

Mortgage News

Visland Mortgages

SPRINGING FORWARD:

A SEASON OF GROWTH AND GRATITUDE

As we embrace the vibrant energy of spring, I'm also excited to share some recent highlights and key industry updates that may impact your journey in homeownership and investment. There have been substantial shifts in policies affecting homeowners, including the cancellation of the First Time Home

Buyers incentive, the introduction of BC's new 20% Home Flipping Tax, and significant reforms to the Property Transfer Tax Framework—all of which we will unpack in our spring newsletter to ensure you're fully informed and prepared for the season ahead.



It's with a heart full of gratitude that I reach out to you today, appreciative of the trust and support you've continuously placed in me as your mortgage broker. Together, we've reached remarkable milestones, and it's an honour to serve you with unwavering dedication.



Bill Fraser

Visland Mortgage
*Your Personal
Mortgage Advisor*

If you have any questions or need assistance with your mortgage needs, please don't hesitate to reach out.

CO-SIGNORS BEWARE



So you're thinking about co-signing on a mortgage? Great, let's talk about what that looks like. Although it's nice to be in a position to help someone qualify for a mortgage, it's not a decision that you should make lightly. Co-signing a mortgage could have a significant impact on your financial future.

Continued...

- You're fully responsible for the mortgage.
- You're on the mortgage until they can qualify to remove you.
- Co-signing a mortgage impacts your debt service ratio.
- Co-signing a mortgage means helping someone get ahead.

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If you have any questions about co-signing on a mortgage or about the mortgage application process, please connect anytime. It would be a pleasure to work with you.



UPDATES FOR FIRST TIME HOME BUYERS

The landscape for first-time homebuyers in Canada is undergoing a significant transition. The Canada Mortgage and Housing Corporation (CMHC) has announced the cessation of the first-time homebuyer incentive. This change took effect on March 31, 2024, marking the end of a beneficial program that many Canadians have relied on.

While this may seem like a setback, prospective homebuyers should not lose heart. There remain a number of strategies and tools to support your journey towards homeownership:

RRSP Home Buyers Plan (HBP)

- The RRSP Home Buyers Plan remains a valuable resource. It enables first-time buyers to withdraw up to \$35,000 tax-free from their RRSPs to put towards the down payment of a home, whether new or resale.

First Home Savings Account (FHSA)

- Newly introduced in April 2023, the First Home Savings Account has quickly become a cornerstone of saving for a home. As a registered plan, it offers first-time buyers a structured way to save for their future home.

The changes in the support system reflect a dynamic housing market and the need for adaptive financial planning. We encourage those looking to purchase their first home to explore these options in-depth.

For personalized advice and a deep dive into how these tools can work for you, please feel free to reach out. Together, we can explore your options and navigate the new landscape of homebuying in Canada. Remember, the path to your dream home, though now different, is still clear and achievable with the right planning and resources.

BC HOUSING RELIEF: MAJOR UPDATES TO PROPERTY TRANSFER TAX FRAMEWORK!

The British Columbia government has announced major updates to the Property Transfer Tax (PTT) framework in its 2024 provincial budget. These changes are set to enhance affordability and accessibility in the housing market, particularly benefitting first-time home buyers and those interested in newly built homes and purpose-built rental properties.

Let's dive into the changes:

1) First Time Home Buyer (FTHB) Exemption Adjustment

The FTHB exemption, previously applicable in full to properties with a fair market value (FMV) under \$500,000 (and partially for properties between \$500,000 and \$525,000), is undergoing a significant transformation.

Starting April 1, 2024, the exemption will apply in a new format:

For properties with an FMV under \$835,000, PTT will not be charged on the first \$500,000. The tax is only applicable on the FMV exceeding \$500,000. For instance, a property valued at \$700,000 will incur PTT only on \$200,000, yielding a saving of \$8,000.

Properties with an FMV between \$835,000 and \$860,000 will qualify for a partial exemption, the specifics of which are pending confirmation from the BC government.

No FTHB PTT exemption will be available for properties with an FMV exceeding \$860,000.

2) Newly Built Home Exemption Enhancement

The FMV threshold to claim the Newly Built Home Exemption will be raised from \$750,000 to \$1,100,000, effective April 1, 2024. This increase aims to encourage the purchase of new homes. Additionally, a partial exemption is available for properties slightly above this threshold. Properties with an FMV above \$1,150,000, however, will not be eligible for this exemption.

3) Purpose-Built Rental Exemption Expansion

Following the 2023 Budget, which introduced a limited exemption for purpose-built rental buildings over \$3,000,000 in value, the 2024 budget further extends this benefit. It introduces an exemption from PTT for purchases of new qualifying purpose-built rental buildings. This move is expected to stimulate the construction and acquisition of rental properties, enhancing the rental housing stock.

As your personal mortgage advisor, I make sure that you know all the products available to you, and are equipped with the knowledge to make the best decisions for you and your family.

[Contact Me](#)



Flexible Mortgages

As your life can change at any time, I offer a wide range of flexible mortgage products.



Qualified Advice

As a licensed mortgage expert, I'll listen to your needs and answer your questions.



No Cost to You

There are no fees for my services, once you find the perfect product, the lender pays me a commission.



Advocacy

I commit to working on your behalf to find you the best mortgage for your needs.



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Nanaimo, BC

BC'S NEW 20% HOME FLIPPING TAX: HERE'S WHAT YOU NEED TO KNOW



Big news in real estate: starting January 1, 2025, there's a new tax in town for those flipping houses, signalling a significant change in the housing market. Here's a quick rundown on the new Home Flipping Tax (HFT):

What is the Home Flipping Tax?

The HFT is a tax specifically designed to target the practice of flipping homes. It applies to profits made from the sale of residential properties within a two-year holding period.

Effective Date

This new tax measure will come into effect on January 1, 2025, marking a substantial policy shift in the BC real estate market.

Tax Rate Details

In the first year of ownership, a solid 20% tax is levied on profits if the property is sold within a year. In the second year, the tax rate decreases gradually, eventually reaching 0% at the two-year mark.

Scope of Application

The HFT applies to residential properties, including income derived from contracts related to these properties.

Objective

The primary goal of this tax is to discourage the quick turnover of properties, a practice that often contributes to inflated housing prices and reduced affordability.


Exemptions

Certain life events and situations, such as divorce, death, illness, job loss, or actions that add to the housing supply, may qualify for exemptions under this tax.

Finance Minister's Perspective

Finance Minister Katrine Conroy emphasizes that this move is about creating balance in the housing market. It's a strategic step towards making housing more affordable and accessible by discouraging speculative and short-term property investments.

With the Home Flipping Tax set to take effect in 2025, it's crucial for potential buyers and sellers in BC to be aware of these new regulations. This tax represents a fundamental change in the approach towards property speculation and could have far-reaching effects on the real estate market. As always, for specific queries and nuanced conditions, consulting with legal professionals is recommended.

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 Nanaimo, BC