

BC's Alarming Erosion of Housing Affordability and Property Rights



The Canadian Real Estate Association reports BC has the highest average home price at \$939,972 which is \$290,876 more than the average price in Canada.

The BC government charges a Property Transfer Tax (PTT) of \$16,795 to do a simple land title transfer on the average home sold in BC.

Alberta has an average home price of \$485,957 and the transfer fee is \$413. The fee on a BC home would be \$702.

The difference in fees between the provinces is staggering. The BC govt receives about \$2 billion annually from the PTT.

Plus, the PTT may be charged up to 3 times during the development of one new home during title transfer from landowner to developer, to builder and final home sale to buyer.

Add PTT to the GST, rising municipal fees and it's no wonder BC has the highest home prices.

BC also leads the country in eroding property rights such as the ever-expanding Speculation Tax on secondary homes, including family cottages. During the election campaign, David Eby has promised to double this unfair tax.

The tax is a failed attempt to curb rising rents. When introduced in 2018, the average rent in Victoria was \$1,170. Today the average is \$2,249.

British Columbians with family cottages for generations are not speculators. Yet the BC government expands the tax into cottage country such as Lake Cowichan.

This is the insidious nature of taxes on housing. The PTT started in 1987 at 1% on the first \$200,000, and 2% on the remainder. The average BC home price was lower than \$200,000 and few homebuyers were impacted by the higher tax levels.

However, similar to GST, the PTT was not indexed to inflation, so with rising prices, average homebuyers are now hit hard by the tax.

The real housing speculators are the BC and federal governments, speculating on rising prices and using housing as a cash machine.

BC leads the country in both high home prices and eroding property rights, which is alarming.

The government's role is to ensure excessive fees, taxes and regulations do not obstruct supply. They should focus on subsidizing rentals for those on low incomes, where they can be most effective.

Let the market work for homebuyers and renters, save taxpayers billions, and restore British Columbians' property rights.

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