

New Housing Rebate vs New Residential Rental Property Rebate

Categories : [Condos](#), [HST housing rebate](#), [Real estate investment](#), [Renovations](#), [Renting](#)

Like many government-backed tax rebates, navigating through the rules and regulations can get confusing. The pre-requisites are often hard to understand and it's not that uncommon to make mistakes. That's why it's important to understand the difference between the GST/HST New Home Rebate and the GST/HST rental property rebate. This will ensure a complete and correct rebate application.

The GST/HST New Housing Rebate

The HST New Home Rebate allows homeowners to recoup up to \$16,080 of HST that was paid when constructing or renovating their home. Rebates are only available up to 2 years from completion of construction or renovation. There are certain criteria that must be followed.

- the home must be used as the principal residence
- the construction must be for a newly built home, or substantial renovation or major addition
- substantial renovation must include gutting the entire home with 90% of the dry wall removed
- a major addition must double the size of the home and remove 90% of existing dry wall

Those who have paid HST to newly construct or substantially renovate their home are entitled to the [HST New Home Rebate](#). The home must be used as the primary residence. Rebates are only available when conditions have been met.

For those who build a major addition, the home must double in size. For those who "substantially" renovate a home, at least 90% of the existing home interior must be either removed or replaced.

Simply adding a large sunroom or additional bedroom is NOT considered to be a major addition to the home. As well, a non-residential property must be completely converted into a residential home to qualify. Finally, the HST rebate DOES apply to a new mobile home or new floating home.

The GST/HST New Residential Rental Property Rebate

The NRRP Rebate is available to [property investors and landlords](#) who meet specific guidelines. To begin with, a property buyer must rent out the newly purchased real estate. The rebate is only available to the buyer. NRRP Rebates are offered immediately after the purchase deal closes and a 1-year lease is in place.

- a rebate claim must be submitted within 2 years of closing

The NRRP Rebate is available to property buyers who have paid HST on a real estate purchase that will be used as a residential rental property. There is a required registration process. There are guidelines to follow. And application paperwork must be submitted correctly and on time.

Like other rebate programs, rules and regulations can often get confusing with the NRRP Rebate. Importantly, deadlines must be accommodated – a late filing can jeopardize the entire process. Property buyers must also recognize that “renting out” will require a full one-year occupancy.

Investors and landlords should remember that the NRRP Rebate is a rebate from the Canada Revenue Agency. This could take time to process and receive, so it’s highly recommended to file an application immediately after the property has closed, and a rental agreement is signed.

Professional services from the experts at Rebate4U

The team at Rebate4U provides professional services with the new home HST rebate and the rental property rebate. In house tax experts have years of experience dealing with government rebate programs and have direct contact with many government agencies.

With Rebate4U, clients can rest assured that application paperwork is submitted correctly and always on time. The rebate process is managed from application to follow-through to final refund cheque. Every effort is made to secure the highest possible rebate available.

Working with the expert team at Rebate4U, applications are made easy, especially for first time landlords and property owners. To learn more about Rebate4U and the services offered, call toll free at 1-800-610-4510 or visit the company website at www.rebate4u.ca.