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NEW HST THRESHOLD IS A GOOD STEP

The Canadian Home Builders' Association is a non-profit society promoting education and training, professionalism, housing affordability, and consumer awareness.

The BC government deserves credit for listening to consumers and industry and establishing a new \$525,000 HST rebate threshold for new homes. The new threshold leaves more money in consumers' pockets, and enables more families to qualify for a mortgage. However, there is more to accomplish, including:

- Index the rebate for inflation;
- Create a renovation rebate to discourage the underground economy;
- Review municipal regulations, taxes and fees and Property Transfer Tax.

The new threshold is only a part of the solution for housing affordability in a region with the second highest housing prices in Canada.

Housing affordability also requires a strategy, which could be developed from the government's Throne Speech commitment to review municipal regulations, fees and taxes.

The Throne Speech said, "A major initiative will be commenced to encourage affordable market housing in

B.C. that will put the dream of a single family home within the economic reach of our children. Working with BC's municipalities, we will examine all government-imposed costs and legislative frameworks - from property assessment to subdivision regulations and other development tools - with a view to reducing both capital and operating costs for housing in BC. Our children aspire to owning homes in livable and sustainable communities."

This is a critical initiative which should include a review of government tax pyramiding, land use constraints, and diverse regulatory standards in municipalities. We also recommend removing the Property Transfer Tax on building lots to avoid triple taxing consumers. The PTT is charged multiple times during the development and construction of new homes, with the costs eventually paid by new home buyers.

The new threshold is a good first step, and deserves the support of consumers and industry. But it is still only a part of the solution for improved housing affordability. By working together, we can achieve a significant housing affordability strategy for the benefit of all British Columbians.

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