



Federation of Ontario
Law Associations
Fédération des associations
de barreau de l'Ontario

March 31, 2026

Dear Real Estate Representatives, Presidents and Library Staff,

In an effort to keep real estate lawyers updated with the ever-changing situation in the way we practice, we have further information to be shared with the real estate lawyers in your association.

HST Rebates Update

Newly constructed homes presently have a rebate of up to 36% of the HST (the “Current Rebate”). The federal government finally gave Royal Assent to a first time homebuyer rebate (the “FTHB Rebate”) that would give up to 100% of the GST for new homes valued at up to \$1,000,000 and reducing until \$1,500,000. Before the provincial government could enact legislation to match the PST on the FTHB Rebate, the government proposed new legislation to give a rebate of 100% of the HST to everyone (not just first time homebuyers) if they entered into an agreement on or after April 1, 2026 and before March 31, 2027 (the “Universal Rebate”).

The Universal Rebate is not yet in force and it is unclear when that would be legislated, but the expected time frames are noted in the government’s release [here](#). There are many eligibility requirements relating to who qualifies, the date of the purchase agreement, the completion date, the occupancy date and related calculations for the various rebates. Collectively the rebates have a cap equal to the highest rebate for which an individual is eligible, but these are presently considered to be three separate rebates that can overlap.

Of immediate concern, if you act for builders, is whether to credit the rebates to the buyers and, if you act for buyers, how to claim the rebate and ensuring eligibility. As further clarity is expected in the coming weeks, we can assist with materials that are available.

Requests For Correction in Teraview

In previous FOLA updates, we mentioned that “Teraview will no longer be contacting licensees by fax or by phone” for corrections. It is not Teraview that would contact licensees, but Land Registry staff directly. The Land Titles Office has **now enabled (as of January 12, 2026)** additional emails to be associated with a licence to advise if an instrument is being withdrawn or returned for correction.

Toronto Municipal Land Transfer Tax Increasing

No joke, as of April 1, 2026, Toronto is increasing its municipal land transfer tax for properties with one or two residential units where consideration is \$3,000,000 or more. The release and graduated tax rates can be found [here](#). This would apply to closings on and after April 1, 2026.

Updated eReg Electronic Procedures Guide for Teraview

The 2025 updated eReg Electronic Procedures Guide for Teraview has been released and is available [here](#). The last full update was in 2017 so this version is very welcome. It includes additional commentary that was previously only internal to the Land Registry Office. It has removed some outdated provisions, contains links to bulletins and has added reminders to reduce frequency of common errors. Please share this with your staff!!

Careful With Undertakings

Some financial institutions are being particularly difficult regarding payout statements and discharging security following payout. Aside from various qualifications included in their payout letters or statements, some financial institutions are refusing to discharge security after lawyers have paid out based on the statement, claiming that unknown (at the time) facilities were not included in the payout statement, additional interest payments have accumulated since the payment was made, or, because the institution did not freeze revolving facilities on closing, the borrower continued to use the funds. In some cases, the payout statement indicates that the statement is an estimated projection, includes a set of assumptions and that adjustments are likely. Please read these statements and if it impacts the undertaking you are giving to the purchaser's lawyer, contact the financial institution to clarify.

One pillar of how real estate transactions operate is on the basis of financial institutions (banks and credit unions in particular) accepting payout funds and discharging their security within a reasonable time following the transaction. If these institutions are refusing to do so, after a lawyer was engaged to facilitate the payout and discharge of the indebtedness, then it will fundamentally alter the way real estate closings are going to happen in the future.

We will continue to monitor this situation and look to advocate on this issue in the New Year.

Wiring of Funds

The movement of funds on a real estate or corporate transaction is increasingly complicated. Systems and attitudes are changing but there is not consistency of an approach. Cheques are being phased out, with financial institutions mistrusting them and holding back funds pending due diligence and clearance checks. Direct deposits are quick but not guaranteed funds and there is a general rise in incidences where funds have not cleared several days after deposit. Wires are the preferred means of moving guaranteed funds, but each financial institution has its own way of processing them, leading to unpredictable timing and coordination of the movement of funds.

This creates challenges for lawyers who are left, at the last minute, to deal with these uncertainties. Case law is starting to develop around responsibility for movement of funds, including recent cases regarding time being of the essence.

FOLA is looking into the issue and the various components that need to be resolved to bring predictability into the equation and any interim measures that can be brought forward pending a global consensus. This includes:

1. discussion with insurers on best practices and coverage;
2. understanding the key timelines with the Canadian Payments Association and the financial institutions members to develop comprehensive systems for movement of money;

3. language for agreements of purchase and sale to address movement of money challenges, escrowed closings and extension of closing dates where necessary;
4. educating real estate professionals about the challenges of tying a purchase and sale to the same date, with options to clients about bridge financing or other alternatives to stagger closing dates.

We continue to monitor this important issue and welcome thoughts and concerns.

Stay up to date with FOLA's real estate information at <https://www.fola.ca/issue/real-estate/>.

Mark Giavedoni
FOLA Real Estate Chair

Please note: The information provided herein is of a general nature only and is not intended to provide legal advice.