



# What you need to know about the Home Buyers' Plan



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With the increasing requirements for mortgage approval, as well as the rising costs of housing prices, it is becoming more difficult for people to buy a first house. There are certain plans provided by the government to help first-time buyers, such as the land transfer tax refund available to first-time buyers in Ontario. Another plan to keep in mind, especially now that we are in tax season, is the Government of Canada Home Buyers' Plan ("HBP"). HBP is a program that allows you to withdraw up to \$25,000 in a calendar year from your registered retirement sav-

ings plans (RRSPs) to buy or build a qualifying home. Multiple owners can contribute, as long as they all meet the requirements.

Certain conditions must be met in order to be eligible to participate in the HBP. You must be considered a first-time home buyer, and you must have a written agreement to buy or build a qualifying home for yourself. Or, you must have a written agreement to buy or build a qualifying home for a related person with a disability, or to help a related person with a disability buy or build a qualifying home. Further, you must

intend to occupy the qualifying home as your principal place of residence within one year after buying or building it. If helping a related person with a disability buy or build a qualifying home, you must intend that that person occupies the qualifying home as their principal place of residence.

For the purposes of the HBP, a first-time home buyer is defined as someone who did not, in the four year period preceding the RRSP withdrawal, occupy a home that they or their current spouse or common-law partner owned. This four year period begins on January 1st of the fourth year before the year you withdraw the funds, and ends 31 days before the date you withdraw the funds. Also, the amount you want to withdraw must be in your RRSP for 90 days before you

can withdraw it, and all withdrawals for the HBP have to be received within the same calendar year. Further conditions to be met include that you cannot own the qualifying home for more than 30 days before the withdrawal is made, and that you have to buy or build the qualifying home before October 1st of the year after the year of the withdrawal. To be eligible you must also be a resident of Canada.

Interestingly, you may be eligible to participate in the HBP more than once, as long as you have repaid the withdrawal in full as of January 1st on the year you plan to make the new withdrawal from your RRSPs, and you meet the other HBP conditions applicable to your current circumstances. Repayments must start the second year after you withdraw the funds from



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your RRSP for the HBP. An amount will be designated to be repaid each year, and participants in the HBP generally have to repay the amount of the withdrawal to your RRSPs. If the required repayment is not made, an amount will have to be included as income in the year of the shortfall.

There are obviously both advantages and disadvantages to the HBP, and careful consideration should be given to your individual circumstances to determine if using the HBP will be of benefit to you. One of the major disadvantages to con-

sider is how withdrawing this amount from your RRSPs will affect your long term investment planning. Also, the HBP involves strict timelines that must be followed, so you definitely need to plan well in advance. If taking advantage of the HBP is a possibility for you, it is highly recommended you obtain the assistance of a financial professional.

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## RENTAL GUIDE

# Roof leaks can take time to find and solve: tenant insurance is a wise investment

**BY DICKIE & LYMAN LLP**

Who practice landlord/tenant law and other areas of law

**Q: I live in a row house in the south end of Ottawa. During the February thaw, I discovered the corner portion of my bedroom floor was wet, and some expensive furniture barely escaped being damaged. I spoke to the property manager and he sent a roofer to investigate the leak. No repairs were done, and I am concerned that the leak will come back. What can I do to get some action?**

A: Your landlord is responsible for maintaining your unit in a good state of repair, and that includes taking reasonable steps to correct roof leaks in a timely manner. What is timely depends upon the nature of the problem and its solution, the availability of tradespeople to do any needed work, the effect the leak has on you and other factors.

A proper examination of the roof is very difficult to do when a roof is covered in snow. As well, some leaks are brought on only by unusual weather, such as heavy rain along with wind in a particu-

lar direction, potentially making a problem even harder to diagnose. As well, roof repairs are often not feasible during the winter.

You are best to move the expensive furniture further away from the area where the leak occurred, and keep a careful eye on that area. If any renewed leak occurs, note the date, time and weather conditions, and report that information to your landlord.

Depending upon the nature of the problem, the steps needed to correct it could be simple or more involved. It is generally acceptable for your landlord to attempt a simpler

solution, such as a patch or re-caulking, as a first step. One possible cause for leaks is the presence of ice or other debris on the roof, trapping water. However, it would make you feel better if you know that careful steps were taken to investigate the problem.

Landlords are not responsible to make sure no repair problem ever occurs. They need to do reasonable preventive maintenance, and then respond to problems that arise.

If there is a second leak, then you can make an application to the Landlord and Tenant Board. You can seek

an order that your landlord do specific repair work within a given time period.

You can also apply for a rent abatement to compensate you for a second leak. In determining an abatement amount, the board will consider whether you reported each leak promptly, the landlord's maintenance program and his response to each leak, the length of time that leaks have persisted, and how much effect they have on you.

In the meantime, you are responsible for minimizing any damage the leak may cause, such as keeping your furniture and other belong-

ings away from the affected area until the problem is resolved.

You and every tenant are well advised to obtain tenants' insurance so that if your furniture or belongings are damaged by water infiltration you can obtain reimbursement for the expense of the replacing the furniture or belongings. Insurance on belongings, or "contents," usually comes bundled with insurance against liability, which will protect you if you accidentally damage the building or other tenants' belongings. Both types of insurance are economical and well worth having.