

## Purchase FAQ

### Q: How may title be taken?

A: Title can be taken in three distinct ways:

1. Sole owner – only one person takes title
2. Joint tenants – two people take title with 50-50% interest in the property
  - Right of survivorship: upon the death of one titleholder, the other joint tenant automatically becomes sole owner of the property.
  - This option avoids the home falling under the Estate Administration and the applicable Estate Administration Tax, though; there are other tax implications, which may need to be considered.
3. Tenants-in-common – two or more people take title
  - There is no right of survivorship: upon the death of a title holder, such title holder's interest in the property goes to his/her estate and is dealt with according to his/her Will or Succession Law Reform Act if there is no Will.
  - The deceased interest in the property will fall under Estate Administration and the Estate Administration Tax will be payable on the home.
  - Interest in the property does not have to be distributed equally among the tenants-in-common (one party may hold 99% interest, while the other party may hold 1% interest).

### Q: Who should go on title?

A: The decision of who should go on title should be based on a variety of factors including, but not limited to, relationship status (married, common-law, single, etc.), financial situation, tax implications and estate planning.

### Q: What is the land transfer tax rebate for first time homebuyers?

A: For a property located in Ontario, if the purchaser is a first time home buyer of a newly constructed or resale residential home, a rebate of \$2,000.00 is available.

There is additional land transfer tax for properties located in Toronto. For a property located in Toronto, first time homebuyers are exempt from paying land transfer tax on the first \$400,000.00. If the purchase price is above \$400,000.00, the first time homebuyer will receive a rebate of \$3,725.00, but will pay the land transfer tax on the difference.

**Q: Who qualifies as first time homebuyer?**

A: To qualify as a first time homebuyer:

1. The purchaser is at least 18 years of age;
2. The purchaser must occupy the home as his/her principal residence no later than nine (9) months after the date of the conveyance or disposition;
3. The purchaser cannot have previously owned a home, or had any ownership interest in a home, anywhere in the world, at any time;
4. If the purchaser has a spouse, the spouse\* cannot have owned a home, nor had any ownership interest in a home, anywhere in the world while he/she was the purchaser's spouse; and
5. The purchaser cannot have previously received an Ontario Home Ownership Savings Plan (OHOSP) based refund of land transfer tax.

**Q: \*What is the definition of a spouse?**

A: A married couple or non-married couple who have cohabitated continuously for a period of not less than three (3) years, or in a relationship of some permanence if they are the natural or adoptive parents of a child.

