

For immediate release

New housing affordability measures announced in BC Budget 2016

Burnaby, British Columbia (February 16, 2016) – Effective February 17, the purchase of a qualifying new housing unit valued at up to \$750,000 will be exempt from the Property Transfer Tax (PTT).

The cost of this measure will be offset by adding a third tier to the property transfer tax rate at 3 per cent on the portion of the fair market value over \$2 million. The PTT had previously been applied as 1 per cent on the first \$200,000 of the property market value and 2 per cent on the remainder.

“We have advocated that changes to the property transfer tax structure are long overdue and that B.C. home buyers deserve a reduction in taxes on housing,” says CHBA BC CEO Neil Moody. “We are pleased to see the provincial government eliminate the PTT on new housing units up to \$750,000.”

Canadian residents and permanent residents who purchase their principal residence and live in the unit for a full year will be exempt from the PTT on newly built homes up to \$750,000. This exemption is predicted to save the purchaser up to \$13,000, and provides an estimated \$75 million in property transfer tax relief for new construction in 2016-17.

There have been no changes to the threshold of the existing tiers within the PTT. “We would have liked to also see the 1% PTT threshold increase to \$525,000, and indexed annually. We will continue to advocate to the government for these changes to reflect market conditions,” said Moody.

Other budget measures that may be of interest to CHBA BC members includes:

- Developing better data on cost drivers including ways to encourage the municipalities to make the costs on new housing more transparent to home buyers, such as local government fees;
- Expansion of the Home Renovation Tax Credit to include persons with disabilities; and
- Providing \$8 million over three years for increased youth trades training to help more young people participate in B.C.'s growing industries.

“What these changes signify is that housing affordability, and finding ways to increasing the supply of market affordable housing units, is an important issue for the provincial government in the next year,” said Moody. “These measures are positive steps for home buyers in British Columbia.”

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About the Canadian Home Builders' Association of BC

The Canadian Home Builders' Association of BC is the voice of the residential construction industry in British Columbia representing more than 1,600 members through an affiliated network of nine local home building associations located throughout the province. The industry contributes over \$18.2 billion in investment value to British Columbia's economy creating 133,700 jobs in new home construction, renovation, and repair – one of the largest employers in British Columbia.

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