



Canadian
Federation
of Apartment
Associations

Fédération
Canadienne Des
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De Propriétaires
Immobiliers

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**What other organizations say about tax deferral on sale and re-investment
(sometimes called a rollover or like-kind exchange.)**

Canadian Home Builders Association:

"The CHBA strongly supports the federal government's plan to allow deferral of the capital gains tax on the sale of assets when the proceeds are reinvested. The housing industry has long advocated such roll-over provisions in the sale of residential rental properties as a key element in a strategy to encourage the construction of new rental housing projects." (Seeking Concrete Results, September 2006)

Federation of Canadian Municipalities:

"... there is a need to increase overall levels of rental construction (at any rent level). This requires addressing barriers and deterrents to private-sector rental investment. ... two decades of regressive changes to the tax code have made rental housing investment unattractive. We should therefore consider a variety of tax-related measures to reverse this, in particular deferring tax liability if proceeds from sale of investment property are reinvested." (National Action Plan for Housing and Homelessness, January 2008)

Sharad Kerur, Executive Director, Ontario Non-profit Housing Association:

"Canada needs a National Housing Strategy which includes as top priorities the maintenance of the existing social housing stock and funding to stimulate the creation of more affordable housing, with an emphasis on non-profit housing. The strategy should also include government initiatives to increase overall levels of rental construction. Tax changes over the last 35 years have created disincentives for rental housing developers, and those changes must be reviewed and, in many cases, reversed. We particularly support the reintroduction of the ability to defer the capital gains tax on the proceeds of rental property sales, provided the proceeds are reinvested in other rental housing. Deferring taxes in this way, seems a small price to pay for the resulting market liquidity and renewal. This would be of benefit to both the private and non-profit sectors and to tenants across Canada." (January 2008)

Canadian Chamber of Commerce:

The Canadian Chamber of Commerce recommends that the federal government:

"Create a tax and regulatory environment that promotes the building of new affordable housing by:

a) Allowing investors to defer CCA recapture and capital gains on the proceeds from the sale of rental property when the proceeds are reinvested in another rental property within a reasonable amount of time (as allowed under the Canadian system prior to tax reform in 1972). ... " (2005 Affordable Housing Policy Statement)