

Date: _____

BUYER/SELLER ADVISED

Seller/Buyer Initials _____

This document contains pertinent information relating to the buying and selling of real estate and includes website links that provide the most current and additional information. You are advised to carefully review all documents and information relating to the buying and selling of real estate, and to seek independent legal and/or appropriate professional/qualified advice regarding any item of concern that raise questions of a legal, technical, taxation or financial nature or any other concern relating to the buying or selling of real estate.

The Buyer and the Seller acknowledge that real estate licencees are not qualified to give legal, accounting or tax advice and that any questions regarding legal documents, insurance, strata documents, strata plans, engineering reports, depreciation reports, charges registered against title, accounting or taxes payable should be answered by independent legal counsel, insurance broker, strata management, and/or accountants.

BUYER/SELLER AGENCY, REPRESENTED & UNREPRESENTED PARTIES: The Buyer or Seller acknowledge that we have reviewed with them the BCFSa [Disclosure of Representation in Trading Services](#) form that explains your relationship with a Real Estate Professional & the BCREA [Privacy Notice & Consent](#) form that explains the collection, use and disclosure of some of your personal information. All BCFSa Mandatory Agency and Disclosure forms can be viewed here: <https://www.bcfsa.ca/industry-resources/real-estate-professional-resources/knowledge-base/agency-and-disclosure-forms>

DETACHED PROPERTY: Pay special attention to the title search results and any other lease or licensing agreements (including easements, right of ways, covenants, building schemes, financial charges), Home Warranty Documents (if applicable), Developer Disclosure Statement (if applicable), Owner Builder Home Warranty Declaration (if applicable), encroachments with neighbouring properties/structures and shared fencing/walls/driveways, if the property is serviced by city/municipal/private water, electrical, sewer or other systems, permitted and non-permitted work, zoning and permitted usage and any relevant bylaw, regulation, legislation and compliance requirement. If the property boundaries, dimensions, size or shape are in question, or an encroachment with another property may exist, a Site Survey and/or Title Insurance should be obtained and the property title search reviewed. Additional information can be requested from independent sources including the Land Title Office or the applicable city, municipal or government authority.

STRATA PROPERTY: Pay special attention to the title search results of the strata lot and the strata corporation common property and any other lease or licensing agreements (including easements, right of ways, covenants, building schemes, financial charges), Home Warranty Documents (if applicable), Developer Disclosure Statement (if applicable), annual budget and financial statements, special assessments (approved or proposed), any restrictions (rental, pet, age, etc), bylaws/rules, strata minutes, the strata plan, determine the legal arrangements for the associated outdoor areas, parking stall(s) and storage locker(s), including confirming parking stall number(s) and storage locker number(s), and confirming whether they are part of the strata lot, limited common property, common property, leased, licensed or



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a separate strata lot, any Depreciation and Engineering reports pertaining to the condition of the property/complex and any alterations to the strata lot requiring Council approval and/or an Indemnity Agreement. Additional information can be requested from independent sources including the Management Company/Property Manager, Strata Council Members, Land Title Office or the applicable city, municipal or government authority.

STRATA PROPERTY ACT AMENDMENTS TO RENTAL & AGE RESTRICTIONS (Effective November 24, 2022): The Seller is advised that several changes were made to strata legislation including ending rental restrictions & limiting age restrictions to 55+. Information can be viewed here: <https://www2.gov.bc.ca/gov/content/housing-tenancy/strata-housing/legislation-and-changes/changes-to-legislation>

BUYING & SELLING DOCUMENTS: These may include the Contract of Purchase and Sale, MLS Listing Agreement, Irrevocable Direction Regarding Presentation of Offers, Property Disclosure Statement, Disclosure to Seller of Expected Remuneration, Disclosure of Representation of Trading Services, Privacy and Consent Agreement, Fintrac documents, Title Search, Survey documents, Power of Attorney, Executor & Probate Documents, City, Municipal & Government Permits & Licenses, Tenancy Agreements, Oil Tank Search & Removal documents, Strata minutes, AGMs/SGMs, Strata Plan, Insurance Summary, Form B Information Certificate, Bylaws & Rules, Financial Statements, Depreciation & Engineering Reports, Certificate of Completion, Indemnity Agreements, floor plans, receipts for Property Improvements, etc. Many of these documents can be provided by the Seller, by the Seller's Designated Agent, the Strata Management Company and the appropriate city/municipal/government authority.

RESIDENTIAL TENANCY: The Seller is advised to become familiar with Landlord/Tenant rights & responsibilities, in particular: Rent Increases, Property Access & Ending a Tenancy - Information pertaining to residential tenancies can be viewed here: <https://www2.gov.bc.ca/gov/content/housing-tenancy/residential-tenancies>

PROPERTY INSPECTION: The Buyer is typically advised to have the property, and any component, inspected by a licensed inspector or professional of their choice and to satisfy themselves regarding the findings; the quality of construction, materials, alterations, additions and renovations, the existence of any oil storage tank and the presence of asbestos, or any other item/material that may be of concern, any remediation work done to or planned for the building or complex. Sellers may wish to have a pre-list property inspection performed by a licensed inspector or professional of their choice to verify the condition of their home, or any component, to aide with accurate property value estimation and to validate any deficiencies discovered in a Buyer's Property Inspection Report. Consumer Protection BC Home Inspection information and Inspector License verification: <https://www.consumerprotectionbc.ca/consumer-help/consumer-information-home-inspection/#>

HAZARDOUS MATERIAL & NON PERMITTED WORK: The Seller is advised that properties may contain hazardous materials (oil storage tanks, asbestos, urea formaldehyde foam insulation, mold, radon) and non-permitted work and to seek independent legal advice regarding the implications of their existence. BC Common Law recognizes Non Permitted Work and Unauthorized Accommodation as a Material Latent Defect that requires it to be disclosed. The BC Environmental Management Act regulates hazardous materials & can be viewed here:



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<https://www2.gov.bc.ca/gov/content/environment/air-land-water/water/laws-rules>

MATERIAL LATENT DEFECT & PATENT DEFECT: Material Latent Defect means a material defect that cannot be discerned through a reasonable inspection of the property, including the following:

- (a) a defect that renders the real estate
 - (i) dangerous or potentially dangerous to the occupants,
 - (ii) unfit for habitation, or
 - (iii) unfit for the purpose for which a party is acquiring it, if
 - (A) the party has made this purpose known to the licensee, or
 - (B) the licensee has otherwise become aware of this purpose;
- (b) a defect that would involve great expense to remedy;
- (c) a circumstance that affects the real estate in respect of which a local government or other local authority has given a notice to the client or the licensee, indicating that the circumstance must or should be remedied;
- (d) a lack of appropriate municipal building and other permits respecting the real estate.

A **Patent Defect** is one that is readily visible and/or obvious upon ordinary inspection.

PROPERTY STIGMA: Certain events may cause a property to be described as a “stigmatized property”. This term is sometimes applied to a property that has had some circumstance occur in or near it, but which does not specifically affect the appearance or function of the property itself.

If you have a specific concern pertaining to a property:

1. please advise us in advance so that we can make appropriate inquiries,
2. seek independent legal advice with regards to its impact if deemed important.

Examples of these in a residential context might include:

1. a sexual offender is reported to live in the neighbourhood;
2. a former resident was suspected of being an organized crime gang member;
3. a death occurred in the property;
4. the property was used a former grow op/manufacture of illegal substances; or
5. there are reports that the property is haunted.

CANNABIS CONTROL AND LICENCING ACT (Effective October 17, 2018): Information can be viewed here: <https://www2.gov.bc.ca/gov/content/safety/public-safety/cannabis>

PROPERTY TRANSFER TAX: Property Transfer Tax payable on this transaction is typically the Buyer's responsibility. The Seller is advised to obtain independent legal advice with respect to any tax payable in the sale of a property & that information regarding the Property Transfer Tax and Regulation can be read at: <https://www2.gov.bc.ca/gov/content/taxes/property-taxes>

GENERAL PROPERTY TRANSFER TAX (PTT): The property transfer tax is based on the fair market value of the property (land and improvements) on the day it was registered with the Land Title Office, unless you qualify for an exemption or purchase a pre-sold strata unit:

- (a) 1% of the fair market value up to and including \$200,000;
- (b) 2% of the fair market value greater than \$200,000 and up to and including \$2,000,000;
- (c) 3% of the fair market value greater than \$2,000,000;



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FURTHER 2% PTT ON RESIDENTIAL PROPERTY OVER \$3,000,000:

- (a) If the property has residential property worth over \$3,000,000, a further 2% tax will be applied to the residential property value greater than \$3,000,000.
- (b) If the property is mixed class (such as residential and commercial), you pay the further 2% tax on only the residential portion of the property.
- (c) If the property includes land classed as farm only because it is used for an owner's or farmer's dwelling, up to 0.5 hectares will be treated as residential property.

PROPERTY TRANSFER TAX EXEMPTIONS: The Buyer and/or property may qualify for a full or partial exemption and has been advised to obtain independent legal advice regarding this possibility as well as how their residency status may trigger additional Property Transfer Tax obligations pursuant to this purchase. Information regarding Property Transfer Tax Exemptions can be viewed here: <https://www2.gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax/exemptions>

FOREIGN BUYER'S TAX: The Seller is advised that any Foreign Buyer's Tax payable on this transaction is the Buyer's responsibility, that the Seller obtain independent legal advice with respect to the payment of Foreign Buyer's Tax & that information regarding the Foreign Buyer's tax can be read at: <https://www2.gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax/additional-property-transfer-tax>

ADDITIONAL PROPERTY TRANSFER TAX (PTT) FOR FOREIGN ENTITIES AND TAXABLE TRUSTEES: In addition to the property transfer tax, if you're a foreign national, foreign corporation or taxable trustee, you must pay the additional property transfer tax on your proportionate share of a residential property's fair market value if the property is within specified areas of B.C. Your proportionate share is the percentage of interest that you're registering on title with the Land Title Office. For example, if you're a foreign entity (foreign national or foreign corporation) acquiring a 70% interest in a property, you pay the additional property transfer tax on 70% of the residential property's fair market value:

TAX (PTT) AMOUNT AND SPECIFIED B.C. AREAS FOR FOREIGN ENTITIES AND TAXABLE TRUSTEES: If the property transfer is within the following areas, the tax rate is 20% on the fair market value of your proportionate share: [Capital Regional District](#), [Fraser Valley Regional District](#), [Metro Vancouver Regional District](#), [Regional District of Central Okanagan](#), [Regional District of Nanaimo](#) The Buyer is advised to obtain independent legal advice with respect to the payment of Property Transfer Tax.

GOODS AND SERVICES TAX (GST): Goods and Services Tax (GST), may be applicable on this transaction and the Seller is advised to obtain independent legal advice with respect to applicable GST that may be payable. Information pertaining to property purchase and applicable GST can be viewed at: <https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/changes-harmonized-sales-tax-hst.html>

EMPTY HOME TAX (VANCOUVER): The Seller is aware that each year, one owner of residential property in Vancouver is required to submit a property status declaration to determine if their property is subject to the tax. The City of Vancouver will be raising its empty homes tax by 25 per cent for the 2020 tax year, with further increases planned for the following two years. Properties deemed or declared empty in the 2021 reference year will be subject to a tax of 3% of the property's 2021 assessed taxable value.



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Most homes will not be subject to the tax, as it does not apply to principal residences, [homes that qualify for an exemption](#) or homes rented for at least six months of the year; however, all homeowners are required to submit a declaration. Information can be viewed here: <https://vancouver.ca/home-property-development/empty-homes-tax.aspx>

BC SPECULATION & VACANCY TAX: The Seller is aware that all owners of residential property in the [designated taxable regions of B.C.](#) must complete an annual declaration. The speculation and vacancy tax rate varies depending on the owner's tax residency and whether the owner is a Canadian citizen or permanent resident of Canada, or a member of a [satellite family](#). For 2019 and subsequent years, the tax rate is: 2% for foreign owners and satellite families, 0.5% for Canadian citizens or permanent residents of Canada who are not members of a satellite family. A speculation and vacancy tax year is the same as a calendar year. Tax for a calendar year is due the following July. For example, for a property where the owner owes taxes for 2018, the amounts were due on July 2, 2019. Information can be viewed here: <https://www2.gov.bc.ca/gov/content/taxes/property-taxes/speculation-and-vacancy-tax>

CANADIAN UNDERUSED HOUSING TAX: The Underused Housing Tax is an annual 1% tax on the ownership of vacant or underused housing in Canada that took effect on January 1, 2022. The tax usually applies to non-resident, non-Canadian owners. In some situations, however, it also applies to Canadian owners. If you are an **excluded owner** of a residential property in Canada, you have **no obligations or liabilities** under the Underused Housing Tax Act. If you are not an excluded owner we refer to you as an affected owner and you have obligations under the Underused Housing Tax Act for your residential property in Canada. Information can be viewed here: <https://www.canada.ca/en/services/taxes/excise-taxes-duties-and-levies/underused-housing-tax.html>

NON-RESIDENT OF CANADA: The Seller is advised that there are certain Canada Revenue Agency requirements when a non-resident of Canada disposes or acquires certain Canadian properties. If, on the Completion Date, the Seller is a non-resident of Canada as described in the residency portions of the Income Tax Act, the Buyer shall be entitled to hold back from the Purchase Price the amount provided for under section 116 of the Income Tax Act (typically 25% but could be more). Information can be viewed here: <https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/information-been-moved/disposing-acquiring-certain-canadian-property.html>

HOME BUYER RESCISSION PERIOD & PROPERTY LAW ACT (Effective January 01, 2023): The Seller is advised that new legislation has been enacted that provides a Buyer a 3 day Right of Rescission to the Contract of Purchase & Sale of residential real estate in BC. Information can be viewed here: <https://www.bcfsa.ca/industry-resources/real-estate-professional-resources/knowledge-base/guidelines/home-buyer-rescission-period-guideline>

FEDERAL FOREIGN BUYER BAN OF RESIDENTIAL REAL ESTATE (Effective January 01, 2023, Amended March 23, 2023): The Seller is advised of a 2 year ban on foreign buyers of residential real estate. Information & exemptions can be viewed here: <https://www.rebgv.org/content/rebgv-org/news-archive/canada-amends-foreign-buyer-ban-regulations.html>



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