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BC's Alarming Erosion of Affordability & Private Property Rights

The Canadian Real Estate Association again confirmed BC has the highest average home price at \$1,040,888.

The BC government charges a Property Transfer Tax of \$18,000 to do a simple title transfer when that "average" home is sold.

Alberta has an average home price of \$443,398, and the fee for a title transfer is \$278. For a million dollar home, the transfer fee would be \$500.

The difference in fees is staggering. BC receives about \$2 billion annually from the Property Transfer Tax (PTT), which may be charged up to 3 times during the development of a single new home.

A developer pays PTT when buying land to develop and a builder pays PTT again when buying a lot from the developer.

When the home is built and sold, homebuyers pay the PTT a third time on the lot plus the new house. The previous PTT costs are embedded in the final home price.

The PTT is an unfair tax because the cost in no way represents the value of a title transfer, which Alberta does for a few hundred dollars.

In addition, the PTT is charged multiple times on the same property and these charges are not transparent.

Add the PTT to the GST, as well as rising municipal fees and amenities, and it's no wonder BC has the highest home prices by more than \$250,000 over the Canadian average of \$748,439.

More BC taxes are coming. Starting in 2022, Speculation Tax will be applied to couples, including newlyweds, each owning a condo where their stratas don't permit rentals. They must sell or pay the BC government thousands of dollars annually. If they sell, the BC government still collects thousands of dollars in PTT.

The erosion of both housing affordability and private property rights in BC is alarming, especially considering the government would rather boost taxes than address the real issue of inadequate housing supply.

Boosting supply would mean infringing on municipalities' right to self-determination and zoning.

Instead, the government chooses to add to Canada's highest housing costs and infringe on British Columbians' private property rights.



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