



Relocation Department

British Columbia Relocation Guide

www.macrealty.com



Rental Information

Tenant/Landlord Relations

The Province of British Columbia has rules and regulations about what landlords and renters must do. These rules and regulations are contained in BC's Residential Tenancy Act. Go to <http://www.rto.gov.bc.ca> for more information. The Office also publishes a useful guide titled A Guide for Landlords & Tenants which is available on their website.

Rental Expectations

Contract lease or monthly rentals? The terms of tenancy largely depends on the type of housing. Month to month basis applies for apartment rental, especially lower end. A high end property would generally require a lease for at least six months and then change to a monthly basis.

Credit History: Whether you are renting or buying a property, you must show credit history, usually the owner will ask for your credit card or something similar.

There are two main ways that owners screen tenants:

- **Reference Check**
Employment: If you will not be working in Canada, you may be asked to provide an employment history from your country (or countries) of origin.
Bank Statement: Landlords may request a bank statement to verify funds in your bank account. This is to ensure that you have sufficient funds to rent the property.
- **Credit Check**
This applies only for American and Canadian tenants.





Where to look for rental homes

If you are thinking of renting first to try out the city, there are many portals to finding a rental home:

- Review our inventory at www.macdonaldcommercial.com
- Classified ads in local newspapers or online (Vancouver Sun, Georgia Straight, Craigslist, Kijiji)
- Bulletin board postings in shops, community centres and street corners
- By foot: walk around neighbourhoods that you like and look for “For Rent” signs posted in front of the building.

Home Buying: Costs Involved

Speak with a Mortgage Broker

Determine your personal finances to find out what you can afford. When you are approved for financing your offer will be more attractive to vendors and more likely to be accepted.

Things to discuss with your mortgage broker: prepayment, payment frequency (high frequency payments can save you money), portability (carrying your mortgage over from your last home), assumability (the buyer of your property assuming the mortgage), fixed or variable rate.

Taxes & Expenses in BC

BC Property Transfer Tax: 1% on the first \$200,000, 2% on the balance

Exemption Requirements: The applicant must have resided in BC for the past 12 months or filed BC Income Tax in 2 of the last 6 years. The maximum purchase price is \$425,000 (partial exemption between \$425,000 and \$450,000). The applicant must not have owned a principal residence anytime, anywhere. They also have to be a Canadian Citizen or Landed Immigrant.





GST 5%: This has to be paid on a brand new or substantially renovated home. (GST rebate of 36% is available for houses under \$350,000 and to a lesser percentage up to a purchase price of \$450,000.)

Legal Fees: These will be approximately \$1000 for an average priced home.

Property insurance:

- **Homeowner's insurance:** This covers various types of damage to your property and its contents, theft of personal possessions, and liability in case of lawsuits based on incidents that occur on the property.
- **Term Life:** This insurance protects your family for the term of your mortgage or beyond, should events such as death, disability, or critical illness prevent you from fulfilling your financial obligations.

Appraisal Fee: The approximate cost is \$300 to \$400. Before approving your loan, lending institutions may require an appraisal of the property.

Vendor's Prepaid Taxes: This is the balance of cash to be forwarded to the vendor for his/her portion of the payment of Municipal taxes.

Building inspection: The approximate cost is \$300 to \$500. Your realtor will usually advise you to obtain a building inspection during the offer stage of your purchase (unless you are purchasing a new construction).

Survey: This is for for non strata properties and is approximately \$300. Your lending institution may ask for a survey before they provide you with financing. This document establishes the legal boundaries of the property. If the current owner cannot provide a survey certificate, it is your responsibility to pay the surveyor's fee.





Some Financing Considerations for Foreign Buyers

For clients who are not living in Canada and are purchasing a property for their own use or the use of their family or investment, mortgage financing is available to a maximum loan value of 65% of the purchase price.

Guidelines:

- Purchase only, all down payment funds must be from their own resources
- Must also have cash resources equal to one year's payments on deposit
- Down payment and cash resources must be in a Canadian bank account
- Full appraisal required by a bank approved appraiser

Requirements:

- Documentation to support income verification is not required
- Information on source of income (i.e. type of employment, business, etc) must be provided but not proven on the application, as it is required to determine ability to make payments on an ongoing basis
- If the down payment is from overseas then proof of wire transfer is required
- Overseas account must be in the same name as the borrower
- Provide a favorable reference letter from a recognized banking institution
- For US citizens/residents, broker to provide a US credit bureau report
- International credit report required for applicants other than US borrowers.

Conditions:

- No secondary financing allowed
- No closings are allowed by Power of Attorney





New to Canada Mortgage Insurance Program

Now qualified home buyers who have immigrated or relocated to Canada can qualify for Genworth default mortgage insurance with a 5% down payment.

Acceptable loan purpose

- Purchase transactions

Loan-to-value ratio limits

- Maximum loan-to-value ratio - 95%

Maximum Loan Amounts

- No Maximum Loan Amount

Eligible properties

- Maximum two units (where at least one unit must be occupied as the principal residence)
- New construction or existing properties
- Terms/qualifying interest rates
- Fixed, standard variable, capped variable and adjustable rate mortgages are permitted

Borrower qualification

- Must have immigrated or relocated to Canada within the last 36 months
- 3 months minimum full time employment in Canada (borrowers being transferred under a corporate relocation program are exempt)
- Must have a valid work permit or obtained landed immigrant status
- For 95% loan-to-value, down payment must be from their own resources. For loan-to-value less than 95%, the remainder may be gifted from an immediate family member or from a corporate subsidy.
- All debts held outside of the country must be included in the total debt servicing ratio.





Types of Housing Structures

Single family, detached home: No common walls with any other residential structure, on its own land.

Semi-detached house: Two single family dwellings joined together by a common middle wall.

Duplex: Two separate homes that are attached either side by side or one above the other.

Townhouse: One of a group of homes joined together by common walls, each with its own entrance.

Apartment: One of several homes (most often single storey) with common walls and halls. The number of storeys in an apartment building ranges.

Mobile or Manufactured Home: Factory built structure with the ability to be moved from one location to another.

Types of Housing Ownership

Freehold: The owner has free use and control of the land and buildings, subject to by-laws and any other restrictions in place at the time of purchase.

Strata Property: Exclusive ownership of a specific home with shared use of areas such as garages, elevators and halls. Owners also share financial responsibility of the maintenance of common areas.

Leasehold: The right to use a residential property for an extended period of time. This is often the case for property that is built on city owned or farm land, first nations reserves or entire apartment buildings where the owner sells leasehold interests to each individual apartment. The shorter the remaining portion of time, the less value your property will have.

Cooperative: Each owner must own share(s) in the same company or cooperative venture. This company owns the housing units – each shareholder is assigned to their own dwelling.





Buyer's Agency

In Canada, real estate buyers generally work with one real estate agent, who is responsible for finding all available properties in their price and preference range, setting up showings, performing due diligence on potential acquisitions, and representing the buyer in all negotiations. Understanding client needs and motivations are integral functions of producing positive results and building long-term relationships. Macdonald Realty sales associates are licensed real estate professionals that work within a legal framework called 'Agency'. Agency provides Realtors with the authority to represent your principal interests when dealing with other parties.

In the province of British Columbia, realtors owe fiduciary duties to clients with whom they represent through agency relationships. They include:

- a.) Undivided loyalty
- b.) Obeying all lawful instructions of the principal (client)
- c.) Exercise reasonable care and skill in performing all assigned duties
- d.) Account for all money and property placed in a Brokerage's hands while acting for the principal

Working with a realtor can be an exclusive arrangement between agent and client, ensuring that your best interests are always protected. Macdonald Realty Sales Associates pride themselves on being industry leaders possessing an array of facilitation skills not commonly found in today's real estate industry.

For more information on working with a realtor, go to:
www.macrealty.com/downloads/workingwitharealtor.pdf





Helpful Resources

Greater Vancouver Public & Private Schools: www.vsb.bc.ca

Libraries: www.vpl.ca

Transportation - Buses, Seabuses, Skytrain: <http://translink.bc.ca> & www.bctransit.com

VIA Rail Canada: www.viarail.ca

West Coast Express: www.westcoastexpress.com

Cable TV Services & Telephone Services: www.rogers.ca, www.bell.ca & www.telus.com

Gas & Hydro Services: www.terasengas.com, www.bchydro.com

Canadian Passport and Services: www.ppt.gc.ca

Immigration and Visa information: www.cic.gc.ca

BC Automobile Insurance: www.icbc.com

Medical Services Plan: www.health.gov.bc.ca/msp

Tourist Attractions: www.vancouverattractions.com



Contact & Affiliations

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Complete real estate resource, with full MLS listings, special luxury property section, mortgage information and payment calculator.



A company wide initiative aimed at reducing our ecological footprint. While working to reduce the energy consumed at our office locations, we also offer our clients 'Earth Friendly' real estate transactions.



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