COUNCIL MEMBERS' MOTION

For consideration at the Standing Committee meeting on Policy and Strategic Priorities on December 2, 2026

3. Tripling the Empty Homes Tax and Strengthening Protections

Co-submitted by: Councillor Leslie and Councillor Orr

WHEREAS

1. The Empty Homes Tax (also known as the "Vacancy Tax") was introduced in 2017 with the goal of returning empty and under-utilized properties to the market as long-term rental homes for people who live and work in Vancouver;

2. Since its introduction in 2017 through the 2024 reporting year, the Empty Homes Tax has generated $194.3 million in net revenue, which must be directed toward affordable housing initiatives in Vancouver;

3. The Empty Homes Tax has been successful in reducing the number of declared vacant properties in Vancouver by 67% between 2017 and 2024;

4. Vancouver's 2024 Empty Homes Tax Annual Report, released on December 1, 2025, shows that the number of vacant homes fell below 1,000 for the first time since the tax was introduced, with a record-low vacancy rate of 0.49%, compared to 0.90% in 2017;

5. In 2023, City Council voted to freeze the Empty Homes Tax at 3%, stopping a previously approved increase to 5%;

6. Increasing the Empty Homes Tax to 9% would further discourage property owners from leaving homes vacant while generating additional revenue for badly needed affordable housing in Vancouver;

7. Stronger enforcement of the Empty Homes Tax would help ensure compliance and generate additional revenue. Vancouver's 2024 Empty Homes Tax Annual Report indicates that audits of non-compliant properties generated $18.8 million between November 2, 2023, and November 1, 2024; and

8. In 2023, City Council approved a new exemption for "vacant new inventory" - meaning that newly built condos that are unsold and sitting empty can remain untaxed and empty in perpetuity.

THEREFORE BE IT RESOLVED

A. THAT Council direct staff to bring forward amendments to the Vacancy Tax By-Law to increase the Empty Homes Tax rate through a phased approach as follows:

i. 3.5% for the 2027 tax year;
ii. 5% for the 2028 tax year;
iii. 6.5% for the 2029 tax year; and
iv. 9% for the 2030 tax year.

B. THAT Council direct staff to report back in Q2 of 2027 with recommendations to strengthen enforcement of the Empty Homes Tax, including increased audits, improved verification of property occupancy, and stronger penalties for non-compliance.

C. THAT Council direct staff to review existing exemptions, enforcement mechanisms, and potential loopholes in the Vacancy Tax By-Law and recommend changes to prevent tax avoidance and ensure properties subject to the tax are paying their fair share.

D. THAT Council direct staff to update the Vacancy Tax By-Law to impose a partial tax on currently exempted “vacant new inventory” at a rate of 1% starting in the 2027 reference year.

E. THAT Council direct staff to report back in Q2 of 2027 with recommendations for a graduated Vacancy Tax on unsold new builds that starts at 1% and increases annually to discourage properties from remaining vacant.

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