

Media Release



Friday February 17th, 2012

Development Industry Welcomes Minister Falcon's HST Announcement

Vancouver, BC – The Urban Development Institute (UDI) applauds the HST transition rules announced earlier today by Finance Minister Kevin Falcon. The new rules, as they apply to all new homes up to a threshold of \$850,000, are a significant measure and positive step from the Provincial Government. The increased threshold means more than 90 percent of new homes are eligible for the HST rebate.

Today's announcement will provide much needed clarity to both homebuyers and developers in the multi-unit segment of the residential market as far as pre-sale agreements are concerned. Buyers can now enter pre-sale contracts, which close after March 2013, with confidence that they will have no HST obligation to the Provincial Government. The new rules will also greatly benefit regional areas in BC with an increase in the rebate threshold for recreational and secondary homes.

UDI Executive Director Maureen Enser said, "UDI has worked closely with the Provincial Government since last year's referendum to resolve the industry's frustrations with the HST transition. Today's announcement reflects those efforts and the hard work of the Ministry of Finance and Minister Falcon."

"The complexity of the HST transition is well recognized by UDI and the development industry in BC. UDI welcomes the prompt attention paid by the Provincial Government and Minister Falcon in developing the new transition rules for a critical segment of the BC economy."

"The announcement today is great news for consumers and the residential development industry in our major cities. Regional builders and economies, such as in the Okanagan and on Vancouver Island, will also be pleased with this announcement."

Ms Enser said, "At the very least, the industry was expecting clarity on the HST transition rules and how this might affect pre-sale agreements. The Government's announcement today has gone much farther and is a strong reflection of the economic importance of BC's development sector."

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The Urban Development Institute is the premier industry body representing over 550 of British Columbia's leading residential, commercial, industrial and institutional developers. The urban development industry in BC generates \$30 billion worth of economic activity and over 250,000 jobs for the Province each year.

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