



# UNITED

## WE WILL FIX HOUSING



## United to Fix Housing

BC United releases **United to Fix Housing**, Kevin Falcon's sweeping new plan to fix NDP housing crisis.

VICTORIA (February 15, 2024) – Today, BC United released **United to Fix Housing**, the first plank in Kevin Falcon's sweeping new plan to fix the NDP housing crisis.

"Under David Eby and the NDP, B.C. has the highest cost of living in Canada, and more British Columbians than ever have been shut out of the housing market," said Kevin Falcon, Leader of BC United. "To make housing more affordable, we need to make it less expensive — it's that simple. Our plan, **United to Fix Housing**, outlines the initial bold, and comprehensive measures we will take to fix the housing crisis and bring the dream of homeownership back within reach."

Under Kevin Falcon, a BC United government would:

1. **Establish a new Rent-to-Own program to unlock homeownership:** This innovative program will require developers of new housing to set aside up to 15 percent of homes in participating projects for eligible British Columbians who are first-time buyers only. These qualified buyers will take possession and reside in the home for three years at which time the sale will officially complete. During these three years, participants will pay rent at market rates, with 100 percent of payments being applied toward their down payment — helping renters become homeowners.
2. **Eliminate the Property Transfer Tax up to \$1 million to help buyers save:** BC United will eliminate the Property Transfer Tax for first-time buyers on properties valued up to \$1 million — saving people up to \$18,000 and making it more affordable to purchase a home.
3. **Use empty public land to build affordable housing:** BC United will offer non-profit and market homebuilders 99-year leases on unused public land at one dollar per year. In exchange, we will require builders to construct below-market rental housing for families and seniors.
4. **Eliminate the PST on residential construction to build more homes:** BC United will eliminate the Provincial Sales Tax (PST) on all new residential construction to make it cheaper to build more homes.

“Fixing the housing crisis requires bold ideas and outside-the-box thinking. That’s what BC United is bringing to the table with this plan to help restore the dream of homeownership in our province,” added Falcon. “Our innovative Rent-to-Own program will turn renters into homeowners by converting rental payments into savings for their downpayments; and when we cut the Property Transfer Tax for first-time buyers, they’ll immediately save up to \$18,000 on their first home — reducing their upfront costs and further easing access into the housing market.”

“If we want to make homeownership possible again, we need to reduce costs and build a lot more homes,” concluded Falcon. “By eliminating the PST on all new residential construction and by building affordable housing on empty government land, we’ll make it less expensive to build more homes for families.”

To learn more about United to Fix Housing, see the backgrounder here.

- 30 -

## **BACKGROUNDER:**

### Rent-to-Own

Rent-to-own models allow buyers to press “pause” on the housing market while they save up for a downpayment. Over a period of three years, 100 percent of a buyer’s rent payments would go towards purchasing the home they live in, at the price agreed on at the beginning of the rental contract. Owners will bear the risk or benefit of price changes after signing the Rent-to-Own contract. The following are illustrative examples based on a \$600,000 and a \$900,000 unit, with a 12 percent downpayment:

Total Cost	Monthly Rent (3 years)	12% Downpayment
\$900,000	\$3,000	\$108,000
\$600,000	\$2,000	\$72,000

Rent-to-Own has been used by local developers but needs a bold and supportive provincial government to truly expand the model as an affordable housing option. A successful example is [50 Electric Avenue](#) in Port Moody, constructed by Panatch Group. This project saw roughly 10 percent of the units in a 358-unit project marketed as Rent-to-Own. To ensure widespread participation in the program, government financing will cover carrying costs to ensure homebuilders stay whole financially during the rent-to-own period. BC United will partner with homebuilders using this model by further leveraging the borrowing power of the province to do so at a larger and more affordable scale. The Rent-to-Own program will require 15 percent of all eligible units to be rent-to-own.

## Property Transfer Tax Relief

With sky-high housing prices, too many first-time homebuyers don't qualify for any tax relief. To fix this, BC United will expand the first-time homebuyer's incentive to apply to the first \$1 million on a home purchase. This will ensure that nearly all first-time homebuyers get a break on starting their first home and save up to \$18,000 in Property Transfer Taxes. A recent [report](#) from RE/MAX found that there are only 43 properties in all of Vancouver that would qualify for the current first-time buyer's incentive. As a result, sky-high housing prices are driving families out of the province, with many young families and retirees leaving for Alberta.

BC United will also launch a thorough review of the current PTT thresholds to ensure they reflect current market realities going forward.

## 99-Year Leases on Government Land

Government should make land available to fight the housing crisis. BC United would partner with a spectrum of market and non-market housing developers to deliver affordable rental housing on both vacant and underutilized government land. In exchange for a 99-year lease at the nominal price of one dollar per year, BC United will require rental housing to be built at below-market prices. The land will remain in public ownership while delivering housing for multiple generations.

## PST Relief on New Home Construction

While PST is not charged at the point of sale for new housing, it accumulates on the cost of materials while a home is built. In Vancouver, which has the highest construction costs in the country, PST relief would save over \$2 million on the cost of a 350-unit apartment tower and over \$150,000 for a six storey wood-frame condo. BC United will enable homebuilders to apply for a PST rebate on their construction costs after homes have been occupied.