

# Property Transfer Tax – Fact Sheet

(Updated May 2017)



The *Property Transfer Tax (PTT)* is a land registration tax paid by a property buyer or an owner or their representative when a property title is registered at the Land Title and Survey Authority (LTSA).

## How much is the PTT?

The PTT is charged on the fair market value of a property at a rate of:

- 1% on the first \$200,000;
- 2% on the balance up to and including \$2,000,000;
- 3% on the balance greater than \$2,000,000.

An [additional 15% Property Transfer Tax](#) (known as the Foreign Buyer Tax) is paid if the buyer is a foreign entity and buys a property in Metro Vancouver as show on [this map](#).

The 15% PTT doesn't apply to trusts that are mutual fund trusts, real estate investment trusts, or specified investment flow-through trusts.



## Arms length transaction

If the property is transferred without money changing hands, for example, an inheritance, the value is determined by an independent appraisal or BC Assessment. The PTT is paid on this amount.

## Pre-sales

Buyers of [pre-sold strata units](#) will typically pay the PTT on the total consideration paid for the unit - the unit price, or fees for upgrades/additions, or any other premium, not the fair market value at registration. When the developer files a strata plan at the [LTSA](#), the person registering the transfer pays the PTT.

## EXEMPTIONS TO THE PTT

### First Time Home Buyers' Program

The [First Time Home Buyers' \(FTHB\) Program](#) gives a PTT exemption to eligible first time home buyers. To qualify for a full exemption, first time buyers must:

- be a [Canadian citizen](#) or [permanent resident](#);
- have lived in BC for 12 consecutive months before the date the property is registered, or
- have filed 2 income tax returns as a BC resident in the last 6 years;
- have never owned an interest in a [principal residence](#) anywhere, anytime; and
- have never received a first-time home buyers' exemption or refund.

The property must be used as a [principal residence](#) and have a [fair market value](#) of \$475,000 or less and be 0.5 hectares (1.24 acres) or smaller. There's a partial exemption for properties [\\$475,000 - \\$500,000](#). [Read More](#).

## Newly built homes exemption

There's a [Newly Built Home Exemption](#) for buyers of new homes with a [fair market value](#) of \$750,000 and a partial exemption for newly built homes up to \$800,000. Homes include a house constructed on vacant land, a new apartment in a newly built condominium building, a manufactured home on vacant land, or other newly built homes.

To keep the exemption, there are occupancy requirements. During the first year, the owner

must move into the home within 92 days of the date the property was registered with the LTSA, and continue to live there as a principal residence for the remainder of the first year.

To apply for the Newly Built Home Exemption, enter exemption code 49 on the Special Property Transfer Tax Return when the property is registered at a land title office.

## Foreign Buyers PTT exemption

Foreign nationals with work permits coming through the [BC Provincial Nominee Program](#) are exempt from the [additional 15% Property Transfer Tax](#) when they buy a home.

## Vacant Land Exemption

If you registered a vacant lot and paid the tax, you may [apply for a refund](#) if you have:

- built a [new home](#) on the land worth \$750,000 or less;
- moved into the home as a principal residence within one year of [registering the property](#); and
- meet the [qualifications for the Newly Built Home Exemption](#).

Apply for a refund by completing Newly Built Home Application for Refund.

For help, call 250-387-0604. You can call toll-free at 604-660-2421 (Enquiry BC) and ask to be transferred to 250-387-0604. This will result in a free call.

## Other exemptions

More [PTT exemptions](#) include:

- Transfer of a [principal residence](#) (PDF)
- Transfer of a [recreational residence](#) (PDF)
- Transfer resulting from a [marriage breakdown](#) (PDF)
- Transfer of a [family farm involving individuals](#) (PDF)
- Transfer of a [family farm to or from a family farm corporation](#) (PDF)

There are also exemptions for title transfers involving joint tenants and tenants in common, an agreement for sale, a bankruptcy, and transfers to registered charities. [Bulletin PTT 003](#) has details about the range of exemptions.

## Tax Avoidance and Penalties

All property transfers are audited for up to six years after the transfer is registered at the LTSA. PTT returns are reviewed and verified.

Transfers involving Canadian citizens and permanent residents require the property owner to provide official government issued identification including a social insurance number, a T4 Statement of Remuneration, and a Canada Revenue Agency Notice of Assessment.

Failure to pay the PTT, or purposely using incorrect or misleading information, may result in a penalty of the unpaid tax plus interest and a fine of \$300,000 for corporations or \$100,000 for individuals. This could also include up to two years in prison.

## PTT History

- March 7, 1987, the BC government brought in the Property Purchase Tax as a wealth tax to discourage speculation. (It was later renamed the Property Transfer Tax). It was 1% of the first \$200,000 of the home price and 2% on the remainder. It applied to only 5% of all sales at the time since 95% of homes sold for less than \$200,000.
- March 2, 1994, the government introduced the [First-Time Home Buyers' Program](#) allowing qualifying first-time buyers to claim a PTT exemption.
- In Budget 2006, the government brought in simplified eligibility requirements for first-time buyers.
- In Budget 2007, the government raised the first-time buyer exemption price threshold to \$375,000 from \$325,000.
- In Budget 2008, the government raised the first-time buyer exemption price threshold to \$425,000.
- In Budget 2014, the government raised the first-time buyer exemption price threshold to \$475,000.

- In Budget 2016, the government brought in the [Newly Built Home Exemption](#) which reduced or eliminated the PTT on newly built homes priced up to \$750,000.
- In July 2016, the government introduced an [additional 15% PTT](#) on foreign buyers.
- In Budget 2017, the government exempted foreign buyers from the [15% additional PTT](#) if they have work permits through the [Provincial Nominee Program](#).

## Q & As

- Can I re-qualify as a first-time home buyer? **No.** However, the federal [Home Buyers' Program](#) allows home buyers to requalify after four years.
- Do I qualify for the First-Time Home Buyers Program if I've never owned a property but my spouse has? **Yes.** [It depends on the percentage of the home owned by each of the spouses.](#)

## Resources

- [BC Ministry of Finance Property Transfer Tax website.](#)
- [Guide to the First-Time Home Buyers' Program \(opens a 2-page PDF\).](#)
- [PTT Frequently Asked Questions.](#)
- [PTT Help Centre](#) (scroll down)
- [REBGV Help Reduce the PTT website.](#)
- BC Property Transfer Tax Office  
1.888.355.2700 (Option #2).
- [Here is a complete list of forms and publications.](#)