

# Advantages & Benefits of being a First Time Buyer

## FIRST TIME HOME BUYERS PROGRAM

## NEWLY BUILT HOME EXEMPTION

## HOME OWNERS GRANT (HOG)

## HOME BUYERS' PLAN (HBP)

## GST NEW HOUSING REBATE

## FIRST TIME BUYERS TAX CREDIT

## GREEN HOME PROGRAM

## CANADA'S FIRST- TIME HOME BUYER INCENTIVE



## B.C. FIRST TIME HOME BUYER GUIDE

SOME OF THE ITEMS WE WILL HELP YOU WITH OTHER THAN A  
GREAT RATE

As a first-time home buyer, it's extremely important that you're aware of the various programs available to offset home buying costs as well as help fund your down payment, which is often one of the toughest hurdles to home buying.

### Who is a First Time Home Buyer

- You have never purchased a home before
- You did not occupy a home with your spouse or common law in the last four years

### Eligibility

- Be a Canadian Citizen or permanent resident
- Have never owed a registered interest in a property
- Have never received a first time home buyers exemption or refund.
- Must be your personal residence.

### More information found at:

<https://www2.gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax/exemptions/first-time-home-buyers>

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## First Time Home Buyers Program

- Exempt from paying Property Transfer Tax when buying for 500k or less;
- When buying between 500-525k a partial tax amount is payable based on purchase price. So the closer your purchase price is to 525k the more tax you will need to pay - 525k and higher no exemption;
- 50% Eligible If only part of the property transfer is eligible (e.g. not all of the purchasers qualify), the exemption amount will be reduced. The amount of the exemption is reduced by the percentage of the property transfer that isn't eligible.

## Newly Built Home Exemption

\*Only other way to be exempt from paying PTT (Property Transfer Tax) other than the FTHBP

- When purchasing a newly built property PTT is not payable if purchase price is 750k or less net of GST;
- If purchase price 750k-800k partial tax amount is payable so the closer your purchase price is to 800k the more tax you will need to pay.

## First Time Buyers Tax Credit

- The Home Buyers' Amount offers a \$5,000 non-refundable income tax credit amount on a qualifying home acquired during the year;
- For an eligible individual, the credit will provide up to \$750 in federal tax relief.



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## Home Owners Grant (HOG)

- Helps reduce your annual property taxes for owner-occupied properties;
- The regular grant (basic grant) amount for people under the age of 65 is \$570 in the Capital Regional District, Metro Vancouver Regional District and the Fraser Valley Regional District. For all other areas of the province the amount is \$770;
- Additional grants do exist for seniors, veterans, a person with disabilities, or a spouse or relative of a deceased owner;
- You must apply for the home owner grant each year to receive it and only one grant can be claimed for a property each year

## Home Buyers Plan

The Home Buyers' Plan (HBP) is a program that allows you to withdraw from your RRSPs to buy or build a qualifying home for yourself or for a related person with a disability

- The HBP allows you to pay back the withdrawn funds within a 15-year period;
- Budget 2019 increase the HBP withdrawal limit to \$35,000. This applies to withdrawals made after March 19, 2019;
- Buyers qualify to use this program again if you have not owned or occupied a home with your spouse for a 4 year period (even if not a FTB);
- Breakdown of a Marriage or Common-Law Partnership - you will not be prevented from participating in the HBP if you do not meet the first-time home buyer requirement, provided that you live separate and apart from your spouse or common-law partner for a period of at least 90 days as a result of a breakdown in your marriage or common-law partnership



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## GST New Housing Rebate

You may be eligible for a new housing rebate for some of the GST/HST paid if you are an individual who:

- Purchased new housing or constructed or substantially renovated housing, which could include housing on leased land (if the lease is for at least 20 years or gives you the option to buy the land), for use as your (or your relation's) primary place of residence
- Purchased shares in a co-operative housing (co-op) complex for the purpose of using a unit in the co-op for use as your (or your relation's) primary place of residence
- Constructed or substantially renovated your own home, or hired someone else to construct or substantially renovate your home for use as your (or your relation's) primary place of residence and the fair market value of the house when the construction is substantially completed is less than \$450,000
- At a purchase price of 350k the full rebate you receive is 36% of the full GST paid, 350450k partial rebate received with the rebate becoming less when the purchase price is closer to 450k
- There is no GST New Housing Rebate for the GST for properties that are valued at \$450,000 or higher
- Applies to both owner-occupied and rental properties

## Green Home Program

- TCMHC Green Home offers a partial refund on the cost of mortgage loan insurance
- Buy, build or renovate for energy efficiency and you may be eligible for a refund of up to 25% of your premium

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## Canada's First-Time Home Buyer Incentive

Intended to make home buying easier and lower your monthly mortgage payments.

- It is a shared equity mortgage... the government shares in the upside and downside of the property value
- Allows you to borrow 5 or 10% of the purchase price of a home
- You pay back the same percentage +/- of the value of your home when you sell it or within a 25-year window

### It works like this:

- You receive a 5% incentive of the home's purchase price of \$200,000, or \$10,000. If your home value increases to \$300,000 your payback would be 5% of the current value or \$15,000
- You receive a 10% incentive of the home's purchase price of \$200,000, or \$20,000 and your home value decreases to \$150,000, your repayment value will be 10% of the current value or \$15,000

### Some criteria to see if you are eligible for the First-Time Home Buyer Incentive:

- You or your partner are a first-time homebuyer;
- You have your minimum down payment (5% from own sources);
- Your total annual qualifying income doesn't exceed \$120,000;
- Your total borrowing is no more than 4 times your qualifying income;
- You are a Canadian citizen, permanent resident or nonpermanent resident authorized to work in Canada
- Total down payment must be less than 20% of the purchase price

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