



For Immediate Release

Government Needs Transitional Rules For All Transactions Impacted By Taxes Introduced In Budget 2018

New taxes unlikely to stabilize housing market

Victoria, BC – February 20, 2018. The British Columbia Real Estate Association calls on government to introduce transitional rules for all transactions impacted by the new tax measures introduced in Budget 2018. The new tax measures come into effect on February 21, 2018. The Property Transfer Tax (PTT) increase to 5% for properties over \$3 million, as well as the increase to 20% and expansion of the Foreign Buyer’s Tax to other parts of the province will have an immediate impact on transactions underway.

When the Foreign Buyer’s Tax was introduced in 2016, consumers and REALTORS® were frustrated by the number of collapsed deals due to how the tax was introduced. At the time, the Association called for grandfathering of transactions underway to ensure a smooth transition. While the province has indicated transitional rules for the expansion of the Foreign Buyer’s Tax to other parts of BC, the Association believes this should apply to all transactions.

Of additional concern, the “speculation” tax introduced in the budget will affect British Columbians who own or want to invest in those markets by buying a second home or recreational property.

The Association welcomes measures in Budget 2018 to increase the supply of affordable housing in British Columbia. These initiatives are important steps in supporting those who need the most assistance to find and afford housing. However, the government missed the opportunity to help home buyers across the province by increasing the thresholds to the Property Transfer Tax (PTT) or index those thresholds to reflect the changing real estate market.

The new tax measures introduced by the government to “stabilize the housing market” are unlikely to achieve the intended objective. The taxes ignore the major culprit – matching housing supply and demand within a reasonable timeframe. Additional taxes, whether targeted at foreign buyers or speculators, do not reduce the gap between when a housing project starts and is available to purchase.

– 30 –

[BCREA](#) is the professional association for over 22,000 REALTORS® in BC, focusing on provincial issues that impact real estate. Working with the province's [11 real estate boards](#), BCREA provides continuing professional education, advocacy, economic research and standard forms to help REALTORS® provide value for their clients.

1420 – 701 Georgia Street W, PO Box 10123, Pacific Centre, Vancouver, BC V7Y 1C6

President Jim Stewart
Past President Deanna Horn

President-Elect James Palanio
Chief Executive Officer Darlene K. Hyde

bcrea@bcrea.bc.ca | **604.683.7702** (tel)
www.bcrea.bc.ca | 604.683.8601 (fax)



To demonstrate the profession's commitment to improving [Quality of Life](#) in BC communities, BCREA supports policies that help ensure economic vitality, provide housing opportunities, preserve the environment, protect property owners and build better communities with good schools and safe neighbourhoods.

For more information, please contact:

Damian Stathonikos

Director of Communications and Public Affairs

Direct: 604.742.2793

Email: dstathonikos@bcrea.bc.ca