



For immediate release

Budget Brings Some Good News for Already Busy Homebuyers

Vancouver, BC – February 17, 2005. The British Columbia Real Estate Association (BCREA) commends the provincial government for introducing measures in the 2005 budget that help improve the affordability of homes in BC, but recommends further reductions to the Property Transfer Tax (PTT).

“Being able to afford a home is one of the keys to quality of life,” says BCREA President Gordon Maroney. “By introducing amendments to the PTT and the Home Owner Grant Program, the government has begun to address the ongoing erosion of affordability, but we continue to recommend that it take steps to eliminate, phase out or otherwise reduce the PTT, which is a huge income stream.”

In fact, January home sales waned only slightly from last year’s record-setting market. BCREA reports 4,614 homes, worth \$1.35 billion, sold on the Multiple Listing Service® (MLS®) last month—a 0.58 per cent decrease in dollar volume and a 6.71 per cent drop in unit sales, compared to the same period in 2004.

“Home sales will keep going strong, but affordability is an important factor influencing people’s decisions on where to live,” says Maroney. “Measures to improve affordability will allow more people to invest in this province.”

In its pre-budget submission, BCREA recommended the government implement a program to reduce the PTT. As an example, reduce to zero the PTT payable on property sales under \$200,000. For property sales over \$200,000, reduce the PTT payable on the first \$200,000 to zero and two per cent on the balance.

Consumers invested a record \$27.8 billion in residential real estate across BC in 2004, shattering the 2003 record by more than \$3.6 billion. Last year, 96,316 homes sold on the MLS®, over 2,700 more than the previous record set in 1992.

“The real estate market is strong, which demonstrates consumer confidence,” notes Maroney, “and I was pleased Finance Minister Colin Hansen recognized that in his budget speech. I was also pleased to hear him acknowledge the challenges an active market poses to potential homebuyers.”

To demonstrate the commitment of the real estate profession to improving quality of life, BCREA supports growth that encourages economic vitality, provides housing opportunities and builds communities with good schools and safe neighbourhoods.

“REALTORS have always been active volunteers,” says Maroney, a Delta REALTOR. “As a profession, we care about our communities and what makes them thrive.”

A recent study prepared by the Economic Planning Group found the average BC home sold on the MLS® in 2003 triggered an estimated \$27,915 in additional spending, including legal fees, moving expenses, home renovations, furniture and appliance purchases and taxes, and created nearly one-quarter of a job. Based on that figure, 2004 BC home sales generated \$2.7 billion in spending and created 22,538 jobs.

BCREA represents 12 member real estate boards and their approximately 14,000 REALTORS on all provincial issues, providing an extensive communications network, required licensing and continuing education courses, standard forms and government relations. For detailed statistical information, contact your [local real estate board](#).

Multiple Listing Service® - January 2005 - BC Residential Sales Data

	Jan. '05 Residential Sales (\$)	Jan. '04 Residential Sales (\$)	Per Cent Change	Jan. '05 Residential Sales (Units)	Jan. '04 Residential Sales (Units)	Per Cent Change
Provincial Totals	1,351,584,749	1,359,419,049	-0.58%	4,614	4,946	-6.71%

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