

Some Quick Facts On HST Rebates For New Homes Or Pre-Construction Condos

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

In this overheated real estate market, there is so much for new homebuyers to think about. For those thinking about a brand new build, or a pre-construction condominium, there's a very good chance that a sizeable HST rebate is available on the property. With certain pre-conditions, and when the right paperwork is submitted, this type of government rebate can be a real bonus.

Some of the quick facts...

In Ontario, the HST (13%) is a combination of the Federal GST (5%) and the Ontario PST (8%). The total tax, and the amount that's charged on most everything we buy is 13%. When it comes to real estate purchases, rebates from the federal government can be quite sizeable, as long as the property isn't sold before 12 months.

Receiving an HST rebate...

There are a number of different pre-requisites for those who are applying for an HST rebate:

- an investor or end-user buying a house or a pre-construction condominium
- a homebuyer who has acquired a newly built residence (never before lived-in)
- a dramatically [renovated home](#) – where 90% of the interior has been replaced

While it's true that both end-users and investors would qualify for an HST rebate, each would be required to prepare different paperwork and apply through a different avenue.

Rebate on new homes...

For property buyers who plan to personally reside in a newly bought [condominium](#) or house, the New Home Rebate would apply. Residing means occupying the property as a principal resident for at least one year after purchase. Most of the time, a builder (or developer) processes the NHR on behalf of a purchaser, and the rebate will materialize as part of a "discounted" purchase price (this is true for most pre-construction deals).

A principal residence...

To remain eligible for an HST rebate, the property purchaser must reside in the home at least for the first year, prior to selling the property. For those who don't comply, there would probably be a legal requirement to pay back the acquired HST rebate. As such, it's important for recipients of the NHR to [change all official address documents](#) (like driving license or health card). This should serve as an official confirmation that the home is the permanent residence of the homebuyer.

Immediate family...

A property buyer can receive an HST rebate even if a family member (immediate) will be living in the property. Only immediate relatives can apply under this provision - parent, grandparent, wife or husband. Property co-signers must reside in the home as principal residents. As an example, if a friend or distant relative helped with financing, and is a legal co-owner, but not residing, there is a likelihood that an HST rebate will be negated, and would have to be paid back.

For homeowners applying for an HST rebate, it's important to submit paperwork accurately, and within the deadline periods. Where applications might seem complicated and stressful, it may be best to work with a rebate specialist who can streamline the submission, and cover all the bases