



FIRST TIME HOME BUYER PROGRAMS

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FIRST TIME BUYER PROGRAMS

BRITISH COLUMBIA PROPERTY TRANSFER TAX EXEMPTION

What it offers: First-time home buyers can receive a full or partial exemption from property transfer tax, potentially saving thousands of dollars.

Property Transfer Tax Rates:

First \$200,000: 1.00%

\$200,001 to \$2,000,000: 2.00%

Over \$2,000,000: 3.00%

Over \$3,000,000: Additional 2% for residential properties (5% total)

Exemption Details:

\$500,000 or less: Full exemption (100% of property transfer tax)

\$500,001 to \$835,000: Fixed exemption of \$8,000

\$835,001 to \$860,000: Proportionally reduced exemption

NEWLY BUILT HOME PROPERTY TRANSFER TAX EXEMPTION

Enhanced Benefits for New Construction: Effective April 1, 2024, significantly improved exemptions for newly built homes:

- Full exemption: Properties up to \$1,100,000 (increased from \$750,000)
- Partial exemption: Properties from \$1,100,001 to \$1,150,000 (phased out)
- No exemption: Properties over \$1,150,000

30-YEAR MORTGAGES FOR FIRST-TIME BUYERS

Extended Amortization Available: Effective December 15, 2024, first-time buyers can qualify for 30-year insured mortgages (previously limited to 25 years).

Qualifications:

- First-Time buyer - at least one borrower on the application must be a first-time homebuyer.
- Purchase price up to \$1.5 million
- Primary residence or second home (no rentals)
- Down payment less than 20% (insured mortgage)

What is an Insured Mortgage?

An insured mortgage requires mortgage default insurance because your down payment is less than 20% of the purchase price. Often referred to as 'CMHC' or 'high ratio' mortgages.

30-year mortgages are available to ALL buyers with 20% (or more) downpayment

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FIRST HOME SAVINGS ACCOUNT (FHSA)

The Best of Both Worlds: Combines benefits of RRSPs and TFSAs specifically for first-time home buyers.

Key Benefits:

- Save up to \$40,000 (\$8,000 per year maximum)
- Tax-deductible contributions (like RRSP)
- Tax-free withdrawals for home purchase (like TFSA)
- No minimum holding period
- No repayment required
- Unused funds can transfer to RRSP/RRIF tax-free

RRSP HOME BUYERS' PLAN (HBP)

Enhanced Withdrawal Limits: As of April 16, 2024, you can withdraw up to \$60,000 tax-free from your RRSP (increased from \$35,000). For couples, the combined maximum is \$120,000.

Key Features:

- Tax-free withdrawal for down payment
- 15-year repayment period starting in year two
- RRSP funds must be deposited for minimum 90 days
- Signed purchase agreement required

FHSA VS HBP COMPARISON:

Here's how an FHSA withdrawal stacks up against an HBP withdrawal from an RRSP:

- **Repayment of the money withdrawn:** Money withdrawn from an FHSA never has to be repaid. An HBP withdrawal from an RRSP, on the other hand, must be repaid over a period of 15 years, beginning in the second year following the withdrawal.
- **Minimum holding period:** There's no minimum period of time that money must be held in an FHSA before contributions can be withdrawn. In the case of the HBP, funds must be deposited for a minimum of 90 days before they can be withdrawn.
- **Maximum annual contribution:** The maximum annual contribution for an FHSA is \$8,000, and the lifetime limit is \$40,000. For an RRSP, it's the lesser of 18% of your income or the annual limit set by the government (\$30,780 for 2023). Check your latest notice of assessment from the Canada Revenue Agency (CRA) to find out what your RRSP contribution room is.
- **Maximum withdrawal amount:** Unlike the HBP, where the most you can withdraw from an RRSP is \$60,000, the FHSA is not subject to a maximum withdrawal amount.
- **Contribution year:** Only contributions made during the calendar year count towards the FHSA. Amounts contributed to the RRSP during the first 60 days of a calendar year can be claimed in the previous tax year.

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FIRST-TIME HOME BUYERS' GST REBATE (NEW 2025)

Significant Tax Savings: New federal program offering substantial GST relief for first-time buyers purchasing newly built homes.

Rebate Structure:

- 100% GST rebate on homes up to \$1 million
- Partial rebate (phased out) on homes \$1 million to \$1.5 million
- No rebate on homes \$1.5 million and above
- Save up to \$50,000 in GST

Eligibility Requirements:

- At least one buyer must be first-time buyer (no ownership in past 4 years)
- Age 18+, Canadian citizen or permanent resident
- Use as primary residence and first occupant
- Available for purchases on/after May 27, 2025
- Construction must start before 2031, complete by 2036

Applies To:

- New homes from builders (including leased land)
- Owner-built homes
- Co-operative housing shares (if co-op pays GST/HST)

HOME BUYER TAX CREDIT (HBTC)

Federal Non-Refundable Tax Credit: \$10,000 combined for you and spouse/partner

- **Tax reduction:** Up to \$1,500 (at 15% tax rate)
- **Requirement:** Home must be registered in appropriate land registry
- **Flexibility:** Can apply full credit or share with spouse/partner

ENERGY EFFICIENT HOME CMHC REBATE (CMHC ECO PLUS)

25% partial mortgage default insurance premium refund for CMHC-insured energy efficient homes.

CMHC is introducing new eligibility criteria including an updated and expanded list of energy efficiency certifications, and energy efficiency targets based not only on total Energy Consumption but also Greenhouse Gas Emissions (GHG).



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