



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

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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.

Director Bulletin 2026-07---s118 Restrictions

Everything you needed to know about s118 restrictions have been provided in the recent bulletin issued by the Director of Titles, which can be found [here](#). This outlines additional details on the difference between s118 and s119 restrictions, the criteria for registration of s118 restrictions and how they may be removed. Please share with your staff.

Digital Plans

The Examiner of Surveys has issued a [notice](#) regarding additional plans that are to be submitted for deposit and registration. Legislative amendments effective January 1, 2027 and regulations will enable digital plans for some reference plans and parts of condominium descriptions to be submitted electronically. The process will be outlined in a future release and will be implemented over the first half of next year. Lawyers working with surveyors and developers will want to better understand the new process to manage expectations on timing and coordination of efforts between lawyers, surveyors and the Land Titles Office.

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Office has enabled **up to 4** additional emails to be associated with a licence to advise if an instrument is being withdrawn or returned for correction. You can see the announcement [here](#).

Real Estate Levies (LawPRO)

Effective January 1, 2027 the real estate transaction levy will increase from \$65 per transaction to \$100 per transaction. This applies to transactions that close on or after January 1, 2027. The same application rules will apply to qualifying transactions or exemptions, which you can access [here](#).

HST Rebates Update

Newly constructed homes presently have available at least 3 rebates. The most familiar rebate is equal to 36% of the HST (the “Current Rebate”) which reduces after the house value exceeds \$350,000 and is eliminated after a value of \$450,000, but the provincial portion is capped at \$24,000.

The federal government and Ontario government have enacted a first time homebuyer rebate (the “FTHB Rebate”) that would eliminate up to 100% of the GST and PST for new homes valued at up to \$1,000,000 and reducing until \$1,500,000.

The provincial government has also enacted HST rebates for anyone (not just first time homebuyers) who purchases a newly constructed home to live in (or for their relation) (the “Enhanced Rebate”) if they entered into an agreement on or after April 1, 2026 and before March 31, 2027. The Enhanced Rebate applies to rebates of PST and an equivalent amount matching the GST for new homes valued at up to \$1,000,000 and reducing until \$1,850,000. This rebate is submitted to CRA but is administered provincially. This may have implications on processing and timing of rebates submitted by developers or homebuyers directly.

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.

The most current CRA guide on this (October 2026) can be found [here](#).

Sweeping Rule Changes in Residential Tenancies

The Provincial government has implemented significant amendments to the Landlord and Tenant Board and the Residential Tenancies Act, 2006 in an effort to reduce backlogs, compress timelines and increase efficiency. These changes were introduced via Bill 60 on July 1 and Bill 97 on September 21 of this year. These amendments include reduction of timelines for notices and hearing applications for rent arrears/non-payment; requirement that tenants pay the landlord 50% of the disputed rent arrears in advance of a hearing if the tenant intends to raise issues of repair, maintenance, etc; and a grounds for eviction on persistently late rent payment. The regime for eviction based on landlord’s own-use is altered by requiring the landlord to give 120 days notice in lieu of compensation (or compensate 1 month if less notice is given) and landlord must move in within 60 days of eviction, otherwise it is presumed to be a bad faith eviction. Other amendments increase penalties, alter deadlines for notices and compliance and changes to ‘renoviction’ safeguards.

If your practice includes residential tenancies, you should familiarize yourself with the new requirements, the new LTB forms and the transition provisions.

Toronto Municipal Land Transfer Tax Increasing

As of April 1, 2026, Toronto increased 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](#).

Updated eReg Electronic Procedures Guide for Teraview

The 2025 updated eReg Electronic Procedures Guide for Teraview 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!! Rumour has it that there will be another update in 2027...

Careful With Undertakings

Some financial institutions are 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.

Real estate transactions operate 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. Closings depend on good faith undertakings of lawyers to enable this. 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. 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.

The long-awaited Real-Time Rail solution is expected to be implemented in Canada by the end of the year (fingers crossed), which would be available 24/7, moving guaranteed, irrevocable funds in seconds. It would have an initial cap on each wire of \$100,000 (possibly less, based on what the banking industry will allow), until more familiarity and risk tolerance is built up in the system.

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.