



## **MEDIA RELEASE**

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### **Local Business Groups united in opposition to proposed Speculation Tax Kelowna Chamber, Greater Westside Board of Trade, UDI, & CHBA air concerns following Mayors meeting with Premier**

*Kelowna:* Calling it “Our Message to the Premier”, four Kelowna business organizations are speaking out in response to a face-to-face meeting between City of Kelowna Mayor Colin Basran, City of West Kelowna Mayor Doug Findlater and Premier John Horgan in Kelowna Monday morning.

The groups include the Canadian Homebuilders Association – Central Okanagan; UDI Okanagan; the Kelowna Chamber of Commerce; and the Greater Westside Board of Trade. Among them they represent a few thousand businesses that rely on customers from outside Kelowna to help them grow and drive the local economy.

The primary message revolves around the provincial “Speculation Tax” with all four organizations calling on the province to recognize the unique aspect of Kelowna and West Kelowna and thus remove the two cities from the list of targeted communities for the proposed tax.

Kevin Edgecombe, Chair of UDI Okanagan, says “The local economy is significantly fueled by construction, tourism and inter-provincial migration. Kelowna and West Kelowna rely heavily on these markets to provide capital investment in the region that helps fuel job growth. The annual investment in goods and services from non-BC residents also helps drive the local economy. The speculation tax as proposed is going to have a negative impact on a large segment of this economy.” The four proponents believe the market here is similar to Whistler and thus both the communities should also be exempt from this proposed tax as is Whistler.

“We truly believe,” said Tom Dyas, Past President of the Kelowna Chamber, “that the government must conduct a full-on economic impact study, prior to this proposal getting to legislation. We’ve seen no numbers that tell us this tax is needed or will improve rental rates or affordability.”



All four business groups have been outspoken in their calls for economic studies prior to implementation of this tax. All are founding partners of the “Scrap the Speculation Tax” coalition, which now has close to 20 organizations signed on.

“The groups also believe, said Justin O’Connor, President of the CHBA – Central Okanagan, “that while the government has stated that the intent of the Spec tax was to create affordability, that if anything it will do the opposite. When government relies on demand-side measures to calm a market it will simply deteriorate the supply-side. Delays or cancellations of proposed projects are going to have a negative impact on job creation and that’s bad for the local economy.”

Bobby Gidda, Chair of the Greater Westside Board of Trade points out “Kelowna and West Kelowna are both targeted to pay the as-yet unlegislated tax, even though their economic profiles vary dramatically. This is a key message that Mayor Doug Findlater delivered to the Premier this morning. Our vacancy rate is higher, our infrastructure needs are greater, and we rely on fees from developments to pay for roads and services. Stopping building will damage West Kelowna irreparably.”

The local business organizations are also calling for the government to establish key performance indicators to measure outcomes of the tax; they ask the government to pledge to remove the tax if local affordability conditions improve and/or if the tax fails to change housing affordability in the region.

At the recent BC Chamber AGM the Kelowna Chamber got unanimous support for its resolution that calls on the BC Government to shelve the idea altogether, or at the very least provide evidence as to the rationale as to why Kelowna and West Kelowna were specifically targeted for this tax.

“Urban sprawl,” closed Tom Dyas, “is the greatest evil for any city. Pushing purchasers out beyond the city limits – where there is no infrastructure – and no municipal taxation to pay for roads and services – just won’t work. Our mayors know that. Yet the province is ready to legislate that local destroyer of municipal efficiency.”

***For more information:***

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