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BULLETIN

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Real Estate Investment Think Bob Bracken



Market Tweaking itself and BC & Ontario Governments Non Resident Tax Update

News Bulletin Spring 2017 by Bob Bracken

Market Tweaking Itself

Wow! That was one wicked, snowy, cold (record breaking) Winter here in Vancouver! Now, we may see a more enjoyable Vancouver - maybe some Sun? The Vancouver Real Estate Market seems to have found a sort of Spring as well, recovering & “normalizing” - i.e. normal for Vancouver. The 2nd half of 2016 was a dismal, depressing time for Vancouver property sales, but I predicted that our market would ..”pause, adjust, suck it up, & keep moving” - & that seems to be happening. March 2017 saw West Side inventory & prices equal to March 2016, while, on the East Side, sales were down only 25%, & average prices were dead even. Vancouver is experiencing a healthy, normal market, & a robust Sellers’ market at some price points, & for condos. Most market impediments largely due to stringent, Kafka-esque, mortgage lending policies by Banks & major lenders. Politics remains the “elephant in the room” & the 15% Non Resident tax is still a fresh memory - even though the gov’t has eased that policy & has also introduced other Real Estate friendly initiatives. The May 9 Provincial Election may also have a sobering effect on the Market. Demand, however, isn’t the problem as Vancouver Real Estate continues to be regarded as great value by locals & the international community. Look to see the market continue to strengthen (barring a catastrophic Election outcome) as we move through 2017.

Premier and BC Gov’t Revises 15% Non Resident Property Transfer Tax

The BC Premier & Government recently implemented positive changes to the 15% Non Resident Property Purchase Tax & announced a Refund Policy for Non-Resident Buyers who were unfairly caught by the sudden announcement of the Tax on July 29, 2016. Non Resident Buyers may now claim a refund if they paid the additional 15% Tax as long as they were confirmed as a B.C. Provincial Nominee between August 2, 2016 & March 17, 2017, & also if they became a Permanent Resident or Canadian Citizen within one year of the property transfer being registered. To qualify for the refund, the home must be their principal residence, they moved into the home within 92 days of the date the transfer was registered, & have lived in the home as their principal residence for at least one full year after that. They must apply for a refund within 18 months from the date the property transfer was registered.

Ontario Follows Suit with their Own 15% Non Resident Property Transfer Tax

Ontario is following British Columbia’s lead, promising to introduce a tax on foreign homebuyers that the province hopes will help cool the frantic housing market, easing concerns about a potential bubble in Canada’s fastest growing urban region. The 15% “Non Resident speculation tax” was among 16 housing measures the provincial gov’t announced, which also included a promise to expand rent control, allow Toronto to impose a vacant homes tax & use surplus provincial lands for affordable housing. Some economists were skeptical about the impact the new tax would have on house prices, noting that all 3 levels of governments admit they lack housing market data. CIBC economist Benjamin Tal doesn’t believe there are enough foreign buyers in the Toronto-area market for the tax to have a lasting effect, but predicts a short-term slowdown in the market once the measures are in place. The Ontario Government promises that the new tax would not target immigrants, & a rebate would be available to foreigners who work in Ontario, those who subsequently get citizenship or permanent resident status & international students. Once legislation passes, it will be effective retroactively to April 21, 2017.

If you want to sell or buy, or wish to discuss Real Estate, please contact Bob at 604-263-2823 (office), 604-220-2035 (cell), or bob@bobbracken.com (email).

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