

February 22, 2024

BACKGROUND

Delivering more homes for people, faster

People want a decent home they can afford in a community they love. With inflation and day-to-day cost-of-living pressures, finding affordable housing is challenging for too many people. The B.C. government is leading the country in finding solutions to the widespread housing crisis and taking action to deliver more homes that are within reach for people, by:

- reining in the out-of-control short-term rental market;
- expanding the Speculation and Vacancy Tax;
- fixing restrictive and outdated zoning rules;
- turning more land and areas near transit hubs into homes for people;
- making sure secondary suites can be built in every community in B.C.;
- cutting down long wait times at the Residential Tenancy Branch; and
- protecting renters by:
 - capping rent increases well below inflation;
 - providing an annual \$400 renter's tax credit; and
 - making sure affordable rentals stay on the market through the Rental Protection Fund.

NEW BUDGET 2024 MEASURES:

BC Home Flipping Tax

As part of the Homes for People plan, and to discourage speculators from driving up prices, Budget 2024 introduces the new BC Home Flipping Tax, effective Jan. 1, 2025. This will be a tax on the profit made from selling a residential property within two years of buying it, with specific exemptions for life circumstances, such as divorce, death, illness, and relocation for work, among others. Revenue from the tax will go directly to building affordable housing throughout B.C.

Property Transfer Tax exemptions

For many, buying a home is the largest purchase they will ever make, and property prices are making it harder. Every little bit helps, and Budget 2024 aims to give people the financial boost they need to bring buying a home within reach, including:

- Increases to the threshold for the First Time Homebuyers' Program so it reflects today's market:
 - Qualifying first-time buyers can benefit when they purchase a home worth up to \$835,000, with the first \$500,000 completely exempt from the property transfer tax. That could mean as much as \$8,000 in savings.
 - An estimated 14,500 people – twice as many as before – will now be eligible for support to buy their first home, helping them move out of the rental market and freeing up rentals for others.
 - People purchasing newly constructed homes worth up to \$1.1 million will also see lower costs through the newly built home exemption.

To help lower the cost and encourage the construction of more rental units, eligible purpose-built rental buildings of four or more units will also receive a property transfer tax exemption until 2030.

Raising these property transfer tax exemption thresholds and incentivizing building of new rentals and homes will save more people more money – an estimated \$100 million per year.

The private sector alone has not been able to deliver the homes middle-income British Columbians need. Through government initiatives that help people purchase a home, the Province is helping free up more rental homes for people, alleviating pressures and therefore bringing down costs.

BC Builds

Budget 2024 reinforces the Homes for People plan with \$198 million in new funding for BC Builds. This will support the program to speed up the development of new housing that fits the budgets of middle-income people and families.

BC Builds uses government-owned, public, and underused land and lower government borrowing rates to offer low-cost financing to bring down construction costs and deliver more middle-income housing for people. It also works with local governments, landowners, homebuilders, and housing operators to move projects from concept to construction within 12 to 18 months, compared to the current average of three to five years. These new units will be income-tested and will ensure that the people who keep B.C. communities thriving can find homes they can afford.

Housing support

Over the past year, the Province has prioritized new initiatives centred on delivering thousands more good homes for people where they're needed most. Budget 2024 is supporting these existing programs and services with \$116 million more in funding. Funding will also maintain more than 500 permanent and temporary shelter spaces in communities throughout B.C.

Since 2017, the Province has more than 78,000 homes delivered or underway as a result of continued investments and other housing initiatives.

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