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## NEWS RELEASE

For Immediate Release  
2024FIN0054-001677  
Dec. 20, 2024

Ministry of Finance

### **New measures in place will boost home construction**

VICTORIA – New actions are being implemented to help more people find affordable homes in the communities where they live and work.

“Everyone should be able to afford a home in their chosen community, but high home costs and real estate speculators are making that a challenge,” said Brenda Bailey, Minister of Finance. “We are working to ensure there are more affordable homes available for people, whether they’re renting or buying, through measures like the B.C. home-flipping tax and property transfer tax exemptions.”

Starting Jan. 1, 2025, the B.C. home-flipping tax will be in place to discourage investors from buying housing to turn a quick profit.

People who sell their home within two years of buying will be subject to the tax, unless they qualify for an exemption, such as divorce, job loss or change in household membership. It is expected approximately 4,000 properties will be subject to the tax in 2025. All revenue from the tax will go directly into strengthening housing programs and building new affordable homes in B.C.

“The B.C. home-flipping tax is just one more tool in our toolbox to help people find affordable housing,” said Ravi Kahlon, Minister of Housing and Municipal Affairs. “We’re working to deliver more homes so the people who keep our communities working, like teachers, nurses and construction workers, can find a place to live they can afford in the communities they love.”

Other measures to help make homeownership more accessible and improve the supply of housing, which came into effect April 1, 2024, are new thresholds for the first-time homebuyers’ program and the newly built home exemption.

The threshold for the first-time homebuyers’ program was increased to \$835,000 from \$500,000. Qualifying individuals will receive an exemption on the property transfer tax on the first \$500,000 of the home’s value. Since April 1, more than 22,000 first-time home buyers – an increase from approximately 9,500 in 2023 – were helped into their homes through this program, saving as much as \$8,000 in property transfer tax.

To encourage the construction of new homes and support families to take the next step in home ownership, the threshold for the newly built home exemption was increased from \$750,000 to \$1.1 million. In 2024, this helped approximately 10,300 purchasers buy new homes, nearly 3,000 more than last year.

The Province is also supporting the delivery of more rental homes. New purpose-built rental

buildings of four units or more, purchased between Jan. 1, 2025, and Dec. 31, 2030, may also qualify for an exemption from the general property transfer tax.

**Learn More:**

To read more about the B.C. home-flipping tax:

<https://www2.gov.bc.ca/gov/content/taxes/income-taxes/bc-home-flipping-tax>

To read more about the first-time home buyers program:

<https://www2.gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax/exemptions/first-time-home-buyers>

To read more about the newly built home exemption:

<https://www2.gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax/exemptions/newly-built-home-exemption>

A backgrounder follows.

**Contact:**

Ministry of Finance  
Media Relations  
250 213-7724

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## BACKGROUND

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### **How B.C. is helping people into affordable homes**

#### **The B.C. home-flipping tax:**

- The B.C. home-flipping tax targets investors who use the housing market as a stock market and drive up prices.
- Profit from a residential property resold within two years of its purchase will be subject to this tax.
- The tax includes exemptions for life circumstances, such as divorce, death, illness, relocation for work, job loss or a change in household membership.
- Builders adding to housing supply, such as building housing on vacant residential property or adding an additional suite or housing unit to a property that already has a home, will also qualify for an exemption.
- All sellers that have sold a property within 729 days of purchasing are obligated to file a B.C. home-flipping tax return within 90 days of the sale even if they are exempt, or they might be subject to a penalty.

#### **First-time home buyers' program:**

- The first-time home buyers' program allows qualifying individuals to claim an exemption from the property transfer tax on their first home.
- As of April 1, 2024, the threshold increased from \$500,000 to \$835,000, with the first \$500,000 being exempt from property tax.
- A reduced exemption is available for homes between \$835,000 and \$860,000.

#### **Newly built home exemption:**

- As of April 1, 2024, people moving up the property ladder into newly constructed homes are benefiting as the threshold for the newly built home exemption increased from \$750,000 to \$1.1 million.
- This program reduces the cost of newly built homes for qualifying buyers, helping to encourage development by making it easier for people to buy new homes.

#### **Purpose-built rental exemption:**

- Purpose-built rental buildings must meet certain criteria, such as being non-stratified and held as rentals for at least 10 years.
- The residential portion of the building must be entirely used for rental purposes and have at least four apartments.
- Purchasers of a purpose-built rental building will be able to save hundreds of thousands of dollars, depending on the purchase price, in general property transfer tax on qualifying purpose-built rental buildings bought between Jan. 1, 2025, and Dec. 31, 2030.

- This means those purchasing a purpose-built rental building valued at \$10 million could save \$278,000 in general property transfer taxes.

**Contact:**

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Media Relations

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