

Home Ownership Program

**FINANCIAL
ASSISTANCE**
January 2015

Are you dreaming of a property in Montréal?

With its many benefits, the municipal Home Ownership program could make your dream more attainable.

If you're buying a property for the first time, take advantage of:

- A lump sum financial assistance when you purchase a new property;
- A refund of your "welcome" tax if you are a family with at least one child who is under 18 and you purchase a new property or an existing residential building with 1, 2 or 3 above-ground dwelling units;
- Easier eligibility to the Ville de Montréal Major Residential Renovation and Renovation à la carte programs when you purchase an existing residential building with 1, 2 or 3 above-ground dwelling units.

If you already own a property, or have owned one in the last five years, you are entitled to receive:

- A refund of your "welcome" tax if you are a family with at least one child who is under 18 and you purchase a newly-built 3-bedroom property.

Bonus for families!

Families with at least one child who is under 18 are entitled to receive:

- 6 months of free public transit on purchase of a one-year OPUS full-fare pass (one free pass per household);
- 2 Accès Montréal cards to take advantage of discounts on many activities offered in the cultural metropolis.

Who is eligible for financial assistance?

- Households who buy a first property that is a new residential unit;
- Families with at least one child under 18 who buy a first property that is an existing residential building with 1, 2 or 3 above-ground dwelling units;
- Families with at least one child under 18 who already own a property (or have owned one in the last 5 years) and purchase a new 3-bedroom property.

What type of property is eligible?

The purchase in Montréal of one of the following types of properties can qualify for financial assistance:

- A new residential unit whose total purchase price, including taxes and extras, does not exceed the stipulated amount;
- An existing, exclusively residential building whose purchase price does not exceed the stipulated amount and that includes 1, 2 or 3 above-ground dwelling units. For buildings with 2 or 3 above-ground dwelling units, at least one of them must be offered for rent on the date that the financial assistance is paid.

What territory does the program cover?

The program is available throughout the city of Montréal.

What is the amount of financial assistance?

The amount of financial assistance varies according to the type of household and the type of property. The financial assistance for the purchase of a new property includes a lump-sum payment and, for families, the refund of the real estate transfer tax ("welcome" tax):

NEW PROPERTY			
Type of household	Maximum eligible purchase price ²	Financial assistance	
		Lump sum	Real estate transfer tax refund
First-time buyers (residential property) ⁵			
Households without children (a single buyer)	\$200,000	\$2,250	
Households without children (more than one buyer) ¹	\$250,000		
Households with at least one child	\$280,000	\$5,000	100 %
	\$360,000 For a “family housing unit” ³	\$5,000 If the habitable floor area is less than 96 m ² (1033 ft ²) ⁴	
		\$6,250 If the habitable floor area is of 96 m ² (1033 ft ²) or more ⁴	
Experienced buyers ⁶			
Households with at least one child	\$360,000 For a “family housing unit” ³		100 %

¹ At least two of the purchasers must occupy the residential unit as their principal residence.

² Including taxes and extras. The maximum eligible purchase price is increased by \$2,500 for a building certified as being conform to the Novoclimat energy efficiency program or by \$5,000 for a LEED-certified building. The purchase price, if it includes a parking space which is identified in the same deed of sale as the residential unit, will be reduced by the price of the parking space as declared by the developer. The price of the parking space must not exceed the market value of a parking space.

³ A "family housing unit" is defined as a new residential unit that includes at least 5 rooms, of which at least 3 are closed bedrooms with a window.

⁴ Please note that the habitable floor area shown on the certificate of location which will be used to validate the interior habitable floor area may be as much as 15% less than the gross floor area the measure which is generally used by developers.

⁵ A first-time buyer is a person who has not owned a residential unit in Québec in the 5 years preceding the purchase of the property for which financial assistance is requested.

⁶ An experienced buyer is a person who currently owns a residential unit in Québec or has owned one in the 5 years preceding the purchase of the property for which financial assistance is requested.

The financial assistance available for families when they purchase an existing residential building consists of the refund of the real estate transfer tax ("welcome" tax).

EXISTING PROPERTY		
Type of household	Maximum eligible purchase price	Financial assistance
		Real estate transfer tax refund
First-time buyers (residential property) ²		
Ménages avec au moins un enfant	Building with 1 above-ground dwelling unit (single-family house): \$400,000	100 % ¹
	Building with 2 above-ground dwelling units: \$450,000	
	Building with 3 above-ground dwelling units: \$490,000	

¹ The amount of financial assistance cannot however exceed the amount of the real estate transfer tax charged for a building with a value corresponding to the maximum purchase price allowed for residential buildings with 2 or 3 above-ground dwelling units.

² A first-time buyer is a person who has not owned a residential unit in Québec in the 5 years preceding the purchase of the property for which financial assistance is requested.

The financial assistance is paid once the new owners have demonstrated that they occupy the residential unit as their principal residence and that they have satisfied all other program requirements. In the case of an existing building with at least 2 or 3 above-ground units, at least one of the apartments must be rented out by the new owner on the date that the financial assistance is paid.

The applicant must pay the real estate transfer tax within the prescribed delay; the amount will subsequently be refunded. Interest due to late payment of the real estate transfer tax is not included in the calculation of the financial assistance. In addition, if the real estate transfer tax is not paid in full in the twelve months following the date on which the bill was issued, the beneficiary will no longer be eligible for this reimbursement.

Households with children who take advantage of this program are eligible to receive 6 months of free public transit on purchase of a one-year OPUS full-fare pass (one free pass per household). These families will also receive 2 free Accès Montréal cards. They will be informed of the procedure to obtain these benefits upon approval of the financial assistance. In addition, some of the eligibility criteria for the Renovation à la carte and Major residential renovation programs have been simplified, under certain conditions, for beneficiaries who receive financial assistance for the purchase of an existing residential building.

The program ends when the funds earmarked for it have been exhausted, or on the date fixed by the executive committee of Ville de Montréal.

Are there any specific program requirements?

For all property types:

- The buyer is a physical person.
- Each of the applicants must prove that he/she has not owned a residential property in Québec in the last 5 years, including as a result of an inheritance. Families who have owned a property in the last 5 years can still get a transfer tax refund if they purchase a new, 3-bedroom family housing unit. This five-year period is based on the dates when the sale of the previous property and the purchase of the new one were recorded in the Land register.
- To be considered a household with children, the household must include at least one child who is under 18 years of age on the date of purchase or who will be born or adopted within 9 months of that date. In addition, the child must reside with the applicant at least 40% of the time.
- The date of purchase is the date of registration of the transaction in the Land register.
- When the application for financial assistance is made following the signing of an offer-to-purchase (preliminary contract), the delay between the submission of the application and the anticipated date of the transaction (deed of sale) must not exceed 18 months. Applicants then have 6 months from the date of purchase to provide all documents required to receive payment of the financial assistance.
- When the application for financial assistance is made on the basis of a deed of sale, it must be submitted within 6 months of the date of purchase. Applicants then have 6 months from the approval of the financial assistance to provide all documents required for its payment.

For new properties:

- The applicant must be the first buyer of the property.
- The property must not have been occupied before it was purchased, except by the applicant and only for a maximum of 12 months before the date of purchase.
- The property must be registered under a warranty program for new homes, provided by a recognised builders' association.

For existing residential buildings:

- The purchase of an existing residential building that includes 1, 2 or 3 above-ground dwelling units and that has no other main use, is eligible for financial assistance. In the case of an existing building with 2 or 3 above-ground units, at least one of the apartments must be rented out on the date that the financial assistance is paid.
- The building must have been constructed or converted into a residential building for at least 10 years.
- The building must not be a divided co-ownership at the time of purchase, except in the case of an existing residential building with a single above-ground unit (single-family house). In addition, the owner cannot apply for such a conversion while the application for financial assistance is being processed.

What are the owner's obligations?

- The beneficiary of the financial assistance must commit to remain the owner of the new residential property for at least 3 years from the date of purchase and occupy it as his/her principal residence. A notary, chosen by the beneficiary, must prepare and register these obligations in the Land registry. Notaries may charge a fee for this service. Beneficiaries who fail to comply with these obligations will be required to reimburse part or all of the financial assistance. This provision does not apply if the beneficiary sells, within 3 years of its purchase, the residential property for which financial was paid and acquires another residential property in Montréal within one month after the sale of this property (and uses it as his/her principal residence).
- The beneficiary of financial assistance for the acquisition of an existing residential building with 2 or 3 above-ground dwelling units must commit not to convert the building into a divided co-ownership for at least 3 years after the financial assistance has been granted. A notary, chosen by the beneficiary, must prepare and register these obligations in the Land registry. Beneficiaries who fail to comply with this obligation will be required to reimburse part or all of the financial assistance

What is the procedure to apply?

Applicants who are eligible for financial assistance should fill out the form for the Home Ownership program available:

- On the Ville de Montréal Web site at **ville.montreal.qc.ca/housing**;
- In borough offices, Accès Montréal offices or at the reception desk of the Direction de l'habitation of Ville de Montréal, 303, rue Notre-Dame Est, 4th floor, Montréal, Québec H2Y 3Y8.

The completed form with the required documents may be sent by mail or delivered in person to one of the above locations, or sent by fax to 514 872-3883 within the prescribed delay. Required documents are listed on the application form. For information, please call 514 872-4630.

Once the application has been received, a letter will be sent to the applicant explaining the approval procedure and the expected waiting period.

Important information: Applications for financial assistance received more than 6 months after the recording of the transaction in the Land registry will be refused. The date the application is received at the Direction de l'habitation (Housing Department), at an Accès Montréal office or at a borough office will be deemed as the date on which the application for financial assistance was submitted. The applicant is responsible for ensuring that his/her application reaches la Direction de l'habitation. If an application is submitted in person, applicants should request an acknowledgement of receipt. For mail applications, it is recommended to keep a proof of postage.

Eligibility period exceptionally extended: If the applicant signed the deed of sale between January 15th, 2014 and November 3rd, 2014, the application must be submitted no later than May 4th, 2015.

How much does it cost to apply?

There is no fee for processing financial assistance applications under this program. However, your notary may charge fees for the preparation and registration in the Land register of your obligation to occupy your home for 3 years and, if required, the obligation not to convert your residential property into a divided co-ownership for a period of at least 3 years. Fees may also be charged by the commissioner for oaths.

This document summarizes the By-law concerning municipal subsidies for homeownership [14-035]. Other conditions may apply.

The Ville de Montréal provides other financial assistance programs. Please refer to the documents available in borough offices or consult **ville.montreal.qc.ca/housing**.

The version of the program terms and conditions found on the **ville.montreal.qc.ca/housing** web site is the most up-to-date. In case of discrepancy between the version on the web site and another version, whether electronic or printed, the version on the web site will prevail. Furthermore, in case of discrepancy between the present document, the web site or the By-law concerning municipal subsidies for homeownership [14-035], the bylaw will prevail.