

Homeowners grant doesn't help B.C.'s needy

Affordability is the issue, and program should target it, Rhys Kesselman writes.

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Are renters in Vancouver less worthy of financial relief from their housing costs than homeowners? That is the clear implication of a motion passed by city council earlier this week, supported unanimously by all parties.



JASON PAYNE FILES Mayor Gregor Robertson speaks about Vancouver's rent bank program in 2013. B.C.'s homeowners grant program doesn't benefit renters in Metro Vancouver, many of whom are in greater financial peril than the region's homeowners.

Council voted to petition the B.C. government to review the threshold of the homeowner grant program, clearly motivated by the fact that, with home prices rising, a larger proportion in the city would be cut off from the grant. Coun. Raymond Louie complained that only 65 per cent of homes in the city would still be eligible for the grant unless the threshold were increased.

The threshold value of a home eligible for the full basic grant of \$570 per year is \$1.2 million, which was raised from \$1.1 million the previous year. The grant phases out for values above the threshold, fully eliminated for homes more than \$1,314,000. Seniors, veterans and disabled homeowners qualify for an additional maximum of \$275.

The grant is a peculiar program if the policy goal is to enhance housing affordability. While it is constrained for the highest-valued homes, the full amount still goes to owners with values up to \$1.2 million. In contrast, renters in the city of Vancouver — who constitute just over half of all households — get nothing from the program. Yet median incomes for renters are barely half the levels of homeowners.

Coun. Louie argues renters will also suffer if the threshold is not raised because tenants in secondary suites will face rent increases because of some landlords' loss of less than \$50 per month in homeowner grant benefits.

That assertion is dubious, and it is totally irrelevant for the far more numerous renters in apartment buildings and condo suites.

Another argument made by Louie and others in defence of the grant is that it protects seniors and others on fixed incomes, some of whom are house rich but cash poor. But distributing millions of public funds to homeowners across the province, irrespective of their actual incomes, is a highly ineffectual approach.

Rather than petitioning the province for greater access to funds on behalf of homeowners with million-dollar-plus homes, the city and advocates of housing affordability more generally should urge conversion of the money into a housing affordability grant. The same \$825 million cost projected for the current fiscal year could be targeted far more effectively to enhance affordability.

The proposed housing affordability grant would treat homeowners and renters equally, since rental payments also embody property taxes paid initially by the landlord or building owner. The current discrimination between owners and renters would be eliminated. And renters on average are far more in need of relief than most owners.

The new grant would be structured as a refundable tax credit associated with filing a personal tax return. Entitlement would be based on residence in the province rather than owning a home. Benefits of this kind are already employed for the federal GST credit, the Canada child benefit and the B.C. sales tax credit. The grant could be paid monthly or quarterly along with other benefits.

The amount of credit could be keyed to a household's income, phasing out smoothly with higher incomes and eliminated above a ceiling level. This approach would ensure that these house rich but cash poor seniors living in homes with inflated values on modest pensions would be protected, with some even getting enhanced benefits.

For example, if the affordability grant had a ceiling on household income of about \$70,000, the maximum benefit for those at low and modest incomes could be on the order of \$1,200 — double the current maximum. An additional \$100 per month would help many lower-income renters, including singles on the social assistance housing allowance of \$375 per month.

Despite the rhetoric over housing affordability espoused by all parties on city council and in the B.C. Legislature, supporting the homeowner grant program regardless of its threshold level does not serve that goal. In contrast, a housing affordability grant would get money to those who most need it and use public funds most effectively.

6 Comment(s)

[Rancher](#) 14 October 2016 08:02

The homeowners' grant does impact affordability and is intended to assist those who have lived in their community for many years and many years of inflation. The grant allows people to stay in their homes. I could care less that renters appearing out of nowhere, flocking to Moonbeam's dream can't afford to live here. It's not their city.

[Nanny Ogg](#) 14 October 2016 08:41

Without the homeowner grant many seniors would not have a home. The increase in property tax could be the last straw.

[Stratos](#) 14 October 2016 09:55

Duh. The homeowners grant isn't targeted at helping the needy. The grant is a reduction of property taxes, not a program to assist renters. What a waste of newspaper space.

[WaskesiuT](#) 14 October 2016 11:01

Was skeptical, but after careful reading, this suggestion actually makes sense.

[Bronte](#) 14 October 2016 12:10

\$1,314 000 threshold value is too low for a house owner. If there is no change my taxes are going up by 570.00 dollars.

[Nanny Ogg](#) 14 October 2016 14:51

LOL Bronte, I had no idea you were so rich!