



## Shaughnessy Heights Property Owners' Association

March 27, 2018

Premier John Horgan  
PO Box 9041  
Stn. Prov. Govt.  
Victoria, BC, V8W 9E1  
Via email: premier@gov.bc.ca

Dear Premier Horgan,

We strongly oppose the new Provincial Surtax (School Tax). It is completely unfair, arbitrary and counterproductive.

### **Unfair**

The tax is a shameful tax grab to extract money from a vulnerable minority, a poorly selected group of homeowners, on the pretext that they are somehow more fortunate than others. This is far from true.

The rates hidden in your budget just roll off the government's tongue: "only" .2% on the assessed values between \$3M and \$4M, and "only" .4% on assessed values above \$4M. But these rates actually amount to thousands and tens of thousands of dollars per year in cash obligations imposed by surprise on an unsuspecting public.

Many of the threatened homeowners are seniors who bought homes they could afford decades ago and which bore commensurate assessments, but who now find that, for reasons which have nothing to do with them, their assessments have risen tenfold or more. **They have not received any cash at all for this supposed increase in value and will not until they sell.** Many have the bulk of their life savings in their homes, a foundational Canadian tradition. And because of their stage of life, many are no longer in a position to earn income to pay this tax, protect their savings, or provide for their personal safety in their twilight years.

While many of the seniors in these homes have paid off their mortgages through years of work, saving and prudence, (and while much higher interest rates prevailed), many of the threatened homeowners, (not just the seniors), still have mortgages. These were affordable when they bought, but now will be rendered unaffordable as a result of this tax, when imposed in addition to the 15-20% increase in assessed value for this year, the average 4.1% property tax increase in Vancouver and interest rates which are again rising.

This tax will therefore deprive seniors of the comfort of home and their safety in their retirements and will drive a great many people, including seniors, from their homes. The tax is a violation of time honoured Canadian values, in which home ownership and saving have always been encouraged. It is a violation of community interests because neighbourhoods will be decimated. It is an unjust knee in the stomach to all of these homeowners delivered by a soulless government. It is manifestly unfair. What message does this send to your constituents? That it is appropriate to allow thousands of wolves and a few hundred sheep to vote on what's for dinner?

Though he subsequently removed his letter from his website, (out of shame?), we managed to read the Honourable David Eby, Q.C.'s response to his constituents and to those who have written to him objecting to this tax. (Eby's letter is attached). We find it naive and superficial. He refers to a couple of homes, assessed at over \$60M owned by billionaires. What is that, a sales job to encourage the aforementioned wolves? The NDP know perfectly well that most of the homeowners whose homes are assessed at over \$3M do not fall within this group. Hardly any single family home on the West side of Vancouver is assessed at below \$3M, and a great many ordinary working British Columbians live in these homes, people who actually struggle to maintain their properties, their families and their neighbourhoods.

Eby's letter acknowledges that his examples may not ring true to seniors who bought their homes many years ago, (as if they were they only ones being victimized here), but he then purports to say that the tax is nonetheless fair. Why? Because one can defer property taxes. He is misinformed. For owners with mortgages, in many cases either the mortgagee or the City does not permit deferral of property taxes. Mr. Eby apparently does not understand that the "deferral" is, in fact, the taking on of permanent, compound interest bearing debt, which affects owners and lenders alike. Or is he just utterly numb to financial realities in proposing this unfair burden on these owners? What if one outlives the now eroding equity in her home? What if property values decline, for example, if the predicted coming recession decimates property values which are already dropping in many BC cities? What if your government or some subsequent one further limits or totally eliminates the right to defer? In any of these cases, or for any other unanticipated negative change, will any of the debt be forgiven? That is highly doubtful. Forcing seniors, or anyone else, into a position where their choice is to be overburdened with debt in a risky world against their will, or to lose their homes, is reprehensible.

Eby refers to the sorry state of ICBC. ICBC has nothing whatsoever to do with property taxes. Nothing! Ridiculous!

### **Arbitrary**

There are many other areas where wealth is accruing and could be taxed. For example, take the case of the Defined Benefit Pension Plans worth millions of dollars which many

Vancouver City and Provincial employees enjoy. They can retire at 55, after working for higher than private sector wages, putting in 35 flexi hour work weeks, with months of vacation and they get money for life, indexed to inflation and heritable by their spouses. This accruing wealth is guaranteed by government and is safer than the theoretical and tenuous values assumed to be reflected in the home assessments.

Why do you not tax these public employees on these accruing benefits as they accrue?

The education tax captures people of all income levels. It is arbitrarily indiscriminate with respect to what people can afford, blind to their incomes. Why not instead raise provincial income taxes to capture people who can afford the education tax and leave out those who cannot afford to pay it? After all, why do we have a graduated income tax in this province if not to avoid taxing those who cannot afford to both pay tax and live?

### **Counterproductive**

This tax does nothing to improve housing supply and nothing to improve affordability. In fact, based on numerous newspaper articles which analyze this point, these measures are likely to make home ownership and renting less affordable.

The only people that will be able to afford to buy these homes and pay all these taxes will be developers, the very, very wealthy, and those with money from outside Canada. Who does that help?

The tax will tend to cause entrepreneurs, high value employees and business owners, particularly those who are just starting into their productive years and are therefore more mobile, to leave the Province for jurisdictions where they can live with housing taxes that are less oppressive.

YOU WOULD DO WELL TO REPEAL THIS POORLY CONCEIVED, UNFAIR, ARBITRARY AND COUNTERPRODUCTIVE TAX IMMEDIATELY.

Yours truly,



Nicole Clement  
President, on behalf of  
SHPOA Board of Directors

Cc. Hon. David Eby, Q.C., Attorney General ([AG.minister@gov.bc.ca](mailto:AG.minister@gov.bc.ca))  
Hon. Carol James, Minister of Finance, ([Min.Finance@gov.bc.ca](mailto:Min.Finance@gov.bc.ca))  
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Vancouver Board of Trade ([contactus@boardoftrade.com](mailto:contactus@boardoftrade.com))

Vancouver Sun, The Courier, The National Post, The Globe and Mail

Sing Tao, Ming Pao, Fairchild TV

## **DAVID EBY (HTTP://DAVIDEBYMLA.CA/)**

MLA, VANCOUVER-POINT GREY  
(HTTP://DAVIDEBYMLA.CA/)

### **MENU**

[中文 \(http://davidbymla.ca/zh\)](http://davidbymla.ca/zh)

# Issue update: Schools Tax, an open letter to concerned constituents March 2018

Thank you for writing to me about our government's proposal to improve funding for BC's chronically underfunded schools. BC schools are funded at one of the lowest per-capita levels in Canada, and as a result, kids who need more attention – whether because they're struggling or they need to be challenged – have been short changed for a generation.

Our government is changing that dynamic with the largest investment in kids in BC schools in a generation, as we committed to do in the general election.

But the funding for this initiative needs to come from somewhere, and the provincial budget as we found it was significantly different than we were told it would be during the election.

In particular, one major piece of information that we did not have in the general election was the financial state of ICBC. ICBC lost about \$900m in the last fiscal year, and is projected to lose \$1.3bn in the current fiscal year. Before the election, we were told that the loss last year, for example, would be closer to \$11m.

I have responsibility for reforming ICBC within our government, and am moving quickly to get ICBC's costs under control, but the impact on our provincial budget of this fiscal crisis at our public insurer was devastating.

As a result of the impact of ICBC, our Finance Minister worked hard with her team to find ways to ensure kids in BC get access to the education they deserve, despite the dismal state of the provincial budget once ICBC's losses were incorporated.

One of the potential sources of provincial revenue identified was an incremental increase in the school tax for the value of properties over \$3,000,000 in the province.

Specifically, this tax proposes a .2% property tax increase on the value of properties between \$3m and \$4m, and a .4% property tax increase on the value above \$4m. Homes valued at \$3m and below do not pay the tax, and those valued at \$3m or more only pay the tax on the amount that exceeds \$3m, not on the first \$3m in assessed value.

This tax can be deferred by seniors, and by families with children at home. This deferral takes place through subsidized programs the province offers with the express intention of minimizing the impact of rising property taxes on seniors and families who may be living in a family home that has dramatically increased in value around them.

Those who take advantage of these deferral programs do not have to pay the tax until they sell their homes.

If you're interested, you can find more information about deferral programs here:

<https://www2.gov.bc.ca/gov/content/taxes/property-taxes/annual-property-tax/defer-taxes> (<https://www2.gov.bc.ca/gov/content/taxes/property-taxes/annual-property-tax/defer-taxes>)

The reasons for my support of this tax are based on my belief that the tax is fair, and my knowledge that there are programs in place to reduce impact on those less able to pay in the short term.

On the point of fairness, the Globe and Mail reported on January 3 last year that increases in assessed value in 2016 among extremely high value homes in our community ranged from 18%, in the case of a property owned by 3085 Point Grey Road Holdings Ltd. (from \$63.9m to \$75.8m) to an increase of more than 20% in the case of a property owned by Pisonii (PTC) Ltd. on Belmont Avenue (an increase of 21.3% to \$69.2m).

Yes, these are residential properties, and the value increase in these homes from

2016 alone would pay for almost half a century of this proposed tax.

I recognize that these examples may not ring true to those who may have bought homes many years ago in the UEL or Point Grey and are not holding their homes in trusts or corporate structures.

I've heard from some with concerns that their home is just the place they live, was a property bought many years ago at a vastly more affordable price on a middle-class income, and the assessed value is just numbers on paper. They're not holding it in a trust, and they don't want to use it as a bank machine, because the assessed value could change.

This new tax is very real to people in these circumstances, especially seniors. I understand that, and I have heard from a number of people in these circumstances.

I still feel that the tax, as proposed, and with the mitigating programs in place, is fair.

Even those homes in the \$3m to \$10m range have appreciated dramatically in the last decade, in excess of 150%, and that wealth is real. When, and if, people fortunate enough to own a home in this price range decide to sell, they will benefit from a great windfall. This is a windfall that I know a number of us in this community – including a number of you who have written to me about this tax – agree is the product of a pernicious and corrosive housing affordability crisis that has badly hurt the sustainability of our community, and Vancouver as a city.

Many families in our communities across BC have not been so fortunate as homeowners in our neighbourhoods of Vancouver Point Grey with homes valued in excess of \$3m. The growing gap between the richest and the poorest in our province is a source of insecurity for everyone.

A properly funded education system means that thousands and thousands of children that would not have had an opportunity to succeed now will. They will be the engine of our provincial prosperity for many years.

Even those that have seen increases in the value of a \$300,000 condo have not seen anywhere near the same net increase in wealth as those who own properties whose value exceeds \$3m, wealth that could pay this new tax over and over for many lifetimes to come with a single year's change in value.

In summary, I believe the proposed tax on the 150% increase in value over the last few years is fair, in that it is only on the amount of any assessed value over \$3m, and at .2% and .4% is a fraction of a fraction of even just one year's appreciation in the value of these homes.

It is matched by a provincially subsidized program that permits those homeowners that don't have the funds to pay the tax until they sell their homes to defer these taxes in situations where seniors or families might be impacted.

I understand that no new tax is welcome and that we may have to agree to disagree; however, I am grateful that you took the time to write to me to express your concern, and I will absolutely do my job let my colleagues know about your perspective of the impact of this initiative in our community, and on you personally.

If it is helpful, my office staff are fully prepared and able to assist anyone with obtaining further information about how to defer taxes.

Yours truly,

David Eby





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### 桑拿斯业主会

March 27, 2018

Premier John Horgan  
PO Box 9041  
Stn. Prov. Govt.  
Victoria, BC, V8W 9E1  
Via email: premier@gov.bc.ca

親愛的賀謹省長,

我们强烈反对新的省附加稅(学校稅). 這稅項毫无公平可言, 过于专横, 其效果必将适得其反.

#### 不公平

这稅收是一项厚颜无耻的苛捐杂稅, 实质就是通过拙劣的方式选出的一些业主, 而向這些弱势少数群体抢钱, 借口是他们在某种程度上比其他人更幸运. 这根本就是一个谎言.

省政府的预算案中隐含的稅率只是说出了所謂政府的官腔: 介于3百万到4百万加币之间的物業增加徵稅只有0.2%, 4百万加币以上的物業增加徵稅只有0.4% .

但是这些稅率实际上就是在毫无征兆的前提下每年对不知情的公众强制施加的現金債務, 总额达到成千上万加币.

在这些受影响的业主中许多都是老年人, 他们在几十年前有能力并购买了自己的住房, 同时承担了相应的评估. 但他们现在发现, 由于某些与他们无关的原因, 他们的房屋估价一直在以十倍甚至更多上升. **他们根本从未因房屋价值的所谓上升收到任何現金, 而且在他们出售自己住房之前都不会收到現金.** 许多人将他们一生的大部分积蓄都投入在自己的房子里, 这是加拿大人的基本传统.

而且, 由于他们上了年纪, 许多人再没有能力賺取收入, 支付该額外稅項, 保护他们的积蓄或在他们的迟暮之年保障自己的人身安全.

而且, 居住在自己房屋中的许多老年人通过多年的工作, 储蓄和节俭付清了抵押贷款(而且當時支付了更高的利率), 许多受影响的业主(不仅仅是老年人)尚未还清抵押贷款.

当他们购房屋时, 房款是可负担得起的, 但现在由于增加了这稅項, 及今年物業评估值增加了 15-20%, 温哥华平均物業稅增加了4.1%, 利率又再次上升, 这些住房已经变得负担不起了.

因此, 这税项将剥夺这些老年人享受退休后舒适的家庭生活以及享有人身安全保障的权利, 并将导致许多人(包括老年人)失去他们的房屋. 这税项違反了加拿大人历史悠久的价值观, 在这种价值观中一直以来是鼓励自置房屋和储蓄的. 这是对社区利益的侵犯, 因为社区将被摧毁. 这是无良政府向处于平静生活中的所有这些业主给了当头一棒. 这很显然是不公平的.

这给您的选民传达了什么讯息? 允许几千头狼和几百只羊投票选出用什么做晚餐合适吗?

尽管随后他在他网站上删除了他的信, (是出于羞愧吗?), 但我们设法读到了 **David Eby, Q.C.** 给他的选民以及那些给他写信反对该税项的人们的回信 (Eby的回信附在后面). 我们认为他的信很天真及肤浅. 他所指的是为数不多的几栋房屋, 由亿万富翁拥有的评估值超过6千万加币的房屋. 那算什么, 为了鼓励上面所说的那些狼而做的销售工作?

新民主党很清楚, 其房屋评估值在300万加币以上的大部分业主并不属于这个群体. 温哥华西区的独立屋评估值几乎没有低于300万加币的, 许多普通的卑诗省工薪阶层都居住在这种房屋里, 他們实际上都在为维护他们的财产, 家庭和社区而努力奋斗.

**Eby** 的信中承认, 他的例子可能并不适用于那些多年前购房的老年人, (好像他们是这税项唯一的受害者). 但随后, 他标榜尽管如此, 这税项仍然是公平的. 为什么? 因为人们可以推遲交物業稅. 他是誤導. 例如业主的房屋如有銀行提供抵押的話, 很多情況下銀行或市政府是不准延期交物業稅的. **Eby** 显然不理解延期实际上是承担了永久性复利息債務, 直接影响了业主及貸款人. 或者, 他在向这些业主提出这种不公平的负担时, 是否完全麻木于财务现实呢? 如果这种负债比他的房屋受到损害的权益还要长久怎么办? 如果房产价值下降怎么办? 例如, 如果预测即将到来的经济衰退影响房屋价值包括几个 **BC** 城市的物业都已下跌, 怎么办? 如果您的政府或随后的政府剥夺或取消了缓交的权利怎么办? 在任何上述情况下, 或任何其他无法预料的负面变化下, 任何这种负债会被豁免吗? 我们对此表示极大的怀疑. 迫使老年人或任何其他他人进入一种他们无法选择的境地, 并迫使他们违背自己的意愿在高风险的情况下举债, 令负担过重, 或失去家園, 这是应该受到谴责.

**Eby** 談及 ICBC 的糟糕狀況. 但 ICBC 与物業稅没有任何关系. 一点儿关系都没有! 这太荒謬, 太可笑了!

## 专橫

还有很多积累财富的其他领域, 可以对这些领域的财富征税. 例如, 政府固定收益养老金计划就价值几百万加币, 而且许多温哥华市和省雇员都加入了该计划. 这些人退休前的薪水比私人公司部门工资更高, 周一到周五, 每周工作35个小时, 而且每年有几个月的有薪休假, 他们可以在55岁退休, 退休后他们可以一直拿钱, 金额还可与通货膨胀率挂钩, 并由其配偶继承. 积累的这种财富是由政府提供保障的, 而且比房屋评估中假定反映出来的理论上的脆弱的价值更安全。

为什么你们不在这些公务人员积累财富的时候对他们积累的财富征税？

教育税的征税对象是所有收入水平的人群。这种征税对于人们能够负担多少根本不加区分，也无视他们的收入多少。为什么不提高省所得税，对那些负担得起教育税的人群征税，而放弃那些负担不起教育税的人？毕竟，如果不是为了避免对那些无法同时纳税和生活的人群征税，为什么我们要在这个省征收累进所得税？

## 适得其反

该税项不会改善住房供应，也不会提高住房的可负担性。实际上，基于分析这一观点的多家报纸评论文章，这些措施很可能导致自有住房和房屋租赁的可负担性降低。

那些既有能力购买这些住房又能支付所有这些税项的人们只能是开发商、富翁和从加拿大境外赚钱的那些人。谁是受惠者？

该税项可能会导致企业家、高价值雇员和企业主，尤其是那些刚刚进入效益期，也因此变得更活跃的人群，离开该省，前往他们在当地居住只需缴纳更低房屋税的司法管辖区。

这项税赋的出台考虑不周、不公平并且过于专横，必将取得适得其反的效果，因此，你们最好立即予以废除。

Yours truly,

Nicole Clement  
President, on behalf of  
SHPOA Board of Directors

Cc. Hon. David Eby, Q.C., Attorney General ([AG.minister@gov.bc.ca](mailto:AG.minister@gov.bc.ca))  
Hon. Carol James, Minister of Finance, ([Min.Finance@gov.bc.ca](mailto:Min.Finance@gov.bc.ca))  
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