

## **REALTORS® petition MPs for legislative change**

Every spring, REALTORS® from across Canada gather in Ottawa at the invitation of the Canadian Real Estate Association (CREA) to talk about federal politics and advocate for legislative changes that make investing in real estate easier and more accessible for all Canadians. This year, CREA's annual Political Affairs Conference saw over 250 REALTORS® come together in Ottawa to focus on two issues: further expansion of the Home Buyer's Plan, and a proposal to promote reinvestment in real property through deferment of Capital Gains tax.

The Home Buyer's Plan (HBP) is a federal government program that allows first-time home buyers to withdraw funds from their RRSP to make a down payment on a home. For several years now, REALTORS® have been asking the federal government to increase the withdrawal limit from \$20,000 to \$25,000 and to index the limit to inflation, so that the HBP never loses its buying power.

In March, the federal government agreed to increase the withdrawal limit to \$25,000. REALTORS® applaud that decision, and representatives from CREA thanked the Prime Minister personally in a meeting earlier this spring. However, we still believe it is essential to index the withdrawal limit to inflation, which will help it to keep pace with the cost of housing in Canada. REALTORS® who met with their MPs during the conference asked that this option be put into place by the government.

REALTORS® also encouraged MPs to ask the government to open the Home Buyer's Plan to all home buyers (not just first-time buyers) for a period of two years. This will help many Canadians achieve their dream of owning a home, and will also put more money back into the Canadian economy. According to an Altus Group study published last month, every home purchase in Canada generates an average of \$46,400 in spin-off spending, including renovations and furniture purchases.

Real estate investment is also a huge potential growth market in Canada, but many investors are resistant to sell their investment properties and re-invest in others due to the large amount of Capital Gains tax they would pay upon the sale of their property. REALTORS® believe that allowing real estate investors to defer payment of their Capital Gains taxes if they purchase another property within 12 months would encourage them to sell properties they may have been holding onto and move up to larger investments.

This proposal would not only stimulate the real estate investment market by bringing many more properties onto the market, but would also help to increase the energy efficiency of older buildings, since new owners generally renovate their properties after they acquire them. The proposal would also reinvigorate many inner-city neighbourhoods populated with boarded-up buildings the owners have no incentive to improve or sell.

REALTORS® see firsthand the needs of home buyers and real estate investors, and we hope that by informing MPs about these issues, we will be able to bring about positive changes in legislation that will stimulate our real estate market and the Canadian economy, while helping individual Canadians achieve their goals.

***Readers are encouraged to send questions or request topics to be discussed in this column. Please send your requests to [info@thenewsemc.ca](mailto:info@thenewsemc.ca)***

