

Property Transfer Tax (PTT) First-Time Home Buyers' Exemption program

Back in February, the government announced changes to the Property Transfer Tax (PTT) First-Time Home Buyers' Exemption program in their provincial budget. I have had many Buyers ask for the details of the changes.

Effective February 19, 2014, under the Property Transfer Tax (PTT) First-Time Home Buyers' Exemption program, qualifying first-time buyers can buy a home worth up to \$475,000. The previous threshold was \$425,000. The PTT is calculated at a rate of one per cent on the first \$200,000 and two per cent on the remaining value of the purchase price. The partial exemption continues and will apply to homes valued between \$475,000 and \$500,000.

With this change, the government estimates 1,700 additional first-time buyers will annually be eligible to save up to \$7,500 in PTT when they buy their home. The government estimates this measure will cost \$8 million in lost tax revenue each year.

The Real Estate Board, together with BC Real Estate Association, has actively lobbied to make home ownership more affordable for first-time home buyers. This increase in the threshold clearly signals their efforts have paid off.

For more information on the First Time Home Buyer's Program:

<http://www2.gov.bc.ca/gov/topic.page?id=BBD16E2D7C1841A7BBD420E3AC5380F1>

For details of the BC Budget: <http://www.bcbudget.gov.bc.ca/2014/default.htm>

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