

December 16, 2024

Honourable Brenda Bailey  
Minister of Finance  
Parliament Buildings  
Victoria, B.C.  
V8V 1X4

**Re: Proposed Federal Vacant Land Tax**

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Dear Minister Bailey:

On behalf of the Canadian Home Builders' Association of British Columbia (CHBA BC), I am writing to express our concerns on the recently proposed federal vacant land tax and urge the province to not participate in this federal initiative.

As you may be aware, the federal government is undergoing consultation for a proposal to provide funding and support for provinces and municipalities that are interested in implementing a tax on undeveloped land that is:

- vacant;
- residentially (or mixed-use) zoned;
- serviceable by municipal infrastructure; and
- physically developable.

The intent of the proposed tax is to [“encourage private sector landowners to develop their vacant land”](#). Although we recognize the intent of the proposal is to encourage development, we believe this measure would have the opposite of its intended effect.

The proposed tax is predicated on the assumption that developers are speculating on vacant land. This shows the federal government's lack of understanding about the home construction sector as project delays are often a result of external factors outside of the builder/developer's control including slow municipal processes, financing challenges, and changes to government fees and regulations that impact a project's viability.

As outlined in the [letter](#) sent to Minister Freeland and Minister Fraser by the national level of CHBA, the home construction sector has experienced significant cost and regulatory challenges that have impacted the ability to create more housing supply. This includes high interest rates, rising construction costs, delays in municipal processes, as well as increasing government-imposed fees and taxes. The layering of government-imposed fees and taxes at all levels of government already presents a significant barrier to delivering affordable and attainable homes, representing [as much as 30%](#) of a unit's purchase price depending on the region. These government-imposed fees and taxes include but are not limited to:

- Municipal Development Cost Charges
- Municipal Amenity Cost Charges / Community Amenity Contributions
- Regional Development Cost Charges
- Provincial Property Transfer Tax
- Federal Goods and Sales Tax
- Federal Underused Housing Tax

Further, there are already similar taxes on vacant lands in BC like the Speculation and Vacancy Tax (SVT) and the Empty Homes Tax (which is layered on top of the provincial SVT and applies to Vancouver only). An additional vacant land tax would only serve to exacerbate already significant barriers, making it more difficult for builders and developers to deliver much-needed housing supply that is affordable and attainable for British Columbians.

We hope you will take our comments into consideration. Please don't hesitate to reach out to Jenny Scott, Director of Policy and Government Relations at [jenny@chbabc.org](mailto:jenny@chbabc.org) should you have any questions.

Sincerely,



Neil Moody,  
CEO

CC: The Honourable Ravi Kahlon, Minister of Housing and Municipal Affairs