

BC's Alarming Erosion of Housing Affordability & Property Rights



The Canadian Real Estate Association reports BC has the highest average home price at \$998,721.

The BC government charges a Property Transfer Tax (PTT) of \$17,974 to do a simple land title transfer when that “average” home is sold.

Alberta has an average home price of \$503,502 and the fee \$423. For a million dollar home, the fee would be \$740.

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

The PTT may be charged up to 3 times during the development of a single new home during transfer from landowner to developer to builder and final home sale to the buyer.

Add the PTT to the GST, rising municipal fees and amenities, and it's no wonder BC has the highest home prices by more than \$300,000 over the Canadian average price of \$696,179.

BC also leads the country in eroding property rights such as the ever-expanding Speculation Tax on secondary homes, including family cottages.

Most recently, people legally operating short-term rentals were told suddenly their businesses are illegal. Many have been forced into taking big financial losses.

The Conference Board of Canada's study revealed short-term rentals have a negligible impact on housing supply and affordability. In addition, Statistics Canada's new study showed similar results – short-term rentals represent less than 1% of Canada's housing stock.

The erosion of both housing affordability and private property rights in BC is alarming, especially considering the government doesn't seem to understand how housing markets work.

If more market supply is incentivized through efficient development processes and less taxation, housing affordability will significantly improve.

The province recently posted a \$7.9 billion budget deficit, yet decided to build homes for the middle-class through initiatives such as Housing Hub and BC Builds, resulting in very few affordable units at enormous taxpayer expense.

Housing for the middle class should be provided by market builders, because that's what they're good at when not obstructed by government.

The province's role is to ensure excessive fees, taxes and regulations do not obstruct supply. The government failed in that role.

Their solution is to spend billions in taxpayers' money in a business of which they know little, and undermine the rights of property owners.

As a result, BC leads the country in both high housing prices and eroding property rights.

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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