

Real estate board recommends policy changes to improve housing affordability and availability in B.C.

The Real Estate Board of Greater Vancouver presented recommendations to a provincial committee that seek to improve housing affordability and availability.

VANCOUVER, BC, CANADA, June 1, 2023 /EINPresswire.com/ -- The Real Estate Board of Greater Vancouver (REBGV) presented a series of recommendations to a provincial legislative committee this week that seek to improve housing affordability and availability across B.C.



The recommendations focus on adjustments to the provincial taxation regime that would ease the financial burden facing prospective home buyers and encourage greater housing mobility within the market. The intent behind these recommendations is to create more rental and purchase options for British Columbians.

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We need our governments to take a more holistic view of how housing is taxed to ensure that we are not impeding efforts to increase housing supply and improve affordability.”

Jeff King, REBGV CEO

REBGV’s proposal includes recommendations for an overhaul of the Property Transfer Tax (PTT), the basic structure of which has not changed in 36 years, as well as changes to the proposed anti-flipping tax.

“The housing affordability challenges we face in this region disproportionately impact younger generations,” Jeff King,

REBGV CEO said. “Taxation is a big part of the housing affordability equation. To make progress, we need our governments to take a more holistic view of how housing is taxed to ensure that we are not impeding efforts to increase housing supply and improve affordability.”

Background

Each year, BC's Legislature's Select Standing Committee on Finance and Government Services travels throughout the province seeking input on spending and taxation priorities for the upcoming provincial budget.

Here are the recommendations that REBGV made to this committee this week:

1. Property Transfer Tax Recommendations

- Conduct a comprehensive review of the PTT, which hasn't been done since the tax was implemented in 1987.
- Remove the PTT on any home costing less than \$750,000 – for both new and resale homes.
- Increase the First-Time Home Buyers' Program PTT exemption threshold on resale homes to \$750,000 from \$525,000 to match the newly-built homes exemption.
- Exempt presales from the PTT.
- Index PTT thresholds using the consumer price index, and make adjustments annually for the 2% and 3% thresholds on a sliding scale tied to BC Assessment values.
- Use PTT revenue from homes priced at more than \$750,000 to provide financial incentives to renters buying missing middle homes in walkable, mixed-use, transit-oriented communities with smaller housing choices.

2. Flipping Tax Recommendations

The regulations for the flipping tax must:

- include exemptions so the tax doesn't unfairly penalize those most likely to move;
- ensure new-construction homes are exempted from the tax; and
- ensure the tax doesn't discourage investment in secondary suites that may be created under the province's new secondary suite policy.

3. Rental Supply Recommendations

- Convince the federal government to exempt new not-for-profit rental developments from paying GST.
- Create a provincial rebate program for the GST payable on new rental construction. Rebate funding could come through interest payments made to the province from programs such as HousingHub, including the Affordable Home Ownership program (AHOP) and the PTT.
- Implement a program of Ultra-Low-Cost loans to developers who are building rental buildings by using funds from existing revenue streams including the PTT and BC Housing revenue streams, without requiring that these new buildings meet affordability standards which render the projects financially nonviable.

[View REBGV's full submission here.](#)

Editor's Notes:

Areas covered by the Real Estate Board of Greater Vancouver include: Bowen Island, Burnaby, Coquitlam, Maple Ridge, New Westminister, North Vancouver, Pitt Meadows, Port Coquitlam, Port Moody, Richmond, South Delta, Squamish, Sunshine Coast, Vancouver, West Vancouver, and Whistler.

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Craig Munn
Real Estate Board of Greater Vancouver
+1 604-730-3146
cmunn@rebgv.org

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