



VIREB
VANCOUVER ISLAND REAL ESTATE BOARD

AN ASSOCIATION OF REALTORS® **NEWS RELEASE**



Subhadra Ghose
VIREB President

Jay Cousins
Commercial Division Chair

FOR IMMEDIATE MEDIA RELEASE
Feb 26, 2008

VIREB REALTORS®: federal budget fails to deliver on election promise

NANAIMO, B.C. – The Vancouver Island Real Estate Board (VIREB) is disappointed that a plan to introduce deferral of capital gains taxes and the recapture of capital cost allowance were not included in Tuesday's federal budget.

“REALTORS® welcome the investments in infrastructure and transit that have been made by Minister Flaherty in this budget, and in previous ones,” says Subhadra Ghose, VIREB President.

“The unaddressed issue of capital gains means there are still punitive tax consequences for small investors when they sell and reinvest in a new property.”

VIREB also welcomes the federal budget initiative creating the Tax-Free Savings Account (TFSA) which will work much the same way as Registered Retirement Savings Plans. Starting in 2009, Canadians 18 and older will be allowed to invest up to \$5,000 annually in a tax-sheltered TFSA. They won't pay taxes on any investment gains, and they can withdraw the money without penalty at any time they want.

While TFSA's will be a useful new savings tool, they should not be considered as a substitute for the national Home Buyers' Plan. REALTORS® continue to call on the government to raise the withdrawal limits under the Plan, and are also asking that the withdrawal limits be indexed to the CPI - as was announced for the new TFSA's.

Ghose says capital gains tax adjustment remains the last unfulfilled major Conservative Party campaign promise from the last election. “We believe the Conservative government remains committed to fulfilling

its promise to permit capital gains tax deferrals, and REALTORS® will continue to work with the government, and with members of all parties, to ensure this becomes a reality.”

Adds Jay Cousins, Chair of VIREB’s Commercial Division.

“REALTORS® know that real property investments continue to be at a disadvantage in Canada’s tax code and believe that small investors should be allowed to sell and reinvest in the same way that they can with their stocks and bonds inside an RRSP,” he says.

“It is our view that tax deferral on reinvestment in rental property would promote the supply and affordability of rental housing, promote environmentally-friendly urban regeneration, and lead to greater equity compared to the income tax treatment of shares, businesses and owner-occupied properties.”

VIREB represents approximately 1,180 licensed REALTOR® members in more than 85 member offices on Vancouver Island (north of Victoria).

- 30 -

REALTOR® is a trademark identifying real estate professionals who are members of the Canadian Real Estate Association (CREA). REALTORS® subscribe to a Code of Ethics and Standards of Business Practices as set out by CREA. MLS® is a cooperative marketing system used by Canada’s real estate boards.

For more information, please contact:

Subhadra Ghose, 2008 President, 250-751-1223
Jay Cousins, Commercial Division Chair, 250-751-1223
Drew Harris, Communications, 250-390- 4212