



LAWSON

Ottawa deserves better.

ALEX LAWSON FOR MAYOR

End the vacant unit tax.

The Lawson plan: repeal a paperwork tax on 328,000 households that didn't lower rents, and protect the affordable housing money with the savings the mayor says he has already found.

01 / OVERVIEW

Three years of declarations. Rents went up anyway.

Every winter since 2023, the owner of every house, semi, townhouse, duplex and small walk-up in Ottawa has been required to go online and tell the City whether they lived in their own home last year. Miss the deadline and the City charges \$250. Miss it altogether and your occupied home is deemed vacant and billed one percent of its assessed value, unless you find out in time to appeal. Last cycle, 327,967 properties had to declare. The number found vacant, after the City's own audits, was 4,140. That is 1.3 percent.

The vacant unit tax was sold to Ottawa as a housing supply measure. The City's own description of its purpose is to "encourage homeowners to maintain, occupy or rent their properties, thereby increasing housing supply." The theory was simple: tax empty homes, owners rent them out, more supply, lower rents.

Here is what happened to rents. In October 2022, before the first declaration was ever filed, the average two-bedroom apartment in Ottawa rented for \$1,625 a month. In October 2025, after three full years of the tax, it rented for \$1,916. Up \$291 a month. Up 18 percent. The average went up in every one of the three years the tax was in force.

The tax did not lower rents. It did not slow them down. And the honest explanation is structural, not a matter of effort. The tax applies only to properties with six units or fewer. The apartment buildings where most of Ottawa's renters actually live, and where the vacancy rate is set, are not covered by it at all. A tax that structurally cannot touch most of the rental market was never going to move most of the rental market.

When Ottawa's rental market finally eased in 2025, the reason was not the tax. It was construction. CMHC's own explanation for the 2025 easing is "historically high rental supply completions combined with weaker demand." The vacancy rate in newly built units hit 6.7 percent. In the lower-rent units a working family can actually afford, it stayed below one percent. Supply moved the market. Paperwork did not.

The tax applies to houses. The rent is set in apartment buildings.

02 / WHAT THE TAX ACTUALLY DOES

It catches people who missed a form.

The City's program reports tell the story plainly, and the numbers here are theirs.

In the 2023 occupancy year, the City required 327,967 declarations and got 99.7 percent of them, which means the program's main achievement each year is that a third of a million households successfully did what they were told. Of the 4,140 units found vacant, 2,896 were declared and 1,244 were found by audit. The persistently vacant stock, the properties the tax was actually designed for, was 2,067 homes that

stayed vacant two years running. In other words, the owners the tax was aimed at mostly paid it and left the home empty. The rest of what the tax catches is transitional: a renovation that ran long, an estate in probate, a senior who moved into care, a home between tenants.

The appeals tell you who the net lands on. The City received 1,764 notices of complaint for the 2023 year and approved 1,233 of them. That is a program which, by its own count, bills people wrongly and then corrects itself when they push back. The residents who do not know to push back pay. Toronto's version of the same tax generated more than 55,000 complaints in two days in 2024 after occupied homes were billed as vacant. Ottawa's declaration rate is better than Toronto's was. The design flaw is the same: a universal annual declaration, with the penalty falling on the household that misses the form rather than on the owner who leaves a home empty on purpose.

The exemptions the City offers do not fix this. The renovation exemption applies only to work "for which the City has issued permits," so a family gutting a kitchen without one is taxed, and a family waiting on the City's own permit queue can be pushed past the 184-day threshold by that queue. The estate exemption runs the year of death plus the following year; Ontario probate routinely takes longer. Every one of these exemptions has to be claimed by someone who knows it exists.

PROPERTIES THAT MUST DECLARE

327,967

Every residential property with six units or fewer, every year

City of Ottawa, Vacant Unit Tax report, 2023 occupancy year.

FOUND VACANT

4,140

1.3 percent of properties, including 1,244 found by audit

City of Ottawa, Vacant Unit Tax report, 2023 occupancy year.

TWO-BEDROOM RENT

\$1,625 to \$1,916

October 2022 to October 2025. Up \$291 a month during the tax

CMHC Rental Market Survey, Ottawa, October 2022 and October 2025.

COMPLAINTS UPHELD

1,233 of 1,764

Notices of complaint approved by the City, 2023 occupancy year

City of Ottawa, Vacant Unit Tax report, 2023 occupancy year.

03 / THE PLAN

Repeal it. Keep the housing money whole.

This is a repeal, not a review. The City has three years of its own data, and the data answers the question the tax was created to test.

MOVE 01**Repeal the vacant unit tax at the first council meeting.**

A motion at the first regular meeting of the new council to repeal By-law 2022-135. The goal is that no household in Ottawa files a vacant unit declaration in 2027. If the declaration portal has already opened for the 2026 occupancy year before council can act, no tax is levied on that year and the portal closes. The audit program, the late fee and the deemed-vacancy rule end with the by-law.

MOVE 02**The affordable housing money stays.**

The tax clears about \$12.5 million a year after the City pays itself to run it, and that money goes to affordable housing. On September 16, Mark Sutcliffe admitted there is another \$250 million of fluff in his budgets at City Hall. The revenue cut from the VUT is fully covered by these savings.

MOVE 03**Close out the last cycle fairly.**

Every notice of complaint and request for review still open from the 2024 and 2025 occupancy years gets decided, and any late fee charged to a household whose home was in fact occupied is waived. The program does not get to bill people wrongly on its way out.

MOVE 04**Tell Queen's Park straight.**

In the 2024 Ontario-Ottawa deal, the City promised the province three things: open up City land for housing, strengthen the vacant unit tax, and keep the property tax burden down. Council did the second one in November 2024 by raising the top rate to five percent. As mayor, Lawson would tell the province in the first 100 days, with the City's own numbers, that the tax did not do what it was meant to do, that the affordable housing money is protected, and that Ottawa will keep the other two promises by doing more of both. Nobody at Queen's Park wants a tax kept for its own sake. They want housing built and taxes held down. That is this plan.

MOVE 05**Put the effort where the supply is.**

The staff time and the \$1.85 million a year spent running declarations, audits and appeals goes to the work that actually moves rents: cutting permit and approval times in half, and cutting development charges in half for one year across the board, both already in the Lawson housing plan. The City's own 2025 numbers show where rent relief comes from. It comes from units that get built.

04 / WHY IT MATTERS

You should get what you pay for.

There is a version of this argument that is only about the money, and it is not the one that matters most. The tax clears the City about \$12.5 million a year. That is a quarter of one percent of a \$5.2 billion operating budget, and the mayor himself says there is \$250 million of savings to be found in that budget. The housing money is not the hard part.

The argument that matters is about what a city asks of the people who live in it, and what it gives back. Ottawa asked 328,000 households to prove every year that they live in their own homes. In exchange it promised that rents would come down. Rents went up \$291 a month. The households that missed the form paid \$250 for the privilege, or got a bill for one percent of their home and had to appeal it. The owners the tax was actually designed for, the ones leaving homes empty on purpose, mostly paid it and kept the home empty. Two thousand of them, two years running.

That is not a housing policy. It is a compliance program with a housing label on it, and it belongs to a City Hall that has grown comfortable measuring what it collects instead of what it delivers.

Politicians keep writing policy without taking the human element into account. A charge or a tax like this one has to be measured two ways: is it having the effect it was meant to have, and what is that effect worth against all the well-meaning people it hurt along the way? On the first count, three years of the City's own data say no. On the second, the people it hurt were the senior who missed a deadline, the family settling an estate, and the owner whose renovation ran long. That trade was never worth making, and it is not worth continuing.

This is not an ideological position. Ottawa has never had a more direct test of a policy than this one: three years, a third of a million declarations a year, the City's own audits, and the City's own rent data. The test is over. The results are in. A mayor who reads them and does nothing is not being cautious. He is asking you to keep filing.

The tax raised money, but it didn't lower rent.

05 / WHY ALEX

He knows what adds a home and what adds a form.

Alex Lawson has spent 20 years framing houses in Ottawa. He has never written a housing policy from an office, and he has never billed a family for a home they were living in. He knows what adds a home to this city: a permit, a crew, and a finished building. He knows what a form adds. A form adds a form.

The Lawson standard on any policy is the one he applies on a job site: did it do what it was supposed to do, on time, for the money, and who paid for it when it didn't? By that standard the vacant unit tax has had three years and three chances. It did not lower rents. It did not slow them. It found 1.3 percent of properties empty and it caught grieving families, renovators and seniors on the way. The people who designed it never had to look those households in the eye. As mayor, Alex would. In 2023, Sutcliffe seconded the motion to keep it. In 2024, the City made it harsher, raising the top rate to five percent, and he opposed applying the new exemptions retroactively to households that had already been billed. He measured the revenue. Alex measures the result.

Every figure here is sourced.

PROPERTIES REQUIRED TO DECLARE, UNITS FOUND VACANT, AUDITS, COMPLAINTS

327,967 properties required to declare for the 2023 occupancy year; 2,896 declared vacant; 1,244 found vacant by audit; 4,140 total vacant units (1.26 percent of properties required to declare, rounded to 1.3 percent in this document); 7,053 audits completed; 1,764 notices of complaint received and 1,233 approved; 99.7 percent declaration rate; 2,067 properties vacant for a second consecutive year. City of Ottawa, Vacant Unit Tax report on the 2023 occupancy year.

https://documents.ottawa.ca/sites/default/files/OTTAWA_25-130_Report_E8.pdf

REVENUE AND ADMINISTRATION COST

Revenue of \$11,887,619 for the 2022 occupancy year and \$14,340,614 for 2023; administration cost of \$1.85 million in 2023, about 19 percent lower than 2022. The first-year administration cost was \$2.28 million per CTV News Ottawa, November 2024. The net of about \$12.5 million used in this document is \$14.34 million less \$1.85 million. City of Ottawa, Vacant Unit Tax report on the 2023 occupancy year.

https://documents.ottawa.ca/sites/default/files/OTTAWA_25-130_Report_E8.pdf

AFFORDABLE HOUSING ALLOCATIONS

More than \$20 million allocated to affordable housing initiatives since the program began; \$10.8 million allocated in the 2024 budget to projects including 148 rental units and 33 homeownership units. City of Ottawa report as summarized by Ottawa Construction News, January 2026.

<https://ottawaconstructionnews.com/architecture/vacant-unit-tax-unlocked-housing-supply-worth-400m-in-capital-city-report/>

TWO-BEDROOM RENT, OCTOBER 2022 AND OCTOBER 2025

CMHC Rental Market Survey, Ottawa, average rent for a two-bedroom apartment in the primary rental market: \$1,625 in October 2022 and \$1,916 in October 2025. The \$291 increase and the 18 percent figure follow from these two numbers. CMHC's historical average rents by bedroom type for Ottawa show the average two-bedroom rent rising in each of October 2023, 2024 and 2025.

<https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/Table?TableId=2.2.11&GeographyId=1265&GeographyTypeId=3>

VACANCY RATE AND THE REASON THE MARKET EASED IN 2025

Ottawa's overall vacancy rate was 2.1 percent in October 2022 and 2023, 2.6 percent in October 2024 and 3.0 percent in October 2025. CMHC attributes the 2025 easing nationally to "historically high rental supply completions combined with weaker demand caused by slower population and economic growth," and reports Ottawa's vacancy rate in newly built units at 6.7 percent and in lower-rent units below one percent. CMHC Rental Market Report release, December 11, 2025; CBC News on the October 2022 survey; Ottawa Business Journal on the October 2024 survey.

<https://www.cmhc-schl.gc.ca/media-newsroom/news-releases/2025/canadas-vacancy-rate-rises-amid-historically-high-rental-construction>

WHAT THE TAX COVERS AND HOW IT WORKS

One percent of assessed value on residential units vacant more than 184 days in the previous calendar year; applies to properties in the residential tax class with six units or fewer; \$250 late declaration fee; graduated rate rising one percent per consecutive vacant year to a maximum of five percent, approved November 2024; exemptions including death of the owner (year of death and the following year) and

renovations "for which the City has issued permits." City of Ottawa, Understanding the Vacant Unit Tax, and By-law 2022-135.

<https://ottawa.ca/en/living-ottawa/taxes/property-taxes/vacant-unit-tax/understanding-vacant-unit-tax>

THE 2023 COUNCIL VOTE

On August 23, 2023, council voted 15 to 8 to keep the tax, defeating Councillor Laura Dudas's motion to rescind it; the replacement motion to keep the tax with process changes was moved by Councillor Glen Gower and seconded by Mayor Sutcliffe. CTV News Ottawa.

<https://ottawa.ctvnews.ca/ottawa-council-votes-to-keep-vacant-unit-tax-with-some-changes-1.6531296>

THE ONTARIO-OTTAWA DEAL COMMITMENT AND THE 2024 GRADUATED RATE

The City committed to strengthening the vacant unit tax as part of the \$543 million Ontario-Ottawa deal; staff brought forward the graduated rate in November 2024, projected to add up to \$4 million a year. The joint Finance and Corporate Services and Planning and Housing committee approved the graduated rate 15 to 2, with Councillors Dudas and Brockington opposed, ahead of council ratification on November 13, 2024; Mayor Sutcliffe opposed Councillor Wilson Lo's motion to apply the new exemptions retroactively to 2023 property owners. CTV News Ottawa, November 2024 (two reports).

<https://ottawa.ctvnews.ca/city-committees-vote-to-approve-strengthening-vacant-unit-tax-1.7100631>

VANCOUVER'S EMPTY HOMES TAX AND RENTS

C.D. Howe Institute, August 2024, Caracciolo and Miglino, found Vancouver's Empty Homes Tax reduced vacant properties but had no measurable impact on rents or on new construction, and concluded the tax "was an ineffective measure for improving housing affordability."

<https://cdhowe.org/publication/verdict-vacant-home-taxes/>

TORONTO COMPLAINTS

Toronto received more than 55,000 complaints in two days in 2024 from homeowners billed under its vacant home tax, many for occupied homes. CBC News, April 2024.

<https://www.cbc.ca/lite/story/1.7163891>

CITY OPERATING BUDGET

Total City operating spending of \$5.22 billion in the 2026 draft budget. City of Ottawa Draft Budget Explorer. \$12.5 million is 0.24 percent of \$5.22 billion.

<https://ottawa.ca/en/city-hall/budget-finance-and-corporate-planning/budget>

SUTCLIFFE'S SAVINGS PLEDGE

On September 16, 2026, Mark Sutcliffe pledged to cap property tax increases at 2 to 2.5 percent in 2027 and 2028 and to find \$250 million in savings at City Hall over his next term. \$12.5 million a year is five percent of \$250 million. CTV News Ottawa, September 16, 2026.

<https://www.ctvnews.ca/ottawa/article/sutcliffe-pledges-to-cap-tax-increases-at-2-25-if-re-elected-ottawa-mayor/>

THE CITY'S THREE COMMITMENTS UNDER THE ONTARIO-OTTAWA DEAL

Under the March 2024 deal, the City agreed to open up municipal lands for factory-built, attainable housing, to strengthen the vacant home tax, and to take measures to minimize the property tax burden on residents and businesses. No public reporting ties any specific tranche of provincial funding to the vacant unit tax commitment. Ontario government release, November 2024; Link2Build summary of the March 2024 deal.

<https://todaysnorthumberland.ca/2024/11/05/ottawa-new-deal-continuing-to-deliver-for-eastern-ontario/>



LAWSON HOUSING PLAN COMMITMENTS

Cut permit approval times in half in the first year; cut development charges in half for one year on all new housing. Lawson housing policy, votealex.ca.

<https://votealex.ca/policy/housing/>

Authorized by the official agent of the Alex Lawson campaign.