

# VANCOUVER FAIR TAX COALITION

## VANCOUVER FAIR TAX COALITION RESEARCH REPORT OPINIONS ABOUT THE CITY OF VANCOUVER'S PROPERTY TAXES

### Introduction

In February 2006, the Vancouver Fair Tax Coalition (VFTC) conducted an online survey to gauge opinions about property tax among Vancouver residents, homeowners, business owners and commercial property owners. This is an important piece of research, as the City of Vancouver is currently in the process of determining the budget and property taxes for 2006.

The survey had a total of 34 questions, which assessed awareness of property tax facts in Vancouver, opinions about Vancouver's property taxes, and support for solutions to lower the property taxes for business. A total of 670 people completed the survey, representing a broad cross-section of the city.

A copy of survey questions is available upon request.

### Respondent Profiles

The typical respondent was a Vancouver resident and business owner, who lived or worked in Vancouver for more than six years and voted in the last municipal election.

- 75% of all respondents were Vancouver residents.
- 60% of all respondents were Vancouver homeowners.
- 63% of all respondents were Vancouver business owners.
- 22% of all respondents were Vancouver commercial property owners.

*March 20, 2006*

BOMA BC

BIABC

Cambie Business  
Association

Chinatown BIA

Collingwood Business  
Association

Commercial Drive  
Business Society

Davie Village BIA

Downtown Vancouver  
Association

Downtown Vancouver BIA

Gastown Business  
Improvement Society

Hastings North BIA

Kerrisdale Business  
Association

Kitsilano 4<sup>th</sup> Avenue  
Business Association

Kitsilano Chamber of  
Commerce

Marpole Business  
Association

NAIOP

Point Grey Village  
Business Association

REBGV

Retail BC

Robson Street  
Business Association

South Granville BIA

Strathcona BIA

The Vancouver Board  
of Trade

Vancouver Hotel  
Association

Victoria Drive BIA

UpTown Vancouver  
Mount Pleasant BIA

Yaletown BIA

## **Key Findings**

Survey results demonstrated that while respondents had mixed awareness of property tax facts, most believed that property taxes paid by Vancouver businesses were unfair, and supported lowering the tax burden on business.

### *Fairness/equality:*

- 80% of respondents did not believe it is fair for business owners to pay six times the tax rate paid by residents. Only 10% agreed with this statement, and the balance was undecided.
- 77% of respondents believed that Vancouver's tax ratio between business and residential taxpayers should be in line with the regional average (3.5:1).
- 74% of respondents did not agree that business owners should subsidize homeowners' property taxes.

### *Property tax awareness:*

- Most (63%) were not aware that Vancouver homeowners have the lowest municipal property tax rate in the Lower Mainland.
- While a majority of respondents (64%) knew that Vancouver business owners pay six times the property tax rate paid by Vancouver homeowners, much fewer (44%) knew this ratio is the highest in the Lower Mainland.

### *Proposed solutions:*

Respondents were asked to answer questions based on the following recommendation for lowering the property tax burden on business:

*The Vancouver Fair Tax Coalition is asking the City of Vancouver to hold municipal property taxes for business owners to the 2005 level or \$256 million for the 2006 year. This will result in residential taxpayers paying for any increase in the 2006 municipal budget.*

- 75% of respondents agreed that the City of Vancouver should hold property taxes for business owners to the 2005 levels.
- 60% of respondents supported shifting property taxes from business owners to homeowners in 2006.
- 60% of Vancouver homeowners considered a municipal property tax increase of \$50 to \$200 in 2006 to correct the unfairness in tax rates between business and residential taxpayers.

### *Voting:*

- The vast majority of respondents (75%) were eligible to vote in the last municipal election. Of these eligible voters, 92% voted, and 78% indicated that the property tax issue influenced their vote.

### *Impact:*

- Business owners/operators said that high property taxes were impacting their ability to expand, hire more staff, compete and invest in the community.
- 47% of business owners considered relocating to another municipality because of high property taxes.
- While just more than half (52%) of residents felt overtaxed, the overwhelming majority (87%) of business owners felt overtaxed, and almost all (95%) of commercial property owners felt overtaxed.
- While homeowners were evenly divided on whether the value of city services they received was fair for the property taxes they paid, the majority of business owners disagreed (76%) that the value of city services they received was fair for the taxes they paid.

### *Importance/benefits:*

- The vast majority (87%) of residents preferred to shop at local neighbourhood businesses, and even more (91%) agreed that local neighbourhood businesses were important to them.
- Employment, choice, convenience and neighbourhood character all ranked high as businesses' main contributions to Vancouver.

## **Analysis**

There are a number of conclusions we can draw based on our survey's findings.

- Respondents are like-minded. The opinions of Vancouver residents/homeowners are largely in line with those of business/commercial property owners.
- Although no one wants to pay more taxes, there is an overwhelming agreement among respondents that businesses should not be subsidizing homeowners, the current situation for businesses is unfair, Vancouver's tax ratio should be in line with the regional average, and that neighbourhood businesses are important.
- Although the VFTC's proposed solution means residential taxpayers will have to pay for any increases in the 2006 budget, most residents support the proposal and will accept some increase in their taxes. This is more than the increase recommended by the VFTC's position for 2006.

- The majority of respondents (92%), who were eligible to vote, voted in the last municipal election. This far exceeds the general voter turnout (32%) that Vancouver had in the last municipal election.
- Business and commercial properties owners not only felt overtaxed, they also knew that they pay six times more than residents.
- While more than half did not know that the 6:1 ratio is the highest in the Lower Mainland and double the regional average, the majority believed Vancouver's ratio should be in line with the regional average.
- There is a disconnect between how homeowners feel about the property taxes they pay and what the reality is. The majority are not aware they have the lowest tax rate in the Lower Mainland.