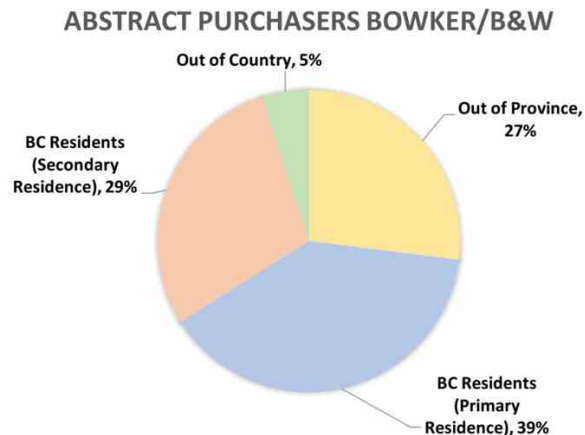


Speculation Tax Speaking and Newsletter Notes and Facts:

- The most of Buyers in Victoria are from BC and the Majority are from CANADA
 - 60% of Victoria Buyers are from BC
 - 30% out of Province – but Canadians
 - 5% -7% Foreign Buyers

THE MAJORITY OF HOME OWNERS TARGETED BY THIS TAX ARE BC RESIDENTS - NOT FOREIGN BUYERS

- Recent Sales in Development reflect this for example a Strata Building in downtown is a typical example



This tax affects 61% of Buyers in this building – while the building remains 70% BC owned

- 29% of BC residents are considered Speculators
- 27% of Out of Province are considered Speculators

Imagine this spread across the Greater Victoria Area?

Imagine the impact of losing these home owners to our local economy?

Did you know - the following BC residents are considered SPECULATORS?

- Families planning to retire to Victoria – but are still working in BC
 - If you purchase a home in Victoria and keep a condo in Vancouver
- Families living “FULL TIME” in two residences
 - You live in both properties full time (one Spouse lives full time in Victoria & the other in Vancouver (working) coming home for weekends)
 - *Vacant is defined as “not your primary residence” – not living in it full time!*
 - You are considered a speculator

- Families outlying areas of BC wishing to purchase a condo, so their children can go to College, UVIC or Vancouver Island University
 - You are considered a speculator
- Families who have historically owned second home/condo in Victoria for decades – for long periods of time
 - You are considered a speculator
- Families who own condos in building with rental restriction
 - Even though you can never rent
 - You are considered a speculator

The Tax Credit will exempt BC residents:

- The Government has suggested that a static \$2,000 will offset the tax burden for BC residents
 - This will only credit to a property value of \$400,000
 - Tax neutral - based on your BC tax Paid (which requires a min income of \$75,000)
 - If you do not pay the tax equivalent in BC tax – you pay the difference
 - The tax will be paid up front – you will need to have the money in your account
 - The tax goes up as your income comes down

Out of Province Canadians

- This is a discriminatory tax –targeting fellow Canadians who wish to plan their retirement
- The majority are hardworking Canadians who have paid their taxes and saved for this opportunity
- The majority are not “RICH” Canadians – but retirees being vilified for having lived the Canadian Dream, purchased a home, paid their taxes and kept it as a savings toward their retirement
- Taxing a retirement asset is being sold – as a “Speculation Tax”

No Industry Consultation:

The Public should know that the Government has made no effort to:

- Consult with the stake holders on these matters
- Perform any economic analysis of the impact of these taxes
- Is reacting on a issue by issue basis without any understanding of the underlying issues
- Has made no effort to understand the impact on Buyers

DOES BC'S NEW SPECULATION TAX APPLY TO YOU?

 **START
HERE**

Do you own at least one home in BC?

YES

No? Stop here. Pay no tax.

Are any of these homes left vacant?

("Vacant" is defined as either: not your primary residence; or, not rented out for at least six months of the year in periods of 30 days or longer; for 2018, it must be for at least three months)

YES

No? Stop here. Pay no tax.

Yes? Stop here. Pay no tax.

Are you exempt due to special circumstances?

(The owner: is undergoing medical care or residing in a hospital, long-term care or supportive care facility; is temporarily absent for work purposes; is deceased and the estate is being administered.)

NO

Here's how the tax affects you.

For British Columbians

The tax will apply on homes they own but remain vacant within the designated urban areas – Metro Vancouver, the Capital Regional District (excluding the Gulf Islands and Juan de Fuca), Kelowna and West Kelowna, Nanaimo, Lantzville, Abbotsford, Chilliwack and Mission.

Tax Rate: 0.5% of property value

99% of British Columbians will NOT pay this tax

What is the speculation tax?

BC's new speculation tax is designed to help make housing in overheated markets more affordable and available. With it, we're telling speculators to free up homes they're keeping vacant so they can be used by British Columbians desperate for housing.

Our approach means 99% of British Columbians – even if they own vacation homes – will not have to pay this tax.

Do you own one or more homes in the urban centres of Vancouver, the Capital Regional District (excluding the Gulf Islands and Juan de Fuca), Kelowna and West Kelowna, Nanaimo, Lantzville, Abbotsford, Chilliwack or Mission?

YES

No? Stop here. Pay no tax.

The \$400,000 exemption

Here's where it gets tricky. Please read both statements.

I only own one empty home and its value is \$400,000 or higher

OR

I have 2 or more empty homes

If you answered No to both, stop here. Pay no tax.

If you answered yes to either, continue

The tax rates for Foreign Speculators & Satellite Families:
2%

The tax rates for Canadians in other provinces:
1%