

Property Transfer Tax Glossary

Additional Transfer Tax - Effective August 2, 2016, a 15% additional property transfer tax applies to transfers of residential property located in Metro Vancouver Regional District to foreign purchasers. Effective February 20, 2018 the rate of the additional transfer tax increased to 20% and it was extended to Capital Regional District, Fraser Valley Regional District, Regional District of central Okanagan and Regional District of Nanaimo.

BC Assessment: BC Assessment (BCA) is a B.C. Crown Corporation which maintains real property assessments in compliance with the [Assessment Act](#). BC Assessment produces annual assessment information to provide tax authorities with a tax base and with information about property. For more details visit the [website](#).

BCA Property Classes and Actual Property Use

Class 1- Class 9 : for detailed description of each Property Class, visit [BC Assessment website](#)

Class 1: Residential ; **Class 2:** Utilities; **Class 3:** Supportive Housing; **Class 4:** Major Industry;

Class 5: Light Industry; **Class 6:** Business Other; **Class 7:** Managed Forest Lands; **Class 8:** Recreational Land; **Class 9:** Farm.

BCA Actual Property Use: BCA identifies the primary purpose or activity for which a property is being held or used, and the categories are grouped according to the BCA Property Classes. For more details and codes labels visit [BC Assessment website](#).

Canadian citizen - A Canadian citizen is a person who is Canadian by birth or who has applied has received a citizenship certificate issued by the Immigration Canada.

Corporate purchasers - A purchaser which is a corporation.

Development Region- An aggregation of all the BC Regional Districts. The 8 Development Regions in BC have the same boundaries as Economic Regions as described by Statistics Canada. [BC Stats website](#)

Fair market value - Fair market value is the price that would be paid by a willing purchaser to a willing seller for a property in the open market on the date of registration.

First-Time Home Buyer - The First Time Home Buyers' Program reduces or eliminates the amount of property transfer tax paid when a purchaser buys their first home. For more details visit the [website](#)

Foreign corporation – The [Property Transfer Tax Act](#) (PTTA) defines a foreign corporation as a corporation which was not incorporated in Canada or its stocks are not listed on a Canadian stock exchange market.

For the purposes of the property transfer tax, a foreign corporation includes also a Canadian incorporated corporation controlled directly or indirectly by a foreign entity (i.e., a foreign national or a foreign corporation, or both).

Foreign entity – The [Property Transfer Tax Act](#) (PTTA) defines foreign entity to mean foreign national individuals (i.e., individuals who are not Canadian citizens or permanent residents of Canada) or a foreign corporation.

Foreign involvement – Transactions in which all or some of the parties involved are foreign purchasers, i.e., purchasers who are not Canadian citizens or permanent residents of Canada.

Individual purchaser – The purchaser is an individual as opposed to a corporation.

Land Title Survey Authority and Land Title Office - The Land Title and Survey Authority (LTSA) of British Columbia is a publicly accountable, statutory corporation with a unique governance structure responsible for the administration of the land title and survey systems in BC.

LTSA has several locations and these offices are called Land Title Offices (LTO). For more information on LTSA and the LTO locations see [link](#).

Newly Built Home Buyer - The Newly Built Home Exemption reduces or eliminates the amount of property transfer tax paid when a newly built home is purchased by an individual. For more details visit the [website](#)

Permanent residence – Permanent residence of Canada is a status of a person who is not a Canadian citizen, but who has been granted permission to live and work in Canada without any time limit on their stay. Once the status is received, these individuals become permanent residents of Canada.

Property Transfer tax - Property transfer tax is the tax payable on the fair market value of a property when the title change is registered at the Land Title Office. The rates of the tax are: 1% on the first \$200,000, 2% on the portion of the fair market value greater than \$200,000 and up to and including \$2,000,000, and 3% on the portion of the fair market value greater than \$2,000,000. On February 20, 2018, a new rate of 2% for residential properties with a fair market value over \$3,000,000 was introduced. For more information see [link](#).

Regional district - The Province of British Columbia is partitioned into regional districts, as a means to better enable municipalities and rural areas to work together at a regional level. Regional districts are governed by boards of elected directors. For more details access the [website](#).

Registration – Ownership or changes of ownership are registered by registrars and examiners of title at the Land Title Survey Authority's land title offices. Once the examination of the application for registration is complete, a title is issued to the new registered owner.