

REALTORS® welcome reduction in “double taxation” in provincial budget

The New Brunswick Real Estate Association (NBREA) welcomes the important first steps the provincial government has taken in the 2020-21 budget, by addressing the issue of double taxation for both residential and business property owners.

The budget calls for a 50 per cent reduction in the provincial non-owner-occupied property residential tax rate (double-taxation) over a four-year period, starting in 2021. This represents a reduction of 14 cents per \$100 assessment each year until 2024. In another tax move to help business owners, the provincial government is also reducing the provincial non-residential property tax rate by 8.25 cents a year for four years, again starting in 2021.

Currently, non-owner-occupied residences pay both provincial and municipal property taxes, while owner occupied residences effectively pay no provincial property tax.

REALTORS® in the province continue to call for the complete elimination of the so-called “double taxation” on non-owner occupied residences, with accompanying municipal reform to give local elected governments direct control over property tax revenues.

“We believe these budget measures start addressing our longstanding concerns with the current double taxation system and its impediment to the expansion of the rental or multi-unit market” says Kari McBride, the Chair of the Government Relations Committee of NBREA.

“It opens the door for affordable rental housing, which will be an essential ingredient towards success for the government’s stated objective of population growth to the province. New Brunswick can only be a welcoming home if we can provide affordable, quality housing” Kari McBride added.

“Affordability is not just the cost of property or housing, but the taxes and operating expenses that come with ownership” Kari McBride notes, “and that includes our high property tax rates”. There are still property tax issues facing the province, the NBREA Committee Chair notes.

“The budget measures are a step in the right direction, and they are proposed in a way that can be interpreted as being fiscally prudent. But if we are to truly open doors for affordable housing in New Brunswick, we must set our sights on the complete elimination of the double tax.”

The New Brunswick Real Estate Association represents over 950 agents, salespeople and affiliate members throughout the province and co-regulates the industry with the Financial and Consumer Services Commission.

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