

COVID-19 RESOURCE CENTER

COVID-19 and Governmental Measures in Housing Sector

June 24, 2020

This memorandum is an overview of the recent governmental measures announced with respect to the Real Estate Sector in British Columbia in response to the COVID-19 pandemic. Please note that this is a very fluid situation and these measures are subject to change. We intend to update the information as the situation continues to evolve.

As of June 9, 2020, there are a variety of actual and proposed governmental measures regarding the following: 1) Tenants 2) Mortgage Payment Deferrals 3) CMHC Policies 4) Access to Credit 5) Payroll Assistance Policies 6) Construction Sites 7) Taxes and 8) Other Related Government Action.

Government and industry measures affecting the real estate sector as a result of the COVID-19 pandemic are rapidly changing and evolving and this memorandum should be reviewed in the context of its effective date of June 24, 2020.

1. TENANTS

B.C. Provincial Government: Proposed *COVID-19 Related Measures Act* [Last Updated June 24]

The B.C. Provincial Government has introduced Bill 19 the *COVID-19 Related Measures Act* which would extend some ministerial orders issued in response to COVID-19 by 45 or 90 days after the end of the state of emergency issued by the Province. The proposed Bill also provides that the Lieutenant Governor in Council may, by regulation, repeal or extend any of the measures by up to a year.

The order freezing evictions and rent and granting additional rights and restrictions for landlords is set to expire 90 days after the end of the state of emergency, although some measures included therein will be ended early (see below, B.C. Provincial Government: Moratorium on Residential Evictions, other than for Non-Payment of Rent, set to Expire). The order barring evictions of tenants eligible for the CECRA but whose landlords have applied will not be affected by this Bill.

The Bill is currently in first reading and may undergo changes before being passed. On June 24th, B.C.'s state of emergency was extended for another two weeks until July 8th. The Bill will only come into effect, unless the state of emergency is cancelled or further renewed, after that date.

Source: <https://www.leg.bc.ca/parliamentary-business/legislation-debates-proceedings/41st-parliament/5th-session/bills/first-reading/gov14-1>;

B.C. Provincial Government: Moratorium on Residential Evictions, other than for Non-Payment of Rent, set to Expire [Last Updated June 24]

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The ban on residential evictions for reasons other than the non-payment of rent is to expire as part of the third stage of B.C.'s Restart Plan. Landlords are now permitted to issue a Notice to End Tenancy for any reason other than unpaid or late payment of rent. The regular notice periods, of between one and four months, will continue to apply. Landlords will also be allowed to access units for activities such as repairs, maintenance, and showing off the unit following the standard notice periods.

Landlords seeking to have an existing notice of eviction enforced will be able to apply to court begin that process starting on July 2.

The moratorium on evictions for non-payment of rent will continue to be in effect. Landlords will also continue to be able to set restrictions on shared spaces to ensure physical distancing, such as limiting the number of people in, or closing, common areas.

Source: <https://news.gov.bc.ca/releases/2020MAH0069-001100>; <https://news.gov.bc.ca/releases/2020MAH0034-001164>

B.C. Provincial Government: Temporary Rental Supplement (BC-TRS) [Last Updated June 19]

The BC-TRS provides up to \$500 a month in support for individual renters impacted by COVID-19. The payments are made directly to the landlords of eligible households and will provide a supplement for the months of April, May, and June 2020. A household with no dependents can receive up to \$300 per month, while a household with dependents can receive up to \$500.

To be eligible for the program a tenant must have a gross household income of less than \$74,150 for singles and couples without dependents or \$113,040 for households with dependents, and must as a result for COVID-19 be eligible for Employment Insurance, the Canada Emergency Response Benefit, or be able to provide evidence of a 25% or more reduction in household employment income, and finally be paying more than 30% of current household income towards rent. Tenants whose rent is being subsidized by another government program are not eligible for the program.

The program was extended on June 19, 2020 until August 31, 2020. Those who previously applied to receive the supplement will not need to apply again but will receive an email to confirm if they intend to continue living at the same address.

The application is now available online at: <https://www.bchousing.org/BCTRS>.

Source: <https://www.bchousing.org/BCTRS>; <https://news.gov.bc.ca/releases/2020MAH0069-001100>

Federal and Provincial Governments: Canadian Emergency Commercial Rent Assistance (CECRA) for Small Businesses [Last Updated June 15]

The Federal Government and Provinces have come to an agreement to implement a 75% cut in rent for small businesses affected by COVID-19. The program will provide forgivable loans to commercial property owners to cover 50% of their monthly rent payments for April, May, and June. The loans will be forgiven if the mortgaged property owner agrees to reduce their tenants' rent by at least 25% under a rent forgiveness agreement which must include a term not to evict the tenant while the agreement is in place. The tenant will be expected to cover the remaining 25% of rent.

To qualify, a small business must be paying less than \$50,000 per month in rent per location, generate no more than \$20 million in gross annual revenues, and have temporarily ceased operations or experienced at least a 70%

drop in revenues. To measure any such revenue loss, the business can compare revenues in April, May and June of 2020 to that same month of 2019 or use an average of their revenues earned in January and February of 2020. If a business has multiple locations with multiple property owners, each property owner will need to apply for the program.

Additionally, the property owner must: own a property that generates rental revenue from commercial real property in Canada, have impacted small businesses tenants located within that real property, have a mortgage loan secured by the commercial real property that is occupied by one or more small business tenants, have entered into or will enter into a rent reduction agreement for April, May and June of 2020 that will reduce the small business tenant's rent by at least 75%, have a rent reduction agreement with impacted tenants that includes a moratorium on eviction for the period of April, May and June 2020, and have declared rental income on their tax return (personal or corporate) for tax years 2018 and/or 2019.

Canada Mortgage and Housing Corp. (CMHC) has stated that the program is now available to property owners who do not hold a mortgage, after initial statements indicating that it was only available to mortgage-holders.

The portal to apply for this benefit became available at 8 a.m. E.S.T. on May 25, 2020, with a deadline to apply of August 31, 2020. The portal is available [here](#). During the first week of the application process CMHC asked for staggered applications but this is no longer necessary.

To apply, commercial property owners will need to provide the following information: attestations by both the tenant and property owner that they are eligible for the program, a rent reduction agreement, a forgivable loan agreement, property information (including: the property address, type, tax statement, latest rent rolls for each property, and the number of commercial units), the applicant information of the property owner (including: banking information and statements, property owner contact information, co-ownership information, and contact details for any co-owners), and tenant information (including: tenant contact information, registered business name, lease area and the monthly gross rent for the period of April, May, and June 2020).

While samples of the required attestations, agreements, and information that must be supplied are available on the CMHC's website as of May 19, 2020 it is important to note that these are NOT the final documents. The final versions of the various documents will be available only once a party has begun the application process.

Prime Minister Trudeau has noted in the past that Ottawa is looking at similar relief for larger companies.

Source: <https://pm.gc.ca/en/news/news-releases/2020/04/16/prime-minister-announces-additional-support-small-businesses>; <https://news.gov.bc.ca/releases/2020FIN0024-000754>; <https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business>

Provincial Government: Bar on Evictions of Commercial Tenants if Landlord Chooses Not to Apply for the CECRA when Tenant is Eligible [Last Updated June 3]

On June 1, B.C. Finance Minister Carole James announced a new *Emergency Program Act* order which bars landlords from evicting tenants who are eligible for the Canada Emergency Commercial Rent Assistance (CECRA) program if the landlord chooses not to apply for the benefit. Tenants will be protected from: evictions due to unpaid rent obligations, lease terminations, rent repayment lawsuits, any exercise any right of re-entry to the leased property by the landlord, and the repossession of small businesses' goods and property.

The order does not apply if the tenant has abandoned the property or if the lease's term has expired before the order is made. The order will be in place so long as the CECRA remains in place.

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To clarify, this order is applicable only to those tenants who meet the requirements of the CECRA program. Small businesses are eligible if: their revenue has declined by at least 70 per cent, they pay no more than \$50,000 a month in rent per location, and they generate no more than \$20 million in gross revenue each year.

Source: <https://www.youtube.com/watch?v=wePcp-RhXGs>;
http://www.bclaws.ca/civix/document/id/mo/mo/2020_m179

Federal Government: Rent Relief for Eligible Business Tenants in National Parks, National Historic Sites, and National Marine Conservation Areas [Last Updated June 1]

The Government of Canada has announced that they will provide rent relief on similar terms to the Canada Emergency Commercial Rent Assistance (CECRA) program for business tenants in all national parks, national historic sites, and national marine conservation areas. This program is for those businesses that are not eligible for the CECRA program because they or their landlord are on federal lands renting from a federal agency.

The eligibility requirements and relief offered will be similar to that offered under the CECRA. Parks Canada will contact all holders of commercial leases and licenses of occupation directly. Additional information will be made available in the near future.

Source: <https://www.canada.ca/en/parks-canada/news/2020/06/the-government-of-canada-will-provide-rent-relief-for-eligible-business-tenants-in-all-national-parks-national-historic-sites-and-national-marine-c.html>

B.C. Provincial Government: Freeze on Evictions and Rent, Additional Rights and Restrictions for Landlords [Last Updated March 30]

The Province announced a series of measures to assist residential tenants and landlords. On March 30, 2020 the Province of British Columbia approved a Residential Tenancy (COVID-19) order pursuant to the state of emergency (the “Residential Tenancy Order”).

Rent Increases: If a landlord gave a notice of rent increase to a tenant before March 30 and the effective date is after March 30 or gives notice of any rent increase while the Residential Tenancy Order is in effect, the rent increase does not take effect unless the rent increase is for one or more additional occupants and authorized under the tenancy agreement by the *Residential Tenancy Act*. If a landlord collects a rent increase that does not comply while Residential Tenancy Order is in effect, the tenant may deduct the increase from the rent or otherwise recover the increase.

Common Areas: Landlords may restrict access to common areas in shared buildings, such as laundry rooms or games rooms to if restriction is necessary to protect the health, safety and welfare of the landlord, occupant, tenant or guest due to the COVID-19 pandemic or to comply with health orders or guidelines of the B.C. Centre for Disease Control. A landlord may not prevent or interfere with the access of a guest to a tenant’s rental unit.

Access: ***A landlord cannot enter a rental unit, even if the landlord gave a tenant written notice, without the consent of the tenant. If a landlord gave written notice before March 30, 2020, that notice is null and void. Landlords can only enter rental units without consent of the tenant if there is an emergency in relation to the COVID-19 pandemic and the entry is necessary to protect health, safety or welfare of the landlord, the tenant or other occupants.***

Eviction Moratorium: A landlord must not give a tenant a notice to end tenancy while the Residential Tenancy Order is in effect. If a landlord gave a tenant a notice to end tenancy before March 30, then the notice to end tenancy remains valid (subject to dispute resolution) and an order of possession may be granted but enforcement to evict the tenant will be delayed until after the Residential Tenancy Order ceases to apply.

Orders of Possession: Orders of possession cannot be granted or enforced until after the Residential Tenancy Order is lifted except in exceptional circumstances, such as, the tenant has seriously jeopardized the health or safety of the landlord or another occupant, to comply with an order of a federal, British Columbia, regional or municipal government authority and it would be unreasonable to wait for the Residential Tenancy Order to no longer be in effect.

Source: <https://news.gov.bc.ca/releases/2020MAH0048-000561>;
http://www.bclaws.ca/civix/document/id/mo/mo/2020_m089

City of Vancouver: Developers Asked to Voluntarily hold off on Evictions [Last Updated March 18]

The City has asked developers to voluntarily and indefinitely hold off on evicting tenants if the eviction is for redevelopment and therefore falls under the city's tenant relocation policies.

B.C Housing: Temporary Eviction Moratorium for B.C. Housing Subsidized Housing [Last Updated March 18]

B.C. Housing has announced a temporary eviction moratorium on evictions of tenants in BC Housing subsidized and affordable housing during the COVID-19 outbreak. They ask that landlords take all circumstances into consideration before evicting someone who is threatening the life, health or safety of others or putting tenants or staff in imminent danger.

B.C. Housing has also streamlined the process for applying for rent reduction to those who have lost income as a result of COVID-19. Effective April 1, Rent-Gear-to-Income tenants subsidized through BC Housing can apply for re-calculation as a result of loss of employment income due to COVID-19.

Source: <https://www.bchousing.org/COVID-19>

Residential Tenancy Considerations [Last Updated April 26]

There are various implications to some of the current policies and measures put in place by the federal, provincial and municipal government on residential tenancies. The restrictions to access include that a landlord cannot enter the rental unit for open houses or to show the unit to prospective purchasers without the consent of the tenant. A tenant occupied property in B.C. can still be purchased and sold while the Residential Tenancy Order is in effect, but the Landlord cannot require the tenant to vacate the property. Legal advice should be sought if a purchase agreement requires vacant possession.

In addition, the B.C. Supreme Court has suspended its operations, and there are similar delays and suspensions in other courts and administrative tribunals. This means that during this time, it will be difficult if not impossible to enforce tenancy agreements or provisions under the residential tenancy regime on short notice. Furthermore, it is unclear at this stage whether conduct of organizations or individuals during this uncertain time will lead to civil litigation down the road.

2. MORTGAGE PAYMENT DEFERRALS

Residential Mortgage Deferrals [Last Updated April 3]

Various major banking institutions in Canada have begun offering payment deferrals for residential mortgages and credit relief in response to the COVID-19 outbreak. Customers are encouraged to contact the bank to see what options may be available.

BANK	MEASURE
Scotiabank	<p>Relief available on a case-by-case basis, if you, or any member of your family, has become unemployed or experiences a material reduction in income due to COVID-19. These relief measures include mortgage payment deferral for up to six-months and other support measures on a case-by-case basis. Scotia is clear that Interest will continue to accrue.</p> <p>Source: https://www.scotiabank.com/ca/en/about/perspectives/articles/economy.scotiabank-announces-support-for-those-impacted-by-covid-19.html</p>
TD Canada Trust	<p>Relief available on a case-by-case basis for those experiencing disruption due to COVID-19, childcare disruption due to school closures, or those facing illness from COVID-19. This support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products.</p> <p>Source: https://www.td.com/ca/en/personal-banking/covid-19/</p>
BMO	<p>Relief available on a case-by-case basis for those experiencing disruption due to COVID-19. This support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products such as deferral of payments on loans and credit cards for up to three months.</p> <p>Source: https://www.bmo.com/main/personal/bmo-branches-coronavirus-update/</p>
RBC	<p>Relief available on a case-by-case basis, for both individuals and businesses as a result of COVID-19. The relief includes up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products such as deferrals on auto and personal loans, and skipping a monthly payment on credit cards.</p> <p>Source: https://www.rbc.com/covid-19/index.html</p>
CIBC	<p>Relief available on a case-by-case basis for those experiencing disruption due to COVID-19. This support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products.</p> <p>Source: https://www.cibc.com/en/personal-banking/advice-centre/covid-19.html</p>
National Bank	<p>Relief available on a case-by-case basis for individuals and small business if they experience disruption due to COVID-19. This support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products.</p> <p>Source: https://www.nbc.ca/en/about-us/news/news-room/press-releases/2020/20200317-six-grandes-banques-canadiennes-mesures-decisives-COVID-19.html</p>

CHMC: Commercial Mortgage Deferrals [Last Updated April 3]

CMHC and the Office of the Superintendent of Real Estate in British Columbia are advocating for commercial mortgage deferrals. We understand institutions are working with commercial clients on a case by case basis and certain institutions are implementing a 3-month mortgage deferral program for all commercial clients.

3. CMHC POLICIES

CMHC: Reviewing Underwriting Criteria [Last Updated June 8]

In response to an anticipated drop in housing process due to COVID-19, the CMHC has announced the changes to its underwriting policies for insured mortgages. Effective July 1, 2020, the following changes will apply for new applications for homeowner transactional and portfolio mortgage insurance:

1. Limiting the Gross/Total Debt Servicing (GDS/TDS) ratios to our standard requirements of 35/42;
2. Establish minimum credit score of 680 for at least one borrower; and
3. Non-traditional sources of down payment that increase indebtedness will no longer be treated as equity for insurance purposes.

CMHC has also suspended refinancing for multi-unit mortgage insurance except when the funds are used for repairs or reinvestment in housing. Consultations have begun on the repositioning of our multi-unit mortgage insurance products.

Source: <https://www.cmhc-schl.gc.ca/en/media-newsroom/news-releases/2020/cmhc-reviews-underwriting-criteria>

CMHC: Expanding Revised Insured Mortgage Purchase Program [Last Updated March 26]

As part of the measures passed by the Federal Government in the Emergency Response Act, the government is ready to purchase up to \$150 billion of insured mortgage pools through CMHC, an increase of \$100 billion from the \$50 billion previously announced on March 16, 2020. CMHC is also ready to expand the purchase of Canada Mortgage Bonds to a total annual issuance of up to \$60 billion depending on market conditions and investor demand.

Source: <https://www.cmhc-schl.gc.ca/en/media-newsroom/news-releases/2020/cmhc-expands-insured-mortgage-purchase-program>

CMHC: Temporarily Suspends Dividend [Last Updated March 26]

CMHC has announced that it will be temporarily suspending dividend payments during the COVID-19 pandemic to conserve capital.

Source: <https://www.cmhc-schl.gc.ca/en/media-newsroom/news-releases/2020/cmhc-temporarily-suspends-dividend-amid-covid-19-pandemic>

Federal Government: Mortgage Payments Deferred on Homeowner CMHC-insured Mortgage Loans [Last Updated March 26]

The Government, through CMHC, is providing increased flexibility for homeowners facing financial difficulties to defer mortgage payments on homeowner CMHC-insured mortgage loans. CMHC will permit lenders to allow payment deferral beginning immediately.

Source: <https://www.canada.ca/en/department-finance/economic-response-plan.html>

CMHC: Instituting a Revised Insured Mortgage Purchase Program [Last Updated March 26]

CMHC will initiate a revised Insured Mortgage Purchase Program, a market liquidity tool used in the Global Financial Crisis. This is part of a package that includes complementary market support activity from the Bank of Canada. CMHC has scaled the solution to the problem and will have \$50 billion available to purchase insured mortgage pools. CMHC is also working with the government on expanding CMHC's authorities.

Source: <https://www.cmhc-schl.gc.ca/en/media-newsroom/news-releases/2020/measures-support-continued-lending-canadian-consumers-businesses>

Suspending Quality Assurance Reviews, Requests Housing Providers Refrain from Evictions [Last Updated March 17]

CMHC will temporarily suspend quality assurance reviews and other interventions. CMHC also expects that any housing provider who has received financing or support from CMHC, directly or via provinces and territories, to act compassionately and refrain from evictions.

Source: <https://www.cmhc-schl.gc.ca/en/media-newsroom/notices/2020/message-from-president-to-clients-covid-19>

4. ACCESS TO CREDIT

Canada's largest financial institutions (BMO, CIBC, National Bank of Canada, RBC, Scotiabank, and TD Bank), as well as some credit unions like Vancity, are working with small business banking customers on a case-by-case basis to provide flexible financing solutions. According to the Department of Finance website, the below programs will roll out in the three weeks following March 27 and interested businesses should work with their current financial institutions.

Federal Government: New Government Guaranteed Loan of up to \$40,000 for Small and Medium Sized Businesses [Last Updated June 19]

Through the new Canada Emergency Business Account (CEBA), major banking institutions are to offer up to \$40,000 in interest-free loans for small businesses and not-for-profits in Canada. These loans will be guaranteed by the Federal Government. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000). To qualify, eligible organizations will need to have been a Canadian operating business as of March 1, 2020, have federal tax registration, and demonstrate they paid between \$20,000 and \$1.5 million in total payroll in 2019.

On May 19, 2020, the Prime Minister announced expanded eligibility criteria to include businesses that are sole owners/operators, rely upon contractors, or are family owned and pay employees through dividends. For businesses under this expanded eligibility, applicants with a payroll lower than \$20,000 would need to have eligible non-deferrable expenses of \$40,000 to \$1.5 million.

Applications were set to open on Friday June 19 for those eligible under the expanded criteria. Late on June 18, 2020 Federal Finance Minister Bill Morneau announced that the expanded CEBA would not launch on that date but would become available at an unspecified future date.

Source: https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html#_New_Loan_Programs; <https://www.youtube.com/watch?v=3Emary9-kz4>; <https://www.bdc.ca/en/pages/special-support.aspx>

Federal Government: Business Credit Availability Program (BCAP) for Small and Medium-Sized Enterprises [Last Updated May 25]

Export Development Canada (EDC) is working with financial institutions to issue new operating credit and cash flow term loans of up to \$6.25 million to Small and Medium Enterprises over 12 months. The loans will be 80% guaranteed by EDC. The financial institution will take on the remaining 20% of the risk. The EDC BCAP Guarantee is a flat 1.8% fee calculated on the loan amount. EDC fees related to this guarantee will be deferred for the first six months, giving some short-term relief to your business.

This program can be applied for [here](#).

Source: https://www.canada.ca/en/department-finance/economic-response-plan/covid19-businesses.html#business_credit_availability_program; <https://www.bdc.ca/en/pages/special-support.aspx>

Federal Government: Large Employer Emergency Financing Facility (LEEFF) [Last Updated May 20]

On May 11, 2020, the Federal Government announced the Large Employer Emergency Financing Facility (LEEFF) to provide bridge financing to large employers across Canada, whose needs during the pandemic are not being met through conventional financing. LEEFF must not be used to resolve insolvencies or restructure firms, nor will it provide financing to companies that otherwise have the capacity to manage through the crisis. The program will include loans of \$60 million and above per company.

The program is open to Canadian employers who (a) have a significant impact on Canada's economy, as demonstrated by (i) having significant operations in Canada or (ii) supporting a significant workforce in Canada; (b) can generally demonstrate approximately \$300 million or more in annual revenues; and (c) require a minimum loan size of about \$60 million. The program will be available to businesses in any sector, except for the financial sector and some not-for-profit businesses.

To be eligible, companies must demonstrate how they intend to preserve employment, maintain investment activities, commit to respect collective bargaining arrangements, and protect worker's pensions. Additionally, businesses will be required to disclose their employment, tax, economic activity, international organizational structure and financing arrangements. Further, the company will need to adhere to strict limits of dividends, share buy-backs, and executive pay and will also be required to commit to publish annual climate-related disclosure reports consistent with the Financial Stability Board's Task Force on Climate-related Financial Disclosures, including how their future operations will support environmental sustainability and national climate goals.

The program opened for applications on May 20 and can be applied for [here](#).

Source: <https://pm.gc.ca/en/news/news-releases/2020/05/11/prime-minister-announces-additional-support-businesses-help-save>; <https://www.youtube.com/watch?v=02s15dWDWng>;

Federal Government: Regional Relief and Recovery Fund (RRRF) [Last Updated May 13]

On May 13, 2020, the Government of Canada announced new resources will be made available for businesses, in particular in the tourism sector and rural businesses, that have been impacted by COVID-19 but are ineligible for other federal programs.

The Government of Canada will make available \$962 million, with \$304 million of that for western Canadian businesses. These funds will be made available through Canada's six regional development agencies, Western Economic Diversification Canada is the relevant agency for B.C.

The full details of the program have not yet been released. Various sources cited by news organizations have indicated that the program will make available loans of up to \$40,000 for businesses with no interest or accruals through to December 31, 2022, and if up to 75% of the loan is repaid by that date then the remainder will be forgiven. It should note that this has not been officially announced and may be inaccurate.

Source: <https://www.newswire.ca/news-releases/covid-19-western-economic-diversification-canada-launches-regional-relief-and-recovery-fund-to-support-local-economy-845009064.html>; https://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07682.html; <https://www.cbc.ca/news/canada/british-columbia/covid-19-bc-update-what-you-need-to-know-may-13-1.5567316>; <https://vancouver.sun.com/health/local-health/covid-19-update-for-may-13-heres-the-latest-on-coronavirus-in-b-c/>

5. PAYROLL ASSISTANCE POLICIES

Federal Government: 75% Subsidy on Wages for Businesses affected by COVID-19 [Last Updated June 5]

The Canada Emergency Wage Subsidy (CEWS) will be available to all businesses, regardless of number of employees or size, whose revenues have decreased due to the COVID-19 pandemic. The Federal Government will subsidize up to 75% of wages on the first \$58,700 of earnings per employee, for a maximum of up to \$847 per week per employee. The entitlement to subsidy will be based entirely on the salary or wages actually paid to the employee.

This subsidy will be backdated to March 15, 2020 and will be provided for a twelve-week period through to June 6, 2020. On May 15, 2020, it was announced that the subsidy will be extended until August 29, 2020.

To be eligible businesses must demonstrate that their revenues for each month for which they are seeking the subsidy are 30% less than the revenue in the same month in 2019. Alternatively, businesses may use the months of January and February of 2020 as reference periods to show loss due to the COVID-19 outbreak. Only a 15% reduction in revenues needs to be shown for the month of March 2020. The Prime Minister Trudeau and Finance Minister Bill Morneau stated on May 15 that this threshold may be amended as businesses begin to re-open during the summer. Additionally, businesses will need to attest that they are doing everything in their power to pay the remaining 25% to their employees.

Businesses will apply on a portal on the Canada Revenue Agency website and will be required to apply monthly. Applications are now open [here](#).

The Prime Minister and Finance Minister have warned there will be severe consequences for businesses caught abusing the subsidy, but no further details were provided.

If you wish to amend a claim after it has been submitted you can do so through the My Business Account or else by calling the CRA's business enquiries phone number.

Source: <https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html>; <https://www.youtube.com/watch?v=20NRB6tc5vw>; <https://www.youtube.com/watch?v=EFG9oV6xJCE>; <https://www.canada.ca/en/department-finance/economic-response-plan.html#businesses>

Federal Government: Wage Top-Up for Essential Workers [Last Updated May 19]

FARRIS

On May 7, 2020, Prime Minister Trudeau announced a wage increase for low-income essential workers. The Federal Government has committed to provide up to \$3 billion with the provinces and territories supplying an additional one billion. Each province and territory will determine which workers within their jurisdiction will be eligible for support and how much they will receive.

As of May 19, the B.C. the Provincial Government has determined that an employee within the province may be eligible if they have been working straight-time hours at any point during the 16-week period starting on March 15, 2020. This includes casual and on-call workers. The employees must work in an eligible sector, workplace, and role and be delivering in-person, front-line care in health, social services and/or corrections. Management staff, fee-for-service providers, and employees on leave are not eligible.

For a full list of eligible roles, please view the Provincial Government website [here](#).

No application is required. Instead the government will provide the funds to employers who are then responsible for distributing the funds to eligible employees as lump-sum payments. This program should not be seen as a wage increase, nor should employees expect to see the funds on every paycheck. The benefit is expected to be approximately \$4 per hour for straight-time hours worked anytime over the 16-week period. This amount is taxable and will have no impact on benefits paid by the employer.

Source: <https://pm.gc.ca/en/news/news-releases/2020/05/07/prime-minister-announces-agreements-boost-wages-essential-workers>; <https://www.youtube.com/watch?v=SPoTvhuHxt8>; <https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/covid-19-provincial-support/temporary-pandemic-pay#eligible-sectors-workplaces>

Federal Government: Enhanced Work-Sharing Program [Last Updated April 16]

The Government of Canada will also introduce enhancements to the Work-Sharing Program to help employers who are experiencing a downturn in business due to COVID-19, and their workers. These measures extend the duration of Work-Sharing agreements by an additional 38 weeks, for a total of 76 weeks. The mandatory waiting period has also been waived so that employers with a recently expired agreement may immediately apply for a new agreement, without waiting between applications and ease Recovery Plan requirements for the duration of the Work-Sharing agreement. These special measures will be effective from March 15, 2020 to March 14, 2021.

Applications may be made by employers who are experiencing a downturn in business activity related to the global outbreak of COVID-19, and have:

1. Work-Sharing agreements signed between March 15, 2020 and March 13, 2021
2. Work-Sharing agreements that began, or ended between March 15, 2020 and March 14, 2021, and
3. Work-Sharing agreements that ended between June 23, 2019, and March 14, 2020 and are in their mandatory cooling-off period

Source: <https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection/canadas-reponse/government-canada-takes-action-covid-19.html#a4>; <https://www.canada.ca/en/employment-social-development/services/work-sharing/temporary-measures-forestry-sector.html>

Federal Government: 10% Subsidy to Businesses who do not meet 30% Threshold to be Eligible for the 75% Subsidy [Last Updated April 14]

For employers who have not seen a loss of at least 30% revenue over the previous year, the Federal Government will provide those employers with a smaller temporary wage subsidy for a period of three months. The subsidy will

be equal to 10% of remuneration paid from March 18th to June 20th, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their employees' remuneration.

To be eligible, the employer must be an individual, partnership, non-profit, registered charity, or Canadian-controlled private corporation eligible for the small business deduction with an existing business number and payroll program with the CRA as of March 18, 2020, and pay salary or wages to an individual employed in Canada.

The business does not need to apply for the subsidy, but will instead continue deducting income tax, Canada Pension Plan (CPP) contributions, and Employment Insurance (EI) premiums from salary, wages, bonuses, or other remuneration paid employees. The employer will then calculate the amount of the subsidy themselves and then reduce their current payroll remittance of federal, provincial, or territorial income tax sent to the CRA by the amount of the subsidy. If income taxes deducted do not offset the value of the subsidy in a specific period, the employer may reduce future payroll remittances to benefit from the subsidy.

If you did not pay any salary, wages, bonuses or other remuneration to an eligible employee from March 18, 2020 to June 19, 2020, you cannot receive the subsidy.

Source: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>; <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

6. CONSTRUCTION SITES

B.C. Provincial Government: Guidance to Construction Sites [Last Updated March 27]

The B.C. Provincial Government has issued the following guidance to construction sites:

1. There should be no more than 50 people in the same space in any circumstances.
2. Where possible, employees should maintain a distance of two metres apart from each other.
3. Post signage that limits the number of occupants in any elevator to four people at a time.
4. Reduce in-person meetings and other gatherings and hold site meetings in open spaces or outside.
5. Increase the number of handwashing stations and post signage that identifies their location.
6. Maintain a list of employees that are currently working on sites and update this list daily.
7. All common areas and surfaces should be cleaned at the end of each day. Examples include washrooms, shared offices, common tables, desks, light switches and door handles.
8. Anyone with COVID-19-like symptoms, such as sore throat, fever, sneezing or coughing, must self-isolate at home for 10 days.

Source: <https://news.gov.bc.ca/releases/2020EMBC0002-000542>;

B.C. Provincial Government: 50-Person Limit does not Apply to Construction Sites [Last Updated March 17]

According to a UDI newsletter dated March 19, 2020, a senior provincial government official has contacted UDI President & CEO Anne McMullin to assure our industry and membership the 50-person limit does not apply to construction sites, and that all sites can and should remain operating.

Sites must continue to conform to Worksafe BC practices and current COVID-19 prevention protocols. That means additional handwashing stations should be made available, that workers should maintain their social distance of 1-2 metres from one another and during any on-site meetings.

In addition, the Provincial Health Officer Dr. Bonnie Henry said during the March 17, 2020 news conference, shortly after the 1:02 mark that "Construction work outside is not as much of a risk that we are concerned about...*but anyone who's sick should not be going to work.*"

7. TAXES

BC reducing majority of commercial property tax bills by average of 25% [Last Updated April 26]

The school tax rate for Classes 4, 5, 6, 7 and 8 will be reduced by 50%. Overall, the commercial property tax bill for most businesses will be reduced by 25% on average.

The Provincial Government is also postponing the date that late payment penalties apply for commercial properties in classes 4, 5, 6, 7 and 8 to October 1, 2020. This will provide additional time to pay the reduced tax rate without penalty.

The Provincial Government states that this will provide \$700 million in immediate relief for business that own their property and allow commercial landlords to immediately pass savings on to their tenants in triple-net leases.

Source: <https://www2.gov.bc.ca/gov/content/taxes/tax-changes/covid-19-tax-changes#school-tax>

B.C. Provincial Government: Delayed Carbon Tax Increases [Last Updated April 26]

Carbon tax rates will remain at their current levels until further notice and the tax increases previously announced will be postponed until further notice.

Source: <https://www2.gov.bc.ca/gov/content/taxes/tax-changes/covid-19-tax-changes#tax-payments>

Provincial Government: Deferral Option for Tax Payments [Last Updated April 26]

Effective March 23, 2020, the filing and payment due dates for the following provincial taxes are extended to September 30, 2020: employer health tax payments, provincial sales tax, motor fuel tax, and tobacco tax until Sept. 30, 2020.

Any tax returns and payments for due dates between March 23, 2020 and before September 30, 2020, will be due on September 30, 2020. The deferral is automatic although businesses may continue to file their returns and make payments according to their usual periods.

Source: <https://news.gov.bc.ca/releases/2020PREM0013-000545#>;
<https://www2.gov.bc.ca/assets/download/C7A2D4038D324A989CF963A8CF320542>

B.C. Property Assessment Appeal Board: Extension for Appeals [Last Updated April 2]

The Property Assessment Board has extended the mandatory time period for property tax appeals for all appeals that were required to be filed by April 30, 2020 to June 1, 2020. This extension only applies to appeals to be filed by April 30, 2020.

Source: *Property Assessment Appeal Board*

Canada Revenue Agency: Businesses Permitted to Defer Payment of Income Tax Amounts [Last Updated April 1]

CRA will allow all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after today and before September 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period.

Source: <https://www.canada.ca/en/department-finance/economic-response-plan.html>

Provincial Speculation and Vacancy Tax and Property Tax [Last Updated June 24]

There have been no updates regarding deferring or reducing payment of the speculation and vacancy tax or property tax in British Columbia.

8. OTHER RELATED GOVERNMENT ACTION

B.C. Provincial Government: B.C.'s Restart Plan [Last Updated June 24]

On May 6, 2020, Premier John Horgan unveiled the B.C. Restart Plan. The Restart Plan outlines a series of steps that will be taken over the next few months to gradually return the Province to a pre-COVID state of affairs.

On June 24, 2020, Premier John Horgan announced that B.C. is now entering Phase 3 the Restart Plan. The relevant details that may have an impact upon the real estate sector include:

- Encouraged re-opening of the hospitality sector, although it was not ordered closed;
- Re-opening of the motion picture and television industries starting in July; and
- Relaxed restrictions on travelling throughout the Province, it is no longer necessary that the travel be essential.

Phase 2 began on May 19. The relevant details that may have an impact upon the real estate sector include:

- Gatherings of 2-6 people is permitted as of May 19;
- Dentists, physical therapists, in-person counselling services, retail stores, personal services (such as hair salons and barbers), childcare, libraries, offices, and museums are permitted to reopen as of May 19, WorkSafeBC has released a detailed set of operating guidelines for many services to follow which can be found [here](#);
- Restaurants, cafes, and pubs may reopen as of May 19 but must follow a new order of the provincial health officer which can be found [here](#);

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- Hotels, movie theatres, symphonies, and the film industry may re-open as of a date estimated as being sometime between June and September;
- Nightclubs, bars, casinos, conventions, and professional sporting events will not be permitted to reopen in the near future; and
- The ban on gatherings of more than 50 people is to remain in place for the foreseeable future, and there will be no concerts or similar large-scale events in the near future.

Source: <https://www.youtube.com/watch?v=MoYQmvwcyHc>;
<https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-recovery/covid-19-provincial-support/bc-restart-plan>; <https://www.youtube.com/watch?v=WJIEHpRcxSQ>; <https://www.youtube.com/watch?v=-i1L64hA4Ng>; <https://www.youtube.com/watch?v=SfsX0y97r6g>;
<https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-recovery/covid-19-provincial-support/phase-3>

Federal Government: Canada Emergency Response Benefit (CERB) [Last Updated June 16]

The Canada Emergency Response Benefit provides financial support of up to \$500 per week for employed and self-employed Canadians affected by COVID-19. The benefit is available from March 15, 2020 until August 29, 2020. An individual may apply for this benefit up until December 2, 2020.

To be eligible, the individual must reside in Canada, be at least 15 years old, have had an employment and/or self-employment income of at least \$5000 in 2019 or in the 12 months prior to the date of their application for the program, have not quit their jobs voluntarily, and must either: have stopped working for reasons related to COVID-19, be eligible for Employment Insurance regular or sickness benefits or have exhausted their Employment Insurance regular benefits or Employment Insurance fishing benefits between December 29, 2019 and October 3, 2020. The individual must also not have earned more than \$1000 in employment and/or self-employment income for 14 or more consecutive days within the four weeks prior to making their claim.

The program is being managed by Service Canada and the Canada Revenue Agency and can be applied for [here](#).

Source: <https://www.youtube.com/watch?v=ipvrtaTyhsQ>; <https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

B.C. Provincial Government: Exemption from the Foreign Buyers Tax for Limited Partnerships [Last Updated June 9]

While not specifically related to COVID-19, a new exemption from the Foreign Buyers Tax has come into effect for limited partnerships.

Limited partnerships are now exempt from the tax where the following conditions are met: 1) the general partner is a Canadian citizen, permanent resident, or non-foreign corporation, 2) the combined interest in the limited partners of all foreign limited partners is less than half of the entitlement of all partners to share in the profits, and 3) each general and limited partner is a resident of Canada for income tax purposes throughout the year in which the taxable transfer occurs.

After a return is filed in which the exemption is claimed, the limited partnership, or their counsel, must send an email to attenq@gov.bc.ca with the general partner's name, the PID, and the date the transaction was registered

at the land title office. The Ministry then may contact the limited partnership and request further details to confirm eligibility of the exception.

Source: *Property Transfer Tax Regulation*, B.C. Reg 74/88; *Order in Council No. 252*.

B.C. Provincial Government: WorkSafe B.C. Protocols for the Real Estate Sector [Last Updated May 20]

WorkSafe B.C. and the B.C. Government have put into place protocols related to the safe operation of the real estate sector. Employers are required to develop a COVID-19 Safety Plan, although the plan does not need to be in place to begin operations but can be developed while protecting the safety of workers. The plan does not need to be reviewed by WorkSafeBC but must be posted at the worksite and employers may be asked about it during a WorkSafeBC inspection.

Real Estate services are encouraged to move to the provision of virtual services, provide virtual viewings, and provide online access to property documents. A protocol will need to be established if in-person viewings or meetings are required including prohibiting those with symptoms from attending, posting signage promoting physical distancing, providing handwashing facilities, and minimize the number of viewings and viewers of properties each day to reduce the number of people on a property.

A full list of the protocols and their descriptions can be found [here](#).

B.C. Provincial Government: Emergency Benefit for Workers [Last Updated May 13]

B.C. Workers are eligible for a one time, tax-free, \$1,000 payment for B.C. residents whose ability to work have been affected due to COVID-19. To be eligible, workers must be a resident of B.C. as of March 15, 2020, meet the requirements for the Canada Emergency Response Benefit (CERB), be at least 15 years old, have filed or agree to file a 2019 B.C. income tax return and not be receiving any income or disability assistance and not be incarcerated for a period of 90 days or longer.

Applications are now open online [here](#).

Source: <https://www2.gov.bc.ca/gov/content/employment-business/covid-19-financial-supports/emergency-benefit-workers>

Superintendent of Real Estate Issues Policy Statement 17 [Last Updated April 26]

The Superintendent of Real Estate under the Real Estate Development Marketing Act (“REDMA”) established Policy Statement 17 to temporarily extend the 9 month deadline to 12 months for the issuance of a building permit and obtaining a satisfactory financing commitment under Policy Statements 5 and 6.

Under Policy Statement 17:

- development property marketed under a disclosure statement filed under REDMA from April 17, 2020 to July 17, 2020 can be marketed for a 12-month period if the disclosure includes applicable extended dates as required by Policy Statement 17.
- development property marketed under a disclosure statement that was filed under REDMA between June 17, 2019 to April 16, 2020 can be marketed for a 12-month period if an amendment is filed and the disclosure includes applicable extended dates as required by Policy Statement 17. We understand an acknowledgment of receipt from purchasers for any amendment is sufficient to utilize Policy Statement 17.

All of the other provisions in Policy Statements 5 and 6, including the rights of a purchaser to cancel a purchase agreement after 12 months under conditions specified in Policy Statements 5 and 6, remain in effect and are unchanged.

Source: <https://www2.gov.bc.ca/assets/gov/housing-and-tenancy/buying-and-selling/consumer-protection/redma-policy-statements/information-bulletin-redma-17.pdf>

BC Hydro: Customer Assistance Program for Individuals and Small Businesses [Last Updated April 16]

BC Hydro s introduced a COVID-19 Relief Fund for residential customers and small business.

Individual residential households may be eligible for up to three months of bill credit. To be eligible, the individual must: have been a residential account holder as of March 31, 2020; be eligible for employment insurance, the Canada Emergency Response Benefit; or the B.C. Emergency Benefit for Workers; and the applicant or their partner must be unable to work. Eligible customers may apply [here](#), and can apply anytime before June 30 to receive the credit.

For small businesses that have been forced to close as a result of COVID-19, those businesses may be eligible for having their electricity use charges waived for up to three months. To be eligible the business must have had a business account prior to March 31, on a Small General Service rate, have closed their business on or after March 15, 2020 due to COVID-19 and have proof of such. The application process is available [here](#). Businesses must apply before June 30, 2020.

For entities that are not eligible for either of the above programs, such as larger businesses, may be eligible to defer bill payments or arrange for alternative payment plans with no penalties. No clear criteria have been laid out, but businesses are encouraged to contact their customer service team at 1-800-224-9376.

Source: <https://www.bchydro.com/news/conservation/2020/covid-19-updates.html>

B.C. Government: Defines what Constitutes an Essential Service in B.C. during COVID-19 Pandemic [Last Updated March 27]

The Provincial Government released a list to clarify what constitutes an essential service in the context of the COVID-19 pandemic. These are services which the Province states should and are encouraged to remain open. Any business that is not identified as an essential service, and has not been ordered to close, may stay open (at this time) if it adapts its services to the orders and recommendations of the provincial health officer.

Essential services that are relevant to the real-estate sector include:

- land registration services and real estate agent services;
- accounting, payroll, translation services, legal services and insurance providers; insurance assessment and adjudication providers;
- professional services, including lawyers and paralegals, engineers, accountants, translators;
- plumbers, electricians, elevator maintenance providers, exterminators, property management services, custodial/janitorial workers, cleaning services, fire safety and sprinkler systems, building systems maintenance and repair technicians, engineers, mechanics, smelters and other service providers who provide services that are necessary to maintaining the safety, sanitation and daily essential operation of residences and commercial buildings;

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- building code enforcement, inspection of buildings, building sites and building systems by building officials and registered professionals (architects and engineers);
- construction work, in accordance with PHO direction, construction firms, skilled trades and professionals, and construction and light industrial machinery and equipment rental;
- inspectors who ensure worksites are safe and health for workers, and who investigate serious workplace accidents;
- banks and their branches, credit unions and related financial institutions, as well as workers who support security and technical operations supporting financial institutions;
- gas stations, diesel, propane and heating fuel providers including providers of motor vehicle, aircraft and water/marine fuels, and providers of charging stations for electric vehicles;
- transitional, social and supportive housing, and single-room occupancy housing;
- capital markets, including the British Columbia Securities Commission, self-regulatory organizations, exchanges, clearing agencies and investment-fund dealers, advisers and managers;
- child care services for those persons providing essential services;
- all government (local, regional, provincial) functions or services.

A complete list of essential services can be accessed on the Province of B.C. website.

Source: <https://news.gov.bc.ca/releases/2020PSSG0020-000568>

City of Vancouver: Fines for Violating Public Safety Orders [Last Updated March 26]

Vancouver City council approved special measures including fines up to \$50,000 for violating COVID-19 related orders.

Source: <https://www.citynews1130.com/2020/03/23/vancouver-approves-fines-up-to-50000-for-businesses-caught-violating-covid-19-related-orders/>

B.C. Provincial Government: Fines for Violating Public Safety Orders [Last Updated March 26]

Municipal bylaw officers are enabled to be re-deployed to support enforcement of the provincial health officer's orders and directives carrying fines of over \$25,000 or jail, to be determined by the courts under the authority of the Public Health Act.

Source: <https://news.gov.bc.ca/releases/2020PSSG0020-000568>



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