

KEEP SKILLED TRADES IN BC, REDUCE GOVT FEES



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CMHC reports housing starts declined 11% year-to-date (January to May 2023) in Greater Victoria vs the same time last year.

Areas of concern include Sidney where there have been zero new homes started this year, Sooke declined 55%, and Saanich is down 75%. There is a total of seven new homes in View Royal, yet council considered a moratorium on new rezonings, which was defeated in a tie vote.

This is happening during a housing supply and affordability crisis in a province with the highest average prices is Canada at \$995,000. Neighbouring Alberta's average is \$470,000.

Statistics Canada reports 28,000 BC residents moved to Alberta in 2021/22. Skilled trades needed to build homes are part of that exodus.

CMHC says the number of BC construction workers available per unit has declined from 6.1 to 3.1 in 2021. Alberta has 8.4 workers vs their historical average of 8.6.

One of BC's challenges is government costs on housing. BC's Property Transfer Tax (PTT) is about \$16,000 per home sale, whereas Alberta's is a few hundred dollars.

BC's PTT may be paid two more times on the development of a new home – first when a landowner sells property to a developer, and again when the land is subdivided and a lot is sold to a builder.

Each involves an ownership/title

transfer, the costs of which are eventually paid by the homebuyer. The PTT has generated up to \$3 billion in revenue annually for the BC government.

Municipal fees such as Community Amenity Contributions (CACs) are also spiraling out of control. Even if new developments are approved, CACs make some projects unfeasible, especially with rising interest rates. Some approved developments in Vancouver have been postponed, and others are requesting CAC deferrals.

The BC government's housing report called "Opening Doors" recommends ending CACs and replacing it with a system directly tied to growth, similar to Development Cost Charges. Presently, CACs promote a municipal wish list which should be paid by property taxes. They are also an incentive for municipalities to under-zone to capture the CAC revenue.

Saanich is planning to charge \$9,000 in CACs and up to \$33,000 density bonus per new townhome, for some projects, despite zero new townhomes built in Saanich in 2022.

To achieve more housing, the BC government needs to cap municipal fees and end CACs.

They might want to revisit the PTT as well to help keep skilled trades in BC.

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