

From: Matthew Mayers <mmayers@bcrea.bc.ca>
Sent: Monday, June 8, 2020 3:00 PM
To: Jack Crompton
Subject: COVID-19 real estate stakeholder joint recommendations

June 8, 2020

Jack Crompton
Mayor
Whistler
4325 Blackcomb Way
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Sent by email: jcrompton@whistler.ca

Dear Mayor Crompton,

The real estate sector is an important pillar of the Canadian economy and a vital component to the economic health of your municipality. To recover from the unprecedented economic impacts of Covid-19, there is an urgent need for local government and industry to work together to mitigate the challenges Canadian businesses are facing, while laying the groundwork for economic recovery.

As organizations that represent key professions within the BC real estate and housing sector, we have partnered to review existing measures and identify support gaps and urgently needed actions that will assist in COVID-19 economic recovery.

As a result, we have developed the following recommendations, designed to further the government's efforts to:

- prevent bankruptcies and insolvencies that result in job loss, lost government revenue and greater demand for taxpayer-backed government assistance,
- allow Canadians to keep their homes through tough times and remain in their communities,
- make it easier to find and afford safe, appropriate housing to either rent or own, and
- support the broad recovery of the national economy.

The following represents our first set of recommendations for immediate implementation while government continues to manage the first stages of the pandemic and the reopening plan. In the next few months, we will provide long-term recovery recommendations.

Encourage housing supply and property development

The COVID-19 pandemic has exacerbated the growing mismatch between housing demand and residential construction. Many construction projects have slowed down and new developments have not launched, which will increase the strain on our housing supply. BC Stats predicts the province's population will increase by over 1.3 million people by 2041, and the British Columbia Real Estate Association expects housing sales to increase in 2021. All levels of government have the opportunity to encourage more homes available for rent or purchase – allowing more British Columbians access to affordable, appropriate housing.

Our recommendations will help bridge the gap while recovery is underway with only temporary impacts to municipal revenues.

We recommend:

Some municipalities are seeking to prioritize the housing market's recovery by fast-tracking development projects, and we encourage all local governments to do so. Some measures that could be considered include:

- relaxing other defined deadlines in municipal bylaws, such as deferring timelines of development and building permit applications from May until the beginning of Phase 3 of BC's Restart Plan,
- amending policies that require physical meetings, such as public hearings, with municipal representatives and members of the general public, by allowing virtual access to meetings,
- waiving public hearings for projects that fit existing design guidelines, Official Community Plan designations and other existing policies, pursuant to *Local Government Act*, and
- adopting other measures described in the Development Approvals Process Review.

Recommendations to the BC provincial and federal governments

We have sent the following recommendations to the federal and provincial governments:

BC Government and organizations:

- Support the Union of BC Municipalities' recommendation to expand the Property Tax Deferral Program to all residential taxpayers; this should include purpose-built rental housing and residential development lands. Doing so will help property owners manage their expenses, including builders seeking to make more housing options available to British Columbians.
- Reduce or eliminate cost and access barriers for appraisers to Land Title and Survey Authority and BC Assessment data until restrictions are lifted to allow the mechanisms of finance for commercial and residential real estate to serve the needs of public during this time. Physical and social distancing guidelines restrict on-site property accessibility and require appraisers to collect and verify additional data, resulting in potential increased risks, costs and delays for consumers.
- Strongly encourage local governments to fast-track development applications by adopting ideas from the Development Approvals Process Review.
- Support local governments so development cost charges (DCCs) can be paid when building permits are issued rather than at the subdivision stage. This would ease the crisis for builders working on subdivision projects who want to move forward with projects but are paying their DCCs early in the process.
- Extend the 12-month grandfathering period for DCCs by an additional six months. Currently, when DCC rates increase, developments that are already underway or receive building permits within 12 months are exempt from the increase.
- Invest in public education campaigns focused on how to detect and avoid red flags in the mortgage process. Emergency measures related to the pandemic have placed many British Columbians under increased financial pressure, which can in turn increase their risk of being a target for mortgage fraud. Campaigns should be directed at prospective buyers who are most likely to be targeted by fraudsters, including people experiencing increased financial pressure, first-time buyers and newcomers to Canada.
- Permanently extend the timelines set out in Policy Statements 5 and 6 (pursuant to the *Real Estate Development Marketing Act*) to allow for an early marketing period for new developments of 12

months and a 15-month period to obtain a building permit and satisfactory financing commitment before buyers can unilaterally terminate their pre-sale contracts.

Federal government:

- Permanently provide renovation tax credits for all property owners, retroactive from May 1, 2020. This is important for renovation projects underway that are at risk of being cancelled as well as to incent new projects – especially to help all property owners voluntarily retrofit existing buildings to improve energy efficiency and reduce greenhouse gas emissions.
- Exempt existing mortgage holders from the mortgage stress test at the time of renewal when switching lenders.
- Consult with the real estate sector if considering any amendment to regulatory mortgage underwriting guidelines, product restrictions or other relevant matters that could impact existing or perspective homeowners and those who serve them.
- Introduce a program in partnership with the BC Government to fund residential and commercial landlords that have accrued rent deficits as a result of COVID-19. This program would help mitigate the impacts of rental deficits faced by landlords and tenants by working to prevent insolvencies and foreclosures.

We are committed to working with your government to develop and implement efficient business solutions during this time of crisis. We are happy to discuss any of the above recommendations in more detail and lend sector expertise, data or analysis as needed. Please email Trevor Hargreaves, Vice President of Government Relations at the BC Real Estate Association for follow up (thargreaves@bcrea.bc.ca or 1-236-333-4572).

Yours sincerely,

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