rate in Vancouver is currently 0.6% and unused housing supply can put upward pressure on accommodation costs.

Once implemented by Vancouver, the intent of a vacancy tax would be to encourage owners of vacant properties to add those properties to Vancouver's rental housing inventory rather than pay the tax. In addition, the legislation would ensure that the revenues received under this vacancy tax could only be used by Vancouver for affordable housing initiatives and administration of the tax.

Q. What is the scale of the vacant property problem in Vancouver?

Vancouver's intent with a vacancy tax is to increase the rental housing stock on the market; a study conducted by Vancouver in 2016 indicates that Vancouver has close to 11,000 empty housing units (Vancouver estimates there are approximately 177,000 residential properties in total).

Q. Why is the Province allowing Vancouver to design and implement the tax?

It is important to Vancouver that it has clear, statutory authority to impose a vacancy tax if it decides to proceed with such a tax. Whether to impose such a tax is ultimately Vancouver's decision.

The legislation will set out key elements of the tax; the design details, implementation, administration and collection of the tax will be determined by Vancouver and imposed by municipal bylaw. Vancouver has the best ability to understand its needs and its residents and what properties and property owners should be covered by the vacancy tax.

Additional Property Transfer Tax – Rules/Technical

1. What is this new tax?

The additional property transfer tax applies to residential property when the title is transferred to a foreign national, a taxable trustee and certain corporations. The amount of the additional tax is 15% of the fair market value of the residential property.

The tax applies if the residential property is in the Greater Vancouver Regional District (GVRD – Metro Vancouver) and is payable at the time of registration at a land title office. The tax is effective August 2, 2016.

How does the additional tax work?

The additional tax applies in addition to the current Property Transfer Tax. For example, if a foreign entity buys a residential property in Metro Vancouver with a fair market value of \$2.5 million, the following tax would apply:

Property Transfer Tax: \$53,000 (including \$15,000 from the new 3% rate)

Additional Property Transfer Tax: \$375,000

Total: \$428,000

2. In which situations would a trustee be liable for the additional tax?

A trustee would be liable if the trustee is a foreign entity, or if a beneficiary of the trust is a foreign entity.

3. In which situations would a corporation be liable for the additional tax?

A corporation would be liable if it is not incorporated in Canada, or if the corporation is incorporated in Canada but is controlled by foreign entities.

4. How will you enforce the tax considering the number of transactions each year? How many auditors would be needed?

Audit measures are already in place for the program and these will be extended to encompass the additional tax to ensure that it is paid by those who are required to do so under the legislation. Additional auditors will be required and the process is already underway to begin the recruitment.

The Act already contains extensive audit and investigation powers and we have extended the limitation period for audit and enforcement of this additional tax to six years while the limitation period for the regular tax is one year.

5. Doesn't this still leave a back door for foreigners to have citizen or permanent-resident proxies buy local property, thus avoiding the tax?

No – Changes to the Property Transfer Tax form and new anti-avoidance rules will help catch transactions structured to avoid the tax in an audit.

Collecting the Social Insurance Number for any Canadian Citizen or Permanent Resident transferee is now mandatory on the PTT return and lawyers are being advised they must confirm the number for accuracy against other government issued identification such as a Canadian passport. The Province is introducing and will be enforcing stringent non-compliance penalties. In addition they will be monitoring businesses and individuals filing incomplete or incorrect general or additional PTT returns.

Processes are already in place to verify that a Social Insurance Number is valid. Invalid numbers or other discrepancies on a return will lead to further audit and investigation of the transaction.

All property transfer transactions are subject to audit and all additional property transfer tax returns will be reviewed and verified. The audit period is six years from the date the transfer is registered at the Land Title Office.

Anti-avoidance provisions exist and will be enforced to ensure all foreign entities report and pay the additional tax as required, including examining circumstances where Canadians hold property in trust for a foreign entity or are trustees where a beneficiary may be a foreign entity.

Failure to pay the additional tax as required or purposely completing the general or additional property transfer tax return with incorrect or misleading information may result in a penalty of the unpaid tax plus interest and a fine of \$200,000 for corporations or \$100,000 for individuals and/or up to two years imprisonment.

The penalty provisions encompass not just the transferees but anyone who participates in providing incorrect information to avoid the tax.

Property transfers will be monitored for compliance and the province will follow up with those businesses or individuals filing incomplete or incorrect general or additional property transfer tax returns.

6. Can a foreign buyer register a numbered company to avoid paying the tax?

No. If a numbered company is foreign controlled, it is taxable. As well, our anti-avoidance rule is broad enough to catch the transaction even if the numbered company was domestically controlled at the time of the real estate transaction but changed to foreign controlled after the real estate transaction.

7. Who is liable to pay the tax?

All transferees are jointly and severally liable to pay property transfer tax under the existing Act and the additional tax. If one transferee does not pay the required additional tax, the other transferees, including Canadians, must pay that transferee's share of the additional tax payable.

The additional tax applies on the foreign entity's proportionate share of any applicable residential property transfer, even when the transaction may normally be exempt from property transfer tax. This includes such transactions as:

- a transfer between related individuals
- a transfer resulting from an amalgamation
- a transfer to a surviving joint tenant
- a transfer where the transferee is or becomes a trustee in relation to the property, even if the trust does not change

8. What about a transfer of a bare trust – would that allow the tax to be avoided? Now all the foreign money will simply go into bare trust properties rather than market properties. Is there any way to address that?

The amendments are structured to look through Canadian trustees to beneficiaries of the trust as an anti-avoidance mechanism. A transferee who would otherwise be taxable cannot hide behind a local trustee. The bill includes provisions to tax a transaction where there is a foreign beneficiary of a trust. If the trustee is foreign, the transaction is taxable even if the beneficiaries are not.

9. You said before there's no incentive to lie on PTT forms – now you've created a big one. How will you be sure people are honest on the form, when the penalties for falsifying the form are dwarfed by the potential tax liability?

The penalties for providing false information with respect to the additional tax are severe. The fine is the amount of unpaid tax, plus interest, and an additional \$200,000 for corporations and \$100,000 for individuals. The maximum liability for imprisonment, two years, remains unchanged.

We are also currently in the process of hiring additional auditors so that we have the resources in place for effective enforcement.

10. Why do you need to look at beneficiaries of a trust?

The look through Canadian trustees to beneficiaries of the trust is an anti-avoidance mechanism. A transferee who would otherwise be taxable cannot hide behind a local trustee. The bill includes provisions to tax a transaction where there is a foreign beneficiary of a trust. If the trustee is foreign, the transaction is taxable even if the beneficiaries are not.

11. What about a foreign owner who already has a property in the GVRD (Metro Vancouver)?

This tax will not affect foreign owners who already have property in the GVRD, except to the extent they wish to sell to foreign buyers or the tax has a cooling effect on the market, reducing the investment return to the owner.

12. What if a foreign entity gets a Canadian to buy and hold residential property for them?

The legal ownership would be with the Canadian, who would not normally be taxable. However under the new amendments if they are holding the land in trust for a foreign entity they become a taxable transferee and are responsible for the payment of the tax. Failure to pay the appropriate amount of tax and purposefully filling out the tax form in a misleading fashion could trigger penalties for both the foreigner and the Canadian.

13. Do I need to claim an exemption or submit the special form if there is no foreign involvement in my purchase?

No. Submitting the form for the additional tax is required only when there is at least one transferee who is a foreign entity or at least one trustee with beneficiaries who are foreign entities. No exemption is needed – without foreign involvement in the purchase, the additional tax does not apply.

14. What if a Canadian from Toronto wants to buy a home in Vancouver?

The buyer from Toronto will pay the general property transfer tax, but not the additional property transfer tax.

15. Why are the treaty lands of the Tsawwassen First Nation excluded at this time?

We have not heard concerns from Tsawwassen First Nation about the influence of foreign purchasers on its development projects. In respect of Tsawwassen First Nation, we did not wish at this time to increase taxes that might apply on their new residential projects. We will consult with Tsawwassen First Nation in the near future.

16. Do I need to pay additional tax when I register the property?

Yes, if the transaction is subject to the additional tax, you must make payment for both the general and additional tax with your general return filed at the time of registration, and mail in the form for the additional tax on the same day.

The additional tax applies on all applicable transfers registered with the Land Title Office on or after August 2, 2016, regardless of when the contract of purchase and sale was entered into.

17. How do I file if there is more than one taxable transferee on the transaction?

Transferees must file a single return for the general tax, including payment for additional tax owed, and submit one form for the additional tax.

18. Why can't I submit my additional tax form electronically?

To implement the additional tax in a timely manner, we require a manual filing of the additional tax form for transferees of residential property in the GVRD who are subject to the tax. At some point next year we will combine the additional tax form with the electronic filing of the general tax.

Additional Property Transfer Tax – Revenue Questions

19. How much revenue do you expect to raise?

It's too soon to judge how the market will respond. We expect some transactions will proceed, paying the tax. Some portion of transactions will be deterred. The data we're collecting will allow us to monitor this and assess the effect of the tax.

See Appendix A at the end of this document for examples of the tax payable on transactions at different values.

20. Will tax revenues be earmarked for government housing programs?

No, the additional tax will not be earmarked to a specific purpose.

However, the government is investing \$75 million to start a new Housing Priority Initiatives Fund for provincial housing and rental programs. Subject to approval by Treasury Board, the fund can receive a portion of revenues from the property transfer tax in the future.

21. Will tax revenues be shared with municipalities in the GVRD?

No. This is a provincial tax. Municipalities will benefit to the extent that the tax curbs undue demand pressure in the housing market.

The government is investing \$75 million to start a new Housing Priority Initiatives Fund for provincial housing and rental programs. The fund can receive a portion of revenues from the property transfer tax in the future.

22. What's the purpose of this tax – to block investment or raise revenues?

The purpose of this tax is to help manage ongoing demand while the market responds by building new homes to meet local demand. By placing barriers to the foreign investment in the GVRD's real estate market, we can help manage rising prices while supply catches up.

Even though we are seeing much stronger housing starts since February of this year, it's clear the market and many local governments need more time to deliver enough housing starts to meet the current demand. This measure will help reduce foreign demand from that equation while new homes are being built for local residents. Not every foreign purchaser will necessarily be deterred by the tax.

To the extent that we generate revenue from the tax, the secondary purpose is to raise revenue to fund government priorities, which can include housing-related programs.

23. Based on your June data, if the rate of foreign money doesn't slow down, you stand to reap almost \$500 million per year – what will you do with the money? How will you spend it?

We don't expect the pace of foreign transactions to continue at that pace once the additional tax is in place, but it's too soon to forecast what the effect will be. We will have a better idea in the Second Quarterly Report.

The revenues from this tax will be part of government's general revenues, like all tax revenues. The government is investing \$75 million to start a new Housing Priority Initiatives Fund for provincial housing and rental programs. The fund can receive a portion of revenues from the property transfer tax in the future.

Additional Property Transfer Tax – Political

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27. Critics have said the issue should not be foreigners, but money that flows from overseas – why are you targeting foreigners?

We have seen from our data that more than \$1 billion into B.C. property between June 10 and July 14, more than 86% of it in the Lower Mainland. That's a significant amount of money at a time of heavily constrained supply. Our focus has long been to find ways to increase the supply of new homes at affordable prices – for example the changes we made to the Property Transfer Tax in Budget 2016. But at the present pace of demand and rising prices, it's clear the market needs some help catching up.

28. Won't this tax impact foreign purchasers who are living and working in B.C. with official permission – such as work visas, visitor visas, etc?

The additional tax applies to all foreign nationals, whether or not they have a visa. If the foreign national were to become a citizen or a permanent resident, the tax would not apply to them. This is about helping manage ongoing demand in residential real estate while the market responds by building new homes to meet local needs.

30. You have consistently said you welcome foreign investment, isn't this tax a reversal of that position? How can you say: we welcome foreign investment, just not in this slice of our economy?

We certainly do welcome foreign investment and we will continue to profile B.C. and attract business to our province. The purpose of this tax is to help manage ongoing demand in residential real estate while the market responds by building new homes to meet local needs. By placing barriers to the foreign investment in the GVRD's real estate market, we can help manage rising prices while supply catches up.

Additional Property Transfer Tax – Policy Choices

31. Will this close the bare trust loophole?

Like the general property transfer tax, the additional tax applies to transactions registered in our Land Title Office. This is not a tax on transfers of beneficial interests. We are monitoring the data closely and will determine if further action is necessary.

32. Why didn't the government close the bare trust loophole?

The government is still considering the advantages and disadvantages of taxing transfers of beneficial interests that happen outside of registrations at a land titles office. That would be a fundamental change from the current property transfer tax, and is comparable to the creation of a new system with a new tax administration. In June, we started collecting data to better inform this decision.

33. Critics say you should focus on using income tax data to see if purchasers are making appropriate contributions to local revenues, and then only adding surtaxes if they're not paying tax on worldwide income in BC. Why do you consistently reject that approach?

We haven't rejected any approaches – we have consistently said we would act based on data and evaluate all options. These are complex issues that will require a number of different solutions.

35. Why only in the GVRD?

For now, the clearest need for this response is in the GVRD. The Bill contains regulatory powers that would allow the government to prescribe other areas in which the additional tax would apply. We will continue to monitor the data we are collecting. If the evidence shows that a significant amount of foreign investment is being displaced to other regions, we are in a position to make changes quickly.

36. Which communities are within the GVRD?

- Anmore
- Belcarra
- Bowen Island
- Burnaby
- Coquitlam
- Delta
- Electoral Area A
- Langley City
- Langley Township
- Lions Bay
- Maple Ridge
- New Westminster
- North Vancouver City
- North Vancouver District
- Pitt Meadows
- Port Coquitlam
- Port Moody
- Richmond
- Surrey
- Tsawwassen
- Vancouver
- West Vancouver
- White Rock

37. Why 15%? What led you to pick that rate, how do you know it's not too high or too low?

In fact we established a range between 10% and 20% that can be adjusted by regulation, and chose 15% as the starting rate. We will assess the effect of this rate in the months to come.

The 15% rate significantly reduces an investor's return on investment, making investment in real estate less attractive to foreign investors.

Other jurisdictions faced with similar circumstances also apply the same rate. Singapore and Hong Kong both apply a rate of 15% to residential property bought by foreign nationals.

The amendments will allow government to set the rate as low as 10% and as high as 20% of the property value by regulation. This flexibility will allow government to adjust the tax rate depending on the needs of the market.

38. Why aren't you taxing satellite Canadians who do not pay income tax?

Canadians have the right to live where they like in Canada and find employment where they wish around the globe. There are rules in place in Canada in both the Income Tax Act and in our tax conventions with other countries that set out the division of where income tax is paid.

Even if someone is not liable to pay income tax in Canada, they will still be liable to pay consumption and property taxes if they purchase goods or own property here. This is one of the reasons the provincial tax system is comprised of a variety of taxes on income, consumption and property. These taxes, when taken together, are intended to help raise the revenue necessary to fund the wide range of programs and services that British Columbians rely on.

Further, we would not expect a Canadian who stays in Palm Springs four months per year to pay income tax in the United States, if all their income was earned in Canada.

There are many reasons why an individual may not pay income tax in a given year. For example, they may have earned income in the previous tax year or incurred business losses in the current tax year. An individual may have gone back to school, earning no income in the current tax year. A senior collecting their pension may live in a high-value home they have owned for decades. Or, an individual may have a spouse who earns a high income, but earn no income of their own.

39. Why aren't you cracking down on money laundering and tax evasion in B.C. real estate?

Monitoring the flow of money across borders and international tax are extremely complex subjects that are governed by the federal statutes such as the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, the Income Tax Act and tax treaties.

Under the federal-provincial tax collection agreements, investigation of income tax evasion is the responsibility of the Canada Revenue Agency (the CRA). Streamlined administration simplifies the tax system and lowers administration costs for both government and individual taxpayers.

In addition to its own investigative powers, the CRA has access to information on cross border transfers of funds collected by FINTRAC. FINTRAC, the Financial Transactions and Reports Analysis Centre of Canada, is Canada's financial intelligence unit. FINTRAC's mandate is to facilitate the detection, prevention and deterrence of money laundering and the financing of terrorist activities.

That said, we support the Canada Revenue Agency in its efforts to identify cases of tax evasion in B.C. real estate. We share information to the extent possible under the information-sharing agreements we currently have in place with the federal government.

Minister de Jong discussed his concerns about issues related to tax evasion through real estate with Minister Morneau at the June meeting of Canada's finance ministers in Vancouver. These discussions led to the establishment of a federal-provincial-municipal working group comprised of senior officials from B.C., Ontario, the federal government and local governments. This group is

meeting over the summer to identify strategies to strengthen information sharing among the various levels of government, in an effort to further prevent tax evasion in real estate.

Additional Property Transfer Tax – Market Effects

40. If foreign buyers are only 10% of the market, why do you think this tax will have any effect on the remaining 90%? Shouldn't you focus your efforts on the big segment of the market?

The intent is to reduce upward pressure on residential prices and reduce the excessive competition in the market. To the extent that foreign buyers are out-competing British Columbians, this tax puts an additional cost that creates a disincentive to investment.

We've made other changes that focus on helping British Columbians enter the housing market. For example, we increased the property transfer tax from 2% to 3% on the portion of a property's fair market value above \$2 million.

We're investing that revenue into the Newly Built Homes exemption, which can save buyers up to \$13,000 in property transfer tax when purchasing a newly constructed or subdivided home worth up to \$750,000. Between Feb. 18 and July 14, this exemption has delivered nearly \$32 million in property transfer tax savings to more than 4,000 British Columbia families.

This exemption provides the additional benefit of incenting developers to build modestly-priced, new housing.

41. Won't this just drive people to purchase outside of the GVRD, and drive up prices in other areas of the province?

The changes made to the property transfer tax form will allow us to monitor transactions by foreign buyers. If we identify significant displacement of foreign capital to other regions, we can make the necessary adjustments by applying the tax in different jurisdictions.

s.13

43. Won't the effect of the tax simply get priced into the market – making properties even more expensive?

The additional tax will immediately reduce the return on any investment by adding 15% to the transaction's cost. This will take away much of the incentive to use residential real estate in the GVRD purely as an investment vehicle.

44. You said you don't want to take steps that could harm the equity BCers have built up in their homes – how can you be sure this measure won't crash the market?

We are taking a cautious approach by applying the tax to the GVRD, where demand appears to be running strongest. We have the flexibility to adjust the tax rates within a range, and to apply or not apply the tax in different regions of the province as necessary.

45. You're likely to get stories of people walking away from contracts – are you troubled by that possibility? What do you say to a BCer whose deal just collapsed because of your tax?

Any time a new tax is implemented there is a period of market distortion, and if the tax is effective I expect some people will find themselves affected in this way. It's certainly a difficult personal circumstance for them. I would hope that the amount of disruption to individuals will be limited, and that new buyers can be found. At this point, there still appears to be very healthy local demand.

46. What impact do you foresee on the prices of homes – will this slow the rise in prices, reverse it?

The intent is to reduce upward pressure on residential prices and reduce the excessive competition in the market. To the extent that foreign buyers are out-competing British Columbians, this tax puts an additional cost that creates a disincentive to investment.

By placing barriers to the foreign investment in the GVRD's real estate market, we can help manage rising prices while supply catches up.

Additional Property Transfer Tax – Trade/Legal Questions

47. You're instituting an exorbitant surtax on people who can't vote – isn't this taxation without representation?

No. This tax applies to foreign entities that make a choice to purchase residential property in the GVRD.

s.13

s.13,s.16

50. Is there a risk this tax will work too well and scare off other types of foreign investment? How might that reveal itself, and what would you do if it does?

B.C.'s economy has been and continues to be seen as a safe harbour for investment. Even through the tempests of the global economic slowdown, we have emerged from the economic crisis with four straight balanced budgets, a triple-A credit rating from the three major rating agencies, and an economy that is forecast to lead growth among provinces both this year and the next. Since 2001, economic growth in BC has averaged 2.6 per cent annually, compared to 1.9 per cent in the rest of Canada.

51. Would foreign governments pay the tax?

Foreign governments operating through a corporation would pay the tax.

52. Do any other jurisdictions have similar taxes or impose restrictions on foreign ownership of property?

- United Kingdom:
 - Non-residents are now subject to capital gains taxation on gains when selling residential property in the UK.
 - Non-domiciled residents who provide security for purchases with offshore assets will be considered to have repatriated those assets and pay income tax as applicable.
 - 15-per-cent stamp duty on those using a company name to buy properties worth more than £500,000.
- Singapore:
 - Increased buyer's stamp duties (PTT) on foreign, corporate, permanent residents, and citizens:
 - 15% additional stamp duty on foreign and corporate purchasers. Was initially 10% but was increased after 10% did not have the desired effect.
 - 5% additional stamp duty on permanent residents purchasing a first home. 10% on further purchases.
 - 10% additional stamp duty on citizens purchasing their second and third homes.
- Hong Kong:
 - A 5%-20% anti-speculation special stamp duty that is payable on property held for less than 24 months.
 - Implemented a 15% additional Buyers Stamp Duty targeted at foreign investors and companies Measures to restrict mortgage lending to its residents.
 - Strict loan to value ratios
 - Strict Mortgage Servicing Ratios
 - A 40% down payment requirement
- Australia

Australia has both federal and state taxes for foreign purchasers. Australia also restricts foreign ownership of property. Foreign citizens or companies require approval from a Foreign Investment Review Board (FIRB) in order to buy residential real estate. The FIRB will accept applications where the non-resident intends to live in the residential property. The FIRB will reject applications on the following grounds:

 - They feel the purchase is speculative in nature.
 - They feel the purchase is for rental purposes.

The exceptions to these criteria are newly built residential properties sold by developers and tourist resort properties.

- New York

New York levies a mansion tax of 1% of the purchase price, if the purchase price is over \$1 million.
- 1974 Ontario Measures
 - Ontario implemented two measures aimed at curbing house price inflation in the 1970s.

- A 20% transfer tax on non-residents of Canada (similar to our PTT)
 - An income tax on land speculation aimed at short term speculators (flippers)
 - The taxes were enacted in 1974 and repealed by 1978.
 - The 20% rate for non-residents remained for the acquisition of certain land (farmland) until 1997.
- China
 - To help boost a slowing economy, China recently relaxed rules on foreign ownership.
 - Restrictions on foreign ownership were put in place in 2006, in an effort to prevent speculation and cool an overheated market that was pricing Chinese citizens out of major markets.
 - Foreign individuals and companies are now allowed to buy as many properties as they wish, but are still subject to local housing purchase limits.
 - Previously, foreign residents were allowed to buy only one property on the mainland once they had worked in China for a year.
 - Korea
 - There are no special requirements for land or property purchase by foreigners in Korea.
 - However, the registration process is slightly different for foreigners purchasing property in Korea.

Additional Property Transfer Tax – Detailed Technical

53. Do I need to submit a form under 2.02(3) if I don't have any foreign transferees or transferees who are trustees of a trust with a foreign beneficiary?

You will only need to submit a form for additional tax for transfers of residential property in a prescribed area with a foreign transferee or when a foreign entity holds a beneficial interest in a trust.

54. I am a foreign entity making a purchase of a business property that has a small amount of residential property associated with it. Do I need to pay the tax?

Yes, the foreign entity as defined in the tax must pay additional property transfer tax on the residential portion, but not on the business portion of the transaction.

55. Does the treatment of beneficiaries start to remove the distinction in the tax between legal and beneficial owners?

The general tax remains a tax on the transferee. In the additional tax, we will look through Canadian trustees to see if there is a foreign beneficial interest.

56. What if there are Canadian beneficiaries as well as foreign entity beneficiaries in the trust.

The transferee of a trust is considered to fully be a foreign entity if at least one beneficiary is a foreign entity.

57. I am not sure my property meets the definition of residential

Refer to the most recent assessment notice from BC Assessment. Or, contact the Property Taxation Branch – property transfer tax enquiries – at: 250 387-0604, 1 888 355-2700 (Toll free), or pttenq@gov.bc.ca.

Housing Priority Initiatives

58. Why are these amendments being introduced?

These amendments are complementary to and necessary to support other proposed amendments to the Property Transfer Tax Act.

A new immediate, strategic and flexible central funding vehicle is needed to facilitate early implementation of priority initiatives related to supply of housing and rental housing, or other shelter, access and support programs and initiatives.

It is expected that Individual priority proposals that support Cabinet's direction will be brought forward by ministries for Treasury Board consideration. A new strategic and flexible funding vehicle, as proposed in the amendments, will assist Treasury Board in addressing those priority proposals within the Fiscal Plan and in recognition of current limitations within other existing authorities.

59. What do the amendments do?

The amendments establish the Housing Priority Initiatives special account, along with its operating rules and oversight. The Account's purpose is to provide a strategic central funding vehicle for priority initiatives related to supply of housing and rental housing, or other shelter, access and support programs and initiatives.

The amendments define inflows to the Account, which primarily include transfers of Property Transfer Tax authorized by Treasury Board. But inflows also include other things like collections of loans made through the Account, or sales/leases/rentals of properties invested in by the Account or through agencies funded by the Account.

The amendments provide for a wide range of purposed spending activities ranging from operating and grant expenditures; funding capital investments in land and housing/rental infrastructure; to funding loans and guarantees that support new or ongoing priority initiatives in respect of provincial housing and rental/shelter supply and access and support programs.

All spending must have the prior approval of Treasury Board.

60. How do you justify giving yourself the ability to spend taxpayer money without legislative scrutiny, oversight, debate and a vote? Isn't this just a way to bypass the budget and Estimates process? How is this transparent?

Like all legislation, the bill to establish this special account is being introduced in the Legislature for full and transparent debate and approval within a public forum.

The opportunity created by the other proposed amendments that this legislation is intended to support wasn't there when Budget 2016 was developed and passed.

That opportunity exists today with the requested passage of this package of legislation and as a consequence there is also an immediate need for a vehicle so the Province can utilize that opportunity to respond to priority initiatives related to supply of housing and rental housing, or other shelter, access and support programs and initiatives.

The special account will be under strict oversight of the Minister of Finance and Treasury Board. As part of the government's Consolidated Revenue Fund, going forward the new Account will be reported on through annual Budgets and Estimates, quarterly reports, service plans, and the annual Public Accounts.

Reporting on the proposed special account could come as early as the First Quarterly Report in September 2016. Government might also consider preparing a dedicated public report to outline spending out of the special account and the purposes for which the spending was provided. This, for example, could be part of a more comprehensive document about the Province's overall housing strategy.

61. What spending controls are there for this special account?

The Account will be under strict oversight of the Minister of Finance and Treasury Board. Not only must Treasury Board approve the amounts of Property Transfer Tax to be transferred to the Account, but prior Treasury Board approval is required before any payments can be made out of the Account and before loan guarantees are provided.

Individual priority proposals that support Cabinet's direction on housing will be brought forward by ministries for Treasury Board consideration. The proposed special account will assist Treasury Board in addressing those priority proposals in a flexible way within the Fiscal Plan and in recognition of current limitations within other existing authorities.

62. You're giving yourself statutory authority to spend Property Transfer Tax revenues – what are your spending plans?

The proposed special account has a broad authority to fund a range of housing, rental, or shelter programs, initiatives and activities. This means government can not only augment existing programs like BC Housing's emergency shelter and social housing initiatives or rental assistance for low-income families and seniors, but can potentially fund new and innovative housing initiatives in the future (e.g. increasing supply of affordable or rental housing or supporting homeownership).

While it is still early, individual priority proposals that support Cabinet's direction on housing will be brought forward by ministries for Treasury Board consideration. The proposed special account will assist Treasury Board in addressing those priority proposals in a flexible way within the Fiscal Plan and in recognition of current limitations within other existing authorities.

63. What consultations have you done?

While specific consultations have not taken place publicly or across the public sector in relation to the creation of the new special account, the underlying needs for which the special account is intended to help address are well understood and the Province has heard public concerns in a variety of consultation venues.

The Privacy and Legislation Branch (PLB) has been consulted and confirmed that consultation with the OIPC was not required. The legislative amendments do not contemplate or create new matters of personal information collection or use outside of the parameters covered by FOIPPA.

64. What don't you simply use the Contingencies vote or bring in Supplementary Estimates to deal with the need for new spending authority this year?

The opportunity created by the other proposed legislative amendments will likely be well in excess of what the Contingency vote can provide. As is the usual case, there are already a number of pressures in ministries that may require allocations from the Contingencies vote.

Supplementary Estimates are not practical at this time. It is still early and individual priority proposals that support Cabinet's direction on housing will be brought forward by ministries in an orderly way for Treasury Board consideration.

The proposed special account will assist Treasury Board in addressing those priority proposals in a flexible way within the Fiscal Plan and in recognition of current limitations within other existing authorities.

65. Why would the special account need to make loans and guarantees? Won't this affect provincial debt?

The new special account is intended to be self-funded so there should be no impact on provincial debt.

The proposed amendments define inflows to the Account, which primarily includes transfers of Property Transfer Tax authorized by Treasury Board. But inflows also include other things like collections of loans made through the Account, or sales/leases/rentals of properties invested in by the Account or through agencies funded by the Account.

The Account will be under strict oversight of the Minister of Finance and Treasury Board. Not only must Treasury Board approve the amounts of Property Transfer Tax to be transferred to the

Account, prior Treasury Board approval is required before any payments can be made out of the Account and before loan guarantees are provided.

Consumer Protection – Self-Regulation

66. How can you say self-regulation is ended?

Following the amendments industry will have NO formal role in the regulation of the real estate sector:

- All members on the Real Estate Council will be appointed by government;
- All rules will be made by the Superintendent, not Council.
- Council will continue to be responsible for daily operational matters (for example, qualification and discipline hearings). Industry will have no formal role on Council and therefore Council's responsibility in respect of discipline cannot be regarded as self-regulation by industry.

67. Doesn't Council's continued ability to impose discipline mean that self-regulation continues?

No. Council will continue to be responsible for daily operational matters (for example, qualification and discipline hearings). Again, industry will have no formal role on Council and therefore Council's responsibility in respect of discipline cannot be regarded as self-regulation by industry.

Additionally, the Superintendent will have the ability to increase disciplinary activities of Council by:

- directing Council to investigate a particular matter;
- requiring Council to issue a notice of disciplinary hearing, thus beginning the disciplinary process; and
- requiring Council to provide the Superintendent with all information about an investigation or disciplinary process that will let the Superintendent decide whether to appeal the disciplinary outcome of a particular matter.

Consumer Protection – IAG Recommendations

68. Do these amendments implement the IAG recommendations?

Most of the amendments that require legislation have been implemented: Penalties have been increased as recommended; and the superintendent's oversight powers are greatly enhanced. The legislation also clarifies that the Superintendent has the power to make rules to effect many of the other recommendations.

69. Why do the amendments not implement all of the IAG recommendations?

Most of the IAG recommendations that relate to legislation are included in the amendments.

The exceptions are those that are currently outside the legislative scheme of the Real Estate Services Act and the recommendation to provide the council with the responsibility to investigate unlicensed activity.

The amendments provide the Superintendent with broad oversight of council, and go further than the IAG recommendations in transferring rule making authority from council to the superintendent and in replacing the industry-elected members on Council with members appointed by the government.

The superintendent's rule-making authority will allow it to implement the non-legislative IAG recommendations.

70. Why do the amendments not implement the recommendation to provide council with the responsibility to investigate unlicensed activity?

We have not implemented that recommendation at this time, but it is still being considered. For the moment, action on unlicensed activity continues to be the responsibility of the Superintendent of Real Estate.

Government has made a number of significant changes to the oversight, regulation, and discipline of the real estate industry, including ending self-regulation and enhancing the oversight and authority of the Superintendent of Real Estate. The capacity of that office is being enhanced, and the staff will be working closely with the Real Estate Council to regulate and maintain discipline of licensees and unlicensed activity.

As the Council works to take on its evolving role, government and the new Superintendent will determine how best to address the recommendation on the regulation and enforcement of unlicensed activity.

71. So who is responsible for unlicensed activity?

The Superintendent of Real Estate.

72. What is happening with the other recommendations of the IAG?

Government has established an implementation team that is working swiftly to end self-regulation and implement the recommendations, including the additional powers the Superintendent will receive. The team includes senior staff from the current office of the Superintendent of Real Estate, the Real Estate Council and the Ministry of Finance. When the new Superintendent of Real Estate is hired, s/he will assume leadership of the implementation team.

73. Why do these amendments not end dual agency?

The amendments give the Superintendent the power to make rules that prohibit dual agency. However, prohibiting dual agency, together with banning double ending are important issues that government is continuing to analyse. Government may step in to address them directly by regulation rather than relying on the Superintendent to make rules.

74. Can you tell us the distinction between dual agency and double ending?

Dual agency occurs when a licensee acts as agent to parties with opposing interests in a real estate transaction. For example, a licensee may be the real estate agent for both the seller of real estate and the buyer of real estate or a licensee may be acting for two different buyers bidding for the same real estate. The concern with dual agency is that the licensee cannot, in practice, fully act in the best interests of both parties if the interests of those parties are in conflict.

Double ending occurs when a licensee receives both the seller's and buyer's portion of the commission for a transaction. This most often occurs when a licensee is acting as a dual agent, but can also occur where a buyer is not represented by a licensee.

Dual agency and double ending may result in an unshared commission being received by a single licensee. However, under dual agency the licensee has the obligation to act as agent to both parties, even if the execution of this obligation is impractical.

75. Will the fees that licensees have to pay increase?

We are currently considering the staffing and resourcing requirements that the Council will need. We cannot definitively say whether fee increases will be necessary until we understand the requirements needed to support the additional workload.

Consumer Protection – Superintendent

76. Will additional resources be available to the Superintendent?

Assessment of the resource requirements for the Superintendent's office is underway.

77. How many staff will the Superintendent have?

The Superintendent will have the necessary resources required to carry out its mandate. The number of staff is being determined.

78. How will the Superintendent's office be funded?

The Superintendent's office will continue to be funded through licence fees.

79. When will the Superintendent begin his or her role?

The Deputy Minister of Finance is in the process of hiring a Superintendent dedicated to Real Estate. This is a high priority within the Ministry and for the Deputy Minister of Finance. He or she will begin working as soon as possible.

Consumer Protection – Real Estate Council

80. Does the real estate council continue to exist?

Yes. The council will continue its role with respect to handling licensing and bringing disciplinary actions, but it will do so under the oversight of the superintendent of real estate. Council's ability to make rules that govern licensee conduct have been transferred to the Superintendent.

81. Who will be appointed to the Real Estate Council?

The Province's Board Resourcing and Development Office will follow its standard process for making recommendations about appointments to government. The overarching governing principles of this process are: merit-based selection; transparency; consistency; probity (appointees must be committed to the values of the public service); and proportionality (the process for selection will be appropriate for the nature of the post).

82. Will any industry members be appointed to the Real Estate Council?

Our priority is to minimize industry representation, but we recognize the value of experienced and practical voices on the council.

83. What happens to the existing council members?

Council members that were elected or appointed by council will cease to be council members once the amendments come into force. Council members that were appointed by the Lieutenant Governor in Council will continue to be council members.

84. When to the amendments come into force?

The amendments will come into force by regulation, which we anticipate will be relatively soon.

85. What happens to council staff?

The Council will continue to require the existing complement of staff to fulfill its revised mandate and may even require additional staff to fully meet its responsibilities.

86. Does this mean the council (and related corporations) become part of the government reporting entity?

It is likely that the Council will become part of the government reporting entity, as government will be appointing all council members and has control over the Council.

87. Why are you keeping the two appointed members on Council?

Two existing government appointees are being reappointed, as they are new to the board. They were appointed mid-2015, and typically appointees serve up to six years. The two council members who are being reappointed are well qualified and bring important skills and attributes to the board, and provide continuity.

A number of important changes are anticipated that will bring new leadership and change to the regulator and the industry. Government is in the process of hiring a new Superintendent of Real Estate. In this context, some stability and continuity on the board is important.

88. What will the role of Council staff be?

Staff will continue to receive complaints, investigate potential contraventions, and support the new Council as it determines whether to issue a notice of hearing and conducts discipline hearings.

89. Why does Council continue to be responsible for discipline?

Council will continue to be responsible for discipline. As well, Council will have more penalty tools available to ensure licensees are properly deterred and punished for any misconduct.

The Superintendent will have the ability to increase disciplinary activities of Council by:

- directing Council to investigate a particular matter;
- requiring Council to issue a notice of disciplinary hearing, thus beginning the disciplinary process; and
- requiring Council to provide the Superintendent with all information about an investigation or disciplinary process that will let the Superintendent decide whether to appeal the disciplinary outcome of a particular matter.

Consumer Protection – Legislation

90. What do these amendments do?

These amendments effectively end the self-regulatory status of the real estate council by providing that all members of the council are to be appointed by the government, instead of having the majority of council members elected by industry.

91. Why is the strata owner council position being removed? Wasn't this position independent?

Council was provided the ability to appoint a strata owner to council to ensure the concerns of this constituency were represented. This was required to address the fact that council was largely comprised of elected real estate agents. As all council members will now be appointed, government will be able to ensure the composition of the board adequately reflects the interests and perspectives of all stakeholders.

92. Why are disgorged commissions not returned to the consumer?

The amendments provide that disgorged commissions, like discipline penalties, must be remitted to the council for the purposes of licensee and public education. The amendments allow for a regulation to be developed should it be considered effective and appropriate to allow for other uses of disgorged funds.

93. Why do the amendments not protect the public from predatory buyers and sellers that are not required to be licensed?

The IAG's recommendations to extend government's assignment disclosure regulation and to extend the legislative regime to high volume unlicensed activity are beyond the scope of the Real Estate Services Act. However, this may be something that we look at in the future.

Consumer Protection – Operations

94. What progress has been made in developing the implementation plan?

Once the new Superintendent is in place, he or she will begin to develop the implementation plan that flows out of the legislative changes, and put into action any operational changes necessary.

Work is already underway to consider what the staffing and resourcing requirements Council will have.

95. Who will handle complaints and discipline?

Council will continue to be responsible for daily operational matters (for example, qualification and discipline hearings).

Additionally, the Superintendent will have the ability to increase disciplinary activities of Council by:

- directing Council to investigate a particular matter;
- requiring Council to issue a notice of disciplinary hearing, thus beginning the disciplinary process; and
- requiring Council to provide the Superintendent with all information about an investigation or disciplinary process that will let the Superintendent decide whether to appeal the disciplinary outcome of a particular matter.

96. Who will handle unlicensed activity?

The superintendent will continue to be responsible for unlicensed activity. The amendments generally give less power to council, and expanding council's role per the IAG recommendations is contrary to the direction of the amendments.

97. What happens to the existing rules?

The existing rules will be deemed to be the rules of the superintendent, and will continue to remain in force.

98. Which IAG recommendations are not addressed by the amendments?

The amendments do not implement any IAG recommendations that can be implemented by rules or that are operational in nature. Also, recommendations involving unlicensed activity (extending shadow flipping regulation to all real estate contracts, for sale by owner regulation), including the recommendation to transfer oversight of unlicensed activity to council are not provided for in the amendments.

99. Who will have power to make bylaws?

The council will retain the power to make bylaws. However, the superintendent is provided with new powers to direct council to make, amend, or repeal a bylaw.

Consumer Protection – General

100. What other Canadian jurisdictions have self-regulation of the real estate industry?

Self-regulation of real estate exists in Alberta, Saskatchewan, Ontario, Quebec, and Nova Scotia. In these provinces, provincial law and regulation establish real estate councils to license real estate professionals and to create and administer the rules agents must follow.

In the territories and the four provinces without real estate councils, provincial governments directly license agents and regulate the profession.

101. Do these amendments reverse the 2005 changes in real estate regulation?

Only in part. These amendments change the structure of real estate regulation by ending the self-regulatory status of real estate agents. Other changes implemented in 2005, such as the regulation of strata managers and the establishment of a compensation fund, continue on.

Vacancy Tax

102. What is the purpose of this legislation?

- The Province is enabling Vancouver to implement a stand-alone tax on vacant residential property. The Province is acting in response to Vancouver's request. Vancouver has been seeking additional tools in an effort to increase the supply of rental units on the market while waiting for some of Vancouver's pending housing projects to be available. The vacancy rate in Vancouver is currently 0.6% and unused housing supply can put upward pressure on accommodation costs.
- Once implemented by Vancouver, the intent of a vacancy tax would be to encourage owners of vacant properties to add those properties to Vancouver's rental housing inventory rather than pay the tax. In addition, the legislation would ensure that the revenues received under this vacancy tax could only be used by Vancouver in relation to affordable housing initiatives and administration of the tax.

103. What is the scale of the vacant property problem in Vancouver?

- The intent of the tax is to increase the rental housing stock on the market; a study conducted by Vancouver in 2016 indicates that Vancouver has close to 11,000 empty housing units (Vancouver estimates there are approximately 177,000 residential properties in total).

104. Why is the Province allowing Vancouver to design and implement the tax?

- It is important to Vancouver that it has clear, statutory authority to impose a vacancy tax if it decides to proceed with such a tax. Whether to impose such a tax is ultimately Vancouver's decision.
- While the legislation will set out key elements of the tax, the design details, implementation, administration and collection of the tax will be determined by Vancouver and imposed by municipal bylaw. Vancouver has the best ability to understand its needs and its residents and what properties and property owners should be covered by the vacancy tax.

105. What about other Lower Mainland communities struggling with housing affordability and availability? Or what about in other areas of the Province, like Victoria? Will they be able to implement a similar tax?

- Addressing the issue of housing affordability is a priority for the Province. Vancouver is being empowered to design and implement a novel tax, unprecedented in Canada. On that basis, it

would make sense for other communities to first be in a position to learn from Vancouver's approach, including issues with implementation and whether the tax has the desired effect.

- After that, if there is general interest from other municipalities, legislative change could be discussed further.

106. How will you know if there is interest in other places? Do other municipalities just get to ask for this authority, like Vancouver?

- The usual process for seeking amendments to the *Community Charter* or other core legislation that applies to local governments throughout B.C. is through the Union of BC Municipalities (UBCM), which represents all local governments. Through its annual resolutions process, UBCM members debate, vote on and adopt resolutions on a variety of issues, including ones seeking legislative change. The Province responds annually to those resolutions.

107. How will the public know if the tax is effective? Does Vancouver have to account for the use of the revenues collected from this tax?

- Vancouver is required to provide an annual report on the vacancy tax that must include the amount raised and how it was used; and ensure that the report is publicly available. Vancouver's use of revenue generated from the vacancy tax is limited to the purposes of initiatives respecting affordable housing; and paying the costs of administration of the tax.

108. What else is the Province doing to support affordable housing?

- In Budget 2016, the Province increased the property transfer tax rate to 3% on the value of homes above \$2 million, and invested that money in the Newly Built Home exemption, which can save buyers up to \$13,000 on the purchase of new housing valued up to \$750,000. This measure aims to stimulate greater housing supply in the market at an affordable price.
- The Province is also investing \$355 million over the next five years to support the construction or renovation of more than 2,000 units of affordable housing. In addition, the Province has also started collecting citizenship information from buyers when they register properties to help us understand the extent that foreign capital is driving the housing market.
- And as my colleague Minister de Jong has mentioned, the Province will also be introducing legislation to support consumer protection by ending self-regulation of the real estate industry.

109. What are other jurisdictions doing?

- This would be a unique taxation authority in Canada.
- Research has only found two worldwide examples of a vacancy tax imposed locally for the purpose of addressing housing affordability (i.e., some boroughs in Greater London, England such as Camden impose a 50% vacancy premium on their equivalent of municipal property taxes for properties empty for set periods over the prior two years; France imposes such a tax for municipalities over 200,000 population, at a rate of roughly 10% of annual rental value).
- While the tax itself would be unprecedented in Canada, it is expected to generate interest in some other B.C. local governments seeking revenue tools to address the same issues and/or seeing it as a new tool to raise funds.

Vacancy Tax Legislation – General Questions

110. Why isn't the Province enabling a separate vacant residential property class under the *Assessment Act* for Vancouver? Wouldn't an assessment approach simplify things?

- A vacant residential property class or sub-class would be applied on a province-wide basis, as are all assessment provisions. The risks of such a broad application are currently unclear, and may lead to unintended consequences for municipalities and tax administrators. Therefore, it is more appropriate to enable Vancouver to impose a vacancy tax, and ensure that any revenues are used to support the administration of the program and fund affordable housing initiatives in Vancouver.

111. What properties is this targeting? What constitutes a "vacant" property?

- The legislation authorizes Vancouver to tax residential properties that are in Class 1 of the *Assessment Act* and meet the criteria to be set out in Vancouver's vacancy tax bylaw. Such residential properties may include single family dwellings, apartments, and condominiums, but not hotels and motels.
- The length of time and the circumstances that constitute "vacant property" will be defined by Vancouver by bylaw. As well, Vancouver will have broad authority to establish exemptions from the tax for properties that may be vacant but should not be taxed (e.g. estates in probate; properties awaiting a demolition permit). Given the variety of possible scenarios, how "vacant property" is defined can only be determined by Vancouver.

112. What will the tax rate be?

- The rate or amount of the tax will be determined by Vancouver, and may be different for different categories of residential properties, registered owners and/or vacant properties (also to be determined by Vancouver). Vancouver will also determine the basis for the tax rate –

whether for example it is a percentage of the assessed value of the property or an amount per parcel.

113. When would this vacancy tax take effect?

- It is anticipated that it will take some time for Vancouver to design the tax, but the timing of implementation is up to Vancouver to decide.

114. Will there be exemptions from the tax?

- The legislation requires Vancouver to establish exemptions from the tax in their vacancy tax bylaw, as there will be many different situations to be accommodated. As Vancouver will be responsible for the details of the design of the tax, it will be up to Vancouver to determine what these exemptions will be.

115. What if the owner only uses the property part-time or occasionally? What if the owner has an unrented suite or carriage house on an owner-occupied property?

- As Vancouver will be responsible for the details of the design of the tax and the definition of “vacant property”, it will be up to Vancouver to determine whether any of these properties would be subject to the tax.

116. What if a strata corporation does not allow or limits rentals? Will Vancouver have the authority to require strata corporations to permit rentals?

- If a strata corporation allows only limited rentals or prohibits rentals, this legislation will not require the strata corporation to revisit their policies in this regard.

Vacancy Tax – Collection and Enforcement of the Tax

117. What happens if the owner doesn’t pay the tax? What are the collection and enforcement remedies?

- Vancouver will have the authority to establish penalties and interest for non-payment and late payment of the tax. Ultimately, the legislation authorizes Vancouver to choose to apply the full range of remedies available for collection and enforcement of property value taxes under the *Vancouver Charter* to also enforce the vacancy tax.
- That means that properties could be required to be put to tax sale where taxes are delinquent for two years.

118. How can property owners appeal/complain if they disagree with Vancouver's determination of their property status?

- One of the required elements of a vacancy tax bylaw is for Vancouver to establish a process for hearing and determining complaints, including providing for a review process for determination of complaints. As Vancouver further develops its design of the tax and process for its administration/collection, the Province is happy to discuss any issues that may arise or need to consider potential future amendments to ensure the fairness of such a review process.

Vacancy Tax – Data/Collection of Information

119. How will Vancouver identify vacant properties? Are property owners required to provide this information?

- The legislation enables a declaration framework; Vancouver may require information from property owners regarding the status of their residential property and seek verifying evidence from them as to whether it is vacant or occupied. Failure to provide required information could have various consequences, including fines, and most significantly that the property is considered to be vacant and taxable.

120. Can the information collected from property owners for the purpose of the vacancy tax be used for other purposes?

- Information collected from property owners is often personal information. Personal information gathered by Vancouver must be collected and used in accordance with the *Freedom of Information and Protection of Privacy Act* (FOIPPA) which has, as its starting point, that information may only be used for the purpose for which it is collected.

121. Does the legislation authorize Vancouver to access 3rd party-collected data, e.g. provincially held personal information?

- No. The legislation currently does not authorize Vancouver's access to or agreements around 3rd party-collected data (e.g. provincially-held personal information such as Home Owner Grant claims or Drivers Licence/BC ID information).
- This would require detailed consultations with the Office of the Information and Privacy Commissioner (OIPC). As Vancouver actually designs its tax and identifies specific data needed for specific purposes, there is an opportunity to undertake the necessary discussions and consider the potential for future data-related amendments.

122. Isn't data essential to Vancouver being able to design the details of this tax? Otherwise, how are they going to determine which properties should be taxed?

- The legislation enables a declaration framework; Vancouver may require information from property owners regarding the status of their residential property and seek verifying evidence from them as to whether it is vacant or occupied.
- As Vancouver actually designs the tax and identifies specific data needed for specific purposes, there is an opportunity to undertake the necessary discussion and consider the potential for future data-related amendments.

123. Why didn't you add the provision suggested by the Office of Information and Privacy Commissioner, to ensure that Vancouver could only use information and evidence collected from property owners for the purposes of the vacancy tax?

- Vancouver is already required to operate under the *Freedom of Information and Protection of Privacy Act* for any personal information it collects. Section 32 of that Act establishes the core rule that personal information may only be used for the purpose for which it was collected and, in limited circumstances, for a consistent purpose.
- Once Vancouver has undertaken more detailed design of the tax and how it will be administered, further discussion about issues related to information/data collection and sharing may be needed; that would be the best opportunity to discuss the suggested provision with Vancouver and with the Office of Information and Privacy Commissioner.

124. Can Vancouver enter residential property to verify if the property is vacant?

- The proposed legislation includes a limited power of entry for an authorized person onto a property (after reasonable steps) for the purpose of determining or verifying the status of the property for purposes of the vacancy tax. This authority is consistent with normal municipal authority to determine compliance with their bylaws.
- Additionally, the authorized person may only enter into a residential property (e.g., a private dwelling) if the individual occupying the property, if any, consents.

125. Why is there no warrant authority to enable Vancouver to enter into a building or dwelling?

- The creation of a warrant authority for the purposes of the vacancy tax raises complex constitutional issues and would require further legal consideration as well as consultation with the judiciary. As with the question of specific data needs, the Province is open to having further discussion on this issue with Vancouver as it actually designs the details of the tax, and consider the potential for future amendments if the need arises.

126. If the legislation doesn't provide for entry into property and it doesn't give Vancouver access to third party data, does this legislation actually give Vancouver the authority it needs to implement this tax?

- Yes. The legislation balances flexibility in the enabling framework for Vancouver's design of the tax scheme while providing enough certainty in the legislation for the tax to be legally valid. To uphold principles of fairness and equity in taxation, the legislation enables Vancouver to start broadly in identifying residential properties and then narrow down those subject to the tax through self-declaration.
- It gives Vancouver the authority to require information from property owners regarding the status of their residential property and seek verifying evidence from them as to whether it is vacant or occupied. It also provides consequences for not providing that information – most importantly, that the property can be considered vacant and subject to the vacancy tax.
- As Vancouver actually undertakes more detailed design of the tax and if it identifies specific data needed for specific purposes the Province is open to further discussion and considering the potential for future data-related amendments.

127. Why isn't the legislation enabling tax modelled on the approach suggested by UBC Sauder School of Business (Professor Joshua Gottlieb)?

- As I understand it, the model supported and proposed by the UBC Sauder School of business is a 2% property value tax based on assessed value of a property, which would then be negated on a sliding scale by application of an exemption based on income taxes paid by the registered property owner.
- While the starting point of such a tax would be the parcel of property, whether a registered owner of such property pays tax would be determined by an exemption based on income taxes paid by the registered owner. The Sauder School approach would be entirely dependent on Vancouver being able to access federal income tax information.
- The proposed legislation for the Vancouver Vacancy Tax provides Vancouver with the authority to impose a municipal tax in relation to residential properties that are vacant. The legislation, as proposed, does not authorize Vancouver's access to or entry into agreements around third party-collected data. This level of information/data access would require detailed determination of necessary personal information sources, authorization for information sharing and detailed consultations with the Office of the Information and Privacy Commissioner (OIPC) and in relation, to income tax information, consultations with the federal government.
- Vancouver had initially requested an assessment based (i.e., property tax) to impose on vacant properties and later raised the possibility of imposing a property based Business Tax. The authority contained in the proposed legislation/ Bill is consistent with municipal taxation authorities in BC and Canada and does not require data availability on the income of registered owners of subject properties, necessitating negotiation of income tax information sharing

between Vancouver and the Province/Federal Government which, in turn, raises privacy concerns around use, sharing and custody of personal information.

128. Lower Mainland mayors have proposed an alternate approach where a tax would be imposed on a property and exempted where the property is used as a principal residence (non-resident tax). Wouldn't this be easier to administer and help avoid a patchwork approach to addressing the issue?

- There is no one right approach to increasing rental stock in Vancouver; every approach will have its pros and cons.
- We are supporting Vancouver in its request for a municipal tax on vacant property to address a historically low vacancy rate, which it considers to impact housing affordability. The purpose of the tax is to provide an incentive for owners of empty homes to add them to the rental pool. This tax is intended to help address housing availability and affordability.
- My understanding of the non-resident tax proposed by some Lower Mainland mayors is that an owner would be levied an additional property tax for any property that is not a principal residence. This raises some questions about how this would assist in addressing the low vacancy rate, and whether it may have the effect of increasing rents for those units that are currently occupied. It is not at all clear that this type of tax would be easier to either design or administer, as it also raises legal and tax equity issues, and could certainly present some significant property conveyancing issues.

Appendix A: Examples of Tax Payable

Home value	Regular tax	Additional tax	Total	Total as a % of home value
\$100,000	\$1,000	\$15,000	\$16,000	16.0%
\$200,000	\$2,000	\$30,000	\$32,000	16.0%
\$300,000	\$4,000	\$45,000	\$49,000	16.3%
\$400,000	\$6,000	\$60,000	\$66,000	16.5%
\$500,000	\$8,000	\$75,000	\$83,000	16.6%
\$600,000	\$10,000	\$90,000	\$100,000	16.7%
\$700,000	\$12,000	\$105,000	\$117,000	16.7%
\$800,000	\$14,000	\$120,000	\$134,000	16.8%
\$900,000	\$16,000	\$135,000	\$151,000	16.8%
\$1,000,000	\$18,000	\$150,000	\$168,000	16.8%
\$1,100,000	\$20,000	\$165,000	\$185,000	16.8%
\$1,200,000	\$22,000	\$180,000	\$202,000	16.8%
\$1,300,000	\$24,000	\$195,000	\$219,000	16.8%
\$1,400,000	\$26,000	\$210,000	\$236,000	16.9%
\$1,500,000	\$28,000	\$225,000	\$253,000	16.9%
\$1,600,000	\$30,000	\$240,000	\$270,000	16.9%
\$1,700,000	\$32,000	\$255,000	\$287,000	16.9%
\$1,800,000	\$34,000	\$270,000	\$304,000	16.9%
\$1,900,000	\$36,000	\$285,000	\$321,000	16.9%
\$2,000,000	\$38,000	\$300,000	\$338,000	16.9%
\$2,250,000	\$45,500	\$337,500	\$383,000	17.0%
\$2,500,000	\$53,000	\$375,000	\$428,000	17.1%
\$2,750,000	\$60,500	\$412,500	\$473,000	17.2%
\$3,000,000	\$68,000	\$450,000	\$518,000	17.3%
\$4,000,000	\$98,000	\$600,000	\$698,000	17.5%
\$5,000,000	\$128,000	\$750,000	\$878,000	17.6%
\$6,000,000	\$158,000	\$900,000	\$1,058,000	17.6%
\$7,000,000	\$188,000	\$1,050,000	\$1,238,000	17.7%
\$8,000,000	\$218,000	\$1,200,000	\$1,418,000	17.7%
\$9,000,000	\$248,000	\$1,350,000	\$1,598,000	17.8%
\$10,000,000	\$278,000	\$1,500,000	\$1,778,000	17.8%

Page 124

Withheld pursuant to/removed as

s.13

Wolford, Jessica GCPE:EX

From: Johnson, Nicholas GCPE:EX
Sent: Friday, July 8, 2016 3:11 PM
To: Wolford, Jessica GCPE:EX
Subject: RE: FIN/Real Estate5-day plan
Attachments: FIN_RealEstatePLAN-July2016.pdf

Added them in - and included our FB posts too (which are not nearly as regular, just because of the platform)

Nicholas Johnson
250-508-9159
A/Director – Digital Content
Government Communications and Public Engagement Province of BC

-----Original Message-----

From: Wolford, Jessica GCPE:EX
Sent: Friday, July 8, 2016 2:57 PM
To: Johnson, Nicholas GCPE:EX
Subject: Re: FIN/Real Estate5-day plan

Would you mind adding the DYK tweets to this document and resending? Thank you!!!

Sent from my iPhone

> On Jul 8, 2016, at 8:40 AM, Johnson, Nicholas GCPE:EX <Nicholas.Johnson@gov.bc.ca> wrote:
>
> Hi Jessica,
>
> As discussed this AM, we've gotten a lot of gotten out over the last 24hr, here's a recap and a general plan showing what we have in store for a strong, 5-day push.
>
> (PDF attached)
>
> Nicholas Johnson
> 250-508-9159
> A/Director – Digital Content
> Government Communications and Public Engagement Province of BC
>
> BC Gov News site<<https://www.newsroom.gov.bc.ca/>>
> @BCGovNews<<https://twitter.com/BCGovNews>>
> BC Gov Facebook<<https://www.facebook.com/BCProvincialGovernment>>
>
> <FIN_RealEstatePLAN-July2016.pdf>

5-DAY PLAN

Finance: Government releases real estate transaction data

<https://news.gov.bc.ca/11486>

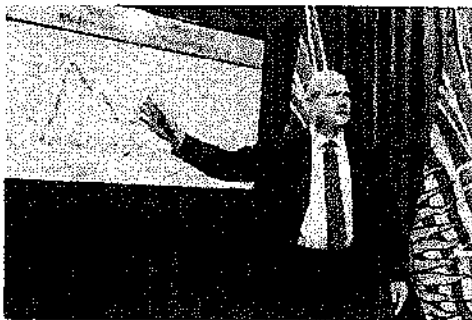
Thursday, July 7

TWITTER

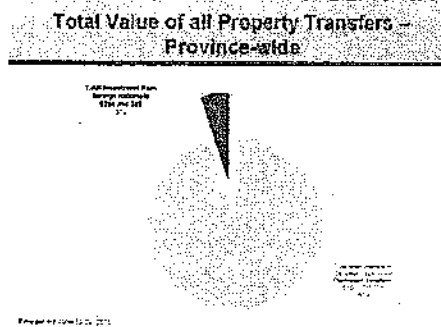
Headline tweet (as release is published), photo/event tweet and 5-6 infographic tweets

BC Government News
NEW: BC releases real estate transaction data,
<https://news.gov.bc.ca/11486>

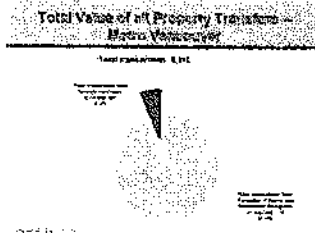
BC Government News
Early data around foreign real estate transactions in #BC is now available, ow.ly/UkYV3021MKR



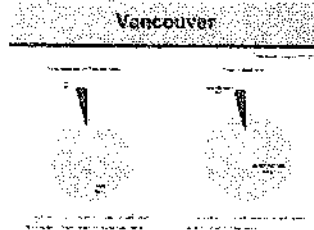
BC Government News
Real estate data showing total value of all property transfers is now available, ow.ly/svoX3021VKn #BC



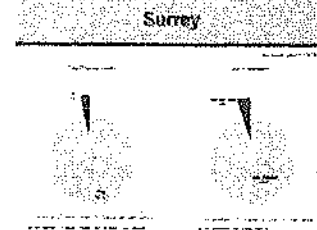
BC Government News
Infographic: Total value of foreign investment & Metro Vancouver property transfers, ow.ly/telH3021WTr



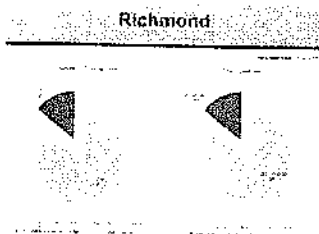
BC Government News
Infographic compares foreign & domestic transactions & investments in #Vancouver, ow.ly/p71N3021WKn #BC



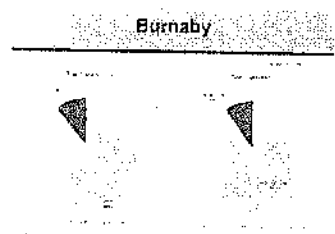
BC Government News
Infographic compares foreign & domestic transactions & investments in #SurreyBC, ow.ly/tiku3021WPr #BC



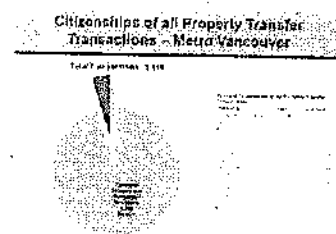
BC Government News
Infographic compares foreign & domestic transactions & investments in Richmond
#BCGovernmentNews
ow.ly/p7W3021Vhh #BC



BC Government News
Infographic compares foreign & domestic transactions & investments in Burnaby
ow.ly/p7W3021Vhh #BC



BC Government News
Infographic breaks down citizenships of homebuyers in Metro Vancouver
ow.ly/p7W3021Vhh #BC



FACEBOOK

Engaging Post 0

BC Government News
The first set of data about real estate investment in BC has been released

An early look at the rate and value of real estate purchases in the lower mainland is now available.
The first set of data looks at purchases made between June 10-16, 2014. BC's real estate board tracks the extent of foreign real estate transactions.

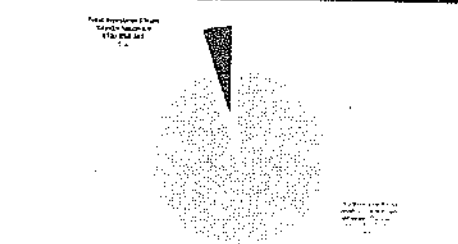


Government releases real estate transaction data | BC Gov News

BC Government News
The first set of data about real estate investment in BC has been released

An early look at the rate and value of real estate purchases in the lower mainland is now available.

Total Value of all Property Transfers - Province-wide



Friday, July 8

TWITTER

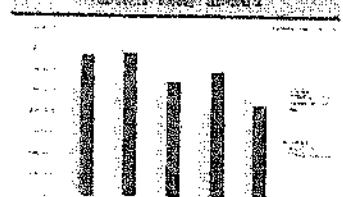
3-4 tweets directing to infographics and info bulletin
also 1 x PTT update tweet

BC Government News
Early data around foreign real estate transactions in BC is now available.
ow.ly/p7W3021Vhh

BC Government News
Approximately 40,000 BC households have benefited from property tax deferral programs - you can too. ow.ly/p7W3021Vhh

BC Government News
Comparing average real estate investment of foreign buyers w/ domestic buyers
ow.ly/p7W3021Vhh #BC

Average Investment of Foreign and Domestic Homebuyers - Metro Vancouver



SCHEDULED

DYK? As of April 2016, almost 40,000 #BC families have benefited from property tax deferment programs, <http://ow.ly/TBIf3023QQ9>

#BC releases first set of data showing the extent of foreign real estate transactions in province, <http://ow.ly/hBST3023AWI>

(infographic)

Comparing average real estate investment of foreign buyers w/ domestic buyers, <http://ow.ly/AnyY3021Y9q> #BC

ICYMI Infographic compares foreign & domestic transactions & investments in #SurreyBC, <http://ow.ly/cMku3021WPz> #BC

FACEBOOK

SCHEDULED

Government of British Columbia

Data taken from Property Transfer Tax forms between June 15 and 29 provide an early look at the extent of foreign real estate transactions



Government releases real estate transaction data | BC Gov News

Saturday, July 9

3-4 tweets directing to infographics and info bulletin

also 1 x PTT update tweet

SCHEDULED

About 40,000 #BC households have benefited from property tax deferment programs - you can too, <http://ow.ly/g1Op3023RB1>

#BC releases first set of data showing the extent of foreign real estate transactions in province, <http://ow.ly/hBST3023AWI>

Infographic compares foreign & domestic transactions & investments in #Burnaby, <http://ow.ly/p7tW3021Wth> #BC

Early data around foreign real estate transactions in #BC is now available, <http://ow.ly/UKYV3021MKR>

Infographic breaks down citizenships of homebuyers in Metro #Vancouver, <http://ow.ly/p7tW3021Wth> #BC

Sunday, July 10

3-4 tweets directing to infographics and info bulletin
also 1 x PTT update tweet

SCHEDULED

DYK? As of April 2016, almost 40,000 #BC families have benefited from property tax deferment programs,
<http://ow.ly/kRRE3023QSo>

Infographic compares foreign & domestic transactions & investments in #RichmondBC, <http://ow.ly/p7tW3021Wth> #BC

#BC releases first set of data showing the extent of foreign real estate transactions in province, <http://ow.ly/hBST3023AWI>

ICYMI Early data around foreign real estate transactions in #BC is now available, <http://ow.ly/UkYV3021MKR>

Foreign & domestic transactions & investments in #Vancouver compared in infographic, <http://ow.ly/p7tW3021Wth> #BC

Monday, July 11

3-4 tweets directing to infographics and info bulletin
also 2 x PTT update tweet

SCHEDULED

Early data around foreign real estate transactions in #BC is now available, <http://ow.ly/UkYV3021MKR>

About 40,000 #BC households have benefited from property tax deferment programs - you can too, <http://ow.ly/uv5e3023RCQ>

Infographic breaks down citizenships of homebuyers in Metro #Vancouver, <http://ow.ly/p7tW3021Wth> #BC

ICYMI #BC releases first set of data showing the extent of foreign real estate transactions in province, <http://ow.ly/hBST3023AWI>

DYK? As of April 2016, almost 40,000 #BC families have benefited from property tax deferment programs,
<http://ow.ly/N3Ed3023QUe>

Foreign & domestic transactions & investments in #Vancouver compared in infographic, <http://ow.ly/p7tW3021Wth> #BC

Wolford, Jessica GCPE:EX

From: Wolford, Jessica GCPE:EX
Sent: Saturday, July 30, 2016 8:40 AM
To: Smart, Stephen PREM:EX
Subject: Fwd: TNO: Tax on foreign homebuyers under fire - Peter O'Neil - Vancouver Sun

FYI. "Ministry did not immediately respond". No clip from us

Sent from my iPhone

Begin forwarded message:

From: <tuo@gov.bc.ca>
Date: July 30, 2016 at 6:52:11 AM PDT
To: Undisclosed recipients;;
Subject: TNO: Tax on foreign homebuyers under fire - Peter O'Neil - Vancouver Sun

Tax on foreign homebuyers under fire
Vancouver Sun
30-Jul-2016
Page A14
By Peter O'Neil

Copyright

Page 131

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Wolford, Jessica GCPE:EX

From: Smart, Stephen PREM:EX
Sent: Saturday, July 30, 2016 8:43 AM
To: Wolford, Jessica GCPE:EX
Subject: Re: TNO: Tax on foreign homebuyers under fire - Peter O'Neil - Vancouver Sun

Yeah... Saw that. Unfortunate. At least it was a minor mention.

On Jul 30, 2016, at 8:40 AM, Wolford, Jessica GCPE:EX <Jessica.Wolford@gov.bc.ca> wrote:

FYI. "Ministry did not immediately respond". No clip from us

Sent from my iPhone

Begin forwarded message:

From: <tno@gov.bc.ca>
Date: July 30, 2016 at 6:52:11 AM PDT
To: Undisclosed recipients;;
Subject: TNO: Tax on foreign homebuyers under fire - Peter O'Neil -
Vancouver Sun

Tax on foreign homebuyers under fire
Vancouver Sun
30-Jul-2016
Page A14
By Peter O'Neil

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Page 133 to/à Page 134

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DRAFT – Comms Plan

1. Communications Outline & KMs (Pg. 1 - 4)
2. Communications Rollout June 24th – July 29th (Pg. 5 – 10)

COMMUNICATIONS OUTLINE

Strategic Positioning

B.C. is stepping up to ensure British Columbians have opportunities to secure housing and benefit from our growing economy. We are taking action to protect consumers from real estate practices that drive up prices, increase housing supply for homebuyers and renters, create liveable communities connected by transit, and ensure there are opportunities for new home buyers.

General Key Messages

- The issue of housing affordability is impacting families and the livability of our region.
- It is time for a determined effort on the issue of housing affordability in the Lower Mainland.
- One that includes all levels of government to make sure that we preserve the dream of owning a home and keeping it within the reach of the middle class.
- These are the principles that will guide us in the decisions we make to address the housing affordability problem in the Lower Mainland:
 - First, all levels of government must work together to make sure there is enough supply, enough units in the market, to meet the demand.
 - Second, we need to be smart about transit investments. Making sure we are linking communities together, keeping them livable and making it possible and easier for people to get around.
 - Third, we have to support first-time home buyers in getting into the market. We want to make it a little bit easier for someone who hasn't yet built up any equity in the housing market to find their way in.
 - Forth, we have to protect consumers from shady practices. In a fast rising market sometimes greed takes over. We want to make sure that consumers are protected.
 - Fifth, we have to make sure that it's not just about home ownership. For those people who are in a position to rent and want to find a home have the ability to find one. That means increasing the number of rental units that are available, especially in Vancouver but all over the Lower Mainland.
 - And most of all, it's all about making sure the dream of home ownership and the dream of living in a world-class city like Vancouver and the other cities that surround it in the Lower Mainland remains within the reach of the middle class.

Announcement #1: Response to IAG Report & taking further action (Consumer Protection)

- The point of regulations are to protect the public.
- The industry has had the privilege of self-regulation for 10 years and has failed to demonstrate responsible action. That is why we are taking away that privilege in the real estate industry.
- Today, government is taking action on all 28 recommendations of the Independent Advisory Group and will:
 - Establish a dedicated Superintendent of Real Estate, who will take over the council's regulation- and rule-making authority to carry out the changes required to restore public confidence.
 - Reconstitute the Real Estate Council with a majority of public-interest, non-industry members.

- Implement the recommended penalties, as well as increased fines for unlicensed activity and other offences.
- Allow for commissions from licensees engaging in misconduct to be taken back to council.
- Make the managing broker responsible for ensuring the owner of the brokerage does not engage in the business of the brokerage if the owner is not a licensee.
- No longer permit licensees to offer dual agency representation.
- These actions ensure fairness and transparency of the real estate sector and most importantly protect British Columbians when they are making the one of most important family investments of their lives— purchasing a home.
- This builds on measures already announced in Balanced Budget 2016 to protect consumers from shadow flipping.
- There is more action to come. We will be using these 6 principles to guide us in the decisions we make to address the housing affordability problem in the Lower Mainland:
 1. Ensuring the dream of home ownership remains within the reach of the middle class
 2. Increasing housing supply
 3. Smart transit expansion
 4. Supporting first-time home buyers
 5. Ensuring Consumer Protection
 6. Increasing rental supply

Announcement #2 - MMDJ update on data collection (Victoria Press Theatre)

- TBD

Announcement #3 – Recall of Legislature + Vacancy Tax

- Today, we are taking further action to make things easier for British Columbians .
- Introducing solutions that address the housing market and increase rental supply.
- These measures will ensure British Columbians have a fair opportunity to secure a home.
- We will enable a vacancy tax as requested by the City of Vancouver. It will be up to the city to design, implement, fund and administer this new tax.
- We know that taxes alone cannot fix housing affordability the problem. We also need to address the issue of supply (rental and homeowner).
- That is why we are announcing the return of the legislature on Monday, July 25th.
- We will be bringing forward important legislation that ensures consumers are protected and municipalities have the ability to implement a vacancy tax.

Announcement #4 – Legislature reconvenes – HA Legislation

- Today, we are taking action to cool demand the market place.
- We are introducing legislation that will apply ...XXX
- Every penny of these new revenues will be directed towards home affordability programs that will create future opportunities for British Columbians to purchase a home.
- This action is in addition to:
 - **Consumer Protection:** to protect consumers from shady practices

- **Enabling the Vacancy Tax:** for those municipalities who request this tax
- **Newly Built Home Exemption:** for all newly built homes valued up to \$750,000
- **Higher Property Transfer Tax rate:** 3% on value of home above \$3M
- **Raised Threshold for First Time Homebuyer's:** exemption from PTT to \$475,000 in 2014.
- **Capital spending of \$355M:** over 5 years for construction or renovation of more than 2,000 affordable housing units.
- **\$4M with Federal Government:** construction of 358 new affordable units in Vancouver – beyond \$335M in capital spending.
- **Property Tax Deferment:** allow B.C. homeowners to defer all, or a portion of, their annual property taxes
- **Home Owner Grant Program:** reduce homeowners' property taxes by up to \$570
- **Low-income Grant Supplement for Seniors:** Homeowners over the age of 65 who received the home owner grant can apply for a low-income supplement
- **Luxury Tax:** 3% tax on portion above \$2M
- **\$246M Transit Investment:** Metro Vancouver public transit projects
- **Shadow Flipping:** written consent from the original seller before the property is assigned to another buyer, and the return of any profit to original seller

Communications Approach

Communications will be executed over the coming weeks and will be around a comprehensive plan that will be detailed in late summer/ September. Tactically, efforts will be sustained on a day-to-day basis (each day will have a roll-out) using the following tools:

- Online digital platforms (government web)
- Heavy social media presence
- PCC/Minister announcements
- Media relations (interviews/op-eds/letters to editors)
- Stakeholder engagement

Tactics

Structurally, communications will be focused on the following: Pro-active activities during the sustained effort which involves coordination of traditional communications, social media; issues management to ensure any/all discourse that challenges our position is met with our counter arguments. Some specifics:

- Enhanced digital presence of our principles/initiatives/what we have done
- Heavy social media plan and push
- Speeches and public engagements (opportunities over the summer to profile the plan)
- Traditional communities tools for announcements (eg: news releases, fact sheets, QAs, stump speech)
- Stakeholder engagement and utilization when/as needed

Spokesperson

Lead: Premier, Minister of Finance

- Cabinet Ministers (as needed)
- Government MLAs (as needed)

Key Audiences

- Vancouver lower mainland
- First time home buys/renters
- Taxpayers
- BC Media /National Media/observers/commentators

Communications Rollout

Friday, June 24 th	<p><u>PCC 60 second video</u></p> <p>Push on FB and other social media channels</p> <ul style="list-style-type: none"> Continued social push and creation of simple infographic
Monday, June 27 th	<p><u>MMDJ meeting with Mayor Robertson</u></p> <ul style="list-style-type: none"> Continue to work with CoV on solutions for affordable housing Will continue to analyze CoV proposal of Vacancy Tax over coming weeks
<p>Tuesday, June 28th</p> <p>Lead: MMDJ</p>	<p><u>IAG Report Released</u></p> <ul style="list-style-type: none"> MMDJ media statement: signal support for recs – gov't response to come Media Advisory issued for avail with PCC & MMDJ on Wednesday, June 29th Continued social push of HA 6 principle
<p>Wednesday, June 29th</p> <p>Lead: PCC, MMDJ</p>	<p><u>Announcement #1: Response to IAG Report Recommendations (Consumer Protection)</u></p> <ul style="list-style-type: none"> Materials needed: NR, backgrounder, KMs, Q/A Mainstream regional and national media: PCC lead (including Global News Hour, BC 1 live, CBC Newsworld) <ul style="list-style-type: none"> South Asian Media: MMDJ lead Chinese Media: MMDJ lead Regional media/ smaller outlets Extensive social media push: <ul style="list-style-type: none"> HA infographic reminder + Consumer Protection infographics Identify influencers and traffic content Target blogger groups Issues Mgmt: MMDJ
<p>Thursday, June 30th</p> <p>Lead: MMDJ</p> <p>Regional Lead: Metro MLAs</p>	<ul style="list-style-type: none"> Continued social push on CP actions & HA Principles (with infographic) Regional papers/ talkshows Regional Op-eds (depends on print cycles)

Friday, July 1 st	CANADA DAY <ul style="list-style-type: none"> • Opportunity: Op-Ed (Province or Sun): MMDJ
Monday, July 4 th – Wednesday, July 6 th Lead: MMDJ	<ul style="list-style-type: none"> • Continued social push on Consumer Protection actions & HA Principles (with infographic) • Regional Op-eds (depends on print cycles) • Op-Ed: Van City Buzz
Wednesday, July 6 th Lead: PCC	<u>PCC 60 second video</u> <ul style="list-style-type: none"> • Highlighting HA Principles, previous week's announcement re: Consumer Protection, and foreshadow MMDJ press theatre briefing on Thursday, July 7th. • Push on FB and other social media channels
Thursday, July 7 th Lead: MMDJ (in Victoria- Press Theatre)	<u>Announcement #2: MMDJ update on data collection</u> <ul style="list-style-type: none"> • Focus: Housing data: foreign purchase #s, speculation last year, how many ppl have purchased houses & saved PTT • Materials needed: NR, backgrounder, KMs, Q/A, charts & graphs • Mainstream regional and national media: MMDJ lead (including Global News Hour, BC 1 live, CBC Newsworld) <ul style="list-style-type: none"> ○ South Asian Media: MMDJ lead ○ Chinese Media: MMDJ lead • Regional media/ smaller outlets • Extensive social media push: <ul style="list-style-type: none"> ○ Infographic: key housing data point ○ Identify influencers and traffic content ○ Target blogger groups <p>Issues Mgmt: MMDJ</p>
Friday, July 8 th – Sunday, July 10 th Lead: MMDJ	<ul style="list-style-type: none"> • Continued social push on Housing data points & HA Principles (with infographic) • Regional Op-eds (depends on print cycles)

<p>Monday, July 11th</p> <p>Lead: PCC, MMDJ</p>	<p><u>Announcement# 3: Vacancy Tax</u> Announcement & Recall of Legislature</p> <ul style="list-style-type: none"> • Focus: Enabling Vacancy Tax for CoV • Materials needed: NR, backgrounder, KMs, Q/A • Mainstream regional and national media: PCC lead (including Global News Hour, BC 1 live, CBC Newsworld) <ul style="list-style-type: none"> ○ South Asian Media: MMDJ lead ○ Chinese Media: MMDJ lead • Regional media/ smaller outlets • Extensive social media push: <ul style="list-style-type: none"> ○ Infographic: Vacancy Tax ○ Identify influencers and traffic content ○ Target blogger groups • Issues Mgmt: MMDJ
<p>Tuesday, July 12th – Sunday, July 17th</p> <p>Lead: MMDJ</p>	<ul style="list-style-type: none"> • Continued social push on HA Principles, Consumer Protection, Vacancy Tax (with infographics) • Metro push to regional papers/ talkshows • Metro regional Op-eds (depends on print cycles) • Build digital hub: GCPE <ul style="list-style-type: none"> ○ Outline what we have done, what we are working on, what we will do (principles) ○ Key graphics/ videos for HA principles ○ Strategy for social push to drive to digital hub ○ Identify influencers and traffic content ○ Target blogger groups
<p>Wednesday, July 13th</p> <p>Lead: MPF</p>	<p><u>Reactive Media: Deloitte Roundtable</u></p> <ul style="list-style-type: none"> • Focus: Deloitte's invitations for a Roundtable meeting on July 21st • Materials needed: KMs • MPF to do reactive media • Issues Mgmt – MPF

Thursday, July 21st

Lead: Deloitte

Support: MPF

Deloitte Roundtable: Liveable Communities

- 1 day Roundtable hosted by Deloitte to introduce summary of report and generate stakeholder dialogue
- Materials needed: KMs, Q/As, MPF statement, other roundtable materials
- Local gov'ts, academics, business/ community leaders to discuss transit expansion/ liveable communities

Meeting:

- Facilitated discussions between Deloitte and key stakeholders (list attached)
- Stakeholders would be assigned to breakout groups for focused discussions
- All government representatives (all levels) to be treated the same
- MPF, Mayors would be observers of the breakout discussions. Can provide feedback and context as discussions evolve within the groups
- Focus on strategies for aligning transportation and development to increase housing supply and create livable communities
- Engage Metro Vancouver mayors in collaborative approaches with wide range of stakeholders groups
- Outcomes to be summarized and converted into an action plan
- Discussion to also include Deloitte's work on the development community's concerns about approval timelines

Media Strategy:

- Materials needed: Reactive Statement from MPF, KMs, Q/A
- MPF and Deloitte to be available for media scrum end of day
- Mainstream regional and national media: MPF lead (including Global News Hour, BC 1 live, CBC Newsworld)
 - South Asian Media: MPF lead
 - Chinese Media: MPF lead
- Regional media/ smaller outlets

	<ul style="list-style-type: none"> • Extensive social media push: <ul style="list-style-type: none"> ○ Liveable communities infographic ○ Identify influencers and traffic content ○ Target blogger groups • Issues Mgmt: MPF
Friday, July 22 nd – Sunday, July 24 th	<p>Opportunity: 60 PCC video: Principles of transit expansion, rental and housing supply, liveable communities</p> <ul style="list-style-type: none"> • Opportunity: Op-Ed (Van Sun or Province): MPF • Continued social push • Stakeholder media • Issues Mgmt: MPF
<p>Monday, July 25th</p> <p>Lead: PCC, MMDJ</p>	<p><u>Announcement #4: Legislature Reconvenes</u> Feature: Misc. Stats Bill: Housing Affordability Act <u>Briefings:</u></p> <ul style="list-style-type: none"> • Caucus Briefing morning of July 25th (MMDJ) <p><u>Legislation:</u></p> <ul style="list-style-type: none"> • Media Avail: PCC and MMDJ • Materials needed: NR, backgrounder, KMs, Q/A, Digital Hub Launch • Mainstream regional and national media: PCC lead (including Global News Hour, BC 1 live, CBC Newsworld) <ul style="list-style-type: none"> ○ South Asian Media: MMDJ lead ○ Chinese Media: MMDJ lead • Regional media/ smaller outlets • Extensive social media push: <ul style="list-style-type: none"> ○ HA infographic reminder + infographics on all legislative actions ○ Identify influencers and traffic content ○ Target blogger groups • Issues Mgmt: MMDJ, MPF • Extensive social media push: <ul style="list-style-type: none"> ○ Digital Hub ○ HA infographic reminder ○ Identify influencers and traffic content ○ Target blogger groups

	<p><u>Launch Digital Hub</u></p> <ul style="list-style-type: none"> • HA Principles • Tax measures • Consumer Protection • Supply –Deloitte Roundtable
<p>Tuesday, July 26th</p> <p>Lead: MMDJ</p>	<p><u>MMDJ update on data:</u></p> <ul style="list-style-type: none"> • Similar to last update – 2 weeks ago • Foreign data #s • Follow up on budget announcements – exemptions for newly built homes (750k) – this is how it benefits families • Press theatre at 12pm? <p><u>Media Circuit Day</u></p> <ul style="list-style-type: none"> • PCC, MMDJ media circuit push: Global, CityTV, Early Edition, CKNW • South Asia media: MMDJ, MAV • Chinese media: MMDJ, MTW • Continued social push/ digital hub • Regional papers/ talkshows
<p>Thursday, July 28th</p> <p>Lead: Stakeholders</p>	<p><u>Stakeholder Day: on all legislative measures</u></p> <ul style="list-style-type: none"> • Stakeholder/ validator media circuit (print, radio, TV) • Regional papers/ talkshows • Continued social push / digital hub
<p>Friday, July 29th – Friday, August 5th</p> <p>Lead: MMDJ</p>	<p><u>Op-eds</u></p> <ul style="list-style-type: none"> • Op-Ed (Province or Sun): MMDJ • Regional papers/ talkshows • Regional Op-eds (depends on print cycles) • Continued social push / digital hub

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the sampling process and the statistical tools employed.

3. The third part of the document presents the results of the study, including a comparison of the findings with previous research. It also discusses the limitations of the study and the need for further research.

4. The fourth part of the document provides a summary of the key findings and conclusions. It highlights the main points of the study and offers recommendations for future research.