



Bill Patterson
President, VRBA

AFFORDABILITY & GOVERNMENT REVENUE INCOMPATIBLE

“Affordability is incompatible with three levels of government using new housing as a source of revenue.”

This was our message to officials at the City of Victoria’s Development Summit last month.

We outlined the financial impact of amenities, fees and regulations on housing in our community.

The GST and BC’s Property Transfer Tax already take a large bite from consumers’ wallets.

These taxes are structured to maximize government revenue, (eg) the PTT is often charged several times during the development of a new home.

Add municipal density bonus fees, amenities, and regulatory costs, and the viability of a project is at risk.

For example, density bonus fees are intended to boost municipal revenue, yet they discourage density, undermine housing affordability, and reduce potential property taxes.

Required contributions for “affordable housing funds” may cancel a new development because, ironically, the new units are no longer affordable.

BC has a mandatory Green Building Code, yet inflexible municipal demand for higher standards risks the loss of both affordable housing and skilled jobs.

Voluntary market programs like Built Green offer flexibility for purchasers based on affordability.

Government costs continue to rise, representing 20% and more on the price of a new home. The impact on homebuyers is appearing in the data.

A recent study shows homebuyers aged 35 to 44 have acquired more debt than the same age group from previous decades, despite lower interest rates.

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That’s our message and we hope candidates listen during the upcoming municipal elections on November 15.

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