

For Immediate Release

BCREA Pleased With Housing Focus in Federal Budget 2019

Vancouver, BC – March 20, 2019. The British Columbia Real Estate Association (BCREA) is pleased with the measures announced in Budget 2019 that will help address housing affordability in British Columbia. REALTORS® in BC recognize that home ownership is a difficult goal to achieve for many British Columbians, and the policies announced in this budget provide meaningful assistance with this complex challenge.

BCREA supports the newly announced First-Time Home Buyer Incentive program, which introduces shared equity mortgages that will help to directly foster affordability. The budget also proposes increasing the Home Buyers' Plan (HBP) withdrawal limit from \$25,000 to \$35,000, further supporting first-time buyers.

"British Columbians who aspire to home ownership need to be able to achieve this goal to assure a sustainable future for our province," says Darlene Hyde, BCREA CEO. "REALTORS® have advocated for modernization of the HBP for a long time and we're pleased to see it addressed in Budget 2019."

The BC real estate sector makes important direct contributions to economic growth in the province, ultimately accounting for close to ten per cent of real GDP in the province through new home construction and residential and commercial real estate transactions. Home sales also generate significant spin-off expenditures. According to a 2017 study from the Canadian Real Estate Association (CREA), each home sale on the Multiple Listing Service® (MLS®) in BC between 2014 and 2016 generated \$67,800 in related expenditures, such as moving costs, renovations and legal fees following the sale. Each transaction also generated an average of \$7,000 in Property Transfer Tax.

BCREA also welcomes the following measures announced in Budget 2019:

- making the National Housing Strategy a permanent program,
- the announcement of an additional \$10 billion and an extension of the Rental Construction Financing Initiative until 2027-28—a strong policy direction that will assist with assuring market sustainability,
- increased sharing of financial data among federal and provincial governments and their agencies as part of anti-money laundering/anti-terrorist financing efforts; this issue can be best addressed with close collaboration among the federal and provincial governments, along with industry,
- the announcement of an Expert Panel on Housing Supply and Affordability. These are significant issues in British Columbia, and a well-chosen panel can bring collective expertise and forward-thinking strategy to the issue. In the near future, BCREA will provide the federal and provincial governments with recommendations for strong potential appointees.

While we welcome the incentives for first-time home buyers, the announced measures fail to address the damage done by the mortgage stress test. BCREA is particularly encouraged that the federal government is carefully monitoring the effects of the B-20 mortgage regulations, as we recently voiced concern regarding the overreaching impact this policy is having in the Lower Mainland. We assert the federal government needs to review the policy against interest rate changes since its introduction and re-institute 30-year mortgages to further help Canadians achieve their goals of homeownership.

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About BCREA

BCREA is the professional association for about 23,000 REALTORS® in BC, focusing on provincial issues that impact real estate. Working with the provinces 11 real estate boards, BCREA provides continuing professional education, advocacy, economic research and standard forms to help REALTORS® provide value for their clients. To demonstrate the profession's commitment to improving Quality of Life in BC communities, BCREA supports policies that help ensure economic vitality, providing housing opportunities, preserve the environment, protect property owners and build better communities with good schools and safe neighbourhoods.