



Genworth Canada: Homeownership Spring 2012 Education Week:

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Government help for the first-time homebuyer:

Home Buyers Plan

One of the most well-known, utilized programs is the Home Buyers Plan. This plan allows eligible people to withdraw up to \$25,000 tax free from their Registered Retirement Savings Plan (RRSP) to purchase or build a qualifying home. To qualify as a first-time home buyer you cannot have owned a home as a principal residence for four years before the date of the withdrawal of funds. People using this plan have to start repaying the amount two years after withdrawing the funds and the entire amount must be repaid within 15 years.

Tax-free savings account

Tax-free savings accounts (TFSA) allow people to save money and not pay tax on any interest accrued. This is a great way to save for a down payment on a home as the money is often more accessible than an RRSP.

GST New housing rebate program

Newly built homes are subject to five per cent GST but there are some circumstances when you may be eligible to claim a rebate for a part of the GST you pay on the purchase price or cost of building your home. If the home you buy is less than 350,000, you can claim a GST rebate to a maximum of \$8,750. For homes priced between \$350,000 and \$450,000 or higher, the GST rebate is reduced proportionately. New home priced at \$450,000 or high (before GST) would not receive a rebate.

Home Buyers Tax Credit (HBTC)

Like the Home Buyers Plan, if you haven't lived in another home owned by you or your spouse or common-law partner in any of the four preceding years and you acquire a qualifying home (i.e., a housing unit located in Canada that will be your principal residence), you can claim an amount of \$5,000 for the Home Buyers Tax Credit (HBTC). This provides up to \$750 in federal tax relief. This initiative is designed to help first-time homebuyers with the costs associated with the purchase of a home such as legal fees, land transfer taxes, etc. This tax credit is claimed on income tax returns in the year you purchase a home. There is also opportunity for individuals who require wheelchair accessible homes to claim this tax credit.

Land Transfer Tax Credit

Ontario, British Columbia and Quebec residents can also make a provincial tax credit claim if you are purchasing a home as a principal residence as long as you and your spouse or common-law partner has never owned a home, or an interest in a home, anywhere in the world. Check out your provincial government website for deadlines and applications.

To find out more about Homeownership- [Click here.](#)



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Next Generation of Energy Efficiency Initiatives

In some regions of Canada, changes to minimum building code requirements are increasing the energy efficiency of newly constructed homes. Natural Resources Canada offers two best-in-class standards for those interested in energy efficiency beyond minimum code requirements. These are the R-2000 Standard and ENER STAR for New Homes. To ensure the initiatives remain at the leading edge of energy efficient housing, this branch of the government has worked in collaboration with industry over the past two years to develop the next generation of these standards.



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The resulting updated 2012 R-2000 Standard will increase the energy efficiency requirements of an R-2000 certified home by 50% compared with that of 2005. R-2000 has been a best-in-class energy efficient label and one of the most comprehensive environmental standards for new housing construction in Canada for 30 years. It is the benchmark for energy efficiency and environmental responsibility for new homes.

Another energy-efficient choice is the ENERGY STAR for New Homes initiative. Homes qualified under the updated initiative are now available across Canada and will be 20% more energy efficient than homes built to provincial building codes. The program provides a simplified means for builders to construct energy-efficient homes and to provide new home buyers with a familiar symbol that represents a higher level of energy efficiency.

By increasing technical requirements and incorporating environmental features, these new housing initiatives will continue to support the federal government's commitment to reduce greenhouse gas emissions.

Are you renovation ready?

We've all seen Now that the snow has melted and the ground is beginning to thaw, it may be time to get started on those home renovations you've been thinking about all winter. Whether you're freshening up a room with a new coat of paint, or completely gutting your home, did you know that you could be leaving yourself open to serious risk if you start a major project without notifying your insurance provider?

Here are some top tips to homeowners on how to protect their biggest investment during renovation season this year:

• Check your insurance policy:

While it's exciting to get the wheels in motion for the kitchen or basement of your dreams, the first call you should make is to your insurance provider to ensure you have adequate coverage during the renovations. For example, some homeowners may not be covered if they vacate their home for a certain amount of time. Don't forget to let your insurer know of any upgrades, too.

• Consider your renovations:

A marble countertop in your kitchen may be high on your list, but consider renovations that will not only increase the value of your home, but also save you money on your home insurance. For example, installing a home security system can reduce your premiums, and upgrading your basement to ensure it's watertight can save you from expensive headaches down the road.

• Do your homework on your contractor:

Your contractor should have general liability insurance, which will protect your home from damage or negligence from the contractor or anyone they hire to work on your property.

(Source: News Canada)