



August 13, 2019

Mr. Jagmeet Singh, MP  
4940 Kingsway (Main Office)  
Burnaby, BC V5H 2E2

Dear Mr. Singh,

**RE: Market housing affordability**

Thank you for meeting with me and my colleagues on August 7 at your constituency office. We appreciated learning more about the NDP's election platform, the opportunity to introduce you to the British Columbia Real Estate Association (BCREA), as well as our spirited exchange about housing affordability.

The NDP's New Deal for People includes a commitment to impose a nation-wide foreign buyer tax of 15 per cent on purchases of residential property by foreign corporations and people who are not citizens or permanent residents. BCREA understand the NDP's desire to stabilize the residential real estate market, but this promise is not the most effective path forward.

From a broad perspective, creating obstacles to homeownership for people who are not Canadian residents can interfere with the country's ability to attract foreign investment. Even the New Deal document references the OECD's "Tax Effects on Foreign Direct Investment" Policy Brief, which points to the benefits of foreign direct investment: job growth, introduction of new technologies and overall economic stimulation. Yet, the NDP commits to several measures that will specifically deter investment. While the OECD paper focuses on corporate tax structures, it is naive to think that property taxes have no impact. In the Lower Mainland, housing prices are significant and there are many examples of potential investors who chose not to pursue opportunities because their employees would not be able to afford homes.

From a somewhat smaller perspective, it is unclear to us how deterring non-Canadians from establishing roots complements the NDP's commitments to improve immigration levels and policies, and eliminate the backlog of asylum

seekers and “resettle refugees, ensuring they are given the support they need to build successful lives and new homes in Canada.” Even if an individual is not a permanent resident of Canada they can still contribute to their community.

If the NDP decides to pursue this commitment, then at the very least we urge you to use work permits as the guide, instead of citizenship or residency. It is also necessary to consider each province or territory individually; for example, the most populated areas of BC already have a 20 per cent foreign buyer tax, and so the NDP proposal would be redundant and overly punitive.

Housing affordability challenges are not new, and the root of them lies in an imbalance between supply and demand, not in drawing citizenship distinctions. BCREA supports the efforts of the NDP and all political parties to strike that balance and ensure that a variety of appropriate housing types are available for the diverse people who make Canada strong.

BCREA is the professional association for about 23,000 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.

To demonstrate the profession’s commitment to improving Quality of Life in BC communities, BCREA supports policies that encourage economic vitality, provide housing opportunities, respect the environment and build communities with good schools and safe neighbourhoods.

As we noted last week, please contact us if we can help you and your party as you develop policies. BCREA has excellent policy and economics resources and access to REALTORS® with invaluable expertise. We look forward to continuing this conversation.

Yours sincerely,

Trevor Hargreaves  
Vice President of Government Relations and Stakeholder Engagement