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# TRIPLE TAXES HURT HOUSING AFFORDABILITY

*The Canadian Home Builders Association is a nonprofit organization dedicated to education, professionalism, consumer awareness, and housing affordability.*

The Canadian Home Builders Association has been a longtime advocate of housing affordability. Often the solutions encouraging affordability involve simple common sense. If we minimize costs to new consumers, more people can participate in home ownership, enjoy an investment for the future, and contribute to the local tax base.

However, common sense seems to elude governments when they use new housing as a cash cow, implementing policies that erode housing affordability. British Columbia's HST and Property Transfer Tax (PTT) are classic examples.

A builder pays the PTT when buying a lot to build a spec home. When the home is built, the PTT charged on the lot is embedded in the total price of the new house. When the house is sold, the purchaser pays the PTT on the final purchase price, which includes the original PTT for the lot. In addition, the HST is added to the final price of the home.

This is triple taxation on a single property by the BC government, and a tax on taxes, all paid by new homebuyers, often at an amortized loan rate.

It is estimated that 18% of the cost of a new home is comprised of government fees and taxes. That represents \$99,000 on an average priced home of \$550,000 in Greater Victoria. Amortized at 6% over 25 years, the cost to the consumer in the real world is \$190,000.

The BC government must review their policy of tax increases and multiple taxes on new housing, which is raising costs, driving consumers out of the new home market, and eliminating skilled jobs in our communities.

Government announcements about housing affordability ring hollow until issues of common sense are addressed. Removing the BC government's triple tax on new homes is a good place to start.

*For more information on CHBA-Victoria go to [www.chbavictoria.com](http://www.chbavictoria.com), [www.careawards.com](http://www.careawards.com) or email [info@chbavictoria.com](mailto:info@chbavictoria.com).*

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