

Top 21 grants and rebates for property buyers and owners

1 Home Buyers' Plan
Qualifying home buyers can withdraw up to \$25,000 (couples can withdraw up to \$50,000) from their RRSPs for a down payment. Home buyers who have repaid their RRSP may be eligible to use the program a second time.

Canada Revenue Agency
www.cra.gc.ca. Enter 'Home Buyers' Plan' in the search box.
1.800.959.8287

2 GST Rebate on New Homes

New home buyers can apply for a rebate of the federal portion of the HST (the 5% GST) if the purchase price is less than \$350,000. The rebate is up to 36% of the GST to a maximum rebate of \$6,300. There is a proportional GST rebate for new homes costing between \$350,000 and \$450,000.

Canada Revenue Agency
www.cra-arc.gc.ca. Enter 'RC4028' in the search box.
1.800.959.8287

3 BC New Housing Rebate (HST)

Buyers of new or substantially renovated homes priced up to \$525,000 are eligible for a rebate of 71.43% of the provincial portion (7% of the 12% HST) paid to a maximum rebate of \$26,250. Homes priced at \$525,000+ are eligible for a flat rebate of \$26,250.

<http://hst.blog.gov.bc.ca/faqs/new-housing-rebate>
1.800.959.8287

4 BC New Rental Housing Rebate (HST)

Landlords buying new or substantially renovated homes are eligible for a rebate of 71.43% of the provincial portion of the HST, up to \$26,250 per unit.

<http://hst.blog.gov.bc.ca/faqs/new-housing-rebate>
1.800.959.8287



5 Property Transfer Tax (PTT) First Time Home Buyers' Program

Qualifying first-time buyers may be exempt from paying the PTT of 1% on the first \$200,000 and 2% on the remainder of the purchase price of a home priced up to \$425,000. There is a proportional exemption for homes priced up to \$450,000.

BC Ministry of Small Business and Revenue.
www.rev.gov.bc.ca/rpt
250.387.0604

6 First-time Home Buyers Tax Credit (HBTC)

This is a non-refundable income tax credit for qualifying buyers of detached, attached, apartment condominiums, mobile homes or shares in a co-operative housing corporation. It's calculated by multiplying the lowest personal income tax rate for the year (15% in 2009) by \$5,000. For 2009, the maximum credit was \$750.

Canada Revenue Agency
www.cra.gc.ca/hbtc
1.800.959.8281

7 BC Home Owner Grant

Reduces school property taxes by up to \$570 on properties with an assessed value up to \$1,050,000. For 2010, the basic grant is reduced by \$5 for each \$1,000 of value over \$1,050,000, and eliminated on homes assessed at \$1,164,000+. An additional grant reduces property tax by a further \$275 for a total of \$845 for seniors, veterans and the disabled. This is reduced by \$5 for each \$1,000 of assessed value over \$1,050,000 and eliminated on homes assessed at \$1,219,000+.

BC Ministry of Small Business and Revenue
www.rev.gov.bc.ca/hog or contact your municipal tax office.

8 BC Property Tax Deferment Programs

Property Tax Deferment Program for Seniors. Qualifying home owners aged 55+ may be eligible to defer property taxes.

Financial Hardship Property Tax Deferment Program. Qualifying low-income home owners may be eligible to defer property taxes.

Property Tax Deferment Program for Families with Children. Qualifying low-income home owners who financially support children under age 18 may be eligible to defer property taxes.

BC Ministry of Small Business and Revenue.
www.sbr.gov.bc.ca and enter 'Property tax deferment' in the search box or contact your municipal tax office.

9 Canada Mortgage and Housing (CMHC) Residential Rehabilitation Assistance Program (RRAP) Grants

This federal program provides financial aid to qualifying low-income home owners to repair substandard housing. Eligible repairs include heating, structural, electrical, plumbing and fire safety. Grants are available for seniors, persons with disabilities, owners of rental properties and for the creation of secondary and garden suites.

www.cmhc-schl.gc.ca/en/co/prfinas/prfinas_001.cfm
1.800.668.2642 | 604.873.7408

10 CMHC Mortgage Loan Insurance Premium Refund

Provides home buyers with CMHC mortgage insurance, a 10% premium refund and possible extended amortization without surcharge when buyers purchase an energy efficient home or make energy savings renovations.

www.cmhc.ca/en/co/moloin/moloin_008.cfm#reno
604.731.5733

11 LiveSmart BC: Efficiency Incentive Program

Home owners improving the energy efficiency of their homes who hire a certified energy advisor may qualify for cash incentives through this provincial program provided in partnership with Terasen Gas, BC Hydro, and FortisBC.

www.livesmartbc.ca/rebates
1.866.430.8765

Continued overleaf

Government Relations Advocacy Goal


REBGV advocacy will result in an economic and regulatory environment that supports property ownership, sustainable communities and the business of real estate.

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Top 21 grants and rebates for property buyers and owners *continued*

12 BC Residential Energy Credit

Home owners and residential landlords buying heating fuel receive a BC government point-of-sale rebate on utility bills equal to the provincial component of the HST.

<http://hst.blog.gov.bc.ca/faqs/energy-credit>
604.660.4524

13 BC Hydro Appliance Rebates

Mail-in rebates of \$25 - \$50 for purchasers of ENERGY STAR clothes washers, refrigerators, dishwashers, or freezers **between June 1, 2010 and March 31, 2011**, or when funding for the program is exhausted.

www.bchydro.com/rebates_savings/appliance_rebates.html
1.800.224.9376

14 BC Hydro Fridge Buy-Back Program

(different from Appliance rebates)
This ongoing program rebates BC Hydro customers \$30 to turn in spare fridges measuring 10 - 24 cubic feet in working condition.

www.bchydro.com/rebates_savings/fridge_buy_back.html
604.881.4357

15 BC Hydro Windows Rebate Program

Customers can save \$100 per window on BC made ENERGY STAR windows until **August 18, 2010**.

www.bchydro.com/rebates_savings/current_offers.html

16 BC Hydro Mail-in Rebates/Savings

Coupons

To save energy, BC Hydro offers rebates including 10% off an ENERGY STAR cordless phone; 50% off an E2™ dual-flush toilet; \$15 off a clothes drying rack; and 50% off Earth Massage showerheads. Check for deadlines.

http://www.bchydro.com/rebates_savings/coupons.html
1.800.224.9376



17 Terasen Gas Rebate program

A range of rebates for home owners include a \$25 gift cards for furnace servicing; \$50 rebates for upgrading a water heater; \$150 rebate on an Ener-Choice fireplace; \$1,000 rebate for switching to natural gas and installing an ENERGY STAR heating system.

www.terasengas.com/homes/Offer/LowerMainland-Squamish.html
1.888.224.2710

18 SolarBC Incentives

Contractors will provide home owners buying a solar hot water system with a \$2,000 discount at the point of sale until **December 31, 2010**.

www.solarbc.ca/learn/incentives-costs
1.866.650.6527

19 City of Vancouver Solar Homes Pilot

Offers \$3,500 (about 50% of the cost) towards the cost of a solar hot water system for anyone building new homes in Vancouver. Offered by the City of Vancouver, SolarBC, Terasen Gas and Offsetters to 50 new homes on a first come, first served basis, **January 2010 - March 2011**, with building permits issued in 2010.

<http://vancouver.ca/sustainability/SolarHomes.htm>
604.873.7748

20 RBC Energy-Saver Mortgage

Home owners who have a home energy efficient audit within 90 days of receiving an RBC Energy Saver™ Mortgage may qualify for a \$300 rebate credited to their RBC account.

www.rbcroyalbank.com/products/mortgages/energy-saver-mortgage.html
1.800.769.2511

21 Vancity Green Building Grant

In partnership with the Real Estate Foundation of BC, Vancity provides grants up to \$50,000 each to qualifying charities, not-for-profit organizations and co-operatives for building renovations/retrofits, regulatory changes that advance green building development, and education to increase the use of practical green building strategies.

<https://www.vancity.com/MyCommunity/NotForProfit/Grants/ActingOnClimateChange/GreenBuildingGrant>
604.877.7000

- 1) GST is calculated at 6% on an Purchase Agreement signed on or before October 30, 2007. Purchasers are eligible to claim a transitional rebate from Canada Revenue Agency.
- 2) GST is calculated at 5% on any Purchase Agreement signed after October 30, 2007, but on or before November 18, 2009.
- 3) HST is calculated at 12% on any Purchase Agreement signed after November 18, 2009. GST/HST New Housing Rebates apply if the Buyer qualifies (according to Purchase Price etc)

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Rental Rates for Vancouver, Average Condo Maintenance Fees & Approx Vancouver Property Tax Calculations

To calculate Yields or rate of return on a property depends on how much money you put down & what is the purchase price? The approximate normal rental rates in Vancouver are between \$2.00 - \$2.50 per foot for unfurnished & up to \$3.00 per foot for a furnished higher end condos. Please note – furnished condos will get you a higher yield but you will only have it rented an average of 50% of the time. The average maintenance fees are approx 35 cents per foot per month. For yearly taxes take the assessed value & divide it by 270 & you will get the approx yearly taxes.

First Time Home Buyers' Program

Property Transfer Tax Act

Do you need to know if you are eligible for the property transfer tax exemption for first time home buyers?

Do you need to understand the requirements to remain eligible for this tax exemption after you purchase and register your property?

This bulletin provides specific tax information to help first time home buyers understand the eligibility requirements under the First Time Home Buyers' Program.

For general property transfer tax information, such as the types of transactions that are taxable, the rate of tax, what returns must be completed, and who must complete the return and pay the tax, please see [Bulletin PTT 001](#), *Property Transfer Tax*.

Table of Contents

Eligibility Requirements for the First Time Home Buyers' Program.....	1
How do I Apply for the Exemption or a Refund?	3
Requirements During the First Year the Property is Owned.....	4

Eligibility Requirements for the First Time Home Buyers' Program

The First Time Home Buyers' (FTHB) Program provides a property transfer tax exemption at the time title to property is transferred from one owner to an eligible first time home buyer. If you are purchasing your first home, you may qualify for this exemption if certain requirements are met. These requirements are outlined below.

Who Qualifies for the Exemption?

You qualify for the exemption if:

- you are a Canadian citizen, or a permanent resident as defined by the *Immigration and Refugee Protection Act* (Canada),
- you have lived in British Columbia for 12 consecutive months immediately before the date you register the property, or you have filed two income tax returns as a British Columbia resident during the 6 years before the date you register the property,
- you have never owned an interest in a principal residence anywhere in the world at any time (a principal residence is defined as the usual place where an individual lives), and
- you have never received a first time home buyers' exemption or refund.

What Property Qualifies for the Full Exemption?

The property you purchase qualifies if:

- the fair market value of the property (land plus improvements) is not more than the current threshold of **\$425,000**,
- the land is 0.5 hectares (1.24 acres) or smaller, and
- the property will only be used as your principal residence.

The current threshold amount applies to purchases registered on, or after, February 20, 2008.

Partial Exemptions

You are eligible for a partial exemption from property transfer tax under certain circumstances.

If a portion of the improvements on your land is used for commercial purposes or there is a separate dwelling on your land, only the portion that is your principle residence is eligible for the property transfer tax exemption.

If your land is larger than 0.5 hectares, only your residential improvement and 0.5 hectares of the land are eligible for the property transfer tax exemption.

If your property has a fair market value of up to \$25,000 more than the threshold amount, your property is eligible for a partial property transfer tax exemption.

For more information and examples of how partial property transfer tax exemptions are calculated, please see the *Instructions for Completion of the First Time Home Buyers' Tax Return* (**FIN 269 Guide**).

How do I Apply for the Exemption or Refund?

You apply for the exemption by submitting a *First Time Home Buyers' Property Transfer Tax Return* ([FIN 269](#)) and other required land title documents when you register your property at the land title office. Generally, a lawyer or notary public registers your property and applies for the exemption on your behalf. The land title office then sends your application to the ministry to verify your eligibility.

Lawyer or Notary Public

If you are a lawyer or a notary public, you can either file a paper version of the *First Time Home Buyers' Property Transfer Tax Return* ([FIN 269](#)) at the land title office or file an electronic version. To order a paper supply of the FTHB property transfer tax return, please call 250 387-2183. You can file the electronic version if you have been approved to file electronic documents at the Land Title and Survey Authority (LTSA). For more information on electronic filing, please see the [LTSA website](#).

For assistance with filing the FTHB property transfer tax return, please see the *Instructions for Completion of the First Time Home Buyers' Tax Return* ([FIN 269 Guide](#)). For assistance with filing the electronic version of the FTHB property transfer tax return, please see page 5 of the guide or contact the ministry. When filing the electronic version of the return, you must also ensure that the original paper version (blue) of the FTHB property transfer tax return has been signed by the homebuyer and is retained by your firm.

Individual Homebuyer

If you apply for the exemption yourself, you can view a sample of the *First Time Home Buyers' Property Transfer Tax Return* ([FIN 269](#)) on the ministry's website. Most law firms and notaries have supplies of the tax return, or you can obtain one from any land title office or [Service BC Centre](#). For assistance with filing the FTHB property transfer tax return, please see the *Instructions for Completion of the First Time Home Buyers' Tax Return* ([FIN 269 Guide](#)). You file the completed tax return together with the appropriate land title forms at a land title office. You must ensure that you sign the FTHB property transfer tax return before submitting it.

For assistance with completing the FTHB tax return, please contact the ministry.

Refunds

If you meet all the eligibility criteria for the exemption at the time of registration at the land title office, but you do not apply for the exemption, you may apply for a refund.

If you do not qualify for the exemption at the time of registration only because you are not yet a permanent resident of Canada, you may apply for a refund if:

- you become a permanent resident of Canada within 12 months of the date your transfer is registered at the land title office, and
- you meet all the other eligibility criteria for the exemption at the time of registration.

You must apply for a refund within 18 months of the date your property transfer is registered at the land title office. To obtain a refund application form, please contact the ministry.

Penalty for False Declaration

To ensure you are eligible, your application for the exemption or refund is reviewed to verify eligibility.

If you apply for an exemption or a refund and make a false declaration, the ministry will deny your exemption application or refund. You will be assessed a penalty in addition to the tax payable if you falsely report either of the following:

- whether you previously owned an interest in a principal residence anywhere in the world at any time, or
- whether you previously obtained a FTHB tax exemption or refund.

The penalty is equal to the amount of the exemption or refund you claimed.

Requirements During the First Year the Property is Owned

Occupancy Requirement

You need to occupy your property within 92 days of the date you register the property at the land title office and continue to use the property as your principal residence for at least one year after you register the property.

The ministry will send you a letter at the end of the first year you own the property. The letter will ask you to confirm you are still residing on the property and that it is still your principal residence.

You may still qualify for a partial exemption if you move off the property before the end of the first year.

Exceptions

In the event that your death occurs before the end of the first year you own the property, the property transfer tax exemption will continue to apply. The exemption also continues to apply if your property is transferred to another owner as a result of a court order or a separation agreement.

Construction Requirement

If your land is vacant when you purchase the property, a principle residence needs to be built on the property within one year of the registration date, and you need to live on the property for the remainder of that year to receive the full tax exemption. The fair market value of the land, plus the cost of building any improvements on the land cannot exceed the current threshold amount of **\$525,000**. However, if your property has a fair market value of up to \$25,000 more than the threshold amount, your property is eligible for a partial property transfer tax exemption.

Need more info?

Property transfer tax website: www.sbr.gov.bc.ca/individuals/Property_Taxes/Property_Transfer_Tax/ptt.htm

Telephone (Vancouver): 604 660-2421

Telephone (Victoria): 250 387-0604

Toll free in British Columbia: 1 800 663-7867 (request a transfer to 250 387-0604)

Fax: 250 953-3094

E-mail: PTTENQ@gov.bc.ca

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Property Transfer Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/individuals/Property_Taxes/Property_Transfer_Tax/legislation.htm

References: *Property Transfer Tax Act*, Sections 4, 5–13, 13.1, 13.2, 17, 18, and Regulations 1 and 2

Administrative Steps to Claim the Exemption

Ensure all the required steps are taken when a purchaser claims the first time home buyers' exemption to avoid confusion and processing delays.

The following information highlights areas where purchasers claiming the exemption commonly make errors.

First Time Home Buyers' Property Transfer Tax Return

Any purchaser claiming this exemption must complete the tax return specifically designed for the exemption. If a computer generated tax return form is used, **it must be stapled to the back of the original blue return form.**

The *First Time Home Buyers' Property Transfer Tax Return* requires the purchaser to provide information verifying that he or she meets all the requirements for the exemption. Anyone seeking assistance when completing the FTHB tax return may contact the Property Transfer Tax office at 250 387-0604.

The purchaser must certify, by signing the return, that he or she meets all the requirements for the exemption. **Read this section carefully before signing.**

Specific Sections of the Tax Return Form

Many of the sections in the FTHB tax return are the same as those in the general and special tax returns that are also in use. However, several sections are unique to the FTHB tax return and attention should be paid to ensure they are completed correctly. The following information helps a purchaser complete sections A, B, E, F and H of the return.

Section A

Section A requires information about the person purchasing the property (the transferee). This section requires that **every purchaser acquiring an interest in the property** be identified. List the purchaser(s) who qualify for the exemption before those who do not qualify for the exemption.

The form also requires that each purchaser acquiring an interest in the property state the percentage of his or her ownership. If more space is needed to complete this section, an additional sheet may be attached.

The mailing address for the property that is being purchased must be completed in each case. If the Administrator has to contact the purchaser to confirm or obtain more information, this address is used.

Section B

Section B requires each purchaser claiming the exemption to provide information about where he or she lived for the two years immediately before the purchase. Purchasers claiming the exemption who did not reside in British Columbia for at least one year immediately prior to the purchase should complete line 3 in section G. If more space is needed, an additional sheet may be attached.

Section E

Section E requires the purchaser to provide information on the financing terms of the purchase.

Sections F and H

Section F calculates the amount of property transfer tax payable if the exemption is claimed. Section H determines the partial principal residence calculation, where it is required for section F.

Example 1 – Residential Improvements on Less than 0.5 Hectares

This example shows how to complete section F when the property purchased is less than 0.5 hectares and all improvements are residential.

Facts:

- 3 purchasers, each purchasing a 1/3 interest in the property; 2 are eligible for the exemption, therefore 66.67% of the tax is exempt
- the fair market value is \$250,000

F. Property Transfer Tax Calculation:

1. Fair market value of property	\$250,000	F1
1a. Fair market value of the interest being acquired in this transaction	\$250,000	F1a
2. Tax at 1% of the first \$200,000 reported on line F1 and 2% on the remainder	\$ 3,000	F2

3. If the size of the entire property is equal to or **less than 0.5 hectares**, and all improvements are residential, the percentage interest in the property being acquired by eligible first time home buyers claiming the exemption

$$\underline{\hspace{2cm}}\% \times F2 \quad 66.67\% \times \$3,000 \quad = \quad \$ \quad 2,000 \quad F3$$

4. If the size of the entire property is **larger than 0.5 hectares**, or if some of the improvements are not residential, complete section H below

$$\frac{\text{principal residence value (H10)}}{\text{fair market value (F1a)}} \times F2 \quad = \quad \$ \underline{\hspace{2cm}} \quad F4$$

5. If the fair market value of the entire property is greater than the applicable qualifying value (QV) (see condition 6 in the First Time Home Buyers' Instruction Guide) but less than the QV + \$25,000

$$(F3 \text{ or } F4) \times \frac{(QV + \$25,000 - F1)}{\$25,000} \quad = \quad \$ \underline{\hspace{2cm}} \quad F5$$

6. Property Transfer Tax Payable \$ 1,000 F6
(F2 minus F5 (if completed) or F3 OR F4)

Example 2 – Residential Improvements on More than 0.5 Hectares

This example shows how to complete sections F and H when the property is **larger than 0.5 hectares and all improvements are residential**. Complete section H whenever the property is larger than 0.5 hectares.

Facts:

- 3 purchasers, each purchasing a 1/3 interest in the property; 2 are eligible for the exemption, therefore 66.67% of the tax is exempt
- the property is 1.4 hectares, the land value is \$150,000, the improvement value is \$100,000, and the fair market value is \$250,000

F. Property Transfer Tax Calculation:

1. Fair market value of property	\$250,000	F1
1a. Fair market value of the interest being acquired in this transaction	\$250,000	F1a
2. Tax at 1% of the first \$200,000 reported on line F1 and 2% on the remainder	\$ 3,000	F2
3. If the size of the entire property is equal to or less than 0.5 hectares , and all improvements are residential, the percentage interest in the property being acquired by eligible first time home buyers claiming the exemption		
_____ % x F2	=	\$ _____ F3
4. If the size of the entire property is larger than 0.5 hectares , or if some of the improvements are not residential, <u>complete section H</u> below		
<u>Principal Residence Value (H10)</u> x F2 Fair Market Value (F1a)		
\$102,386.07 x \$3,000 \$250,000	=	\$ 1,228.63 F4
5. If the fair market value of the entire property is greater than the applicable qualifying value (QV) (see condition 6 in the First Time Home Buyer's Instruction Guide) but less than the QV + \$25,000		
(F3 or F4) x $\frac{(QV + \$25,000 - F1)}{\$25,000}$	=	\$ _____ F5
6. Property Transfer Tax Payable (F2 minus F5 (if completed) or F3 OR F4)	\$ 1,771.37	F6

H. Proportional Principal Residence Calculation:

Where the property is larger than 0.5 hectares (1.24 acres), or the improvements are not entirely residential, please complete this section.

1. Value of improvements	\$100,000	H1
2. Value of land (see below)	\$150,000	H2
3. Fair market value of property (H1 plus H2 to equal F1)	\$250,000	H3
4. Size of property in hectares (see conversion factors below)	1.4	H4
5. If property is larger than 0.5 hectares, then perform the following proportional land exemption calculation:		H5
$\$150,000$ (H2) divided by 1.4 (H4) multiplied by 0.5 = \$53,571.43 (to H7)		
6. Value of residential improvement	\$100,000	H6
7. Land value portion eligible	\$ 53,571.43	H7
8. Value of home and land (H6 plus H7)	\$153,571.43	H8
9. Total percentage ownership being transferred to first time home buyers claiming tax exemption	66.67%	H9
10. Principal residence value (H9% of H8)	\$102,386.07	H10

Conversion Factors

To convert from square feet to hectares, multiply by .0000093

0.5 hectares = 53,819.55 square feet

To convert from acres to hectares, divide by 2.471

0.5 hectares = 1.24 acres

Example 3 – Proportional Exemption on More than 0.5 Hectares

This example shows how to complete sections F and H when the fair market value of the entire property is greater than the applicable qualifying value (QV) but less than the QV + \$25,000.

Facts:

- 2 purchasers, each purchasing a 1/2 interest in the property; 1 is eligible for the exemption, therefore 50% of the tax is exempt
- the property is 3.9 hectares, the land value is \$245,000, the improvement value is \$200,000 and is residential, and the fair market value is \$445,000

F. Property Transfer Tax Calculation:

- | | | | |
|---|-----------|-------------|-----|
| 1. Fair market value of property | \$445,000 | | F1 |
| 1a. Fair market value of the interest being acquired in this transaction | \$445,000 | | F1a |
| 2. Tax at 1% of the first \$200,000 reported on line F1 and 2% on the remainder | \$ 6,900 | | F2 |
| 3. If the size of the entire property is equal to or less than 0.5 hectares , and all improvements are residential, the percentage interest in the property being acquired by eligible first time home buyers claiming the exemption | | | |
| _____ % x F2 | = | \$ _____ | F3 |
| 4. If the size of the entire property is larger than 0.5 hectares , or if some of the improvements are not residential, <u>complete section H</u> below | | | |
| <u>Principal Residence Value (H10)</u> x F2 | | | |
| Fair Market Value (F1a) | | | |
| <u>\$115,705.13</u> x \$6,900 | = | \$ 1,794.08 | F4 |
| 445,000 | | | |
| 5. If the fair market value of the entire property is greater than the applicable qualifying value (QV) (see condition 6 in the First Time Home Buyers' | | | |

Instruction Guide) but less than the QV + \$25,000

$$(F3 \text{ or } F4) \times \frac{(QV + \$25,000 - F1)}{\$25,000}$$

$$1,794.08 \times \frac{(425,000 + 25,000 - 445,000)}{25,000} = \$ 358.82 \quad F5$$

6. Property Transfer Tax Payable
(F2 minus F5 (if completed) or F3 OR F4) \$ 6,541.18 F6

H. Proportional Principal Residence Calculation:

Where the property is larger than 0.5 hectares (1.24 acres), or the improvements are not entirely residential, please complete this section.

1. Value of improvements	\$200,000	H1
2. Value of land (see below)	\$245,000	H2
3. Fair market value of property (H1 plus H2 to equal F1)	\$445,000	H3
4. Size of property in hectares (see conversion factors below)	3.9	H4
5. If property is larger than 0.5 hectares, then perform the following proportional land exemption calculation: \$245,000 (H2) divided by 3.9 (H4) multiplied by 0.5 = \$31,410.26 (to H7)		H5
6. Value of residential improvement	\$200,000	H6
7. Land value portion eligible	\$ 31,410.26	H7
8. Value of home and land (H6 plus H7)	\$231,410.26	H8
9. Total percentage ownership being transferred to first time home buyers claiming tax exemption	50.00%	H9

10. Principal residence value (H9% of H8)

\$115,705.13 H10

Conversion Factors

To convert from square feet to hectares, multiply by .0000093

0.5 hectares = 53,819.55 square feet

To convert from acres to hectares, divide by 2.471

0.5 hectares = 1.24 acres

Example 4 – Proportional Exemption on Less than 0.5 Hectares

This example shows how to complete section F when the fair market value of the entire property is greater than the applicable qualifying value (QV) but less than the QV + \$25,000.

Facts:

- 2 purchasers, each purchasing a 1/2 interest in the property; 1 is eligible for the exemption, therefore 50% of the tax is exempt
- the property is 0.5 hectares, the improvement is residential, and the fair market value is \$445,000

F. Property Transfer Tax Calculation:

1. Fair market value of property	\$445,000	F1
1a. Fair market value of the interest being acquired in this transaction	\$445,000	F1a
2. Tax at 1% of the first \$200,000 reported on line F1 and 2% on the remainder	\$ 6,900	F2
3. If the size of the entire property is equal to or less than 0.5 hectares , and all improvements are residential, the percentage interest in the property being acquired by eligible first time home buyers claiming the exemption		
_____ % x F2 50% x \$6,900	=	\$ 3,450 F3
4. If the size of the entire property is larger than 0.5		

hectares, or if some of the improvements are not residential, complete section H below

$$\frac{\text{Principal Residence Value (H10)}}{\text{Fair Market Value (F1a)}} \times \text{F2} = \$ \underline{\hspace{2cm}} \text{ F4}$$

5. If the fair market value of the entire property is greater than the applicable qualifying value (QV) (see condition 6 in the First Time Home Buyers' Instruction Guide) but less than the QV + \$25,000

$$\text{(F3 or F4)} \times \frac{\text{(QV + \$25,000 - F1)}}{\$25,000}$$
$$3,450 \times \frac{(425,000 + 25,000 - 445,000)}{25,000} = \$690.00 \text{ F5}$$

6. Property Transfer Tax Payable
(F2 minus F5 (if completed) or F3 OR F4) **\$6,210.00** F6

Need more info?

Telephone (Vancouver): 604 660-2421

Telephone (Victoria): 250 387-0604

Toll free in Canada: 1 800 663-7867 (request a transfer to 250 387-0604)

E-mail: PTTENQ@gov.bc.ca

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Property Transfer Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/individuals/Property_Taxes/property_taxes.htm