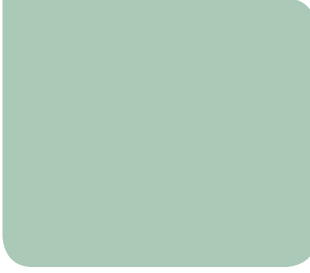


April 23, 2007



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

Expanding Housing Options: Property Transfer Tax *(Update)*

Thank You for Listening and Taking Action

BCREA and its 12 member real estate boards commend the provincial government for adopting our recommendations in Budget 2007 to increase the Property Transfer Tax (PTT) price exemption thresholds for first-time buyers throughout BC to \$375,000. Thank you for listening to us and for taking action.

Home ownership plays a fundamental role in establishing healthy, vibrant and sustainable communities and is a foundation of an individual's quality of life. Your actions will help meet the needs of citizens throughout the province.

Our Position

Although every region of the country faces erosion in public access to affordable market housing, deterioration remains highest in BC. The real estate profession remains concerned about this important issue and believes much more can be done.

BCREA believes that further reducing the impact of the Property Transfer Tax, which limits consumer choice and mobility around the province, must be a priority for government. According to provincial budget documents, the PTT will take approximately \$925 million from purchasers' pockets this year.

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.



In January, Ipsos Reid's *Housing and Community Priority Study** found that 92 per cent of respondents were generally pleased with the quality of life in their communities. However, respondents were critical of government efforts to make homes more affordable—only 33 per cent said they were satisfied with steps taken to "ensure there are homes to buy at affordable prices."

(Commissioned by BCREA, January 2007)



Finishing the Job – Next Steps

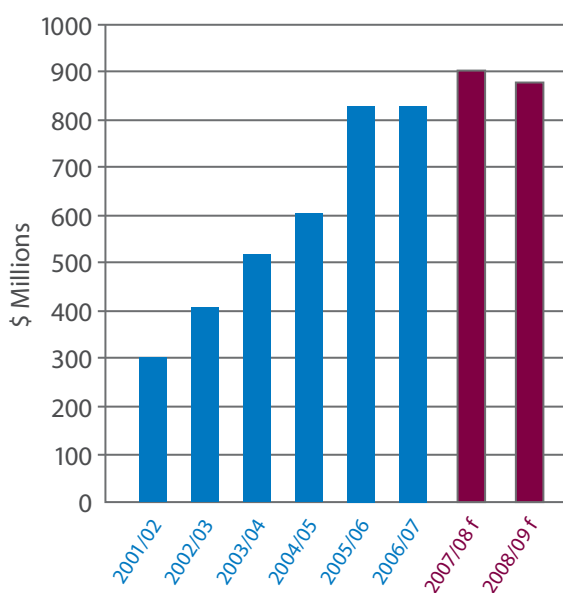
The real estate profession encourages the provincial government to build on Budget 2007 and through the following recommendation, improve market housing affordability for British Columbians.

BCREA recommends that the provincial government continue to work toward elimination of the PTT with these steps:

- Increase the ceiling for the one per cent portion of the tax to \$300,000 from \$200,000.
- Index the price exemption threshold to annual changes in the median MLS® home price by provincial development regions.

The Association is pleased to provide to the government data that demonstrates the economic impact of these actions.

Property Transfer Tax Revenue
(actual and forecast)



Source: BC Ministry of Finance, budget documents

Conclusion

BCREA believes these steps are well within the government's means, given the projected tax revenue over the next two years. The Association supports collaboration among all levels of government, the private sector and other stakeholders to seize opportunities to create more housing options for British Columbians.



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

600 - 2695 Granville Street
Vancouver, BC V6H 3H4

604.683.7702 (tel)
604.683.8601 (fax)

bcrea@bcrea.bc.ca
www.bcrea.bc.ca



For further information, please contact:

Robert Laing
BCREA Executive Officer
rlaing@bcrea.bc.ca

Steve Olmstead
BCREA Manager of Government Relations
solmstead@bcrea.bc.ca

