



March 30, 2021

RE: Vacant Unit Tax

To Whom it May Concern,

The Hunt Club Community Association would like to thank the city for trying to address the affordable housing crisis that we are currently facing. As a community association representing an area that offers a variety of housing options, and has a high number of low-income families, we are very concerned about the cost of living. We feel that home ownership is not within reach for many of our residents and as a result, renting is the only option, and even then, that option is becoming more and more expensive. Many families are dealing with extra hardships brought on by the Covid19 Pandemic. We understand that vacant units pose a risk and create problems for the city, landlords and the surrounding community. But is our dream that everybody has the space to live out their lives, and that “homes” do not go unused.

Introducing a vacant unit tax is just one tool that the city could use to tackle this crisis, however, the HCCA is concerned about the unintentional costs that such a tax would bring upon tenants, landlords and property owners. We feel that the city is taking a gamble and making many assumptions, without any real evidence that this would reduce the cost of housing and provide more affordable options for residents of Ottawa.

While the HCCA supports the assumption that a Vacant Unit Tax would force owners and landlords to rent out their properties as oppose pay more taxes, thereby increasing the stock of affordable housing, our research would suggest the opposite. Looking at British Columbia where similar Vacant Unit Taxes are used, we see that many landlords would rather pay the tax than lower their rental fees. This results in having many vacant units. The result is no different than where we are now – not enough affordable places for people to live. As well, where does the money collected under vacant unit tax go?

Trying to manage the inventory of vacant units is going to cost the city. We must factor in the human resources and additional expenses. At some point, the city will ultimately require more money to track vacant units. Also, how many resources is the city willing to offer to investigate complaints about what is consider vacant and what is not? HCCA feels that these costs will be passed onto taxpayers, thereby increasing property taxes for all.

Members also question to what extent landlords and owners would go to avoid paying a vacant unit tax. Would the owners of a dwelling that has been converted into several apartments decide to demolish the structure as oppose to pay a tax on each vacant unit? Would owners renovate and reduce the number of units in the dwelling? Would they want to sell the property? The answer to all these questions, brings us back to the same conclusion - a vacant unit tax would not necessarily provide more housing stock and make it more affordable. It may in fact drive prices up.

We must also question the assumption of the city's definition of what a vacant unit includes. The city's current view with regards to this tax is that "vacant" means a dwelling has been unoccupied for 6 months. Members of HCCA question whether someone who leaves the country for the allotted time allowed under federal residency laws, would come back to find their home has been identified as "vacant" and then be subjected to the vacant unit tax. What about a person who is in hospital or receiving treatment? What about a person who has become deceased, and the family is working through their grief and other estate matters? Do these dwelling get identified as vacant because they are unoccupied? How do we handle the human side of this issue? There are numerous cases where a unit maybe unoccupied for legitimate reasons. The city really needs to define what "vacant" exactly means. Do they mean a dwelling that has been abandoned or not rented? What are the processes involved in determining what unit is vacant, and how to correct mistakes, if they are made?

Another point that our members question is how the vacant unit tax will be applied to vacant lots. If the tax is applied to empty lots, would that force owners to build anything just to avoid paying the vacant unit tax? Some members of HCCA believe this is the case. We as an association feel that our community would rather have a few vacant lots than build a structure that is unwanted or unusable – just so that the landowner avoids paying a vacant unit tax.

Lastly, how does this apply to commercial spaces? Many cities are converting commercial units into housing; There are a few right here in Ottawa. Does the City of Ottawa have any plans for policies to promote the conversion of commercial spaces to residential spaces? Would the vacant unit tax be applied to these commercial residential spaces as well? Would this be a loophole that developers and landlords use to avoid paying the vacant unit tax?

In conclusion, the Hunt Club Community Association supports the premise of a vacant unit tax but has several reservations on how it would work and what unintentional issues it would bring. We encourage the city to continue investigating other policies, tools, and strategies to address the affordable housing crisis that we are currently facing.

Kind regards,



Brian Wade,
President, Hunt Club Community Association