



PRESS RELEASE



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REALTORS® welcome Throne Speech

GST reduction good news for new and existing home sales

OTTAWA, Ontario, April 04, 2006 — The Conservative government's Speech from the Throne contained some good news for Canadian consumers and real estate markets across Canada, according to The Canadian Real Estate Association.

One of the Conservative government's five priorities outlined in the Throne Speech was their promise to reduce the Goods and Services Tax (GST) rate immediately to six per cent. The GST is charged on professional services used by consumers during the course of a housing transaction, including fees paid to lawyers, appraisers, home inspectors and REALTORS®.

"Reducing the GST rate will have the effect of reducing the costs associated with buying or selling a home," said Pierre Beauchamp, FRI, the Chief Executive Officer of The Canadian Real Estate Association. "It would also have an impact on the associated costs of moving house." Those associated costs were identified in an August 2005 study prepared by Clayton Research for The Canadian Real Estate Association to include moving costs, renovations, and the purchase of furniture and major appliances.

REALTORS® point out that the Conservative proposal will reduce the cost of new homes, and the cost of services associated with a real estate transaction. A one per cent reduction in the GST rate would save a homeowner \$2,500 on a new home selling for \$250,000.

Setting the GST rate at five per cent as the Conservatives proposed as a longer-term goal would restore the effective rate of federal sales taxes on new homes to the level that applied prior to the introduction of the GST in 1991, when the new rate is combined with the new housing rebate.

"A reduction in the GST rate will bring real savings to consumers, and will help keep housing affordable," added Beauchamp.

About The Canadian Real Estate Association

The Canadian Real Estate Association (CREA) is one of Canada's largest single-industry trade Associations, and represents more than 83,000 REALTORS® across Canada. CREA's primary mission is to represent its members at the federal level of government and to act as a watchdog on national legislation affecting or impacting the real estate industry. CREA also works to defend the public's right to own and enjoy property.

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