

For immediate release

Home builders applaud tax savings for first-time home buyers and small businesses in BC Budget 2017

Feb. 21, 2017. Victoria, British Columbia – The provincial budget announced today in the Legislature includes new tax savings for both first-time home buyers and small businesses. These changes are welcomed by the Canadian Home Builders' Association of British Columbia (CHBA BC.)

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.

"CHBA BC has advocated for changes to the outdated property transfer tax structure for many years, and this reduction in tax is positive for first-time home buyers in all areas of the province," says CHBA BC CEO Neil Moody. "It may seem like a small increase, but it represents that the program is keeping pace with rising home prices. It provides a larger threshold for first-time home buyers to purchase within and receive the tax savings."

Between Jan. 1, 2016 and Jan. 31, 2017, almost 22,000 first-time home buyers 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.

Other positive announcements for the residential construction industry and small businesses include:

- small business corporate income tax rate decrease to 2 per cent, from 2.5 per cent, effective Apr. 1, 2017.
- provincial sales tax decrease on electricity from 7 per cent to 3.5 per cent, effective Oct. 1, 2017. Effective Apr. 1, 2019, electricity purchases will be fully exempt from PST, which is estimated to save small and medium sized businesses about \$50 million per year.
- 50 per cent decrease in Medical Services Plan (MSP) premiums for British Columbians with an annual family net income up to \$120,000, effective Jan. 1, 2018.
- \$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.

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About the Canadian Home Builders' Association of BC:

CHBA BC is the provincial voice of the residential construction industry in British Columbia representing more than 1,700 members through an affiliated network of nine local home building associations located throughout the province. The industry contributes over \$18.2 billion in investment value to British Columbia's economy creating 133,700 jobs in new home construction, renovation, and repair – one of the largest industry employers in British Columbia.