

For immediate release

**Fall budget update brings new provincial housing strategy and affordable rental investments**

September 11, 2017. Victoria, British Columbia – Finance Minister Carole James announced plans for a provincial housing strategy and new affordable housing investments in today's fall budget update.

The provincial housing strategy will partner with federal and municipal governments, First Nations, developers, and not-for-profit associations to improve housing affordability.

"The reality is that government will not be able to build new affordable housing for everyone. In this new strategy, measures to improve market housing affordability for all British Columbians must be considered," says Canadian Home Builders' Association of British Columbia (CHBA BC) CEO Neil Moody. "The private sector will be an important voice in the consultation process."

The residential construction industry creates over 158,000 jobs across the province, and is a key driver of British Columbia's economy.

The provincial government also allocated \$208 million over four years to construct 1,700 units of affordable rental housing for various populations, including low-to-moderate income renters, seniors, and adults with developmental disabilities or mental health challenges. An additional \$291 million will be spent on 2,000 modular housing units for the homeless.

"It is positive to see that government is allocating funds for these new units, without increasing costs for new home buyers," says Moody. "The new units will also open up space for other renters, adding to the supply of available and affordable rental units."

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**About the Canadian Home Builders' Association of BC:**

The Canadian Home Builders' Association of BC is the provincial voice of the residential construction industry in British Columbia representing more than 1,800 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 158,438 jobs in new home construction, renovation, and repair – one of the largest employers in British Columbia.

## **Budget Overview**

Several announcements were included in the fall budget update that relate to the residential construction industry and small businesses. This included:

### *Housing*

- \$208 million over four years for the construction of 1,700 new units of affordable rental housing
- \$291 million to support 2,000 modular housing units for the homeless by 2019
- Support the development of a comprehensive housing strategy
- \$7 million over three years in new funding for the Residential Tenancy Branch
- The Home Owner Mortgage and Equity (HOME) partnership continues as is

### *Small Business and Taxation*

- Small business corporate income tax rate will decrease from 2.5 per cent to 2 per cent.
- Continue the planned phase out of PST on electricity to help support industry competitiveness
- Increasing the corporate income tax rate from 11 per cent to 12 per cent
- Increasing the individual income tax rate from 14.7 per cent to 16.8 per cent
- Increasing the carbon tax rate on April 1, 2018 by \$5 per tonne
- 50 per cent reduction to MSP premiums for all British Columbians
- Establishing a Fair Wages Commission to outline B.C.'s pathway to a \$15/hr minimum wage

### *Trades and Training*

- \$2.6 billion for post secondary institutions to invest in priority projects and meet future workforce needs in key sectors, including science, trades and technology
- BC training tax credits are extended for one year until 2018

## **Revenue changes**

Property transfer tax revenue is expected to decline 7.5 per cent in 2017/18 due to expected lower housing market activity compared to 2016/17.

Revenue from the foreign buyers additional property transfer tax is forecast at \$200 million in each year of the fiscal plan.

*All budget announcements can be accessed at <http://bcbudget.gov.bc.ca>*