

HOT REAL ESTATE TOPIC: DID YOU KNOW...



DID YOU KNOW?? ONTARIO HAS ELIMINATED FULL HST on NEWLY BUILT HOMES

Ontario has announced a temporary full removal of the 13% HST on eligible newly built homes priced up to \$1 million, but only for one year, and only for purchase agreements signed between April 1, 2026 and March 31, 2027.

Here's the key breakdown.

WHAT ONTARIO HAS ELIMINATED

- **Full 13% HST removed** on *newly built homes valued up to \$1,000,000*.
- This represents **up to \$130,000 in tax savings**.
- Applies to **all buyers** — not just first-time buyers.

WHEN IT APPLIES

- **Eligible purchase agreements must be signed between April 1, 2026 and March 31, 2027.**
- It is a **temporary, one-year measure** tied to the 2026 Ontario Budget.

WHAT HAPPENS ABOVE \$1 MILLION?

- **\$1M–\$1.5M:** Flat **\$130,000 rebate**.
- **\$1.5M–\$1.85M:** Rebate declines from \$130,000 to \$24,000.
- **Above \$1.85M:** Standard \$24,000 provincial rebate only.

IMPORTANT NOTES

- The program is **subject to federal legislative approval**, since the federal government is cost-sharing the 5% GST portion.
- Applies only to **new construction** (including substantially renovated homes treated as new).

Ontario's building industry says the province's plan to rebate the sales tax on newly built homes for more buyers – including some investors – has the potential to be a “game changer” for the preconstruction home market, which is suffering from a prolonged downturn in sales.

DID YOU KNOW? CITY OF TORONTO INCREASES LAND TRANSFER TAX

In December 2025, the Toronto city council voted to increase the Municipal Land Transfer Tax for “**high-value residential properties.**”

HOW DOES LAND TRANSFER TAX GET CALCULATED?

- The graduated rate increases on a sliding scale so that buyers of higher-priced homes pay a larger percentage in tax.

LAND TRANSFER TAX APPLIED

- In the slice between \$3-million and \$4-million, for example, the rate increased by 0.9 per cent to 4.4 per cent from 3.5 per cent.
- Now buyers will pay 6.5 per cent on the portion between \$5-million and \$10-million, for example.
- The rate tops out at 8.6 per cent for the portion above \$20-million.

IMPACT OF HIGHER LAND TRANSFER TAX

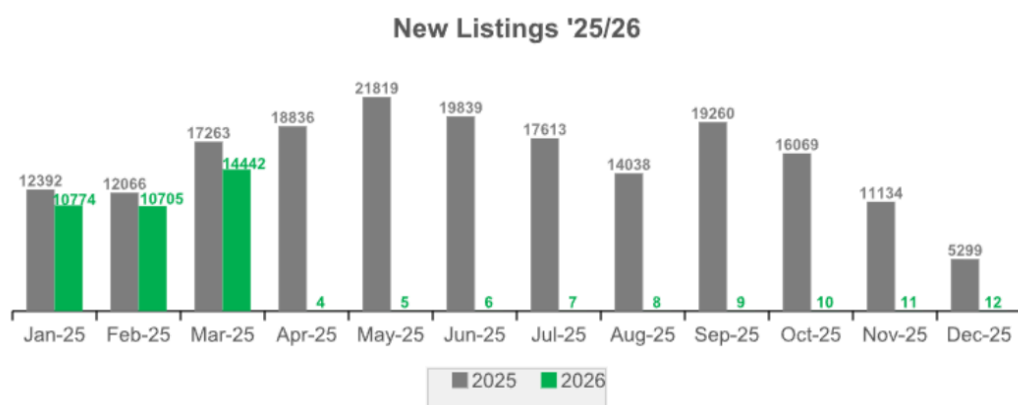
When the policy change was first announced in 2023, some sellers pulled listings forward, and buyers negotiated quicker closings in order to finalize the transaction before the tax kicked in.

A flurry of sales above the \$10-million mark with closings in December took place in the three months leading up to the application of the new tax, followed by a quiet first quarter of 2026 in that price range.

DID YOU KNOW? SHIFTS IN THE REAL ESTATE MARKET ARE HAPPENING...

MARKET SNAPSHOT: SALES UP, LISTINGS DOWN

Sales have inched up **0.6% year-over-year**, but the real story is on the supply side: **new listings are down 16.7%** compared to last year. With fewer homes coming to market, buyers are competing over a smaller pool of properties, keeping the market tight.



December 2025 saw the fewest new listings in the past 15 months. And although new listings did increase in January, February, and March of 2026, they still remained well below the typical year-over-year levels for those months.

So how do we make sense of this? Spring is normally the time when we see a surge of new listings — it's traditionally the season when sellers feel most confident about putting their homes on the market. But this year, sellers are behaving differently.

Many homeowners are **holding off**. The most likely reason is that they're waiting for stronger sale prices before they make a move. In today's market, if someone doesn't need to sell, they're choosing not to. This hesitation keeps inventory low, even during a season when it typically rises.

*Angela Zezza, Real Estate Salesperson
Zezza Colli Realty Group, Sutton Group Quantum*