

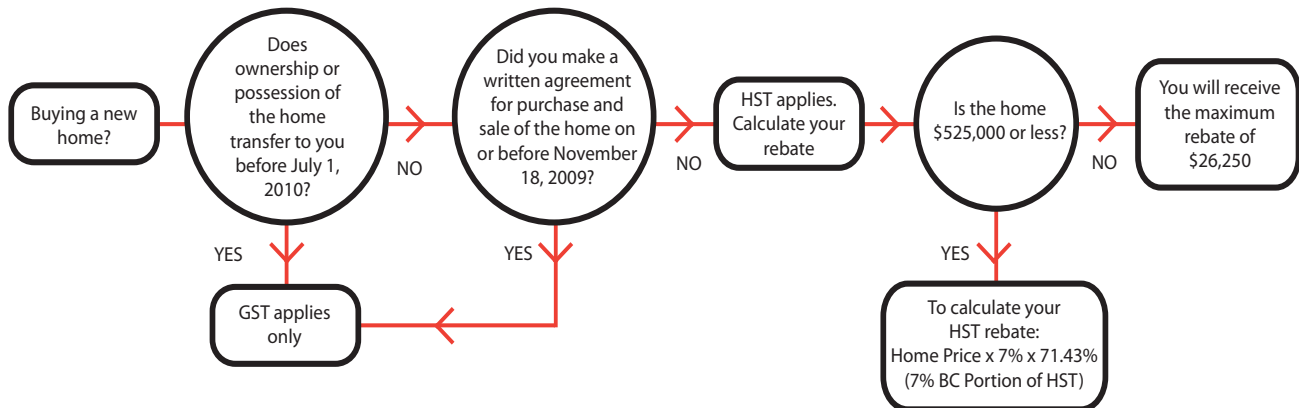


HST for Home Buyers: How Will HST Affect Me?

Understanding the HST

- HST now applies to new residential housing; however, the BC government has implemented changes to minimize the impact to home buyers.
- Before HST, PST had been paid on all materials used in the construction of a home. PST was paid every time the materials changed hands, from factory to warehouse to lumber yard.
- This PST was embedded in the cost of a new home. It is estimated that this embedded PST added 2% to the cost of a new home.
- With HST, builders can now claim a rebate for the PST paid on these materials, reducing the price of the new home by about 2%.
- All home buyers who purchase a new home will also receive a rebate for HST.
- This rebate can be assigned to the builder, so home buyers only need to pay the 'net' home price (the home price plus the HST, less the rebate).

How the HST Works



HST Net Effect

New Home Price	2% Embedded PST	After Harmonization	
\$400,000	\$8,000	HST (7% BC portion)	\$28,000
		BC new housing rebate	(20,000)
		Previous 2% embedded PST	(8,000)
		Net impact on home buyer	\$0
\$525,000	\$10,500	HST (7% BC portion)	\$36,750
		BC new housing rebate	(26,250)
		Previous 2% embedded PST	(10,500)
		Net impact on home buyer	\$0
\$700,000	\$14,000	HST (7% BC portion)	\$49,000
		BC new housing rebate	(26,250)
		Previous 2% embedded PST	(14,000)
		Net impact on home buyer	\$8,750

If you have any questions, please contact the Canada Revenue Agency at 1-800-959-8287
Or the Canadian Home Builders' Association of BC at 1-800-933-6777