




# COMMUNICATION UPDATE

<b>TO:</b>	Mayor and Members City Council
<b>DATE:</b>	April 15, 2026
<b>SUBJECT:</b>	Vacant Unit Tax – Extended Declaration Deadline (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>SUBMITTED BY:</b>	Clayton Pereira Director, Revenue Services Corporate Services Department
<b>SIGNATURE:</b>	

All Residential Property Owners were required to submit a mandatory occupancy declaration for the 2025 tax year including your principal residence by April 15, 2026. By April 15, 2026, about 92 per cent of property owners had submitted their required declarations. To ensure increased compliance for the 2025 Vacant Unit Tax declaration year, the mandatory declaration deadline has been extended to May 15, 2026. The new deadline supports program goals and improves customer service, giving undeclared property owners more time to declare without a \$250 late declaration fee. Undeclared properties will be deemed vacant and will receive a Vacant Unit Tax charge equal to one per cent of the property's current assessed value.

## Background

The Vacant Unit Tax is one of the multiple measures that Council has approved to address the City's housing crisis. The program aims to increase the supply of housing in Hamilton by encouraging residential property owners to keep their properties occupied rather than vacant.

If an occupancy declaration is not submitted, the property will be considered vacant and the Vacant Unit Tax will be charged. A principal residence will not be subject to the tax, but all residential property owners are still required to submit an occupancy declaration annually.

As of 2025, the City has charged an additional one per cent tax on any property that has been left vacant for more than 183 days in the previous tax year. Following the recovery of administrative costs, revenues generated from the Vacant Unit Tax will be reinvested into affordable housing initiatives.

### **Exemptions**

There are some instances where a property may be left vacant and be exempt from the Vacant Unit Tax:

- **Death of an Owner:** exemption applies to year of death plus one subsequent year or, until a certificate of appointment of estate trustee has been issued in the estate of the deceased person by a court of competent jurisdiction, provided that an application for a certificate of appointment of estate trustee has been made to the court.
- **Major Renovations:** major renovations or redevelopment make occupation of a unit impossible for more than 183 days in the same calendar year, provided a building permit has been issued.
- **Uninhabitable/Hazardous Property:** exemption applies to the uninhabitable / hazardous determination year plus one subsequent year after.
- **Sale of the property:** the VUT will not apply in the year of the sale if the transfer is to an unrelated individual or corporation.
- **Principal resident is in care, institutionalized or hospitalized:** the period of time when the principal resident resides in a hospital, long-term or a supportive care facility.

**SUBJECT: Vacant Unit Tax – Extended Declaration Deadline (City Wide) - Page 3 of 3**

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- Court order: if a court order prohibiting occupancy of the residential property is in effect.
- Non-profit housing: the exemption applies to designated housing projects owned and operated by non-profit corporations.
- Model Homes: properties used exclusively for sales and marketing purposes.
- Unsold New Inventory: newly build units held by developers up to six months following the occupancy permit in a calendar year.

**Key Dates**

<b>Date</b>	<b>Details</b>
December 2025	Notice to declare letters with declaration instructions are mailed to residential property owners
December 17, 2025	Mandatory declaration period begins
Week of March 23, 2026	Reminder to declare letters are mailed to all residential property owners that have not yet declared.
<b>April 15, 2026</b>	<b>Initial mandatory declaration period deadline</b>
<b>May 15, 2026</b>	<b>Revised mandatory declaration period deadline</b>
First week of June 2026	Vacant Unit Tax charges are mailed out on VUT tax bill
June 15, 2026	Appeal period begins
June 30, 2026	First Vacant Unit Tax payment is due
September 30, 2026	Second and final Vacant Unit Tax payment is due

For more information about the Vacant Unit Tax, visit [www.hamilton.ca/VacantUnitTax](http://www.hamilton.ca/VacantUnitTax) or contact [vacantunittax@hamilton.ca](mailto:vacantunittax@hamilton.ca).

**APPENDICES AND SCHEDULES ATTACHED**

No appendices and schedules attached.