



U.S. TARIFFS AND LOWERED RATES: HOW DOES IT IMPACT CANADIAN REAL ESTATE?



New Tariffs, Rate Cuts & Market Uncertainty—Will Your Dream Home Cost You More?

If you're thinking about moving into your forever home but feel uncertain about timing, you're not alone. The real estate market is in flux, and the next few months could have a massive impact on home prices in Simcoe County and York Region.

With Trump's new 25% tariffs on construction materials, the Bank of Canada's recent 0.25% rate drop, and the potential for more cuts, buyers are left wondering: Is now the time to buy, or should you wait?

The reality? This is a "wait and see" situation. Prices could go up, pre-construction homes could get more expensive, and rate cuts could drive competition higher. Doing your research and staying informed is more important than ever—it could save you thousands. See our top 10 impacts of these tariffs below:

Short-Term Impacts (0-12 Months):

1. Pre-Construction Prices Will Likely Increase

Builders rely on steel, aluminum, and lumber—materials now subject to the 25% tariff. Expect higher price tags on new builds as costs trickle down.

2. A Temporary Buying Window with Rate Drops

With the BoC lowering rates, borrowing costs are slightly lower. But if more buyers rush in, demand could push home prices up.

3. New Home Supply May Shrink

With material costs rising, some developers may delay or cancel



projects. This could mean fewer new homes and increased competition for resale properties.

4. Renovation Costs Are Climbing Too

If you're considering a fixer-upper, keep in mind that materials like steel, appliances, and even kitchen cabinetry could see price hikes.

5. More Buyers Are Coming Back to the Market

With rate cuts and fears of rising home prices, more buyers may jump in now—especially those who have been waiting on the sidelines.

Long-Term Impacts (12+ Months):

1. Luxury & Custom Homes Will Be More Expensive

High-end homes that rely on imported materials will see the biggest cost increases. If you're looking at custom builds, expect price jumps.

2. Pre-Construction Deposits Could Lock in Lower Prices

If you secure a pre-construction home today, you might avoid further price hikes—but developers could increase prices on future phases.

3. Housing Inventory May Stay Tight

If new builds slow down and demand remains high, resale home prices could rise due to lower supply.

4. More Rate Cuts Could Drive Prices Even Higher

While rate cuts lower mortgage payments, they also increase affordability—meaning more competition for the same homes, pushing prices up.

5. Off-Market Pre-Listings Offer the Best Deals Right Now

With uncertainty ahead, getting access to exclusive pre-listings before they hit MLS can give you a competitive edge. Faris team has a pre-listing program that gets you access to home before they hit the market. You can get access by signing up here: [Get Early Access to Pre-Listings with FarisVIP](#)



Bottom Line: What Should You Do?

- **Thinking of Buying?** Keep a close eye on the market and consider pre-construction before further price hikes.
- **Waiting for a Price Drop?** It's a gamble—lower rates could fuel demand, making homes even more expensive.
- **Need More Options?** Pre-listings offer first access to homes before public competition heats up.

We're here to support.

As of today, there's still a lot in flux, and making the right move at the right time could save you thousands. Our team is here to help you navigate the shifting market with expert advice. Feel free to reach out to our team at any time.

