

Wondering About New Home Rebates in Ontario?

Categories : [HST housing rebate](#)

Sometimes referred to as new housing rebates, new home rebates in Ontario are available to those who purchase a new home or condo directly from a builder, or who hire a builder to build a new home. In Ontario, the HST rebate is often assigned to the vendor on closing. This rebate then allows the vendor to “lower” the selling price equal to the rebate amount. Importantly, [this type](#) of rebate is available to a new homebuilder or a condo developer, depending on the property.

New Residential Rental Property Rebate



Amongst the new home rebates in Ontario, the [NRRPR](#) is for new condo or new home purchasers who plan to rent out the property. This rebate is only for the buyer – not for the vendor. As this rebate is available only after closing, purchasers would be wise to apply immediately.

Background on new home rebates in Ontario

The provincial government introduced new home rebates in Ontario so as to help homeowners with the increasing costs of home buying. By reimbursing buyers for a portion of their HST, the objective is to lessen the financial burden for those who are first entering into the market.

New home rebates in Ontario require certain eligibility pre-requisites in order to qualify:

- purchasing a newly constructed home
- purchasing a [newly built condominium](#)
- contracting a builder to construct a home

- substantially renovating a house/condo
- renovating a major addition to a house
- rebuilding a home destroyed by a fire
- altering non-residential to residential

Applications for new home rebates in Ontario

HST new housing rebates typically take between 2 months and 6 months from the date of submission. Along with the rebate application, claimants must submit all the proper paperwork, any supporting documentation, and all of the relevant invoicing to Canada Revenue Agency.

In general, HST rebates must be filed within 2 years of a new home or condominium closing date. For HST renovation rebates, applicants have up to 2 years from the completion of construction. To be eligible for an HST home rebate, the premises must be used as the primary residence.

There are certain factors that CRA considers when determining the definition of a primary residence. Naturally, the premises must be acknowledged as the main living residence – and the address must appear on personal and/or public records like a driver's license, or similar.

HST rebates with more than one property buyer

There are certain situations when a mortgage lender requires a “third party” to be added to a property title – often it could be as little as 1% ownership to qualify for a mortgage. The problem here is that the third party must fully qualify for an HST rebate under all of the provisions.

For CRA, a third party must be “closely related” to the property owner – otherwise the rebate will be disqualified. In other words, everyone on title must be eligible for the HST rebate or no one is eligible. Failure to comply may well result in CRA demanding back the rebate and interest.