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## PROPERTY TRANSFER TAX AND THE FIRST TIME HOME BUYERS' PROGRAM



February 2008

### Property Transfer Tax

You pay property transfer tax each time you register a property at the Land Title office.

### The First Time Home Buyers' Program

If you are purchasing your first home, you may qualify for an exemption from property transfer tax if certain requirements are met.

#### WHAT ARE THE REQUIREMENTS?

##### ***Purchaser***

You qualify for the exemption if:

- you are a Canadian Citizen, or a permanent resident as determined by Immigration Canada,
- you have lived in British Columbia for 12 consecutive months immediately before the date you register the property, or you have filed 2 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 anytime, and
- you have never received a first time home buyers' exemption or refund.

##### ***Property***

The property you purchase qualifies if:

- the fair market value of the property 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.

If the property does not meet all of these requirements, you may still qualify for a partial exemption.

## HOW DO I APPLY FOR THE EXEMPTION?

You apply for the exemption when you register the property at the Land Title office.

Generally, a lawyer or notary public registers the property and applies for the exemption on your behalf.

The Land Title office sends your application to the Ministry of Small Business and Revenue to verify your eligibility.

Make sure you do not apply for the exemption if you have owned an interest in a principal residence anywhere in the world at anytime. If you do this, you will be assessed for the tax due and an additional penalty equal to the tax due.

If you do not apply for the exemption when you register the property at the Land Title office, you can apply for a refund of the property transfer tax you pay within 18 months of the date you register the property.

## WHAT ARE THE REQUIREMENTS TO KEEP THE EXEMPTION?

- You need to occupy the property within 92 days of the date you register the property and continue to use the property as your principal residence for at least 1 year after you register the property.
- If the land is vacant when you purchase the property, a principal residence needs to be built on the property within 1 year of the registration date, and you need to reside on the property for the remainder of that year. The fair market value of the land, plus the cost of building any improvements on the land cannot exceed the current threshold of \$425,000.
- The ministry will send you a letter at the end of the first year you own the property. If your property purchase was registered on, or after, February 20, 2008, the letter will ask you to confirm that the property is still your principal residence. If your property purchase was registered before February 20, 2008, the letter will ask for details of your financial account(s) that you have registered against your property from the date of registration until February 20, 2008.
- If your property purchase was registered before February 20, 2008, *and you paid down your mortgage before February 20, 2008*, there are limitations on how much of your financing you can pay down. For further details, please see [Bulletin PTT 004, First Time Home Buyers' Program](#).
- You may still qualify for a partial exemption if you pay down your financing more than the limitation amount before February 20, 2008, or if you move off the property before the end of the first year.
- It is your responsibility to make sure the ministry receives all of the necessary information. If the ministry does not receive the information, you will be assessed for the property transfer tax due.

## More Information

This brochure provides general information on the First Time Home Buyers' Program. For details on the program, please see [Bulletin PTT 004, First Time Home Buyers' Program](#). This bulletin is available on our website at [www.gov.bc.ca/sbr](http://www.gov.bc.ca/sbr)

If you have any questions, please contact us.

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