



For Immediate Release

Legislative Committee Acknowledges BCREA's Property Transfer Tax Recommendations

Vancouver, BC – November 17, 2005. Recommendations to reduce the burden of the Property Transfer Tax (PTT) on property buyers, put forward by the British Columbia Real Estate Association (BCREA), other real estate organizations and individual citizens, have been acknowledged in a report to the province's Minister of Finance.

In *Report on the 2006 Budget Consultation Process*, the Select Standing Committee on Finance and Government Services reports broad support for raising property value thresholds to enable first-time buyers to qualify for an exemption from the PTT. The report also acknowledges inadequate rules governing the tax and support for its eventual elimination.

"This acknowledgement is very encouraging," notes BCREA President Dave Barclay. "The PTT strikes at the very heart of housing affordability across our province and I'm hopeful that the February budget will include measures to reduce its burden on first-time homebuyers, middle-income purchasers and low-income earners."

The PTT is a registration tax an individual must pay when purchasing or acquiring an interest in property. The amount payable depends on a property's fair market value, and is charged as one per cent on the first \$200,000, plus two per cent on the remainder.

"A family entering the housing market must pay \$6,000 in PTT charges on the purchase of a \$400,000 home," Barclay explains. "Projections indicate the tax will take \$650 million out of the pockets of property purchasers this budget year alone."

First-time buyers are exempt from the tax if the value of the properties they purchase is less than \$325,000 in the Capital Regional District, Greater Vancouver Regional District, and Fraser Valley Regional District. The threshold for properties located outside these areas is \$265,000.

BCREA's submission to the standing committee, which includes an impact assessment and further recommendations to reduce the tax, is available online at www.bcrea.bc.ca.

Affordability continues to be a top priority for British Columbians. In fact, 65 per cent of respondents to a January 2005 BCREA-Ipsos Reid survey indicated affordability is the most important influence over where people choose to live. The majority of respondents (68 per cent) support advocating the elimination of the PTT, while 42 per cent strongly support the effort. Visit www.qualityoflife.bcrea.bc.ca for details.

For more information, please contact:

Dave Barclay, president, 250.847.0365

Steve Olmstead, manager of government relations, 604.742.2793