

## What is the Ontario Condo Rebate?

Categories : [Condos](#), [HST housing rebate](#)

The Ontario Condo Rebate, also known as the New Residential Rental Property Rebate, is open to both Canadian and foreign investors. The rebate allows you to receive an HST rebate on a new home (or condo). To qualify for the Ontario Condo Rebate you must provide proof of a one-year lease for the property you have purchased. This will substantiate that the new home (or condo) will be formally rented out to a tenant for at least the first twelve months after closing your deal.

## How the Ontario Condo Rebate works for investment properties

Canadian property investors, as well as foreign-based investors, are eligible for an HST rebate when purchasing a new home or condominium for investment purposes. The property must be considered a rental, and must be rented out for a minimum of one year after the closing date.

With the Ontario Condo Rebate, a property investor must pay the full HST amount upfront as part of the property purchase process. The rebate can then be requested, and proof of lease can then be submitted. The refund amount takes about two to three months to be processed and sent.

In a situation where an investor decides to “flip” a property before the one-year minimum, their HST rebate is no longer applicable, and the HST taxes must be paid to the government in full. In addition, there are other pre-requisites to follow when applying for the Ontario Condo Rebate.



HST property rebates are available for up to 2 years after closing. Investors should note that very often the HST rebate is already built into the pre-construction condo price. In Ontario, rebates are based on the total 13% HST (Harmonized Sales Tax) - 5% GST (federal) and 8% PST (provincial).

New condominiums that are priced between \$350,000 and \$450,000 are assessed on a sliding scale, where the HST refund relates to the specific purchase price. Another purchase category, for those properties that are priced at more than \$450,000, the maximum HST rebate is \$24,000.

## **The difference between a Rental Property Rebate and a New Home Rebate**

There is a distinct and notable difference between a [Rental Property Rebate](#) (NRRPR) and a New Home Rebate (NHR). The difference depends on whether the new property will be occupied by the owner or rented out (leased out) as an investment property. This is an either/or situation.

When applying for an HST property rebate, you must clearly identify whether you plan to live in the purchased home (or condo) or whether you're an investor who will be leasing the property immediately after the closing date. Each scenario requires application for a different HST refund.

In most cases, especially when purchasing a pre-construction condominium, the HST property rebate is already formulated into your so-called "discounted" purchase price. As a marketing tool, the condo developer has already factored in the HST property rebate into published price lists.

If your newly purchased property is sold before the first year, [Canada Revenue Agency](#) will ask for your [HST rebate](#) to be paid back in full. This can easily add up to \$30,000.

For the New Home Rebate, only a property owner or a blood relative can reside in the newly purchased property – it must be their principal residence. A blood relative is a child, parent, sibling, spouse, or common-law partner. This would not include an uncle, aunt, or cousin.

When applying for a New Home Rebate, it's important to take the necessary steps to substantiate the new home as a principal residence. Amongst other things, this would include changing your driver license address as well as other documentation. The deadline is 2 years after closing.

## **The professionals at Rebate4U can help you with your Ontario Condo Rebate**

Rebate4U provides professional customer service when applying for HST property rebates. [Our team](#) of tax rebate specialists work closely with every client, especially when they're dealing with CRA (Canada Revenue Agency) – a process that can often be confusing and time consuming.

When rebate applications are improperly filed or incorrectly applied, we can correct the mistakes and get the application process back on track. Whatever the case, our tax experts will take the necessary measures to re-file accordingly, therefore avoiding potential interest.

At Rebate4U, we work with you throughout the entire rebate process – we make sure that all required documents are submitted; we troubleshoot any problems that may develop; and we strive to get you the maximum rebate possible (Rental Property Rebate or New Home Rebate).

We can also help you to apply for other HST property rebates available from Canada Revenue Agency – if you've built a new home; if you've substantially renovated a home; if you've built a major addition onto a home; or if you've transformed a non-residential property into a home.

## **Contact the experts at Rebate4U to get the most rebate dollars**

If you plan on applying for the Ontario Condo Rebate, contact the professional tax experts at Rebate4U and get the maximum in HST refunds. We'll clear up any outstanding questions. We'll make sure that all of your application paperwork is in order. And we'll ensure that you comply with all of the guidelines and regulations.

Rebate4U's fee structure is based entirely on the success of your application. Find out more by calling Rebate4U at 416-783-6969 or toll free at 1-800-610-4510. Or, visit our HST rebate calculator on our company website at [www.rebate4u.ca](http://www.rebate4u.ca).