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Hallelujah!

Land transfer tax refund here to stay.

Good news and bad news arrived from the Ontario government in recent days.

First, the good news. The Taxpayer Dividend Act, making permanent the land transfer tax refund for purchasers of newly-built homes, received Royal Assent on June 23.

In his March budget, finance minister Ernie Eves announced a one-year extension of the temporary refund program for first-time buyers of newly-built homes. In May, Eves announced the government's intention to make the refund permanent.

According to government figures, the rebate continues to support the new housing industry. Residential construction spending in Ontario is projected to rise by a total of 5.4 per cent this year and a further 2.3 per cent in 2001. Ontario's vibrant housing market last year increased Land Transfer Tax revenue by \$90 million above the original budget forecast. Even with the rebate program, the tax is projected to bring in \$570 million this fiscal year and \$580 million next year.

Legislation amending the Land Transfer Tax Act is deemed to have come into force on April 1, 2000. The refund applies to purchases of new homes occurring on or after May 8, 1996. To qualify, the purchaser must use the newly-built home as his or her principal residence.

If the refund is not claimed at the time of registration of the deed, application for it must be made within 18 months of the registration. (Most purchasers apply and receive instant refunds at the Land Registry Offices). The applicant cannot have previously owned a home or a share of a home anywhere in the world. The spouse of the applicant cannot have owned a home or an interest in a home anywhere during the time the parties were spouses.

It is important to note that there is no rebate on resale housing.

Those of us involved on a daily basis in the real estate industry can only applaud the government's foresight in making the tax refund permanent. It is a boon to the construction industry in good times, and it certainly won't hurt when times are tougher.

Now the bad news.

At the beginning of this month, the Newmarket Land Registry Office got evicted from its offices in the Eagle Street West courthouse with virtually no notice.

Attorney General Jim Flaherty announced the closure of the registry and court offices to eliminate toxic mould permeating the building and affecting the health of those who work there.

The very busy Newmarket Land Titles office, which services all of York Region - for properties north of Steeles Ave. - was moved in with the Toronto registry offices at 20 Dundas St. W. in the Atrium building.

Registration facilities for documents in the Land Registry system have been temporarily moved into one of dozens of trailers in the courthouse parking lot.

Registry office staff, law firms and freelance conveyancers are coping as best they can during the disruption. The Toronto registration facilities are only open from 10 a.m. to 3:30 p.m. so that staff can be shuttled back and forth to Newmarket. There, the temporary facilities are only open from 1 to 4 p.m.

Freelancer Sandy Eichler, of Legal-eze Conveyancing, said this week that the Land Titles office staff are working as hard as they can - "above and beyond the call of duty."

Despite this, the reduced hours and temporary facilities are creating challenges for all participants in the land registration process. Lineups at the temporary facilities are much longer than they were before the dislocation, with registrations taking between 30 and 90 minutes or more on busy days.

Anyone who shows up late in the afternoon at the York Region registration facilities, or at other busy registry offices such as Toronto and Brampton, runs a substantial risk of not getting registered before the lights are turned off at 5 p.m.

June 30, for example, is typically one of the busiest days of the year for land registry offices. On that day this year, lineups were as much as two and three hours long. At the end of the day, time ran out on literally dozens if not hundreds of transactions, and they could not be registered. Some were closed "in escrow" with registrations held over until the next business day, but many were not closed and the unlucky purchasers were homeless over the Canada Day weekend.

All of which leads me to ask why it is so common for agents and purchasers to deliberately schedule closings for the first, 15th and last Friday or last day of any given month - particularly in the busy summer months. It's usually chaotic at the registry offices on those days. Movers and purchasers sit around waiting for keys, and furniture frequently has to be put into storage when deals can't close in time.

A personal plea to agents and purchasers: Don't schedule closings for busy days. You won't regret it.