

BC Budget Tax Summery

If they are NOT a Permanent Resident OR Canadian Citizen;

The Buyer is and will be, on the Completion Date, a "foreign entity" or a "taxable trustee" as defined in the British Columbia Property Transfer Tax Act (as amended) (collectively, the "Foreign Entity"). The Buyer is aware that the Property Transfer Tax Act, as amended, imposes an additional Property Transfer Tax of 20% of the fair market value of any residential property being purchased by a Foreign Entity.

PTT - Property Transfer Tax Explanation;

The property transfer tax continues to be a cash cow for the province. The province is expected to collect \$2.23 billion this year from the tax after bringing in \$1.6 billion last year. The province is also increasing the tax on properties over \$3 million from three per cent to five per cent, see new calculations below;

PTT- Calculations; The Buyer will thus be required to pay Property Transfer Tax equal to the total of:

1. 1% of the Purchase Price on the first \$200,000
2. 2% of the Purchase Price that exceeds \$200,000 does not exceed \$2,000,000
3. 3% of the Purchase Price that exceeds \$2,000,000 but does not exceed \$3,000,000
4. 5% of the Purchase Price that exceeds \$3,000,000; plus

The Buyer has obtained or will obtain independent legal advice with respect to the payment of Property Transfer Tax.

Speculation Tax - A new tax on Foreign and Domestic speculators that will apply in Metro Vancouver, Fraser Valley, Capitol and Nanaimo Regional Districts and Municipality of Kelowna and West Kelowna

Starting this year 2018 (date to be announced) the provincial government will apply a 0.5 per cent (\$500/\$100K of property value) speculation tax of assessed value on homes owned by people who don't pay taxes in British Columbia. The tax goes up to 2 per cent in 2019 (\$2,000/\$100K of property value) and will stay at that rate going forward. It is expected to bring in \$87 million this year. The tax will target foreign and domestic speculators who don't pay taxes in BC including those who leave their units sitting vacant. This will include satellite families.

Foreign Buyers Tax going up to 20% for all Properties effective Feb 21, 2018

Starting Wednesday Feb 21, 2018, the foreign home buyers tax is going up from 15 per cent to 20 per cent. Not only will the tax be applied to homes in Metro Vancouver, but will now apply in the Capital Regional District, the Fraser Valley, the Central Okanagan and the Nanaimo Regional District.

Assignments, Pre Sales, Numbered Companies owning homes - Closing housing loopholes

The NDP was highly critical in opposition of the loopholes that were being exploited in the overheated housing market. Now in government, the NDP will try to close some of the loopholes by creating a database on pre-sale condo assignments, stopping numbered companies from owning homes and deal with mega-homes built on Agriculture Land Reserve Land.

City of Vancouver "Vacancy Tax"

Every owner of residential property in Vancouver is required to submit a property status declaration each year to determine if their property is subject to the Empty Homes Tax. Failure to declare by the deadline will result in your property being deemed vacant and subject to a tax of 1% of its assessed taxable value and a \$250 penalty. To address Vancouver's housing crisis, The City of Vancouver has implemented an annual tax on empty or under-utilized residential properties called the Empty Homes Tax. Every owner of residential property in Vancouver is required to submit a property status declaration each year to determine if their property is subject to the tax. Properties deemed empty will be subject to a tax of 1% of the property's assessed taxable value. Most homes will not be subject to the tax, as it does not apply to principal residences or homes rented for at least six months of the year; however all homeowners are required to submit a declaration. The Empty Homes Tax is also known as the Vacancy Tax and is imposed under the Vacancy Tax Bylaw No. 11674.

New School Tax on properties worth \$3M or more

There is an additional school tax on all BC homes valued at over \$3-million. The province will level a tax of 0.2 per cent on the assessed value of a home that exceeds \$3-million (\$6K for \$3M), but doesn't exceed \$4 million. A tax rate of 0.4 per cent will also apply to the portion of a residential property's assessed value over \$4-million .This measure is projected to bring in revenues of \$250-

million over the next three fiscal years.

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