

Southeast False Creek Properties Ltd. v. British Columbia, 2010 BCSC 1156, affirmed 2011 BCCA 206.

In *1084204 B.C. Ltd. v. His Majesty The King In Right Of British Columbia*, 2023 BCSC 2013, reversed 2025 BCCA 110, leave to appeal refused 2026 CanLII 261 (SCC), a corporate nominee was owned and controlled by a foreign national. The nominee acquired title to a home in Victoria and was assessed additional property transfer tax, but it was appealed. The court determined that the beneficial owner — a permanent resident — was the transferee, and the nominee held title as agent and not as a trustee. Therefore, the assessment was vacated. The further appeal was allowed and the assessment reinstated.

E. PROVINCIAL SALES TAX ACT AND REAL ESTATE TRANSACTIONS [§4.83]

PST of 7% is payable in respect of certain tangible personal property acquired by the purchaser (for example, fridges and stoves). Certain machinery, equipment, or apparatus that otherwise are fixtures may also be characterized as “tangible personal property” for purposes of this statute and therefore subject to PST. This tax is also payable on legal fees that relate to real property situated in British Columbia.

Based on the *Budget and Fiscal Plan 2026/27 – 2028/29* (https://www.bcbudget.gov.bc.ca/2026/pdf/2026_Budget_and_Fiscal_Plan.pdf) (the “2026 B.C. budget”), effective October 1, 2026, other real estate-related professional services will become subject to PST, including:

- accounting and bookkeeping services;
- architectural services;
- engineering and geoscience services;
- non-residential real estate services, including non-residential rental property management and strata management services;
- commissions related to buying and selling non-residential real estate; and
- security and private investigation services.

The 2026 B.C. budget states that the province is applying PST to these services to remain generally consistent with how other provinces tax such services.

Notably, the amendments to the *Provincial Sales Tax Act*, S.B.C. 2012, c. 35 (the “*PSTA*”) impose 7% PST on “non-residential real estate services”, which the *PSTA* defines as follows:

- (1) “real estate services” as defined in the *Real Estate Services Act*, S.B.C. 2004, c. 42 (the “*RESA*”), provided by a person who is licensed or required to be licensed under the *RESA*;
- (2) services prescribed as a non-residential real estate service (of which nothing is currently prescribed); and
- (3) services similar to the above provided by a person who is licensed or required to be licensed in another jurisdiction under legislation similar to the *RESA*.

“Non-residential real estate services” exclude the following:

- (1) services related to a person who is exempted from being licensed under the *RESA* (or, if the person was from another jurisdiction, who would meet such a licensing exemption);
- (2) services provided by a person to their employer in the course of employment; and
- (3) services related to property assessed under class 1 or 3 of the *Assessment Act*, R.S.B.C. 1996, c. 20 (i.e., residential properties and supportive housing).

As noted in the phrase “*non-residential* real estate services”, the exclusion of class 1 and 3 properties ensures only services related to non-residential properties (e.g., commercial) are subject to PST.

Non-residential real estate services may be partly or fully exempt from PST where the services relate to real property located in a jurisdiction other than British Columbia. In this case, the purchaser must make a reasonable estimate of the portion of the purchase price that relates to real property located in a jurisdiction other than British Columbia. This portion is then exempt from PST.

Where non-residential real estate services are provided to property that is in part a class 1 or 3 property under the *Assessment Act* and in part another class, PST is charged on the purchase price less the portion of that purchase price that can reasonably be attributed to class 1 or 3 property.

Under s. 1 of the *RESA*, “real estate services” means rental property management services, strata management services, or trading services. These three services are further defined in the *RESA*.

“Rental property management services” means the following services provided to or on behalf of an owner of a rental estate (*RESA*, s. 1):

- (a) trading services in relation to the rental of the real estate;
- (b) collecting rents or security deposits for the use of the real estate;
- (c) managing the real estate on behalf of the owner by
 - (i) making payments to third parties,
 - (ii) negotiating or entering into contracts,
 - (iii) supervising employees or contractors hired or engaged by the owner, or
 - (iv) managing landlord and tenant matters

“Strata management services” means any of the following services provided to or on behalf of a strata corporation (*RESA*, s. 1):

- (a) collecting or holding strata fees, contributions, levies or other amounts levied by, or due to, the strata corporation under the *Strata Property Act*;
- (b) exercising delegated powers and duties of a strata corporation or strata council, including
 - (i) making payments to third parties on behalf of the strata corporation,
 - (ii) negotiating or entering into contracts on behalf of the strata corporation,
 - (iii) supervising employees or contractors hired or engaged by the strata corporation, or
 - (iv) enforcing bylaws or rules of the strata corporation,

Lastly, “trading services” refers to the following services provided to or on behalf of a party to trade in real estate (*RESA*, s. 1):

- (a) advising on the appropriate price for the real estate;
- (b) making representations about the real estate;
- (c) finding the real estate for a party to acquire;
- (d) finding a party to acquire the real estate;
- (e) showing the real estate;
- (f) negotiating the price of the real estate or the terms of the trade in real estate;

- (g) presenting offers to dispose of or acquire the real estate;
- (h) receiving deposit money paid in respect of the real estate

These definitions exclude specific situations highlighted in the Real Estate Services Regulation, B.C. Reg. 506/2004.

For more information, see chapter 2 (Real Estate Licensees).

F. VACANCY TAX ON RESIDENTIAL PROPERTY IN CITY OF VANCOUVER [§4.84]

The Vancouver empty homes tax (commonly referred to as the vacancy tax) was enacted by the Vancouver City Council in 2016 pursuant to Vacancy Tax Bylaw No. 11674.

The Bylaw (as amended) imposes an annual tax on the taxable assessed value of residential property in the City of Vancouver for a calendar year, if the property:

- (1) is not the “principal residence” of the registered owner for at least six months of the year;
- (2) is not the “principal residence” of a person who is not a tenant and who occupies the residential property with the permission of the registered owner for at least six months of the year;
- (3) is not occupied for residential purposes by an arm’s length tenant or subtenant under a specific agreement, for terms consisting of at least 30 consecutive days and a total of at least six months of the year; and
- (4) if no exemption applies (see below).

The tax rate was 1% for 2017–2019, rising to 1.25% for 2020, and then rising again to 3% for 2021 onward.

The Bylaw defines “principal residence” generally to be the usual place where an individual lives, makes their home, and conducts their daily affairs, and for purposes of the Bylaw, an individual may only have one principal residence.

A variety of exemptions from the vacancy tax (s. 3) are available, including where: