



Real Estate Bulletin

RIOPELLE GRIENER PROFESSIONAL CORPORATION

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INFORMATION ABOUT LAND TRANSFER TAX REFUNDS FOR FIRST TIME HOME BUYERS (new and resale homes)

The good news: First-time purchasers of new or resale homes may now be eligible for a refund of the Land Transfer Tax, up to a maximum of \$2,000. **The bad news:** Many potential first-time home buyers are still not aware of the possible savings.

Who is eligible? Purchasers must occupy the home as a principle residence within nine months of closing; they must apply for the refund within 18 months; it must be their first home to be eligible for a 100% rebate (one first-time home-buyer can be eligible for a 50% rebate even if their spouse previously owned a house, as long as it was before they became spouses); it continues to apply to newly constructed homes and now applies to resale homes (Agreements of Purchase and Sale entered into after Dec. 13, 2007).

How do clients apply for the refund and when do they get the money? Purchasers of **newly constructed homes** can continue to have their lawyers apply for the refund immediately at the time of the electronic registration so clients do not have to come up with that portion of their closing costs. (If the property is not yet in the electronic registry system, a paper application must be completed and sent after closing.)

Purchasers of **resale homes** still have to pay the Land Transfer Tax on closing, then submit an application after closing (along with a copy of the agreement of purchase and sale, statement of adjustments and transfer). **At Riopelle Griener we automatically assist clients in completing and sending the application.** The refunds seem to be processed by the government within a couple months.

The Teraview land registration system will soon be updated to allow for the refund at the time of closing. We will be pleased to send an update when this occurs.

*Best regards,
Robert Riopelle*

Our Lawyers

ROBERT RIOPELLE

KEVIN GRIENER

JOSHUA BOND

PIERRE LAMBERT-BÉLANGER

GORDON CONLEY

PAULA RIOPELLE

KELLY WATSON



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