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PROPERTY TRANSFER TAX AND THE FIRST TIME HOME BUYERS' PROGRAM



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Property Transfer Tax

You pay property transfer tax at the 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. To qualify, you must be a first time home buyer and your property must meet certain requirements.

WHAT ARE THE REQUIREMENTS?

First Time Home Buyer Qualifications

You qualify as a first time home buyer 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.

Please note: You cannot re-qualify as a first time home buyer. This rule may be different for other federal programs for first time home buyers (e.g. the Canada Revenue Agency Home Buyers' Plan).

Property Requirements

The property you purchase qualifies if:

- the fair market value of the property is not more than the qualifying value of \$425,000 (only if purchasing an existing home),

- 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.

Penalty for False Declaration

If you are claiming an exemption or refund, you may be charged an amount equal to **double** the tax (the tax you owe plus a penalty equal to the exemption or refund you claimed) if you falsely declare:

- that you have never owned an interest in a principal residence **anywhere in the world at any time**, or
- that you have never received a BC first time home buyers' tax exemption or refund.

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 to verify your eligibility.

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?

- If you purchase an existing home, you must move into the home within 92 days of the date you register title to the property.
- If you purchase vacant land, you must build and move into your new home within 1 year of the date you register title to the land. The fair market value of the land (as of the date you register the property), plus the cost to build the home, cannot exceed \$450,000.
- After you move into your home, you must continue to use the property as your principal residence for the remainder of the first year. You may retain part of the exemption if you move before the end of the first year.
- The ministry will send you a letter at the end of the first year you own the property to confirm that you meet the requirements as explained above.

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.fin.gov.bc.ca/rev.htm

If you have any questions, please contact us.

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