



The First Time Home Buyers' Program provides a property transfer tax exemption to eligible first time home buyers. This guide explains the requirements to qualify for an exemption or a refund, and the requirements for the first year of ownership.

If you are a lawyer or notary, you should provide a copy of this guide to your clients when completing the *First Time Home Buyers' Property Transfer Tax Return*.

PENALTY FOR FALSE DECLARATION

If you are claiming an exemption or refund, you will 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.

REQUIREMENTS TO QUALIFY FOR THE EXEMPTION

You must be a first time home buyer and your property must meet certain requirements to qualify for the first time home buyers' exemption.

First Time Home Buyer Qualifications

You qualify as a first time home buyer if:

- you are a Canadian citizen, or a permanent resident as defined by the *Immigration and Refugee Protection Act (Canada)*,
- you have lived in BC for 12 consecutive months immediately before the date you register the property, or you have filed 2 income tax returns as a BC resident during the 6 years before the property registration date,
- you have never owned an interest in a principal residence **anywhere in the world at any time** (a principal residence is the usual place where an individual lives), 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 from other federal programs for first time home buyers (e.g. the Canada Revenue Agency Home Buyers' Plan).

Property Requirements

Effective February 19, 2014, you qualify for a **full** exemption if:

- the fair market value of the property (land plus improvements) is not more than the qualifying value of \$475,000 (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.

Please note: If there is more than one purchaser and not all purchasers qualify for the exemption, only the percentage interest acquired by the first time home buyer(s) is eligible. Properties registered on or before February 18, 2014 have a qualifying value of \$425,000.

Partial Exemptions

Effective February 19, 2014, you qualify for a **partial** exemption if:

- the property has a fair market value of up to \$25,000 more than the qualifying value of \$475,000 (only if purchasing an existing home),
- the land is larger than 0.5 hectares (only 0.5 hectares of the land are eligible), or
- a portion of the improvements on the land is used for commercial purposes or there is a separate dwelling on your land (only the principle residence portion is eligible).

Please note: Properties registered on or before February 18, 2014 have a qualifying value of \$425,000.

REQUIREMENTS DURING THE FIRST YEAR OF OWNERSHIP

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 for occupancy and property value (if building a new home), as set out below.

Occupancy

- 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.
- 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.

Two exceptions to the occupancy requirement are:

1. if your death occurs before the end of the first year you own the property, or
2. if your property is transferred as a result of a separation agreement or a court order under the *Family Relations Act*.

Property Value (only if building a new home)

- Effective February 19, 2014, if you are building a new home, the fair market value of the land (as of the date you register the property), plus the cost to build the home, cannot exceed \$500,000.

Please note: For properties registered on or before February 18, 2014, the total cost cannot exceed \$450,000.

REFUNDS

You may apply for a refund of the tax within **18 months** of the registration date if:

- you met all the requirements to qualify for the exemption (see above), but you did not apply for the exemption at the time of registration, or
- you became a Canadian citizen or a permanent resident within 12 months of the registration date and, on the registration date, you met all the other qualifications for the exemption.

MORE INFORMATION

Online: gov.bc.ca/propertytaxes

Email: PTTENQ@gov.bc.ca

Telephone (Vancouver): 604 660-2421

Telephone (Victoria): 250 387-0604

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

Fax: 250 953-3094