CANADIAN
HOME BUILDERS' ASSOCIATION
BRITISH COLUMBIA

FOR IMMEDIATE RELEASE

March 26, 2018

The following is a statement from Neil Moody, CEO Canadian Home Builders' Association of BC, on the speculation tax details announced today:

CHBA BC is pleased the BC government is listening to the concerns raised by members of the public and housing-industry stakeholders. We welcome the details clarified today by Finance Minister Carole James, and our members are awaiting clarification on two other concerns about the new speculation tax.

First, communities such as West Kelowna and Kelowna are still included in the taxable jurisdiction, even though the same rationale that the government used to exclude the Gulf Islands and other cottage-country communities, applies there. These areas are as much vacation destinations as they are urban centres.

We see this tax as still hitting tourism-driven areas, even if the tax is now lowered. In recent weeks, CHBA BC has heard countless stories from members who have told of contracts now being cancelled for new housing in West Kelowna and Kelowna, because of the tax. These new projects would have created jobs for many in the Okanagan beyond just the home building companies - glaziers, framers, product suppliers, manufacturers, and more. It does not make sense to focus on one area in the Interior alone. This creates a competitive disadvantage and an immediate unlevel playing field between those on the right and wrong side of the boundary.

We hope this conversation continues, especially with the affected municipalities.

Second, we are still awaiting details on how land parcels for development will be treated. Development land is owned often by a company, which pays corporate tax, not personal income tax. If land is not exempt, this tax will directly increase the cost of housing for every year the property waits for its permits to be approved and for other factors that lengthen the development process. In areas with affordability challenges, this would truly be counter to affordability.

CHBA BC understands that the government is trying to improve housing affordability, and we hope that by working together we can clarify remaining concerns and avoid other unintended consequences.

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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 2,000 members through an affiliated network of nine local home building associations located throughout the province. The industry contributes over $23.1 billion in investment value to British Columbia's economy creating 158,000 jobs in new home construction, renovation, and repair - one of the largest employers in British Columbia.