

HST Relief

REBATES & LOANS

Are you closing on a new build investment property?

Have you closed on one within the last 2 years?

Our service will lend investors the HST due on closing and reclaim the HST New Housing Rebate



o 1.866.832.1990 | f 1.866.224.1226
info@HSTrelief.ca | www.HSTrelief.ca

INTRODUCTION

HST Relief: Loans & Rebates provides a unique service by lending the HST Rebate amount to an investor on closing in Ontario, a service that the 5 major banks will not provide. To qualify, your property must be a non-owner occupied investment property. If you have purchased an applicable* investment property that has yet to close, you will be required to pay a portion of the 13% HST upon the unit's final closing. Closing is typically 6-9 months after the occupancy date and is when title of ownership is transferred from the builder to the final owner's name. This is when the HST component is due. The service we offer is twofold:

To provide the financing needed to successfully close the property

To coordinate and file for your HST rebate with the Canadian Revenue Agency

Our company has over 14 years of experience in financing properties in Ontario. Almost every cost associated with owning real estate has increased in the past decade. Most of the increased costs are a result of the new Federal, Provincial and Municipal taxes directed at real estate purchasers across Canada, specifically in Toronto and Vancouver. We seek to provide a resource for clients who need additional financing at the time of closing.

*To apply for the HST New Housing Rebate, your investment property must be purchased from a builder in Ontario, non-owner occupied and you must have a 1-year lease agreement in place. Filing for the rebate must occur within the first 2 years from title transfer of the investment property.

REAL ESTATE PURCHASING COSTS AND HST REFUND

Today purchasers are faced with the following costs (e.g., 350,000 in Toronto):

City of Toronto Land Transfer Tax: 2,800 on a 350,000 purchase price
Due on closing, depending on your ownership status

Provincial Land Transfer Tax: 3,000 on a 350,000 purchase price
Due on closing, depending on your ownership status

Harmonized Sales Tax (HST): 22,300 on a 350,000 purchase price
Due on closing if property is a new build and a non-owner occupied investment

Levies: 5,000 – 10,000
Municipal taxes due on closing as an estimate of forecasted cost of services for the municipality

Filing your Rebate Packages:



• \$750.00 fee

OR

• 10% of the Rebate amount due upon reclaim

Filing your Rebate & Loan Packages*:



• \$1995.00 fee

OR

• 15% of the Rebate amount due upon reclaim

**plus applicable interest only payments*

Contact us to inquire about our Foreign Investor's Package
1.866.832.1990 or Email: info@hstrelief.ca

EXAMPLE

Builder's Price:	\$350,000
Purchase Price plus HST:	\$377,400
Rebate:	\$27,400

Thousands of purchasers must come up with the HST component upon closing for a newly built investment property. Since the HST New Housing Rebate rules are relatively new, many purchasers have not taken this expense into account in their initial budget. The additional expense is incurred if the property is an investment unit and purchased from a builder. HST is a weighted calculation based on the purchase price. The Federal and Provincial government will allow a maximum rebate of \$31,000. We will qualify investors for the rebate if they meet the following requirements:

- Your investment property must be purchased from a builder in Ontario
- The property must be non-owner occupied
- You must have a 1 year lease agreement with a renter
- It must be within 2 years of title transfer of the investment property



Refunds are normally issued within 8 weeks of the application being filed, but can take up to 12 months or longer.

GOAL OF OUR SERVICES

The goal of our service is to bridge the financial gap for buyers who require closing finances to cover the HST charged on non-owner occupied properties in Ontario. Our program also provides the service of filing the rebate to reclaim the HST. We also get our clients' money back from previously purchased investment properties for which title transfer occurred less than 2 years ago.

In recent years, the combination of all three levels of Canadian government has made it increasingly difficult for Ontarians to purchase investment properties due to increasing closing costs and additional taxation. Amidst these challenges, RealNet estimates that there were 20,000 condo closing in Toronto in 2014 alone. Our service allows investors to continue to purchase real estate in Ontario by helping to relieve some of the financial burden.

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First Canadian Place
100 King St West Suite 5700
Toronto, ON M5V 1C7
o: 1.866.832.1990 | f: 866.224.1226
info@HSTrelief.ca | www.HSTrelief.ca

OUR SERVICES

Our services are designed to assist investors with closing a new build investment property. HST Relief: Rebates & Loans will lend you the HST New Housing Rebate amount needed to close your investment property (up to \$31,000) and we will file your Rebate with the CRA to get your money back.

The price set out in your Agreement of Purchase and Sale from the builder assumes that the purchaser will be using the property as a primary residence and therefore, the builder will receive your property's HST New Housing Rebate. This way, the builder does not need to charge you the HST in addition to the sale price. However, if the new build investment property will be non-owner occupied, you are required to pay the HST in full on the date of final closing and title transfer.

Since the HST New Housing Rebate took effect recently and many investors are unaware of this new regulation, there is often only a short time frame to come up with these funds in time for final closing. Failure to come up with the HST by final closing can jeopardize the owner's deposit and can result in litigation from the builder for breach of contract.

The stress of unexpected expenses can be avoided with help from **HST Relief: Rebates & Loans.**

We lend up to \$31,000 for the HST of your investment property.

The HST Relief: Rebates & Loans services include **filing** for the rebate, **lending** up to \$31,000 to cover your HST and **collecting** your rebate from CRA. Prospective clients' credit and debt service ratios must be within our parameters as HST Relief secures the loan as a second mortgage.

