



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

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Property Transfer Tax Proposal for the Heartlands

Vancouver, BC. Eliminating the Property Transfer Tax (PTT) in the areas hardest hit by forest fires and the softwood lumber dispute would stimulate economic recovery.

The British Columbia Real Estate Association (BCREA) made this suggestion in a pre-budget submission to the provincial government on October 1. As a trial, BCREA recommends the PTT be eliminated for one year in the interior and the north.

“Incentives are necessary in these areas to help them rebuild and encourage new investment, and a one-year test period will provide the government with information to confirm the economic benefits BCREA has extolled for years,” says BCREA President David Herman. “The next logical step would be complete elimination of the tax.”

BCREA has repeatedly recommended this measure since the tax was first adopted in 1987, firmly believing PTT elimination will boost the construction industry and cement consumer confidence. In past submissions to the government, BCREA has shown that removal of the PTT would benefit the entire province, with the following results forecast over a ten-year period:

- 6,400 additional Multiple Listing Service® (MLS®) residential sales
- 2,600 additional housing starts
- 20,640 person years of employment in the sales and construction industries
- \$1.27 billion increase in Gross Domestic Product
- \$357 million increase in government revenues through MLS® sales and new housing starts

“We believe this is in line with the government’s plans to cut taxes in the future and pay down the debt,” says Herman. “Eliminating the PTT will help ease the tax burden on people in the heartlands. It will also benefit future generations and contribute greatly to the government’s objective of attracting investors to BC.”

Real estate continues to be the bright light in the province’s economy, with sales on pace to break the \$19 billion record set in 2002. With stable inflation and the lowest mortgage rates in 47 years, experts characterize real estate as a secure, low-risk investment opportunity.

For BCREA’s full pre-budget submission, visit www.bcrea.bc.ca.

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