Real Estate Bulletin

Federal budget has housing market in mind

Tax credits available for renovations, first-time homebuyers

February 2009

The 2009 Federal Budget offers up several financial breaks for first-time homebuyers and homeowners looking to improve the value of their homes through renovations.

First-time buyers could see savings of up to $750 to alleviate closing costs by way of a $5,000 non-refundable income-tax credit on a qualifying home purchased after Jan. 27, 2009.

This is welcome news for prospective real estate clients debating whether they should wait for better financial times.

Coupled with the Province of Ontario's rebate of up to $2,000 for Land Transfer Tax for first-time homebuyers, potential savings are substantial.

In a further effort to stimulate the housing market, the proposed budget offers to increase by $5,000 the maximum amount first-time homebuyers can withdraw from their RRSPs.

Under the Home Buyers' Plan, $25,000 can now be withdrawn, up from $20,000, with the stipulation the money be repaid over a 15-year period, beginning in the second year after it is withdrawn.

The budget also contains something for prospective sellers: A Home Renovation Tax Credit—a one-year, temporary 15 per cent income tax credit on eligible home renovation expenditures for work performed or goods acquired between Jan. 27, 2009 and Feb. 1, 2010.

A credit may be claimed on eligible expenditures exceeding $1,000 but no more than $10,000, putting up to $1,350 back in the homeowners' pockets.

This provides a great opportunity for sellers deciding if they should spend money to complete a few renovations in order to make their homes more attractive to potential buyers.

If you have any questions, please do not hesitate to contact me.

Regards,
Robert Riopelle

Our Lawyers

ROBERT RIOPELLE

JOSHUA BOND

PIERRE LAMBERT-BÉLANGER

GORDON CONLEY

PAULA RIOPELLE

KELLY WATSON

KEVIN GRIENER

www.rglaw.ca

RIOPELLE · GRIENER
PROFESSIONAL CORPORATION | SOCIÉTÉ PROFESSIONNELLE
Lawyers | Avocats

Nous sommes fiers d'offrir nos services en français.