

THE HOUSE ALWAYS WINS

Real estate money swells B.C. Liberal coffers

To what extent does the real estate industry influence B.C. politicians?

People who can offer a sound judgment on that burning question worry that developers and builders have an unhealthy degree of sway over our politicians.

Metro Vancouver residents are justifiably upset the B.C. government is doing next to nothing to respond to the city's housing crisis, as prices rose about 25 per cent in the past year alone.

Unlike most jurisdictions around the world, the governing B.C. Liberals refuse to even provide data on foreigners who buy Metro Vancouver property, let alone restrict the extent to which they can do so.

The B.C. Liberals have also been regularly accused of overlooking shady real estate practices and failing to enforce Canada's tax-residency requirements, leading to wealthy migrants gaining advantages over domestic buyers.

After being in power in the province for 15 consecutive years, the Liberals are, in addition, becoming increasingly rare for refusing to limit political donations from unions and corporations.

The B.C. Liberals are failing to follow the federal government, Alberta, Quebec, Nova Scotia, Manitoba and, most recently, Ontario, in ending corporate and union financing of political parties.

B.C. Liberals are an outlier for another reason: for allowing foreigners to give money to provincial politicians.

In the decade up to 2016, the B.C. Liberals took in \$70 million in large corporate and business donations (while the NDP accepted \$11 million from unions).

Roughly \$12 million of the Liberals' corporate donations came from the real estate industry, more than double the rate of contributions from the next biggest donor sectors, mining and forestry.

Despite pleas by the NDP Opposition, the Green party, the B.C. Conservatives and others to end corporate and union donations, the B.C. Liberals are not ready to kill the dramatic financial advantage they gain at election time by keeping the status quo.

Richard Kurland, a leading immigration lawyer and researcher, said he's puzzled for years over why Premier Christy Clark's party has refused to address core issues behind the city's unaffordability crisis, which is fuelled to a large degree by foreign capital and an unusually high proportion of rich immigrants. For a long time Kurland couldn't understand why the B.C. government would stubbornly ignore polls by Insights West and Angus Reid that capture the anger of voters, most of whom are shocked there is no longer any connection between Metro Vancouver's wages and housing costs.

Kurland has reluctantly concluded the main reason B.C. Liberals don't want to regulate the causes of runaway housing prices is that it would upset property developers.

“When you look at the real estate industry and our domestic political party system, there are links. And so a reduction in the number of clients would logically be against the interests of the real estate industry. Connect the dots.”

Martyn Brown, a former insider with the B.C. Liberal government, echoes Kurland’s belief that the real estate industry carries huge clout because of its political donations.

“No corporation, no industry, no union gives the level of money that they give to politicians without expecting special consideration in return, and they do get it,” Brown told The Vancouver Sun’s Vaughn Palmer during a recent interview on Voice of B.C.

“For the Liberals, the housing industry, construction industry, real estate, the liquor industry, energy industry, certainly the mining industry, big forest industry — all gave exceptional amounts of money, and they got exceptional attention,” said Brown, who served as chief of staff to Gordon Campbell.

B.C.’s Liberal deputy premier, Rich Coleman, has denied such corporate donors “buy influence.”

Still, the B.C. Liberal party’s chief fundraiser is real-estate marketer Bob Rennie of Rennie Marketing Systems. According to donor data obtained by Integrity B.C., a non-partisan, non-profit political watchdog organization, Rennie Marketing Systems contributed more than \$329,000 to the B.C. Liberals from 2005 to 2015.

However, Rennie was outdone by others in the city’s real estate sector.

Integrity B.C.’s figures, based on Elections B.C. data, show that in the past decade companies under the corporate umbrella of Bosa Properties donated \$726,000 to the B.C. Liberals.

Through webs of linked companies, Onni Contracting gave \$464,000; Aquilini Group Properties and affiliates gave \$582,000; K& T Properties donated \$618,000; Concord Pacific Development contributed \$666,000; Wesbild Holdings gave \$685,000; Wall Financial contributed \$459,000 and Polygon Homes donated \$656,000.

Many of these same real estate players, particularly members of the Aquilini family, individually contributed hundreds of thousands of dollars each to the B.C. Liberals.

“Some of the donations from the real estate development companies are incredibly large,” says Dermod Travis, executive director of Integrity B.C. “I think Martyn Brown has it right: They do get special treatment. They get exceptional attention.”

The pressure on the B.C. Liberals to follow the lead of Liberal colleagues in Ontario and drastically curtail corporate and union donations comes at the same time an Insights West poll found two out of three British Columbians oppose Christy Clark taking an annual \$50,000 party stipend, part of which comes from her hosting events for corporate donors.

With B.C. real estate prices out of control, Clark has also been chastised for taking two real estate companies on her late-May trade mission to Asia. In a study published this year, UBC geographer David Ley, author of *Millionaire Migrants*, said politicians, keen to stimulate B.C.’s economy through trade missions to Asia and other means, are most responsible for creating the conditions that have lead to Metro Vancouver’s affordability crisis.

The controversy surrounding the real estate industry’s huge donations by no means ends at the provincial level either: Property developers also give large amounts of money to municipal politicians.

Even though Vancouver Mayor Gregor Robertson's party, Vision, receives hefty financial donations from developers, he is among many civic politicians who want to end corporate and union financing. But only the B.C. government has the power to stop it.

For Integrity B.C., there is yet another campaign financing issue that needs addressing, which is almost startling for its rarity.

"My research shows it's only B.C. that allows foreigners to donate to political parties," Travis said. "I have not found anywhere else in the Western world where that happens."

Two of the foreign-based property developers that have donated hundreds of thousands of dollars to the B.C. Liberals, Travis says, are Onni Contracting, whose parent company is in Arizona, and The Holborn Group.

As Postmedia reporter Sam Cooper recently discovered, The Holborn Group is owned by one of Malaysia's wealthiest families, led by Tony Tiah Thee Kian. Holborn Group and related companies, which have given \$226,000 to the B.C. Liberals, is erecting Vancouver's Trump Tower, named after the expected Republican nominee for U.S. president.

Holborn Group is also building 10 residential towers on prime land next to Vancouver's Little Mountain, which it bought from the B.C. government.