



## JANUARY 2021 INFORMATION

### LOTA, Speculation Tax, Empty Homes Tax

#### The Land-Owner Transparency Act (LOTA)



The Land-owner Transparency Act (LOTA) comes into effect on 30 November 2020 and applies to **all** real property in BC. As a property owner this new Act applies to you, with special requirements if you own your property through a company or if you are acting on behalf of a 'beneficial owner'.

The Act requires property owners to provide identifying information about themselves and interest holders; for the purpose of establishing a publicly accessible registry of beneficial ownership of real property in BC. There are special requirements for 'Reporting bodies' (corporations, trusts and partnerships that own real property) and 'Interest holders' (who have a degree of control over real estate holdings). There are significant penalties for non-compliance.

We are encouraging our Owners to seek qualified legal advice to determine how and when the Act will apply to you. The full text of Bill 23, at first reading, can be found at: <https://www.leg.bc.ca/parliamentary-business/legislation-debates-proceedings/41st-parliament/4th-session/bills/first-reading/gov23-1>

Other resources are available on-line. <https://landtransparency.ca/>

**Please note: Casa Rental Management cannot assist or answer any of your questions regarding the Land-owner Transparency Act (LOTA)**

#### BC Speculation and Vacancy Tax



The government of BC's Speculation and Vacancy Tax for anyone that has residential property in BC. This provincial tax was in response to unaffordable and unavailable markets in urban areas like Vancouver. It targets those who own residential property in BC but do not pay income taxes here.

The [tax rate](#) is 0.5% of the previous year's assessed property value for Canadian citizens, and 2% for foreign owners and satellite families (households who earn over 50% of their income from outside of Canada).



**PROVINCIAL GOVERNMENT RENT INCREASES ARE SUSPENDED UNTIL AUG 1, 2021**

#### LOWER MAINLAND RENTAL PRICES



Rental prices continue to drop, and vacancies continue to rise in the lower mainland. Metro Vancouver has had the second-steepest drop of rentals rates in North America over the past year falling 14.1%. What does that mean for you? Your property may not rent at the current price. A rental rate reduction may be recommended.

[https://www.huffingtonpost.ca/entry/rental-rates-us-canada\\_ca\\_5f78c127c5b649e564b38d8f?ncid=other\\_email\\_o63qt2jcad4&utm\\_campaign=share\\_email](https://www.huffingtonpost.ca/entry/rental-rates-us-canada_ca_5f78c127c5b649e564b38d8f?ncid=other_email_o63qt2jcad4&utm_campaign=share_email)

Even if you just own one home and it is your primary residence, you need to opt out every year (2020 declaration will be announced sometime Jan 2021). If you forget to submit a declaration by the due date, you will be taxed the maximum 2% regardless of your property's status.

Most BC residents will be exempt from the tax. There are also some specific regions <https://www2.gov.bc.ca/gov/content/taxes/speculation-vacancy-tax/how-tax-works/taxable-regions> that aren't subject to the tax, and you may be eligible for <https://www2.gov.bc.ca/gov/content/taxes/speculation-vacancy-tax/tax-credits> such as if you have a vacation home or cabin.

<https://www2.gov.bc.ca/gov/content/taxes/speculation-vacancy-tax>

## Vancouver Empty Home Tax



Anyone who owns residential property in Vancouver must declare.

<https://vancouver.ca/home-property-development/empty-homes-tax.aspx>

This municipal or city tax was is to "correct" Vancouver's unaffordable housing market. Like the provincial speculation tax, the Empty Home Tax targets those who own residential property in BC but do not pay income taxes here. It is also meant to encourage homeowners to put up their non-principal residence(s) for rent.

Empty properties are subject to a tax of 1% of the property's assessed taxable value.

Declarations are due February 2, 2021. If you own a home in Vancouver and do not live in and have tenants at least six months of the year, this tax should not apply to you. There are several exceptions for those who own empty homes, check this link to see if you are exempt. <https://vancouver.ca/home-property-development/will-your-home-be-taxed.aspx>

The City says that "net revenues from the Empty Homes Tax will be reinvested into affordable housing initiatives."

**CASA Rental Management is offering this information as a courtesy to assist you with your obligations as a property owner in BC. This information is subject to change.**

**Many of our properties are recommended to us by our existing property Owners. To show our gratitude we have launched our "Recommend a Friend" program. Recommend CASA Rental Management to a family member, friend, or colleague, and when they become a member of our portfolio, we will reward you with a \$100 gift card!**



If you have any questions or concerns, contact your CASA Property Manager

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