

Rodney Harvey

Subject:

Your January 2026 Real Estate Update



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Dear Valued Client,

Welcome to the new year, a time for fresh beginnings and mapping out your vision for the months ahead. Have you thought about your goals for 2026 and the steps you'll take to achieve them?

Dreaming is easy; however, the follow-through can be challenging. If that sounds familiar, a little inspiration might be all you need. This month's update focuses on practical insights to help you navigate today's evolving real estate landscape with confidence. Inside, you'll find guidance on creative home-financing strategies, important considerations for buyers and sellers who choose to self-represent, and a timely overview of CRA rules that can make house-flipping profits fully taxable. I've also included a look at the interior design trends shaping homes in 2026, offering inspiration for those planning renovations or preparing a property for sale. Whether your goals involve buying, selling, improving, or simply staying informed, this update is designed to support sound decisions in the year ahead.

Whatever your goals are for the year ahead, whether they involve home renovations, repairs, or moving, you can count on me to help you create a plan for success to turn your goals into reality. Please don't hesitate to reach out, even if you just have questions or need advice.

Here's to a fabulous and fulfilling year ahead!

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How to Finance a Home Creatively in Ontario During 2026

Creative home financing in Ontario for 2026 involves combining government programs, exploring alternative lending options like private mortgages or shared equity, and using strategies such as co-ownership and seller financing.



These approaches can help overcome traditional barriers like large down payments or strict credit requirements.

Government Programs and Incentives

Leveraging government programs is a key strategy for enhancing affordability in Ontario.

- **First Home Savings Account (FHSA):** First-time buyers can contribute up to \$8,000 annually (lifetime max of \$40,000) to an FHSA. Contributions are tax-deductible, and qualifying withdrawals for a home purchase are tax-free, making it a powerful savings tool.
- **Home Buyers' Plan (HBP):** This program allows first-time buyers to withdraw up to \$60,000 (as of 2025) from their Registered Retirement Savings Plan (RRSP) for a down payment, which is repaid over 15 years. Couples can combine their HBP withdrawals for up to \$120,000.

- **Land Transfer Tax (LTT) Rebates:** First-time buyers in Ontario are eligible for a provincial LTT refund of up to \$4,000. If buying in Toronto, an additional municipal LTT rebate of up to \$4,475 may also be available.
- **Local and Municipal Programs:** Various Ontario regions (e.g., Simcoe County, Region of Waterloo) offer their own affordable homeownership programs, providing forgivable or interest-free down payment loans to eligible residents. Check specific municipal websites for details.

Alternative Financing Strategies

These non-traditional methods can provide pathways to ownership when conventional mortgages are not feasible.

- **Co-Ownership with Friends or Family:** Pooling resources with trusted individuals can significantly increase your purchasing power and share the financial burden of the down payment and mortgage payments. It is crucial to have a formal legal partnership agreement that outlines everyone's rights and responsibilities.
- **Rent-to-Own Programs:** In a rent-to-own agreement, you rent a property with the option to buy it later at a predetermined price. A portion of your monthly rent payments is credited towards your future down payment, giving you time to save and improve your credit score.
- **Seller Financing (Vendor Take-Back Mortgages):** The seller acts as the lender, providing direct financing to the buyer. This bypasses traditional lenders and can offer more flexible terms, which may be beneficial for those who struggle to qualify for conventional mortgages.
- **Private Lenders and Alternative Financing:** If you do not qualify for a traditional "A" or "B" mortgage, private lenders can offer more flexible terms, though typically at a higher interest rate. These are often considered a last resort and require careful consideration of the costs.
- **Shared Equity Programs:** In this arrangement, a third party (like a government entity or private investor) provides a portion of the down payment in exchange for a share of the property's future appreciation.

Tips for Success

Consult Professionals: Work with a knowledgeable mortgage broker and real estate lawyer to explore options and navigate the complexities of these strategies.

Optimize Your Down Payment: Combine the FHSA and HBP with personal savings to maximize your down payment efficiently.

Manage Credit: Aim to keep credit card balances below 30% of their limits and avoid new debt before applying for a mortgage to improve your credit score and borrowing power.

Can I Sell a Property Without a REALTOR® ?

Yes. Just like a Buyer can represent themselves, so can a Seller. If you are involved in a real estate transaction and are not a client of a real estate brokerage, you are considered a Self-Represented Party.



There are significant risks to representing yourself in a real estate transaction if you do not have the knowledge and expertise required to navigate the transaction on your own. You will be dealing with a buyer who is benefitting from the services, opinions, and advice of a real estate agent. It's important to understand that the brokerage and its agents have a legal obligation to do what is best for their buyer client.

Be aware that the agent is obligated to share anything you tell them with their client, including:

- your motivation for selling the property;
- the minimum or maximum price you are willing to accept; and,
- your preferred terms or conditions for an agreement of purchase and sale.

The real estate agent might provide you with assistance. It is important to understand any assistance that might be provided by the agent:

- must be a service to their client, or incidental to a service to their client;
- must promote and protect the best interests of their client; and,
- must not include opinions or advice to you related to the transaction.

[Click here for the balance of the blog](#)

Flipping a House? Your Gain Could be Fully Taxable Under This Rule

Profits from a “flipped residential property” are now business income, targeting individuals that misclassify these profits as a capital gain to avoid taxes.



It's important to understand this rule as the Canada Revenue Agency (CRA) has increased the number of audits relating to these types of transactions, which can lead to hefty penalties and interest for non-compliance.

What is the residential property flipping rule?

Under this rule, a gain on a “flipped property” sale is deemed to be business income and fully taxable. No principal residence exemption is available to reduce the tax. This rule only applies to gains; individuals cannot report a business loss on a property just because it meets the definition of a flipped property.

A “flipped property” is defined as a housing unit that:

- is located in Canada
- would not otherwise be inventory of the taxpayer
- was owned by the taxpayer for less than 365 consecutive days prior to the disposition of the property

However, an exclusion may be available where the property is disposed of due to a qualifying life event.

Although not included in Bill C-32, the Fall Economic Statement proposes to extend this rule to gains arising from assignment sales. Accordingly, individuals who hold the rights to a pre-construction residential property and sell those rights for a gain within 12 months would be deemed to have received business income for tax purposes. The 12-month holding period would reset once ownership of the property transfers to the individual. Click here for the balance of the blog

Interior Design Trends Making a Buzz in 2026

Tired of looking at the same old walls? Maybe your home could use a little makeover. If you are considering giving your home a makeover this year, there are a variety of interesting interior design trends making an impact in 2026 that you could try, such as:

- Sustainable, eco-friendly materials, like stone, reclaimed wood, recycled glass, and upcycled items such as vintage furniture.
- Warm and earthy colour palettes such as off-whites, eucalyptus green, oiled bronze, terracotta, and soft blues are in vogue. They offer a sense of tranquility and timeless sophistication.



- Nature-inspired design, like botanical motifs, houseplants, living walls, and maximization of natural light, which help evoke a calm and organic ambience.
- Handcrafted, artisanal, bold pieces. There's a renewed appreciation for nostalgia and character of carefully curated handmade items, found treasures, and antiques.
- Statement lighting fixtures for their visual interest and focal point qualities.
- Functionality for work-life balance, such as with flexible room dividers, convertible furniture, and integrated storage solutions, are increasingly valued for supporting adaptable, harmonious living environments.
- Smart technology integration, such as with thermostats, lighting systems, and appliances with smart features. If you are in a condo, you may need to check building compatibility and get condo board approval for some smart home technology.

In essence, this year's trends are all about leaning into comfort, connection, and charm — perfect for transforming a home into a true haven that reflects both style and substance.

Notable, Quotable, Quotes!

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“What you get by achieving your goals is not as important as what you become by achieving your goals.”

Zig Ziglar

“Do not wait to strike till the iron is hot; but make it hot by striking.”

William Butler

“Surround yourself with only people who are going to lift you higher.”

Oprah Winfrey

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