

Minister of Finance – Brenda Bailey

Parliamentary Secretary of Rural Development – Steve Morissette

Minister of Housing- Christine Boyle

Subject: Request to Reconsider Changes to the BC Property Tax Deferment Program for Rural Seniors

Dear Officials;

I am writing on behalf of many seniors in **Cowichan Valley Regional District's Electoral Area I and neighbouring Electoral Area F and Town of Lake Cowichan — commonly referred to as the West Cowichan communities** — to respectfully ask the Province to reconsider elements of the recent changes to the BC Property Tax Deferment Program announced in the 2026 budget.

For many years, the program has provided an important tool that allows seniors to remain in their homes while managing rising property taxes on fixed incomes. In rural communities across British Columbia, it has helped residents age in place while ensuring taxes are ultimately repaid when properties are sold.

Recent proposed budget changes to the program — particularly the move to higher compounding interest rates— will significantly increase the long-term cost of deferring property taxes. While the objective of aligning the program more closely with market lending rates is understandable, these changes may have unintended consequences for seniors in rural communities such as West Cowichan.

Census data shows that approximately **28–34% of residents in CVRD Electoral Areas I and F and the Town of Lake Cowichan are age 65 or older**, significantly above the provincial average.

Based on local demographic data and typical participation rates in the program, it is reasonable to estimate that **approximately 90 households in Electoral Area I, 120 households in neighbouring Electoral Area F and 75 households in Lake Cowichan** may rely on the Property Tax Deferment Program each year. For many of these residents, the program has served as an important financial bridge that allows them to remain in their homes while managing rising property taxes on fixed retirement incomes.

At the same time, many of these residents live on fixed retirement incomes. While property values have increased over the past decade, that increase does not translate into additional income for seniors who wish to remain in their homes. At the same time, local property tax requisitions have also risen significantly — in some cases increasing by **more than 60% over the past decade** — further increasing financial pressure on residents living on fixed incomes.

In practical terms, many households are **asset-rich but income-constrained**, with rising property taxes placing increasing strain on limited monthly budgets.

In rural communities such as West Cowichan there are also limited alternative housing options for seniors. Downsizing opportunities and rental availability are often scarce. As a result, residents may find themselves in a difficult position — unable to comfortably absorb rising property taxes, yet also unable to find suitable or affordable housing if they sell their homes. **Can't afford to leave and can't afford to stay.**

Under the new interest structure, deferred tax balances will grow significantly faster over time. This may unintentionally create pressure for seniors to sell their homes earlier than they otherwise would, potentially

reducing the equity they have built over decades and accelerating displacement from long-established rural communities.

It is also important to note that deferred property taxes are secured by a lien on the property title. In some cases this can affect a homeowner's ability to refinance their mortgage or access other forms of financing, as lenders must consider the deferred balance when assessing borrowing capacity. As deferment balances grow more quickly under the new interest structure, this may further limit financial flexibility for seniors who rely on refinancing to manage housing costs.

I respectfully suggest the Province consider adjustments that maintain fiscal responsibility while continuing to support seniors on fixed incomes. Possible options could include:

- Introducing an **income or tiered age threshold** to maintain a lower deferment interest rate for seniors with modest incomes and protection for our eldest seniors that wish to age in place.
- Implementing a **graduated interest rate structure** based on income or home equity.
- Maintaining the previous interest structure for seniors below a defined income level.

These types of adjustments would preserve the core purpose of the program — allowing seniors to remain safely in their homes while ensuring taxes are eventually repaid. In doing so, the program continues to support both community stability and the long-term recovery of deferred taxes by the Province.

Our rural communities value stability and continuity. Many of the residents who rely on this program helped build these communities over decades, and policies that support their ability to age in place strengthen the social fabric of our regions.

I hope the Province will consider refinements that preserve the program's fiscal sustainability while continuing to protect the ability of seniors in rural communities to age in place. I would welcome the opportunity to share additional information about the demographics and housing realities facing seniors in West Cowichan.

Sincerely,
Stephanie Harper