

Tax Relief for First Time Home Buyers



First-time home buyers who meet certain criteria, may now be exempt from the Property Transfer Tax for properties valued/priced up to \$500,000. That's an increase from \$475,000 in previous years.

This new rule comes into effect on purchases closing February 22, 2017 or later.

What does Blend & Extend mean?

Blend and Extend means taking your existing mortgage and adding to the term and combining the old and new rate into a blended rate on a weighted basis. It can be a good way of avoiding prepayment penalties if you are moving and increasing the size of your mortgage.

To keep up to date on:

- Economic news important to your mortgage
- Get a heads up when interest rates are changing
- Current interest rates

Contact us today at:

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5 tax changes that will impact your 2016 return



NO MORE FAMILY TAX CUT The federal government has done away with the Family Tax Cut, also known as the Income Splitting Tax Credit, a reduction measure that allowed individuals to transfer up to \$50,000 of income to a lower earning spouse, if they have a child under 18 years old, to a maximum benefit of \$2,000.

CHANGES TO CHILD BENEFITS Parents are eligible to claim eligible fees paid in the year up to \$500 per child under 16 for fitness activities, down from \$1,000 last year, and up to \$250 for arts activities, down from \$500 last year. Parents of children with disabilities are eligible to claim eligible fees paid in the year up to \$500 for both credits, and apply these benefits to children up to 18 years old. The refundable portion of the credit is 15 per cent of the total eligible fee

PRINCIPAL RESIDENCE DESIGNATION A new rule requiring taxpayers to report the sale of their principal residence, whether they owe tax or not, starting with the 2016 return.

FEDERAL TAX BRACKET SHAKE-UP Canadians earning between \$45,282 and \$90,563 per year will see their tax burden drop to 20.5 per cent, versus 22 per cent in the second lowest bracket last year. Meanwhile, a new bracket has been added for those earning over \$200,000 annually that will see them pay 33 per cent on every additional dollar earned above that figure, up from 29 per cent in 2015.

ACCESSIBILITY RENO REBATES Seniors, their spouses, and those who qualify for the Disability Tax Credit can claim 15 per cent of eligible home improvements up to \$10,000 up to a maximum benefit of \$1,500 under the Home Accessibility Tax Credit.

For the full article please [click here](#) or visit ctvnews.ca

What is Title Insurance?

Title insurance is different from all other types of insurance. Policies are available for lenders AND for homeowners.

Lenders often request title insurance to protect their interest if a property survey is not available (title insurance is usually faster and less expensive than getting a new survey done).

A homeowner policy protects your ownership or title against losses incurred as a result of undetected or unknown title defects, for as long as you own your home. Even if you are the rightful owner of your home, there are instances such as real estate title fraud, where your title can come in to question.

These risks include:

- Fraud and forgery
- Encroachments
- Easements
- Zoning non-compliance
- Previous owner of the property not being discharged from title

If you have any questions about title insurance, please let us know.

CMHC Premiums on the Rise

Effective **March 17, 2017** CMHC is increasing their high-ratio insurance premiums.

Mortgage Loan Insurance - New Premiums

Loan-to-Value Ratio	Standard Premium (Current)	Standard Premium (March 17, 2017)
Up to and including 65%	0.60%	0.60%
Up to and including 75%	0.75%	1.70%
Up to and including 80%	1.25%	2.40%
Up to and including 85%	1.80%	2.80%
Up to and including 90%	2.40%	3.10%
Up to and including 95%	3.60%	4.00%
90.01% to 95% - Non-Traditional Down Payment	3.85%	4.50%

What does this mean for you?

CMHC said for the average homebuyer in its portfolio the higher premium will result in an increase of approximately \$5 to their monthly mortgage payment. The changes apply only a new insured mortgages as of March 17, 2017.

The biggest increase to the premiums was for “non-traditional” insured mortgages. The non-traditional down payment is when a home buyer has a borrowed down payment. This premium would apply to home buyers interested in using the BC Home Partnership Program.

If you have any questions about the new premiums or how this will affect you, please don't hesitate to contact us.

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Term (Fixed)	Purchase and Refinance	Rental Properties
1 year	2.34%	2.59%
2 year	2.34%	2.49%
3 year	2.44%	2.69%
4 year	2.64%	2.84%
5 year	2.69% - 2.89%	2.94%
7 year	3.24%	3.49%
10 year	3.79%	4.04%
Term (VRM)		
5 year	P – 0.35% - P – 0.60%	Prime – 0.10%
3 year	P – 0.30%	NA

Rates subject to change without notice. OAC

**Special conditions apply