



## **News Release / Communiqué**

### **The Canadian Real Estate Association L'Association canadienne de l'immeuble**

#### **REALTORS® welcome federal housing initiatives in stimulating Canadian economy**

**Ottawa – January 27<sup>th</sup>, 2009** – The Canadian Real Estate Association (CREA) welcomes the federal government initiatives to stimulate economic growth outlined in the 2009 budget, especially those that will encourage home ownership in Canada. The Association applauds the government for recognizing the economic importance of the housing industry in some of the budget measures.

“The change announced to the popular Home Buyers’ Plan will help Canadians who want to own their own home, and do it in a responsible way that is not a major drain on taxpayers,” says the President of The Canadian Real Estate Association (CREA), Calvin Lindberg.

Research conducted for CREA by the Altus Group shows that each residential real estate transaction in Canada generates \$32,200 in ancillary consumer spending. The study also reported that 94,700 full time direct jobs were generated annually by that ancillary or spin-off activity. The study is posted on the [www.crea.ca](http://www.crea.ca) website.

“The federal government has found a way to introduce economic stimulus and housing initiatives for specific groups, and for Canadians who want to buy their first home.” Mr. Lindberg added. CREA had proposed the federal government do that by increasing the limit of the Home Buyers’ Plan (HBP) to help stimulate the housing market.

Introduced in 1992 by a Conservative government and made permanent by a Liberal government in 1994, the HBP has broad political and consumer support. It will now allow first time homebuyers to withdraw up to \$25,000 from their RRSP to be used in a down payment on a residential property. The Plan has not had the same impact and relevance it did 16 years ago, when the original \$20,000 limit represented 13.3 per cent of the average house price, versus about 6.5 per cent in 2008.

The Association also believes that the success of the proposed home renovation tax credit program will depend on effective administration and promotion. “The use of tax credits will make the program of interest to many Canadians who own their own home,” adds the CREA President, “but the success will be tied in part to the availability of savings or credit, since the expense has to be paid before the tax credit is issued.”

A survey conducted for CREA by IPSOS Reid in October 2008 revealed that only 12 per cent of homeowners had ever applied to some type of government renovation or energy efficiency program. In that same survey, 36 per cent said they would consider replacing windows as a priority to improving home energy efficiency, while another 27 per cent said it would be adding insulation. The Canadian Real Estate Association (CREA) also welcomes federal government initiatives that will encourage home ownership and better communities in Canada.

“The announced measures for aboriginal and social housing are welcomed by REALTORS® as steps to help house those who may be in need, and to modernize existing housing resources,” adds CREA President Calvin Lindberg.

CREA first called on governments to address various issues affecting native home ownership during the World Urban Forum in Vancouver in 2006. The Association’s analysis of native housing issues is available in a booklet posted on the [www.crea.ca](http://www.crea.ca) website. “The budget spending initiatives help address the issue of the quality of native housing, and quality of life on Canadian reserves. Equally as important is the transition to market-based housing on reserves, and the government in the budget has committed to the transition to that as well,” adds Mr. Lindberg.

### **About CREA**

The Canadian Real Estate Association represents more than 96,000 REALTORS® and 100 local real estate Boards and Associations. To demonstrate the commitment REALTORS® have to improving Quality of Life in their communities, CREA supports growth that encourages economic vitality, provides housing opportunities, respects the environment and builds communities with good schools and safe neighbourhoods.

- 30 -

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