

Many Realtors are Predicting a Leveling Out of the Housing Market

Categories : [Housing market news](#), [Uncategorised](#)

Many realtors are predicting that Canada's real estate boom will be slowing down in 2017, with predictions that the New Year will bring with it modest sales gains compared to years gone by. Even the Canadian Real Estate Association forecasts 2017 as the year when the home market will level off. And while Toronto and Vancouver are still considered "red hot" by any measure, both realtors and bankers seem to be in agreement that changes are coming to the housing market.

There have also been pressures placed on the federal government to intervene in some way in the market. The stumbling block is where to intervene. Small down payments can be problematic. Foreign buyers with cash also pose a problem. And finally, a shortage of housing inventory has its own impact on supply and demand. As for prices, forecasters are predicting a "flattening out" – not any dramatic reduction in record-high house prices, but certainly a [halt to the escalation](#).

Then, of course, there's the issue of residential home affordability. And although the luxury home market has a completely different set of dynamics, it's the first time homebuyer that seems to be squeezed out of the housing market. Flattening out or not, house prices remain high, seemingly out of reach for many, and especially the young. Perhaps the Bank of Canada has the best long term forecast, warning that an elevated house market, with high prices is simply unsustainable.

Whatever the housing market, buyers should know about HST housing rebates

When it comes to real estate, there are two types of HST rebates. One is intended for buyers who will reside in the newly purchased property. The other is intended for investors who will lease their purchased property. In either case, and regardless of property type, HST rebates are voided if a property is sold in the first 12 months after purchase. CRA also has several rules that preclude close family members, co-owners, and foreign investors from participating in an HST rebate.

Many properties are eligible for rebates - from pre-construction to new builds

- Occupants and/or investors who plan to buy a pre-construction condo or house
- Homebuyers of a new built residence that has not been previously lived in
- Individuals who have undertaken to custom build a new home for personal use
- Homeowners who have substantially renovated their existing home (90%)
- Those who plan to convert a non-residential property into a residential home

Different circumstances pose different challenges with HST housing rebates

Depending on the situation, there are real estate transactions, especially newly built, that include an HST rebate. There are other situations when a builder does not include an HST rebate into a purchase price. There is also a time limit for HST rebates, and failing to apply within 2 years of closing a real estate deal may disqualify a rebate. This is exactly when an expert rebate specialist can be valuable in understanding the ins and outs of an HST application. With Rebate4U, all of the legwork is done on behalf of the client, while the team strives for the highest possible HST rebate.