



## Media Release

May 29, 2018 *For Immediate Release*

### **ADDICTED TO TAXES: GOVERNMENT FEES REPRESENT 26 PER CENT OF NEW HOME PRICE**

VANCOUVER, BC — Homebuyers need to know that government taxes and fees are equating to more than 26%, or \$220,256 of the total \$840,000 cost of a typical new Vancouver apartment, according to a new, independent analysis by appraisal and tax expert Paul Sullivan for the Greater Vancouver Board of Trade’s Housing Forum 2018.

Sullivan is a Senior Partner at Burgess, Cawley, Sullivan and Associates Ltd., one of the largest commercial real estate appraisal and property tax consulting groups in Canada.

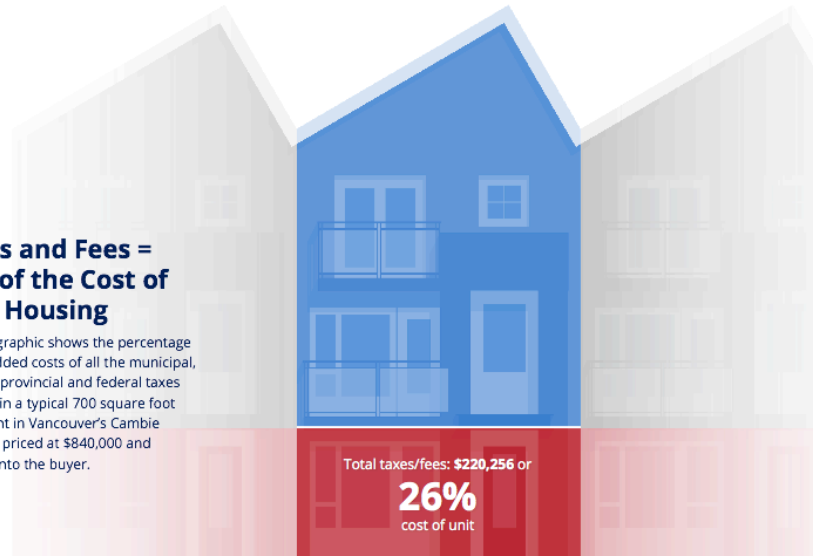
Based on a conservative and an optimistic five-year approval and construction timeline, Sullivan compiled a thorough breakdown of all the government taxes and fees that are directly attributable to a typical land assembly and development along Vancouver’s Cambie Corridor.

“Governments at all levels are increasingly addicted to real estate fees and taxes. At a time when all governments are purportedly concerned about housing affordability, all of these increased taxes and fees are just making housing even more expensive. When expressing their deep concerns over housing affordability, why haven’t governments taken a long hard look in the mirror?” asks Sullivan.

He noted that along the Broadway corridor, where the new SkyTrain extension will be built, the City of Vancouver has recently proposed a new “DCE” (Development Contribution Expectation) of between \$330 to \$425 per sq. ft. above existing zoning. “You can change the acronym (PTT, DCC, CAC, etc.) or the label, but the fees continue to rise, increasing the cost for buyers. One of the biggest factors behind our housing affordability problem is government piling on more taxes and fees,” he added.

#### **Taxes and Fees = 26% of the Cost of New Housing**

This infographic shows the percentage of embedded costs of all the municipal, regional, provincial and federal taxes and fees in a typical 700 square foot apartment in Vancouver’s Cambie Corridor, priced at \$840,000 and passed onto the buyer.



[SUMMARY ANALYSIS HERE](#)

Information Credit: Paul Sullivan, Senior Partner, Burgess, Cawley, Sullivan and Associates Ltd., one of the largest commercial real estate appraisal and property tax consulting groups in Canada.

“UDI is very concerned about the impacts of all the onerous, new fees, plus provincial and federal taxes on both homebuyers and renters. Governments are now receiving about \$377,582 in fees/taxes embedded in the \$1.4M cost of a three-bedroom apartment that families desperately need. If governments really want to get serious about delivering more affordable housing options, they need to reduce their heavy reliance on taxing real estate and consider providing tax relief on land used to build housing, including purpose-built rentals.”

- **Anne McMullin, President & CEO, Urban Development Institute**

Sullivan’s [full analysis can be found here](#). The analysis includes: City of Vancouver municipal fees, charges and taxes, the new and increased Provincial tax measures, Metro Vancouver’s increased regional water and sewer charges, TransLink’s new regional development cost charge for transit and the Federal GST. Fees and charges can range



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depending on where a project is located, with downtown Vancouver projects facing even higher charges. For the purpose of this analysis, the announced provincial Speculation Tax was included, pending details of the specific legislation expected later in 2018. Payroll taxes on labour and taxes on materials were not included in the breakdown. A separate [CD Howe report](#) recently found that excessive regulations and charges add an extra \$644,000 to the cost of building a single family home in Metro Vancouver.

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*[UDI](#) is an 850-member association of the real estate development industry which supports more than 233,000 BC jobs plus \$23 billion in economic activity.*