

## **The Types of Properties in Whistler**

The Resort Municipality of Whistler offers a diverse selection of property types with the appropriate "zoning" or "covenant" in place to permit "specific uses".

The following is offered as a summary only and Buyer's should be advised to confirm the "zoning" and "permitted uses" on properties they are entertaining to buy.

### **Residential Zones**

Throughout most of Whistler the residential neighborhoods are zoned for "residential-use" only. Permitted uses include primary residence, residential tenancy rentals and personal recreational-use. Commercial activity including "Tourist, i.e. short-term rental is not permitted. The property types commonly found in these areas include, old cabins, modest chalets, luxury executive-style homes, townhomes, apartment-style condos and "employee restricted" condominiums and homes.

### **Tourist Accommodation Zones**

The majority of these properties are located in the Village area, Blackcomb Benchlands and selective areas of Whistler Creek. Outside of these areas there are "pockets" within the residential neighborhoods of Green Lake Estates (Nicklaus North) and Tree Tops that permit Tourist rentals.

Within the Village, Benchlands and Creekside areas the property types found are townhomes, apartment-style condos and hotel units. These can range from studios to 3 and 4 bedroom luxury properties.

It is important to note within these areas there are two types of properties commonly referred to as Phase One and Phase Two condominiums. By placing the restrictive covenants (Phase I and Phase II) on properties pre-designated as "Resort Land" the Municipality of Whistler has required perpetual availability and use of tourist beds near the village and mountain facilities. This guarantees a minimum percentage of units for tourist accommodation year round. The actual wording of the covenant can differ from development to development and so their interpretation by different rental management companies.

### **Phase I**

**Unrestricted owners' use**— These are properties that are best suited for the owner that wants flexibility and control over their property. The owner can determine when and how often they want to use it and when and how often they wish to offer it for rent. In most cases they can also choose how to rent it. Either through a rental company (who may offer the convenience of a "front hotel-type desk"), a small boutique rental operator or utilizing an Internet owner-direct rental service. In most cases the covenant is worded in such a manner that puts a moral obligation on the owner to offer their property for rent when they are not using it.

This type of property works best for the owners who treat their units as a good equity investment, need some revenue and want to use them personally.

## **Phase II**

**Restricted use for the owners-** These properties are typically the "true hotel-type" buildings. Such examples would be The Westin, Holiday Inn, Delta Village Suites, Cascade Lodge, Pan Pacific Lodge and numerous smaller lodges in the Village.

Owners are allowed to use their property for a maximum of 28 days in summer and 28 days in winter. The specific dates of usage must be booked in advance with the rental management company. Most of the management companies are more specific as to when and how owners are allowed to use their units. These units are generally incorporated into an ongoing "hotel" operation. Benefits include "pooled revenues" as well as the standard hotel services (daily maid and room service).

These types of units are best suited for the occasional visitor to Whistler or for an investor interested in revenue only.

## **Unrestricted Properties**

In these same areas there are some developments which have no restrictive covenants registered on title and therefore must follow the permitted uses as per the zoning.

**Please note: Restrictive covenants on title and zoning requirements are very important and can be complex to understand. Clarification should be addressed with your Realtor and your Lawyer prior to purchasing.**

## OWNING A CONDOMINIUM

What does it mean?

How does it work?

### The Strata Lot

A condominium unit is legally described as a "strata lot" and all the units (strata lots) comprise the "strata corporation". The strata corporation's members are all of the owners (collectively) of the strata lots. These strata corporations are registered as "strata plans". All new strata plans are now registered under an LMS-number. The expression "strata" comes from New South Wales, Australia, the origin of our legislation in 1996.) In 1980, the BC government changed the name of the Act from Strata Titles Act to the Condominium Act. In 2000, the act was renamed the "Strata Property Act".

### Owner Versus Strata Responsibilities

Many owners ask the question "what are mine and the strata's responsibilities?" The simple answer is that the strata is responsible for anything that goes wrong outside of your suite. There are some exceptions to this rule, particularly because of the wording and application of the Strata Property Act. For example, windows and suite doors are an owners responsibility; however the strata corporation has insurance that covers broken glass (confused yet?). So, if your suite experienced a broken window, you can claim this expense on the strata's insurance and you will only be responsible for the deductible portion of the claim – usually \$500.

Strangely enough, if a water supply tube to your bathroom facilities breaks it is considered an owner responsibility because the pipe is not located "behind the wall" and does not service more than one strata lot. This expression is commonly used to delineate the boundary of responsibilities. As well, the owner would be responsible for all callateral water damage as a result. But again the strata's insurance would cover the damage and the owner would only be responsible for the deductible.

### The Law

The strata corporation is governed by the Strata Property Act of British Columbia, a provincial statute, and also by the by-laws of each strata corporation which must be filed in the respective Land Title Office. By-Laws are enforceable by the strata council, and amendments to the by-laws are made by Special Resolutions (requiring 75% affirmative vote) at General meetings of the owners. Additionally, a strata corporation may also have house rules and regulations (which are not filed at the Land Title Office but which are available from the strata council or management agent. The strata council is mandated to enforce the by-laws and rules and regulations of the strata corporation – discretion does not lie with the management company or its agents.

### The Council

The strata council is an elected body of up to seven members who are owners of strata lots. Their positions are voluntary and their term of office is for one year and each year, usually just prior to the new budget, there is an Annual General Meeting at which the new council is elected. The council is responsible for the affairs and conduct of the strata corporation.

### The Management

The management company is under contract to the strata corporation to provide accounting and management services. All communication between the council and owners is done through the council. It is important to remember that the strata council makes policy decisions.

### The Budget

Every strata plan operates on an annual budget. This budget is prepared by the agent and the council and submitted to the owners for approval at the Annual General Meeting. The Budget provides monies required to insure, manage, clean, repair and maintain all common property of the strata corporation. An additional amount is also added to the budget to fund the Contingency Reserve Fund. This reserve is required by law to provide money for emergencies or non-annual major expenses.

The budget of a strata plan does not provide for any profit. Essentially, the revenue matches expenses, and if there is any shortfall the council may add the deficit to the next budget or even call upon the owners for a "special assessment".

In cases where the developer finishes constructing the building and turns over the control and management of the building to the owners, the budget included in the disclosure statement becomes the current budget. In many cases, the developer tries to anticipate the costs but for various reasons these "guesses" are often short of the actual expenses. Therefore, the owners find themselves adjusting the budget at subsequent general meetings.

### Monthly Strata Fees

Each owner is required to pay to the strata corporation their monthly assessment based on the budget. The Act provides a formula, which is called "unit entitlement" – generally a ratio of the square footage of each unit compared to the square footage of all the strata lots.

Maintenance fees (contributions) of owners are usually due on the first day of each month and most strata councils impose fines for late or non-payment. If an owner does not pay their fees, the strata council can add a lien to the title of the unit, thus preventing any sale or re-mortgage.

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## **GENERAL INFORMATION FOR BUYERS OF WHISTLER REAL ESTATE**

### **PROPERTY TRANSFER TAX (PTT)**

This Provincial tax applies (with some exceptions) to all transfers of real estate and it is payable by the purchaser on the completion date. The tax is 1% on the first \$200,000.00 of the purchase price and 2% on the balance.

### **PROPERTY TAXES**

Property taxes and municipal utilities (water, sewer, etc.) are due on or about July 1<sup>st</sup> each year. Confirm with your property manager whether they pay them on your behalf (usually they do not). The tax notice will be mailed to you in June at your address as it is shown on title to the property. If the taxes are not paid by the due date (usually not later than July 2<sup>nd</sup>) there will be an automatic 5% late payment penalty and an additional 5% penalty if it is not paid before November 1<sup>st</sup>. A discount is available (home owner grant) if the property is your principal residence. The Municipality will provide you the discount form with the tax notice.

Important: If you purchase the property in the spring the Municipality may send the tax notice to the previous owner. The Municipality will still charge you the penalty if taxes are not paid on time so it is important to contact the Municipality in June at (604) 932-5535 if you do not receive the tax notice.

### **LEGAL FEES AND DISBURSEMENTS**

These are closing expenses paid to us for preparing, arranging for execution of, and registering transaction documents. Disbursements are charged for our out-of-pocket expenses such as agents' fees, document registration charges, property and tax information searches, courier costs, long-distance calls, PST and GST. The exact amount of these disbursements will vary depending on the transaction. We can provide you a quote as to fees and disbursements at the time you enter into a Contract of Purchase and Sale.

### **GOODS AND SERVICES TAX (GST)**

GST is a 7% Federal sales tax which applies on the purchase of new construction and on the resale of property which has been rented out for short-term/nightly rentals. The payment of GST can be deferred if the buyer intends to rent the property out for short-term/nightly rentals and becomes a GST registrant. The property should be available for rental at least 50% of the time to defer some of the GST. To obtain a deferral of all of the GST the property should be available for rental at least 90% of the time. Once

registered for GST, the buyer is entitled to claim credits for the GST paid, for example, on legal fees, property management fees, hydro, cable, telephone, etc. The buyer is required to charge, collect and remit GST on the collected rent, which in some instances may be done through a property manager. The buyer is required to file a GST return periodically.

When you are purchasing new accommodations from a developer for short-term/nightly rental use, whether the developer will permit you to self-assess the GST depends on the nature of the development. In townhouse and single family purchases, the developer will usually only allow a corporation or a partnership to self-assess the GST. A partnership can be created by having more than one person on title. Even where an individual is purchasing the property and they intend to have it available for rental 90% of the time, the developer may require them to pay the GST. The individual then has to apply to CCRA to obtain a refund (a lengthy process).

### **SOCIAL SERVICE TAX (PST)**

Provincial sales tax of 7.5% may apply to furniture purchased with the real estate. If furniture is separately listed and valued in the Contract of Purchase and Sale, the vendor may ask that PST be paid to the vendor for remittance to the Provincial Government.

### **TOURISM WHISTLER**

Tourism Whistler charges quarterly fees based on the number of bed units in, and on the use of, the property (one bedroom equals two bed units). If the property is for personal use only and is not available for rent more than 14 days per year, you may file a Declaration with Tourism Whistler to pay a lower rate of fees. The lower rate of fees is not available to fractional (e.g. one-quarter) interest properties or properties that are subject to a "Phase One" Covenant in the town centre. For more detailed information or to arrange for automatic withdrawals of your fees contact Tourism Whistler at (604) 932-3928.

### **INSURANCE**

Purchasers are required to arrange insurance on single-family residences. The strata corporation insures strata-titled properties. Strata lot purchasers should consider obtaining liability and contents insurance.

### **STRATA TITLED PROPERTIES (CONDOMINIUMS, TOWNHOMES, DUPLEXES, AND FRACTIONAL INTERESTS)**

Purchasers of strata titled homes are responsible for paying monthly maintenance charges. The strata corporation is also entitled to levy special assessments for extraordinary expenses should there not be sufficient money in the contingency reserve fund. Prior to committing to your purchase, strata minutes should be reviewed carefully to determine whether the strata corporation anticipates any extraordinary expenditures. Purchasers should also determine from the strata plan what rights they have to use any common areas such as parking stalls and lockers.

### **"PHASE ONE" AND "PHASE TWO" COVENANTS**

Properties covered by the "Phase One" Covenant must be available for rent through a bona fide property manager when not being utilized for personal use. The "Phase Two" Covenant restricts the owner's personal use of the property to 28 days in the summer and 28 days in the winter and defines how these periods may be booked. The property must be available for rent through a property manager for the remaining days of the year. Subject to availability, additional days may be available to the owner if not booked too far in advance.

### **TAKING TITLE IN THE NAME OF A COMPANY**

If you are considering taking title to the property in the name of a company, you should obtain accounting advice.

There may be disadvantages to purchasing in the name of a company as follows:

- A corporation may pay tax on income earned from the property at significantly higher rates than an individual (depending on the individual's marginal tax rate);
- Losses from the property cannot be written off against your personal income tax;
- A corporation may pay higher capital gains tax than an individual;
- Should you incorporate a company in BC specifically for the purpose of acquiring real estate in BC:
  - you will have additional legal costs of incorporating the company (approximately \$1,200) plus additional costs associated with maintaining the company annually such as filing annual reports, registered and records office fees (approximately \$250) and accounting fees;
  - a majority of the directors of the company must be residents of Canada and at least one director must be a resident of BC;
- If the company is incorporated outside of BC:
  - a mortgage lender may require that the company be registered in BC (at a cost of approximately \$1,200);
  - personal guarantees of the principals of the company are usually required by the mortgage lender;
  - an opinion letter from a solicitor in the incorporating jurisdiction is required if the purchase is being financed with a mortgage;
  - a Certificate of Good Standing is required from the incorporating jurisdiction;
- It is necessary to maintain the company in the incorporating jurisdiction (BC or otherwise) for as long as the property is owned;

Advantages of having the property held by a company include the following:

- In the event of the death of the principals of the company there would be no change of ownership of the property in the BC Land Title system. If the shares are held outside of BC there would not be any probate fees payable in BC in relation to the change of ownership of the shares;
- If the property is the only asset of the company, it may be possible to sell the shares in the company instead of transferring title to the real estate. The purchaser then avoids paying Property Transfer Tax and GST. However, purchasers may be reluctant to buy shares as they risk inheriting liabilities of the company including any monies owing to CCRA.

### **TAKING TITLE WITH A LIMITED LIABILITY CORPORATION (LLC)**

The Land Title Office treats LLCs differently from other corporations and in order to register a property in the name of an LLC without extra provincially registering the LLC, you must also provide the Land Title Office with a copy of the constating document that specifically empowers the LLC to hold real estate. If the constating document does not specifically empower the LLC to hold real estate it may be necessary to extra-provincially register the company. The cost of extra-provincially registering the LLC is approximately \$1,200 and annual filing fees of about \$250 are required to maintain the LLC with the BC Registrar of Companies.

### **TAKING TITLE IN THE NAME OF A TRUST**

Individuals with family trusts have the option of purchasing their property in the name of their trust. This avoids probate or succession duties upon the death of the owners of the property (probate fees in BC are calculated at \$14 for every \$1,000 in property value).

The Land Title Office requires the entire original trust document to be filed. The document is then a document of public record. These documents usually list in detail the assets and beneficiaries of the trust.

If a mortgage is to be obtained the mortgagee may be reluctant to lend to the trust. There will be additional legal costs in conjunction with providing any necessary legal opinions to the mortgagee as to whether the trust has the legal capacity to enter into a mortgage.

Trusts are typically taxed at a higher rate than individuals or companies so it is recommended that purchasers obtain an accountant's advice before deciding to buy in the name of a trust.

An alternative to using a trust is to have the property held in joint tenancy by at least two individuals and the property will pass to the surviving joint tenant(s) without probate fees applying.

### **WITHHOLDING TAX ON RENTAL INCOME FOR NON-RESIDENTS**

Non-residents are required to pay 25% of the gross rental income from the property to CCRA. You may obtain exemption from such withholding tax if you complete an NR6 return setting out that the projected income is less than the anticipated expenses associated with the property. Most property managers will assist in the completion of the NR6 return. Upon having filed an NR6 return, you are obliged to file an annual tax return with respect to the property. CCRA will only allow expenses to be claimed if the returns are filed and will disallow any expenses incurred more than two years prior to the time of filing. It is therefore important that the returns be filed each year to avoid expenses being disallowed.

### **MORTGAGES**

Mortgages in BC can differ from those available in the United States in several significant ways, including the following:

- Many mortgages are for a fixed term, typically between six months and five years. At the end of the fixed term the interest rate is renegotiated.
- During the fixed term there are limited rights to repayment, typically ranging from 10% to 20% of the outstanding balance in any year.
- In the event that you wish to prepay more than the permitted amount, or in the event of a sale of the property, a penalty is usually charged and typically this will be the greater of three months interest or the interest rate differential.

### **EXECUTION OF MORTGAGE DOCUMENTS**

Once the borrower has signed a commitment letter with the lender, the lender will instruct their lawyer to draft the mortgage security. These documents must then be signed by the borrower in the presence of a notary public. The Land Title Office does not accept faxed documents; therefore sufficient time must be allowed for the documents to be couriered, executed originally before a notary, couriered back and filed in the Land Title Office by the completion date.



## **METHODS OF PAYMENT**

The balance of the purchase price must be paid by certified cheque or bank draft in Canadian funds. Exchange rates may fluctuate and lending institutions in Canada and the United States may give different rates of exchange or quote different rates of exchange for both buying and selling Canadian dollars. They may also offer different rates of exchange depending on the dollar amounts involved. This is an issue that should be addressed by buyers in advance of the completion date.

It is possible to wire funds directly to our trust account; however, because of the routing of wired funds, it can sometimes take several working days before the funds are actually received.

It is recommended that the purchaser open a bank account with a bank in Whistler or Vancouver to facilitate the payment in Canadian funds of ongoing expenses and the receipt of revenues from the property.

## **TIME IS OF THE ESSENCE**

Completing transactions on the designated completion date is critical. Should the funds not be paid on the completion date the vendor has the option of canceling the Contract of Purchase and Sale and retaining the deposit. It is not uncommon for vendors who wish to continue with the transaction to demand interest or additional charges for extensions of the completion date.

## **CANADA CUSTOMS**

Should you intend to furnish your property with personal effects from your home outside of Canada, you should contact Canada Customs to determine their requirements to avoid paying duty on the furnishings. Ordinarily you are permitted to transport one shipment of used personal effects to a recreational residence without duty. In order to do so you will have to provide proof at the border of your recent purchase of the property. The purchase document required is a copy of the registered Form A Transfer.

## **RETAIN RECEIPTS**

If you are purchasing furnishings for your property and those furnishings may be subsequently sold with the property it is important that you retain receipts for the furnishings. This would include documentation from Canada Customs for items brought across the border or invoices from suppliers indicating that the furnishings were delivered to the property. Failure to retain such receipts may result in CCRA disallowing the cost, resulting in a larger capital gain on the disposition of the property.

We would be pleased to represent you in the purchase of your Whistler property. Please direct any questions you may have to us by phone or email.

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## **PURCHASER EXPENSES**

The following is a summary of closing expenses which can be anticipated by purchasers of BC real estate:

1. **Legal fees, disbursements, taxes:** These expenses will vary depending on the purchase price, whether you are mortgaging the property, whether you are taking title in your personal capacity or in the name of a company or trust, and whether you need registration for GST. These expenses will typically range between \$700.00 and \$2,500.00. We can provide a quote when these details are confirmed.
2. **Property Transfer Tax:** This is a Provincial tax on the purchase at a rate of 1% on the first \$200,000 of the purchase price and 2% on the balance.
3. **Goods and Services Tax (GST):** This is a Federal sales tax of 7% on the purchase price of newly constructed homes or homes which have been used by the vendor, at least in part, for short term rentals. In some instances, payment of this tax can be deferred by the purchaser by becoming a GST registrant prior to the purchase, provided they have the intention of continuing to use the property for short-term rentals.
4. **Social Service Tax (PST):** This is a Provincial sales tax of 7.5% which may apply to furniture purchased with the real estate. If furniture is separately listed and valued in the Contract of Purchase and Sale, the vendor may ask that PST be paid to the vendor for remittance to the Provincial Government.
5. **Closing Adjustments:** These are adjustments to the purchase price of prorated annual or monthly property expenses incurred by the vendor before closing or to be incurred by the purchaser after closing. These adjustments typically include property tax, municipal utilities and strata fees (if applicable). Depending on the type of property and the time of year and month of the purchase, these adjustments can debit or credit the purchaser several hundred to several thousand dollars.

Please direct any questions you may have to us by phone or email.

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## GST ON PURCHASE OF RECREATIONAL REAL ESTATE

Goods and Services Tax ("GST") is unfortunately a fact of life in Canada and the happy prospect of purchasing recreational real estate in British Columbia requires consideration of GST.

GST is designed to be paid by the end user of the goods or services that are being purchased. In the case of recreational real estate, the end user is either the purchaser who is buying the property for personal use, or the renter who rents the property from the purchaser on a nightly or short term basis.

A purchaser who buys a vacant lot or a newly constructed home or strata unit (a "Property") for the purposes of personal use is required to pay GST equal to 7% of the purchase price.

A purchaser who buys a recreational Property with the intention of renting it out to nightly or short term renters may be able to defer paying GST by obtaining a GST number prior to completing the purchase. The determining factors are the type of Property and the type of purchaser:

- § Partnerships (e.g. a husband and wife as joint owners), companies and trusts can defer GST.
- § Single individuals purchasing a used Property can usually defer GST.
- § Single individuals purchasing a Property that is fractionally titled (e.g. quarter interest), or that is a hotel type unit that restricts the purchaser's personal use, can defer GST.
- § Single individuals purchasing a Property from a builder without restrictions on the purchaser's personal use will usually be required to pay GST. Single individuals may wish to discuss with their accountant/lawyer alternate forms of ownership and their implications.

A single purchaser who has paid GST can apply to CCRA for a refund at the end of the first year of ownership if the Property was available for rental as outlined below.

Once registered for GST the purchaser is entitled to claim credits and obtain refunds for GST that has been paid on property expenses such as legal fees, strata management fees, property management fees, etc.

At the end of the first year of ownership, the purchaser must file a tax return with Canada Customs & Revenue Agency ("CCRA"). If the Property has been available for rent at least 90% of the time (i.e., personal use did not exceed 36.5 days), the GST will continue to be deferred.

If the purchaser's personal use of the Property exceeds 50% in the first year (i.e. it was available for rent less than 182 days in the year), GST will be payable on its then current market value. If personal use was between 10% and 50% the purchaser will be required to pay GST in proportion to that personal use.

Even if GST is deferred at the time of the purchase and is not payable after the first year because of its 90% availability for rent, it may be payable at a later date if there is a change in use. For instance if the Property is used as a rental property for the first three years of ownership and in the fourth year the owner decides that he will stop renting the Property, CCRA will consider this to be a change in use which attracts GST. GST would be payable at the end of the fourth year on the then current market value of the Property. If GST is deferred on the original purchase and is never subsequently paid, upon a resale of the Property the second owner must be registered for GST if the second owner is to defer paying GST.

More detailed information on GST is available on the CCRA web site at [www.ccr-a-adrc.gc.ca](http://www.ccr-a-adrc.gc.ca).

We would be pleased to facilitate your registration for GST. Please contact us by phone or email.

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## **NON-RESIDENT PURCHASE OF REAL ESTATE IN BRITISH COLUMBIA**

### **THE PROCESS**

First time non-resident purchasers may not be familiar with the process of buying real estate in BC. The following is a step by step summary of what can be expected after entering into a Contract of Purchase and Sale:

1. Soon after you or your real estate agent have instructed us to act on your behalf and have informed us that you have removed any subjects in your Contract, we will send you some general information on the transaction and a Purchaser Information Form to complete and send back to us.
2. Our receipt of the Contract and a completed Purchaser Information Form will allow us to open a file for you. We will then order title, tax and, if applicable, strata information for the property and use this information to complete transaction documents.
3. If the purchase is being financed with a BC mortgage, we must receive mortgage instructions from your bank (if we are preparing the mortgage) or mortgage documents from the bank's lawyers, before we can complete transaction documents.
4. During the week prior to the completion date of the purchase, we will deliver the transaction documents to you with detailed instructions on how to sign them and return them to us together with wiring instructions for the funds required from you to complete the purchase.
5. Delays we experience in obtaining mortgage instructions or other property information may result in a rush delivery of these documents to you requiring your immediate attention to having them signed and returned to us.
6. Once we have your signed documents returned to us, we can register the transaction in our Land Title Office on the completion date.
7. We will inform you when the registration is completed, and as soon as possible after registration we will send to you a letter confirming the closing with copies of the transaction documents.
8. Approximately two months after closing, the Land Title Office will send to us, and we will in turn send to you, a State of Title Certificate confirming that the title to your property is registered in your name.

Please direct any questions you may have to us by phone or email.

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## **NON-RESIDENT PURCHASE OF REAL ESTATE IN BRITISH COLUMBIA**

### **CLOSING DETAILS**

#### **Document Execution and Delivery**

We do not use escrow agents in British Columbia. The transaction is closed using lawyers and notaries. There is no date upon which the buyer and the seller physically meet each other and exchange closing documents. The documents will be prepared by us and arrangements will be made for you to sign them.

If it is not convenient for you to attend at our office, we can make arrangements as follows:

- A. **If you are buying with cash only** (i.e. you are not getting a mortgage) we can forward the documents to you by either email or fax. You will need to sign hard copies of the documents and fax them back to our office. You will also have to make arrangements to transfer closing funds to our office. This can be done by wiring the funds directly to us or by sending the funds by courier. If you choose to courier the funds it must be by way of a certified cheque or bank draft. If you choose to send the funds in U.S. dollars, they will be converted into Canadian dollars upon arrival at our firm's bank and the exchange rate will be the exchange rate in effect at our bank on the date the funds are deposited. **Our firm cannot accept responsibility for the exchange rate** that you receive. You should ensure that **more** than enough monies are forwarded in order that we will have sufficient funds to complete the transaction. If we have monies in excess of the amount required to complete the transaction we will refund any difference to you.
- B. **If you are purchasing with a mortgage**, it will be necessary for us to arrange to deliver the documents to you by courier. The Form B Mortgage will need to be signed in the presence of a Notary Public (see below with respect to the proper execution of the document by the Notary). It will then be necessary for you to return the documents by courier. Please note that couriers do not guarantee delivery by 10:00 am the following day on international deliveries to Canada. These deliveries may not be made before 5:00 p.m. the following day at the earliest.
- C. **If you are selling**, we can courier the documents to you. If we are under extreme time pressure we may be able to fax them to you however, as the quality of the reproduction of the documents is critical, we prefer not to. In some instances we may be able to email the documents to you but it depends on whether the buyer's lawyer has been able to provide us with electronic versions of the documents and whether the parties use compatible software.

Once you have received the documents it will be necessary for you to attend before a Notary Public to arrange for the execution of the Form A Transfer in **black ink pen**. The Notary must sign opposite your signature on the Form A Transfer and must provide us with their full legal name, mailing address and occupation including the words ANotary Public@.

Please note that if you live outside of Canada, a Barrister/Solicitor, Attorney or Lawyer is **not** an acceptable witness on the document and you must have it witnessed either by a Notary Public or a Canadian Consulate officer.

If you live in California, you will no doubt experience great difficulty in getting a Notary to sign on the same page as you sign. The Notary will want to attach an additional page and complete the notarization of the document on that additional page. **This is not acceptable to our Land Title Office.** We find that if you request the Notary to complete the document as Aa jurat@, they will then sign the document properly opposite your signature. If they wish to add the words Asworn before me@ that is acceptable to our Land Title office.

### Transfer of Funds

We are unable to give you a final figure as to the funds required to complete until we have completed our searches for information such as property taxes, maintenance fees and the net amount of mortgage proceeds.

A rough estimate of the amount required to complete can be calculated as follows:

#### Debits

- < Purchase Price
- < Property Transfer Tax (1% on the first \$200,000 of the Purchase Price, 2% on the balance)
- < Mortgage Brokerage Fees
- < Legal Fees and Disbursements
- < Property Taxes (a debit to you after July 1)
- < Maintenance Fees for the balance of days remaining in the month

#### Credits

- < Amount of the deposit paid by you to the realty office (do not calculate interest on your deposit as any interest earned will be remitted to you after the closing by the Real Estate office directly).
- < Amount of your Mortgage
- < Property Taxes (a credit to you before July 1)

The difference between the debit and credit columns should give you an approximate amount required to complete the transaction.

If we have not provided you with a figure as to legal fees and disbursements, please feel free to contact us for this information.

Please note that if you are wiring the funds the wire can take up to a week if it is coming from outside of Canada. If you are obtaining a mortgage on a property in the State of Washington, state law requires that the mortgage company hold your funds for three days from the registration of the mortgage. Please note that we will require funds one business day prior to the completion date under your contract.

### Delays

**Closing dates are extremely important in British Columbia real estate transactions.** The closing date is a contractual obligation for the purchaser to meet and failure to meet it may result in a voiding of the contract, a loss of the deposit, and liability for further damages. On request a vendor may provide an extension of a closing date but they are not obligated to do so. **EVERY EFFORT MUST BE MADE BY THE PURCHASER TO MEET THE CLOSING DATE.**

Please direct any questions you may have to us by phone or email.

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# **RATCLIFF & COMPANY**

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## **PURCHASER CHECKLIST FOR "MANAGED" WHISTLER REAL ESTATE**

To ensure a smooth transition to ownership, here is a list of some of the issues that you will want to address following the completion of your home purchase at Whistler.

1.  Have you opened a Canadian Bank account and arranged automatic withdrawals of required payments (see below). Provide the details of the account to your property manager so they may deposit revenue to this account.
2.  Have you discussed with the property manager your responsibilities with respect to your unit and what bills they will be paying on your behalf (see below)?
3.  BC Hydro - Quite often it is necessary for you to apply for hydro service in your name even if the billing will be forwarded to the property manager. Contact BC Hydro at 1-800-224-9376.
4.  Cable Television - Contact Whistler Cable at 604-932-1111.
5.  Telephone - Contact Telus at 1-888-811-2323.
6.  Strata Corporation Maintenance Fees - These are payable monthly and arrangements can usually be made with your property manager to pay these on your behalf, or you can arrange for an automatic debit from your account with the Strata Corporation's management company.
7.  Tourism Whistler Fees - These are quarterly fees payable on the first of January, April, June and September. The amount of the fees will depend on your use of the unit. If you are not planning on renting it out you will be allowed to pay a lower rate of fees and you will have to provide Tourism Whistler with a Statutory Declaration as to your intended use. Contact Tourism Whistler at 604-932-3928 to obtain a Statutory Declaration. If your property manager is not paying the Tourism Whistler fees from your rent revenue then arrangements can be made for automatic debit from your bank account.
8.  Property Taxes - Property taxes and municipal utilities (water, sewer, etc.) are due on or about July 1<sup>st</sup> each year. Confirm with your property manager whether they pay them on your behalf (usually they do not). The tax notice will be mailed to you in June at your address as it is shown on title to the property. If the taxes are not paid by the due date (usually not later than July 2<sup>nd</sup>) there will be an automatic 5% late payment penalty and an additional 5% penalty if it is not paid before November 1<sup>st</sup>. A discount is available (home owner grant) if the property is your principal residence. The Municipality will provide you the discount form with the tax notice.

Important: If you purchase the property in the spring the Municipality may send the tax notice to the previous owner. The Municipality will still charge you the penalty if taxes are not paid on time so it is important to contact the Municipality in June at (604) 932-5535 if you do not receive the tax notice.

9.  Mortgage Payments - Most lenders will set up automatic debit arrangements for monthly payments on the mortgage and many will, if you wish, collect and pay your property taxes.
10.  Non Resident Withholding Tax - You can minimize the non-resident withholding tax by completing an NR6 return and submitting it to Canada Customs and Revenue Agency (CCRA). It will include an undertaking that you will annually file a tax return related to the property. Discuss with your property manager whether they will assist you with a completion of an NR6 return. If they will not, contact an accountant.
11.  Tax Returns - Have you made an arrangement with an accountant to assist you with the filing of your annual Canadian income tax returns with respect to rental income? The tax return for the year ending December 31 is due by April 30. Note that expenses related to the property cannot be claimed after more than two years have elapsed, so it is important to file annually.
12.  GST Returns - Confirm with your property manager that they are collecting and remitting the GST on your behalf. It will be necessary for you to at least annually file a GST return with CCRA verifying the returns made by your property manager. In this return you may claim GST input tax credits such as GST paid on legal fees or property manager fees.
13.  Insurance - Confirm with the property manager and the Strata Corporation exactly what insurance coverage is in place and what coverage you should be carrying. Typically you should carry liability insurance and in some instances it will be necessary for you to insure the furnishings.
14.  Booking Personal Use - Have you reviewed the terms of any rental agreements to determine the notice requirements for booking personal use of the unit and have you diarized all appropriate dates?
15.  Canada Customs – If you intend to furnish your property with personal effects from your home outside Canada, you should contact Canada Customs to determine their requirements to avoid paying duty on the furnishings. Ordinarily you are permitted to transport one shipment of used personal effects to a recreational residence without duty. In order to do so you will have to provide proof at the border of your recent purchase of the real estate. The purchase document required is the registered Form A Transfer.

Please direct any questions you may have to us by phone or email.

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