

March 4, 2025

BACKGROUND

B.C. lowering costs, providing affordable homes

B.C. is a beautiful place to live, but too many people are facing high costs and struggling to find a place to live they can afford. Since 2017, the Province has prioritized helping people with the cost of living, including through ICBC rebates and reduced rates, eliminating medical services plan payments, expanded school food programs, fighting speculation and building homes people can afford, and financial support like the BC Family Benefit. Budget 2025 builds on government's affordability measures with \$1.1 billion over four years beginning in 2024-25 to tackle housing affordability and provide a one-time ICBC rebate.

BC Builds

Introduced in 2024 with initial program funding of \$198 million over three years, BC Builds is a housing program to speed up the development of new homes for middle-income people throughout B.C. Six projects have begun construction. An additional 11 will be underway in 2025-26. This will result in nearly 1,400 rental units for middle-income people in communities such as Abbotsford, Cowichan Nation/Duncan, Fernie, Gibsons, Lake Babine First Nation, North Vancouver, Prince Rupert, Tsawout First Nation and Whistler.

Budget 2025 builds on work underway with an additional \$318 million investment in BC Builds over three years. The new funding will deliver more homes and contribute to the Province's goal of thousands more middle-income rental units.

Speculation and vacancy tax

To deliver more homes and help ensure residential properties are used as homes rather than investments, Budget 2025 increases the speculation and vacancy tax rates. The rate for foreign owners and untaxed worldwide owners rises to 3% of their home's value from 2%, and to 1% from 0.5% for Canadian citizens and permanent residents.

The increase takes effect Jan. 1, 2026, and will generate an estimated additional \$47 million in revenue in 2027-28. This money will be invested back into housing in the 59 regions where the tax applies.

It's one more measure alongside the home-flipping tax and a tax for foreign owners to curb price escalations caused by speculators.

Support for lower-income seniors and families

Budget 2025 increases supports and helps more lower-income families and seniors with rental housing costs.

New Budget 2025 investments increase monthly supports and nearly double the number of lower income working families eligible for help through the Rental Assistance Program. By raising the income threshold for the program from \$40,000 to \$60,000, nearly 6,000 families will be eligible for the program, up from 3,200. The average supplement families receive will increase from \$400 to \$700 per month.

Up to 1,600 more seniors will benefit from the Shelter Aid for Elderly Renters program as Budget 2025 increases the income threshold from \$37,240 to \$40,000. The average supplement seniors receive will grow from \$261 to \$337, an increase of 30%.

ICBC rebate

To help people and businesses facing high costs, Budget 2025 provides a one-time relief rebate of \$110. In total, the rebate is expected to return \$410 million to personal and commercial policy holders.

Climate action tax credit

The climate action tax credit will continue to help lower-income British Columbians while the national carbon tax remains in place. All of the incremental revenue from the federally required April 1, 2025, carbon tax increase will continue to go back to people through the tax credit. The Province remains committed to removing the consumer carbon tax should the federal government remove the requirement for carbon pricing across Canada.

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