

## LETTER: Foreign buyers' tax not helping affordability

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**Dear Editor:**

Re: [Foreign-buyer Real Estate Deals Plunge \(http://www.nsnews.com/news/foreign-buyer-real-estate-deals-plunge-1.2349650\)](http://www.nsnews.com/news/foreign-buyer-real-estate-deals-plunge-1.2349650), Sept. 23 front-page story.

Have house prices dropped appreciably since the foreign buyers' tax went in? If not, then the demand from speculators is largely still there; they are just using loopholes/strategies to avoid being classified as foreign buyers and paying the tax.

So far, I have seen lots of announcements about how this government is going to increase housing affordability, but no results yet. They had the opportunity to deal with this years ago but denied it was an issue because of the unsustainable money it was raking in to their coffers. Now, it's an election issue and we see these Band-Aid "solutions" suddenly appear. ... The problem is, to increase housing affordability, prices must drop. This reduces existing homeowners' equity and could even send some underwater. The provincial government has trapped itself into a box of its own making.

Mexico has an interesting approach: with a few exceptions, foreigners aren't technically allowed to own property near the coasts or borders without going through a lot of legal hassle; they can lease, but not own. This is a great way to filter out the speculators just looking to park some money, from those who genuinely want to own property there.

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