

Buyers

GUIDE

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12 STEPS TO *Buying a home*

01 PURCHASING IN BC

02 DOWN PAYMENT

03 HOME BUYERS PROGRAM

04 HOME BUYERS INCENTIVE

05 TAX FREE SAVINGS ACCOUNT

06 BC GRANTS & INCENTIVES

07 GST NEW HOUSING REBATE

08 PROPERTY TRANSFER TAX

09 ADDITIONAL TAXES

10 ANTI-MONEY LAUNDERING

11 COOLING OFF PERIOD



1

PURCHASING IN BC

There are many different factors to consider when buying or selling a new home.

The Real Estate Industry in British Columbia is regulated by the BC Financial Services Authority. The BC Real Estate Association works in collaboration with the 8 estate boards and associations to provide professional development, advocacy, economic research, and standard forms.

As you navigate, what for some, will be the largest purchase of their lifetime, I will be here to help and answer your questions regarding:

- ◆ **New Home Warranty Insurance**
- ◆ **First Time Home Buyers' Program**
- ◆ **Property Transfer Tax (PTT)**
- ◆ **Strata Housing**

1. What can you afford?

Speak to a licensed mortgage broker or your financial institution to get a realistic number to work with.

2. Where do you purchase?

Having a target or preferred neighbourhood is good, but keep an open mind as your budget might require you to look at other areas.

3. Getting help from a professional?

Real estate professionals know the industry and can help you navigate the complex situations when buying a home.

So many factors will inform your decision such as how much money you are able to spend, what neighbourhood you want to buy in, and who you should hire to facilitate the transaction.

This guide will cover some of the key steps you will face as you begin your search.

Consider the questions above when determining if you are ready to purchase a new property or even a second property.



2

DOWN PAYMENT

If buying a principal residence, the minimum down payment is 5% of your purchase price when the price is \$500,000 or less. Any portion of the price over \$500,000 requires a minimum down payment of 10% on that portion.

If your purchase price is \$1,500,000 or greater the minimum down payment is 20%

If purchasing a rental property, the minimum down payment is 20%

If your down payment is less than 20%, the mortgage must be insured through CMHC, Genworth or Canada Guaranty. Amortization is usually 25 to 30 years.

If your down payment is 20% or greater, you can amortize the mortgage over 30 years. There are a few lenders who will allow you to amortize the mortgage over 35 years if the property is owner occupied and they do charge a small rate premium for this option

If your down payment is below 20% of the purchase price, it is mandatory to obtain high ratio mortgage insurance. This insurance is provided by Canada Mortgage and Housing Corporation (CMHC), Genworth, or Canada Guaranty. The premiums for this insurance are a one-time expense and can be included in your mortgage. All three insurers charge identical premiums, which are as follows.

<u>Down Payment</u>	<u>Premium</u>
5.00% - 9.99%	3.60%
10.00% - 14.99%	2.40%
15.00% - 19.99%	1.80%

Budget for additional costs you will incur through the buying process:

1. Remuneration to your Realtor
2. Legal and/or Notary Public fees
3. Appraisals
4. Property Inspectors
5. Taxes
6. Property Insurance
7. Strata Fees
8. Rescission Fees



ADDITIONAL *Costs*

1

Remuneration

In most cases the seller is responsible to pay Real Estate professionals. It is advisable to consult with your real estate professional to ascertain the course of action in case the seller does not assume responsibility for covering the commission fees.

2

Legal and/or Notary Public fees

You are responsible to cover any legal costs you incur during the transaction. Typically, lawyers and/or notary publics are used to move funds from one party to another and ensure all the paperwork needed to register the property title in your name is done on time. Each party in the transaction will have a lawyer and/or notary public working for them.



3

Appraisals

Occasionally, lenders may fail to disclose their requirement for an appraisal until a later stage. Therefore, it is crucial to ensure that your contract incorporates a provision specifically addressing the need for appraisals.

4

Property Inspectors

It is highly recommended for buyers to arrange for a licensed professional to inspect the property before making a purchase. The expenses associated with this inspection will be your responsibility and can vary from a few hundred dollars to well over a thousand dollars, depending on the size of the property. Although the inspector will make every effort to identify any flaws in the house, there is a possibility that hidden defects may go unnoticed. It is advisable to have a conversation with the hired home inspector and request a detailed explanation of the specific areas they will assess during the inspection.



ADDITIONAL *Costs*



5

Taxes

Homeowners are required to pay several taxes on the property they acquire. These taxes encompass the Property Transfer Tax ("PTT"), Goods and Services Tax ("GST"), yearly municipal taxes, taxes on supplementary services offered by the municipality, and potentially a vacant home tax (if the intention is not to reside in the property) or a speculation tax.

Certain taxes are due at the moment of property purchase and are one-time payments, whereas others necessitate monthly payments in addition to the mortgage installment. Conversely, municipal property taxes, for instance, are paid on an annual basis.

6

Property Insurance

Lenders typically mandate property insurance to safeguard against potential damages. It is advisable to engage in a conversation with your lender to ascertain their specific requirements. They will provide guidance on the necessary coverage amount and the types of insurance policies you should maintain, such as fire or flood insurance.

7

Strata Fees

If you plan on purchasing a strata lot in a strata complex (often referred to as a condo unit), you may be required to pay strata fees. These fees are collected monthly by the strata corporation. The strata fees go towards building maintenance (everything outside of the strata lots), security, building insurance, amenities, and anything else that is shared by the strata lot owners.

8

Rescission Fees

Starting from January 1, 2023, purchasers residing in the province of BC possess the right to retract their offer within a 3-day timeframe subsequent to its acceptance, granting them the opportunity to reconsider their decision to acquire the property, with certain exceptions in place. In the event of an offer being rescinded, the buyer is legally obliged to remunerate the seller with a fee amounting to 0.25% of the initial offer price.



The Home Buyers' Plan (HBP) enables individuals to access funds from their registered retirement savings plans (RRSPs) in order to purchase or construct a qualifying home for themselves or for a family member with a disability.

What is a Qualifying Home?

A housing unit located in Canada, which includes existing homes and those being constructed.

A share in a co-operative housing corporation that entitles you to possess, and gives you an equity interest in a housing unit located in Canada, also qualifies. However, a share that only provides you with a right to tenancy in the housing unit does not qualify. For condominium units, you are considered to own the unit the day you are entitled to immediate vacant possession of it.

Who is a Related person?

Individuals who share a blood relationship, are married, in a common-law partnership, or have legally or factually adopted each other are considered related persons. Additionally, a corporation can be related to another person or two corporations can be considered related persons as well.

Currently, the HBP withdrawal limit is \$35,000.
This applies to withdrawals made after March 19, 2019.

How to Participate in the HBP?

You can withdraw funds from more than one RRSP as long as you are the owner of each RRSP account. Your RRSP issuer will not withhold tax on withdrawn amounts of \$35,000 or less. Some RRSPs, such as locked-in or group RRSPs, do not allow you to withdraw funds from them.

Certain conditions must be met in order to be eligible to participate in the HBP, including the following:

- ◆ you must be considered a first-time home buyer
- ◆ you must have a written agreement to buy / build, either for yourself or for a related person with a disability
- ◆ you must be a resident of Canada when you withdraw funds and up to the time a home is bought / built
- ◆ you must intend to occupy the home as your principal place of residence within one year after buying / building.



4

HOME BUYERS' INCENTIVE

The First-Time Home Buyer Incentive, offered by the **Canada Mortgage and Housing Corporation (CMHC)**, helps people across Canada purchase their first home. This addition to your down payment lowers your mortgage carrying costs, making homeownership more affordable.

The incentive amounts to 5% of the property's value for an existing home and 5% or 10% for a new home. The incentive is an interest-free loan. It must be reimbursed when the property is sold or within 25 years of purchase. The amount repaid will be based on the value of the property at that time.

Example:

A couple wants to buy a new condo for \$400,000. They saved \$20,000 for a 5% down payment and receive a \$40,000 incentive (10% of the condo's value).

Their mortgage therefore equals \$340,000, to be paid in monthly instalments of \$1,745. Without this incentive, they would have paid \$1,973, or an extra \$228 per month. When they decide to re-pay the incentive, the couple will have to pay 10% of the condo's market value

5

TAX-FREE FIRST HOME SAVINGS ACCOUNT

The Tax-Free First Home Savings Account (FHSA) is a new account that allows you to save for your first home.

It also allows you to make tax-deductible contributions of up to \$8,000 per year, up to a lifetime maximum of \$40,000. Your contribution room starts to accumulate as soon as you open your first account.

You can carry forward your unused FHSA contribution room, up to a maximum of \$8,000, to use in the following year.

Who is eligible for the FHSA?

To open a tax-free First Home Savings Account (FHSA), you must meet the following eligibility criteria:

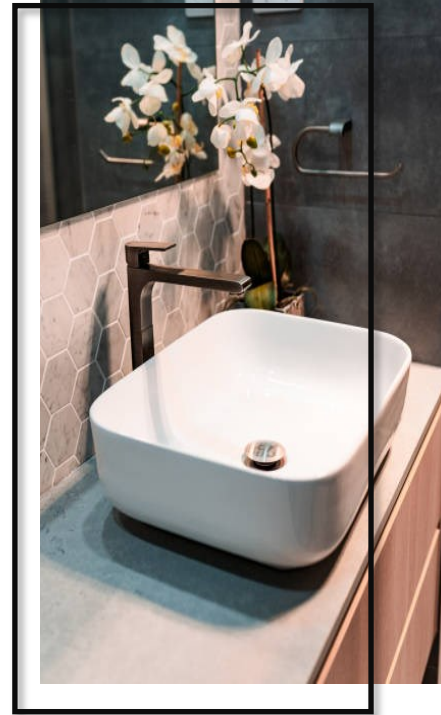
- ◆ You must be a resident of Canada.
- ◆ You must be between 18 and 71 years old
- ◆ You must be a first-time buyer.



Some provinces and territories have specific programs for home buyers. For example, you might be eligible for a grant or a tax credit for the land transfer tax in **British Columbia** if you are a first time home buyer.

This program reduces or eliminates the amount of property tax you pay when you purchase your first home, for qualified buyers. If one or more of the purchasers don't qualify, only the percentage of interest that the first time home buyer(s) have in the property is eligible.

For example, if you acquired 60% interest in the property and another person acquired 40% interest but only you meet the qualifications, only your 60% would receive the exemption.



How to Qualify

To qualify for a **full exemption**, at the time the property is registered you must:

- ◆ Be a Canadian citizen or permanent resident
- ◆ Have Lived in BC for at least a year immediately before the date of property registration or
- ◆ Filed at least 2 income tax returns as a B.C. resident in the last 6 taxation years immediately before the registration date
- ◆ Have never owned a registered interest in a property that was your principal residence anywhere in the world at any time
- ◆ Have never received a first time home buyers' exemption or refund

and the property must:

- ◆ Only be used as your principal residence
- ◆ Have a fair market value of \$500,000 or less
- ◆ Be on 0.5 hectares (1.24 acres) or less

You may qualify for a **partial exemption** from the tax if the property:

- ◆ Have a fair market value of less than \$525,000
- ◆ Is larger than 0.5 hectares
- ◆ Has another building on the property other than the principal residence

Additional requirements after you apply

To keep the tax exemption, you must have:

- ◆ Moved into the home within 92 days of property registration date
- ◆ Continuously occupied the property as your principal residence up to the first anniversary of the registration date



Home Owner Grant

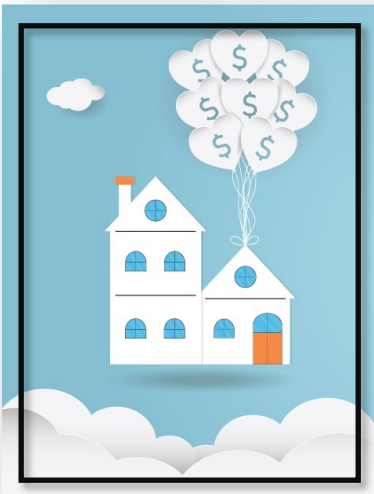
The home owner grant serves as a means to decrease the annual property tax burden on one's primary residence. This grant is accessible to homeowners who are responsible for paying property taxes to either a municipality or the province, depending on whether they reside in an urban or rural area. In the event that property taxes are paid to a First Nation, it is advisable to directly contact the respective First Nation for further information.



Ministry of
Finance

To benefit from the home owner grant, it is necessary to apply for it annually, ensuring that the grant is received for one's principal residence. The principal residence refers to the customary location where an individual resides and carries out their daily activities, such as bill payments and mail reception. Moreover, it is typically the residence indicated in government records for purposes such as income tax, medical services plan, driver's license, and vehicle registration.

It is important to note that the principal residence must be evaluated and taxed as an improvement, which may include various types of housing such as a single-family dwelling, a strata duplex or condo-



Most eligible property owners qualify for the **regular grant** (also called the basic grant).

Instead of the regular grant, you may qualify for a higher amount of grant (called the **additional grant**) if you are:

- ⇒ A senior
- ⇒ A veteran
- ⇒ A person with a disability
- ⇒ Living with a spouse or relative with a disability
- ⇒ A spouse or relative of a deceased owner who would have qualified for the additional grant

Regular grant

The regular grant amount is \$570 for properties located in the Capital Regional District, the Metro Vancouver Regional District and the Fraser Valley Regional District. For all other areas of the province the grant amount is \$770.

If your property is assessed below the threshold and you meet certain qualification criteria, you will receive the full regular grant amount. If your property is assessed over the threshold, you may receive a partial grant (learn more about the grant threshold).

Property owners must pay at least \$350 in property taxes before receiving the regular grant.

Grant Threshold

The grant threshold is the maximum assessed or partitioned value of a property where home owners are eligible to claim the home owner grant.

The **grant threshold for 2024 is \$2,150,000**. You may be able to claim the full regular grant amount if your property has an assessed or partitioned value of \$2,150,000 or less.



If all requirements are met, individuals whose property's assessed or partitioned value exceeds \$2,150,000 may be eligible for a grant at a reduced amount.

It is highly recommended to consult with a professional advisor before proceeding with any applications for Government programs. This step is crucial in order to ascertain your eligibility and to ensure that the program aligns with your financial objectives.

*For more information or to answer questions about the home owner grant, call **Toll Free: 1-888-355-2700***



Partitioned Value

Partitioning your property value may enable you to claim the home owner grant if:

- ⇒ You previously could not, or could only claim a reduced grant, because of the high assessed value of your property, and
- ⇒ Your property consists of your principal residence and at least one separate residence

You can apply to have the assessed value of your property partitioned

The partitioned value of a property is the property's assessed value divided by the number of residences on that property. To qualify, each residence must have cooking, sleeping, bathroom and living room facilities.

Laneway homes and multi-family dwellings like a duplex, triplex and fourplex qualify as separate residences. A suite in your principal residence does not qualify as a separate residence.

When to apply

You have the convenience of submitting your grant application online at any point throughout the tax year. Nevertheless, it is advisable to apply after you have received your property tax notice and before the due date for your property tax. In the event that you submit your application prior to the availability of your tax notice, your home owner grant application will be held in a pending status until the tax notice becomes accessible.



BC ASSESSMENT

How to apply

The fastest and easiest way to apply for your home owner grant is online. You can also apply by phone.

If you do not have a computer or access to the internet, you can visit a Service BC location.

Anyone with your permission can apply on your behalf.

To apply, you need the jurisdiction and roll number for the property. These numbers can be found on any of the following:

- ⇒ Your property tax notice
- ⇒ Your BC Assessment notice you received in January

It is highly recommended to consult with a professional advisor before proceeding with any applications for Government programs. This step is crucial in order to ascertain your eligibility and to ensure that the program aligns with your financial objectives.

GST NEW HOUSING REBATE

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

- ♦ purchased new or substantially renovated housing from a builder, including 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 corporation (co-op) for the purpose of using a unit in a new or substantially renovated co-operative housing complex for use as your (or your relation's) primary place of residence



Assume the purchase price of a new home is \$350,000 excluding G.S.T. The gross G.S.T. is \$17,500 (5% of \$350,000). The G.S.T. New Housing Rebate is 36% of \$17,500 (5% GST), which is \$6,300. Thus, the applicable G.S.T. is \$17,500 (5%) less \$6,300 (36% of 5% on \$350,000), which equals \$11,200. (GST payable after rebates)



- ♦ 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, if the fair market value of the house when the construction is substantially completed is less than \$450,000

If you are an individual who purchased a new or substantially renovated mobile home (including a modular home) for use as your (or your relation's) primary place of residence, you may be eligible for a new housing rebate for some of the GST paid.

The new housing rebate is not available to a corporation or a partnership.

PROPERTY TRANSFER TAX

You are exempt from the Property Transfer Tax (PTT) on a resale property provided you are:

- ◆ A first time buyer (never owned real estate anywhere in the world previously);
- ◆ Have been a resident of BC for the past 12 months;
- ◆ Purchasing a property that will be your principal residence (either at the time you purchase or within 92 days after you purchase) and
- ◆ The purchase price is \$500,000 or less.

New Home:

Effective April 1, 2024, you may qualify for a partial exemption if the home is valued \$835,000 to \$859,900.

PTT calculations are as follows:

1% of the first \$200,000,
2% on the balance of the price up to \$2,000,000 and
3% on the portion in excess of \$3,000,000.

PROPERTY TRANSFER TAX (PPT)

Payable at the time you complete your purchase, through your lawyer or notary.

Foreign entities and taxable trustees are not eligible for the exemption. There are some exceptions.





In addition to the Property Transfer Tax, there are 3 additional taxes implemented:

- ◆ Foreign Buyer Tax
- ◆ BC Foreign Buyer Tax Exemption
- ◆ Underused Housing Tax
- ◆ Speculation Tax and Vacancy Tax
- ◆ Untaxed Worldwide Earner (Satellite Families)

Foreign Buyer Tax

In addition to the property transfer tax, if you are a foreign national, foreign corporation or taxable trustee, you must pay the additional property transfer tax on your share of the property.

The amount is an additional 20% of the fair market value of your proportionate share for properties purchased in the following districts: Capital Regional District; Fraser Valley Regional District; Greater Vancouver Regional District, Regional District of Central Okanagan; Regional District of Nanaimo.

More details regarding the municipalities and electoral areas affected can be found online under Additional Property Transfer Taxes under www.gov.bc.ca

The additional property transfer tax doesn't apply to properties located on Tsawwassen First Nation lands and most of Westbank First Nations Lands.

The tax is only on the foreign buyer's proportionate share of the property. Therefore, if you own 50% of the title to the property then the foreign buyer tax is only calculated on 50% of the value.

BC Foreign Buyer Tax Exemption

If you qualify for the standard property transfer tax exemption, in which case you would be a Canadian citizen or permanent resident, then you will also in turn be exempt from the foreign buyer tax in BC.

If you are deemed a foreign buyer, then in order to be exempt from the foreign buyer tax you either have to be a permanent resident or accepted in to the BC Provincial Nominee Program.

Applicants of the BC Provincial Nominee Program must meet the requirements, and it typically only applies to people applying to gain permanent residency that work in a skilled job sector that is in high-demand in BC.



It is advisable to consult a tax expert in order to obtain the latest information regarding the prevailing taxes imposed by both the Federal and Provincial governments on any real estate dealings. The details provided in this manual are of a general nature and may not address your specific circumstances.

Underused Housing Tax (UHT):

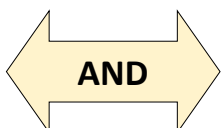
This tax came into effect in 2022, and is applicable to Non-residents of Canada who own vacant real estate. It is an annual tax of 1% of the appraised property value and was brought in to support the affordable housing crisis and is applicable to all vacant homes throughout Canada.

The federal government has proposed several changes to the UHT legislation that could impact the obligations of owners of residential property in Canada. Draft legislative and regulatory proposals relating to these proposed changes were released for public consultation in the draft legislation section of the Department of Finance website.

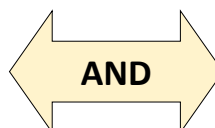


You must file an Underused Housing Tax return for each of your properties in Canada for which all of the following conditions are met on December 31:

The property is a
**RESIDENTIAL
PROPERTY**



You are an **OWNER**
of the residential
property



You are determined
to be an **AFFECTED
OWNER** of the resi-
dential property

An **affected owner** includes, but is not limited to, the following owners of a residential property in Canada:

- ♦ A foreign national (that is, an individual who is not a Canadian citizen or permanent resident)
- ♦ An individual who is a Canadian citizen or permanent resident, and who owns a residential property in Canada as a trustee of a trust (other than as a personal representative of a deceased individual, or as a trustee of a mutual fund trust, real estate investment trust, or specified investment flow-through (SIFT) trust for Canadian income tax purposes)
- ♦ An individual who is a Canadian citizen or permanent resident, and who owns a residential property as a partner of a partnership
- ♦ A corporation that is incorporated outside of Canada
- ♦ A Canadian corporation whose shares are not listed on a Canadian stock exchange designated for Canadian income tax purposes
- ♦ A Canadian corporation without share capital

It is advisable to consult a tax expert in order to obtain the latest information regarding the prevailing taxes imposed by both the Federal and Provincial governments on any real estate dealings. The details provided in this manual are of a general nature and may not address your specific circumstances.



Speculation Tax and Vacancy Tax

The BC Speculation Tax is an annual tax based on how you use your property in major urban areas.

In November 2023, the Province extended the application of the speculation and vacancy tax to encompass 13 additional communities, necessitating their declaration by 2025.

The primary objective of this tax is to convert unoccupied residences into habitable dwellings for individuals residing in British Columbia. Moreover, it aims to ensure that foreign property owners and individuals with predominantly foreign earnings make equitable contributions to the tax system of BC.

This tax is an annual tax that applies based on:

- ◆ How property owners use their residential property
- ◆ The property owner's residency status
- ◆ Where property owners earn and report their income
- ◆ The revenue collected through the tax supports affordable housing in the areas where the tax applies.

The speculation and vacancy tax rate varies depending on the owner's tax residency. In addition, the tax rate varies based on whether the owner is a Canadian citizen or permanent resident of Canada, or a **satellite family**. For 2019 and subsequent years, the tax rate is:

- ◆ 2% for foreign owners and satellite families
- ◆ 0.5% for Canadian citizens or permanent residents of Canada who are not members of a satellite family

The speculation and vacancy tax applies based on ownership as of December 31 each year.

A speculation and vacancy tax year is the same as a calendar year. Tax for a calendar year is due the following July.

Speculation Tax and Vacancy Tax, continued....

Shared Ownership: If a residential property has multiple owners, the tax amount owed is divided among each owner based on their ownership share.

For example, if you and your spouse are equal owners of a residential property in a taxable region, and no exemption applies, you'll each owe tax on 50% of the home's assessed value.



Corporations, Trustees and Business Partners: The tax rate imposed on a corporation, trustee, or business partner will be determined by the highest rate that applies to any of the corporate interest holders, beneficial owners, or business partners if they individually owned the residential property.

To illustrate, let's consider a scenario where a corporation has three corporate interest holders who jointly own a property in Vancouver, which serves as a vacation home for their friends and family. However, one of the corporate interest holders is an American citizen who reports all of their income solely in the United States of America.

On the other hand, the remaining two corporate interest holders are Canadian citizens and residents of British Columbia. They dutifully report their entire income on their Canadian income tax returns. In this particular example, all three corporate interest holders will be subject to the highest tax rate applicable, as one of the owners is an individual who does not pay taxes on their worldwide earnings.

It is advisable to consult a tax expert in order to obtain the latest information regarding the prevailing taxes imposed by both the Federal and Provincial governments on any real estate dealings. The details provided in this manual are of a general nature and may not address your specific circumstances.

Satellite Families (Untaxed Worldwide Earner)

An untaxed worldwide earner, also known as a member of a **satellite family**, is an individual whose unreported (in Canada) income is greater than their reported (in Canada) total income. An individual's income is combined with their spouse's income for the purposes of this calculation.

The reported and unreported income used are from the year before the speculation and vacancy tax year.

For detailed information about determining whether you are an untaxed worldwide earner, otherwise known as a member of a satellite family, see Section 5 of the Speculation and Vacancy Tax Act.

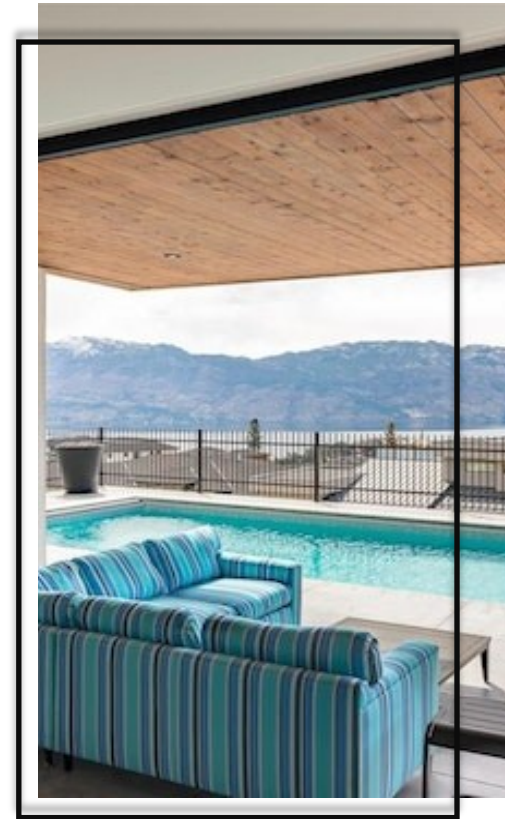
ANTI-MONEY *Laundering*

The **Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)** is Canada's financial intelligence unit whose mandate is to help different sectors prevent and deter money laundering and terrorist financing. In order to meet this objective, FINTRAC requires all real estate agents to:

1. Verify the identity of all their clients and unrepresented parties to a real estate transaction;
2. Report certain transactions to FINTRAC for further scrutiny.

This includes transactions that are:

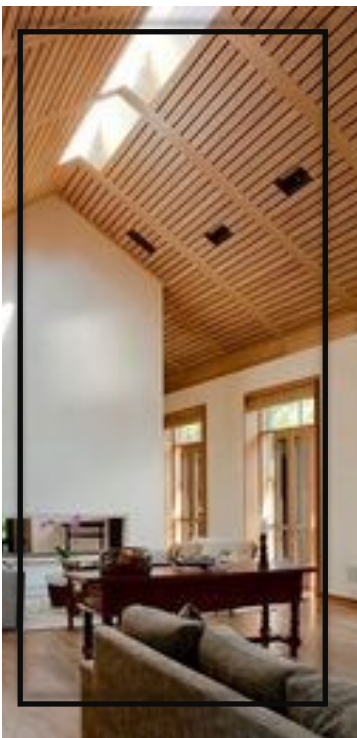
- ⇒ Suspicious transactions where reasonable grounds that they are related to money laundering or terrorist financing exist;
- ⇒ Transactions where it is known that the property is controlled or owned by terrorists or a terrorist group;
- ⇒ Transactions where cash over \$10,000 is received by the agent through a single transaction or multiple smaller transactions (such as to pay the deposit on the property)



To meet **FINTRAC's** obligations, your Realtor will need to verify your identity, and confirm the existence of any entity (such as a corporation) you may be representing.

1. You may asked to provide a piece of government issued photo identification which includes your name, your photo, and a document number.
2. You may also be required to verify your identity through a credit file check from a Canadian credit bureau and match your name, birth date, and address you provided to that document;
3. If you are representing a corporation, a search for verifying information such as a certificate of incorporation will be required.

Depending on your circumstances, there may additional information required by your agent before they can assist you in the purchase or sale of real estate.



The provincial government introduced a home buyer protection period, the details of which are outlined in a new regulation that allows home buyers to back out of a residential purchase up to 3 business days after signing a contract. The province claims this 3-day cooling off period will help ensure all homebuyers have an opportunity to conduct their due diligence, such as securing financing or arranging home inspections.

The Notice of Rescission

- ◆ Homebuyers must serve rescission notice to the seller through registered mail, fax, email with read receipt, or personal service.
- ◆ The notice must contain the address, PID or Description of the Property, the names and signature of the Buyer(s), name of the Seller(s), and the Date of Notice.

Deposits

- ◆ If a deposit is held in trust, brokerages may release it upon rescission.
- ◆ If there's a balance, it's returned to the buyer, regardless of what's provided in the contract.

Exemptions and Waivers

While the period can't be waived, there are exemptions, including sales:

- ◆ Subject to Section 21 of the Real Estate Development Marketing Act.
- ◆ Of residential real estate located on leased land.
- ◆ Of leasehold interest in residential real estate.
- ◆ At auction.
- ◆ Under a court order or supervision of a court.

Key Facts

- ◆ Buyers have 3 business days to back out of a residential purchase after signing the contract.
- ◆ The period is mandatory and can't be waived.
- ◆ Buyers who back out of a contract within this 3-day period will have to pay a rescission fee of 0.25%.
- ◆ Seller receives rescission fee.
- ◆ Realtors must provide information on the period to clients through the **Disclosure of Representation in Trading Services**.

