



An update from CHBA BC's Government Relations Committee

April 2017 | Issue 11

News from the Provincial Legislature

Changes to the PTT in BC Budget 2017

Effective for registrations made on or after Feb. 22, 2017, the threshold for the first-time home buyers program for the property transfer tax (PTT) will increase to \$500,000 from \$475,000. The partial exemption threshold has also increased to \$525,000. This will now save first-time home buyers up to \$8,000, which is an increase of \$500.

CHBA BC recommended an increase to the first-time home buyers' program in its [2017-18 pre-budget submission](#), to better reflect rising home prices. In 2014, the threshold for the exemption increased to \$475,000 from \$425,000.

It was reported in the budget that between January 1, 2016 and January 31, 2017, almost **22,000** first-time home buyers have saved an average of \$4,011 on the PTT with the first-time home buyers program. This is a total estimated savings of \$87 million.

The budget also included:

- a small business corporate income tax rate decrease to 2 per cent, from 2.5 per cent, effective Apr .1, 2017.
- Changes for PST on electricity.
- \$2.6 billion in post-secondary education infrastructure over the next three years, including investments in trades facilities in Surrey, Kamloops, Cranbrook, Prince George, Nelson, Campbell River, Dawson Creek, Terrace, and Vernon.
- a commitment to partner with local governments to ensure municipalities have the capacity, incentives and targets needed to expedite the processing, approvals and permitting of housing development applications. A Deloitte survey from Feb. 2017 has indicated that there are 115,000 units of housing at various stages of the planning and review process in six jurisdictions in the Lower Mainland.

[Click here](#) to read the CHBA BC News Release on BC Budget 2017.

Key Upcoming Dates

- April 11 – Campaign period starts
- April 12 – Provincial Housing Forum
- May 9 – Election Day in B.C.



National Issues

Federal Government reduces drywall duties

On February 27, Federal Minister of Finance Bill Morneau announced new minimum import prices that are 32.17% lower than the normal values established in the initial anti-dumping investigation. This reduction meets the Canadian International Trade Tribunal's recommendation to reduce the duties to 43% of the export price (from as high as 201%).

The Minister also announced that the government will use the \$12 million in anti-dumping duties already collected to provide relief to builders and contractors who had paid the costs of higher duties due to fixed-price building contracts committed to before the imposition of duties. The program will be administered by Western Economic Diversification Canada, and is expected to start in mid-2017.

These measures were welcomed by CHBA, and they should hopefully maintain competitive conditions in the drywall market and mitigate the potential for supply shortages in Western Canada.

After unprecedented intervention by the government following CHBA's appeal, the Tribunal's findings and recommendations that agreed with the Association's position, and the government's final decision to lower tariffs and compensate builders and contractors, this issue, while hurtful to the industry, ultimately represented a significant win for members and consumers. To learn more about the drywall issue and CHBA's actions, [click here](#).



Government Meetings and Events

CEO Neil Moody, Government Relations Committee Chair Ron Rapp and 2016-2017 President Gordon Bliss met with the new Executive Director of the Building Safety and Standards Branch in Victoria on March 1, 2017. The meeting focused on the new Energy Step Code for British Columbia, which CHBA BC representatives advocated for as much notice to industry and face-to-face interaction with builders as possible to ensure a smooth roll out.

Representatives for CHBA BC also submitted its election recommendations compiled by the Government Relations Committee to both the BC Liberals and BC NDP in the first week of March.



CHBA BC's Election Recommendations

Housing is a key topic for voters in the upcoming provincial election on May 9. As part of its ongoing advocacy efforts, CHBA BC has compiled a list of five important housing themes and its market housing recommendations for consideration when developing platforms and new policies.

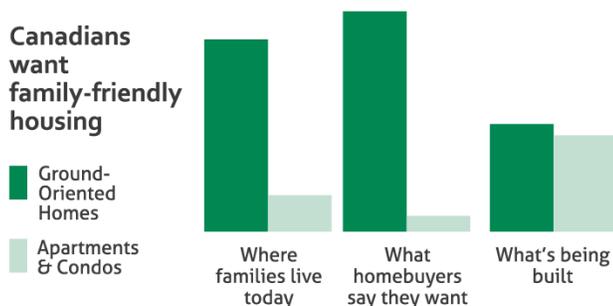
Approximately 96% of residents live in market-provided homes across Canada, whether owned or rented. Protecting housing affordability, and ensuring that homes are within the financial reach of residents, will reduce the pressures on social housing so that available and newly built units are there to serve those who are in most urgent need.



A brief summary of the recommendations is below. [Click here](#) to view the full PDF recommendations and rationale.

1. Increase Supply

Collaborate with municipalities and industry to remove barriers to development, including fees, land-use policies and approval processes, so that more housing can be built faster, and with lower carrying costs.



Collaborate with municipalities and industry to encourage diversity in housing stock, more family-friendly housing alternatives, and increased density around transit areas.

2. Amend the Property Transfer Tax

Raise the property transfer tax threshold to better reflect rising home prices.

Ensure real estate transactions underway are exempt from any new changes to the PTT.

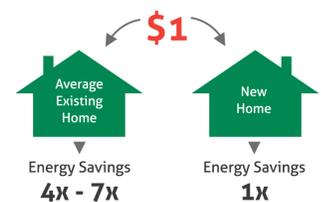
3. Cut red tape

End the reconstruction loan program fee charged on multi-housing units in the coastal climate zone.

Consider the impact to affordability with any new changes to the building code or bylaws.

4. Energy retrofits

Re-introduce incentives for energy-efficiency upgrades, such as a home-renovation tax credit.



5. Link communities

Commit to funding more than the 30 per cent required in the traditional funding formula for infrastructure projects, to decrease the amount required by municipal governments.

As a result of increased funding, tie the investment to required density and zoning targets that must be achieved so British Columbians will fully benefit from the investment.

Provincial Election Housing Forum – April 12

CHBA BC and other market housing associations, including GVHBA, CHBA Fraser Valley, BCREA and LandlordBC are hosting a provincial election housing forum for members on April 12. This event will host David Eby (NDP), Rich Coleman (LIB) and David Wong (GRN). At the forum, the panelists will share their party's policies on housing and take questions. A position paper from all market housing associations will also be released, and will be included in the next edition of the *Advocacy Update*.