



# Real Estate Primer

WITH LAURA HOLLAND

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## Property Transfer Tax

by Laura Holland, Senior Counsel

### FIRST TIME HOMEBUYER'S EXEMPTION – UPDATED FEB 19, 2014

#### Conditions At Time Of Purchase:

1. Canadian Citizen or permanent resident;
2. Resident of BC for at least one year; or filed 2 of last 6 tax returns as BC resident;
3. NEVER owned principal residence ANYWHERE in the world before;
4. In GVRD, fair market value less than \$475,000; Partial exemption available up to \$500,000;
5. Must move in to property within 92 days; and
6. Size of lot does not exceed 0.5 hectares (1.24 acres).

#### Conditions During First Year Of Ownership:

1. Must live in property for one year.

#### Penalty For False Declaration

Purchaser must pay PTT plus a penalty equal to the full amount of PTT exemption claim. (ie. Double the payment).

If you have any questions, please call Laura Holland at Drysdale Bacon McStravick LLP 604-939-8321 or call the Property Transfer Tax office directly at 1-250-387-0604.

\* This information is provided in summary form only. Full details of the law may be obtained from the Property Transfer Tax guide or the Regulations of the BC Government.

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Good advice.  
Good law.  
Good people.



## GST REBATES AVAILABLE

You may qualify for a GST rebate after the purchase of your new home. There are two rebate programs available.

1. New Housing Rebate – if you intend to move-in to this home and make it your primary residence; or
2. Rental Rebate – you will rent the home for at least one-year after the completion date.

The amount of the rebate is based on the GST paid. It is roughly 1/3 of the GST paid at the time of completion.

There are some restrictions:

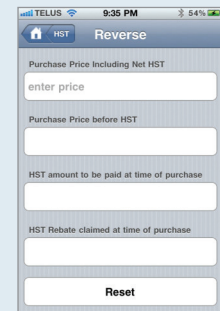
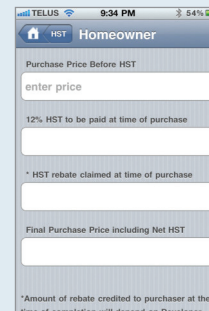
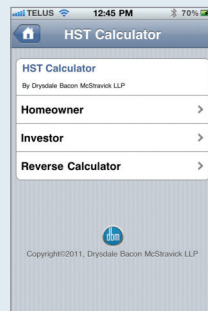
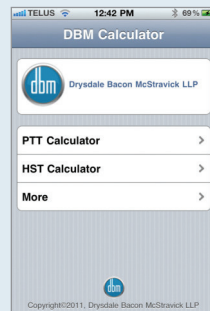
- Rebates only apply to new homes on which you paid GST;
- Rebates are only available for homes up to \$350,000;
- For homes between \$350,000 and \$450,000, a partial rebate is available;
- For homes over \$450,000, there is no rebate available;
- DBM will assist purchasers with the application forms for either rebate, at no additional cost;
- Rebate applications are mailed to the Federal Tax authorities, and take approximately 10 – 12 weeks to be processed;
- Purchasers usually pay full GST to the developer at time of completion, and apply for any rebate after their purchase; and
- Mortgage funding will be based on the net GST payable, after all rebates are considered. Please speak to your mortgage broker about loan amounts.

## TAX CALCULATION TOOLS FOR HOME BUYERS



There's no getting around it, buying a home involves a lot of different tax calculations. To make life easier, DBM LLP has developed the DBM TaxApp, a free simple-to-use App to calculate HST and PTT due on BC property purchases, including a reverse HST calculator. The App includes BC Transition Tax calculations and GST calculations for deals completing after April 1, 2013.

Download now on [iTunes](#) or the [Google Play Store](#).



## Disclaimer

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