



Market at a Glance

Greater Vancouver Real Estate Market

1st Quarter 2010

HST & Real Estate Transactions

On July 1, 2010 the 12% HST takes effect. It combines the 7% Provincial Sales Tax (PST) and the 5% Federal Goods and Services Tax (GST).

For **real estate commission**, as a general rule:

- If the transaction is written and closes after July 1, 2010, the 12% HST is applicable on the commissions.
- When the transaction is written before July 1 and closes after July 1, then transitional rules apply.
- If all or substantially all of a realtor's services were performed before July 1, 2010, then HST will not apply, only GST will.
- If all or substantially all of a realtor's services were performed on or after July 1, then 12% PST will apply.
- If a listing is taken before July 1, 2010, and 60% of the work is performed before July 1, then 5%

GST on 60% of the real estate commission is due while 12% HST on 40% of the commission will be applicable.

New Construction

Depending on the date of the contract, GST or HST would be applicable on the purchase of a **new home**.

Date of Contract	Date of Completion or Possession	Tax applicable	
November 18, 2009 or earlier	No restrictions	GST 5%	
November 19, 2009 or later	Before July 1, 2010	GST 5%	
	After July 1, 2010	HST 12%	

GST Rental and Residential Rebates at 36% of GST, payable under \$350,000, phased out between \$350,000 and \$450,000; nil over \$450,000

Provincial Portion of **HST (7%)** rules apply; Rebates are to give **new home** buyers a break on the PST at 71.43% to a maximum of \$26,250.

	HST (B + D)					
	A	B	C	D	E	A+B-C+D-E
Price	PTT	GST 5%	GST Rebate (rental or residential) (36% of 5%)	PST 7%	PST Rebate 71.43% of 7%	Total Tax Payable
\$300,000	\$4,000	\$15,000	(\$5,400)	\$21,000	(\$15,000)	
\$350,000	\$5,000	\$17,500	(\$6,300)	\$24,500	(\$17,500)	
\$425,000	\$6,500	\$21,250	(\$1,912.50)	\$29,750	(\$21,250)	
\$450,000	\$7,000	\$22,500	Nil	\$31,500	(\$22,500)	
\$525,000	\$8,500	\$26,250	Nil	\$36,750	(\$26,250)	
\$1,000,000	\$18,000	\$50,000	Nil	\$70,000	(\$26,250)	

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RE/MAX Crest Realty (Westside)

Source: BCREA, REBGV