




# COMMUNICATION UPDATE

<b>TO:</b>	Mayor and Members City Council
<b>DATE:</b>	October 30, 2024
<b>SUBJECT:</b>	Vacant Unit Tax – November 2024 Flyer (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>SUBMITTED BY:</b>	Kirk Weaver Acting Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

To ensure property owners are continually informed of the upcoming implementation of the Vacant Unit Tax, the City will be sending a neighbourhood flyer starting the week of November 4, 2024. The attached flyer will be distributed to approximately 180,000 residential units. As the City does not have information on who occupies residential units, tenants and permitted occupants will also receive the flyer in their mailbox.

## Background

The Vacant Unit Tax (VUT) is one of the multiple measures that Council has approved to address the City's housing crisis. By discouraging property owners from leaving units vacant, the City aims to increase housing availability at a time when housing is greatly needed.

Starting in 2025, the City will be charging an additional one per cent tax on any property that has been left vacant for more than 183 days in a year. Net revenues resulting from this tax will be reinvested into housing initiatives.

In December 2024, the City will also be mailing a letter to residential property owners with instructions on how to complete the mandatory occupancy declaration form which can be submitted online, by phone or by mail. Tenants and permitted occupants will not have to complete the occupancy declaration.

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

All residential property owners must submit a mandatory occupancy declaration form annually to determine if their property is subject to the tax. If an occupancy declaration form is not submitted, the property will be considered vacant and the Vacant Unit Tax will be charged. A property owner's principal residence will not be subject to the Vacant Unit Tax but will still be required to submit an occupancy declaration form annually.

### **Exemptions**

There are some instances where a property may be left vacant and be exempt from the Vacant Unit Tax including:

- Death of an owner: the exemption applies to the year of death, plus one subsequent year only.
- Major renovations: major renovations or redevelopment make occupation of a unit impossible for more than 183 days in the same calendar year, provided a building permit has been issued.
- Sale of the property: the VUT will not apply in the year of the sale if the transfer is to an unrelated individual or corporation.
- Principal resident is in care, institutionalized or hospitalized: the period of time when the principal resident resides in a hospital, long-term or a supportive care facility.
- Court order: if a court order prohibiting occupancy of the residential property is in effect.
- Non-profit housing: the exemption applies to designated housing projects owned and operated by non-profit corporations.

### **Key Dates**

<b>Date</b>	<b>Details</b>
December 2024	Letter with declaration instructions will be mailed to property owners
March 31, 2025	Mandatory declaration deadline
April 1 to April 30, 2025	Late mandatory declarations will be accepted with a fee
First week of June 2025	VUT charges will be included in the final property tax bill
June 30, 2025	First VUT payment due
July 2, 2025	Complaint/appeal period begins
September 30, 2025	Second VUT payment due

For more information about the Vacant Unit Tax, please visit [www.hamilton.ca/VacantUnitTax](http://www.hamilton.ca/VacantUnitTax) or contact [vacantunittax@hamilton.ca](mailto:vacantunittax@hamilton.ca).

### **Other Municipalities**

Staff continues to monitor the programs in place or in development in other municipalities. Staff regularly connects with the City of Toronto and City of Ottawa as the two other Ontario municipalities with programs already in place. Council may be aware of recently announced changes coming to the City of Toronto program. A number of the planned changes have already been incorporated into the City of Hamilton's program, including multiple avenues for completing the declaration and a staffing model that includes dedicated Customer Service Representatives. Staff will continue to review these changes and report back to Council on any further proposed updates to the City's program.

### **APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Communication Update – November 2024 Vacant Unit Tax Flyer

# VACANT UNIT TAX



**Coming January 2025**

**The City of Hamilton is implementing a Vacant Unit Tax starting in 2025.**

The Vacant Unit Tax is intended to support the City's housing efforts by encouraging owners to rent out or sell vacant properties.

## What residential property owners need to know

- The Vacant Unit Tax (VUT) is an annual tax on residential units that have been vacant for more than 183 days in the previous calendar year.
- **All residential property owners must submit a mandatory occupancy declaration annually starting in January 2025 to determine if their property is subject to the tax.**
- Completed declarations can be submitted online, by phone or by mail.
- If an occupancy declaration is not submitted, the property will be considered vacant and the VUT will be charged.
- A principal residence will not be subject to the VUT but is still required to submit an occupancy declaration annually.
- The tax rate of 1% of the property's assessed value will be charged to properties considered vacant.

## Exemptions

There are some instances where a property may be left vacant and be exempt from the VUT:

- Death of an owner (exemption applies to year of death plus one subsequent year only).
- Major renovations that make living in the unit impossible for more than 183 days in the same calendar year, provided a building permit has been issued.
- Sale of the property (the exemption applies in the year of the sale if the transfer is to an unrelated individual or corporation).
- Principal resident is in a hospital or long-term care facility.
- A court order that prohibits the occupancy of the unit.
- Non-profit housing (exemption applies to designated housing projects owned and operated by non-profit corporations).

## Key dates

<b>December 2024</b>	Instructions to make the declaration will be mailed
<b>March 31, 2025</b>	Mandatory declaration deadline
<b>April 1-30, 2025</b>	Late mandatory declarations will be accepted with a fee
<b>First week of June 2025</b>	VUT bills are mailed out with Final Property Tax bills
<b>June 30, 2025</b>	First VUT payment due
<b>July 2, 2025</b>	Complaint/appeal period begins
<b>September 30, 2025</b>	Second VUT payment due

For more information, please visit:



[hamilton.ca/VacantUnitTax](https://hamilton.ca/VacantUnitTax)

or email



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