

# Understanding Ontario's HST New Housing Rebate

Categories : [HST housing rebate](#), [Newly built homes](#), [NRRP Rebate](#)

With the [Ontario New Housing Rebate](#), there's much to understand and much that can be confusing. That's why homebuyers have so many questions when purchasing either a new home or a pre-construction condominium.

Depending on what you're purchasing, Ontario's New Housing HST Rebate can be quite substantial. The trick is to understand the basic principles of the rebate program and then follow the rules and regulations set by CRA.

However, understanding the guidelines is just the start – it's always recommended to seek legal advice with real estate transactions. It's also not a bad idea to work with a professional tax rebate specialist in submitting a claim.

## Who is entitled to receive an HST rebate?

The Ontario New Housing Rebate is open to several types of claimants – those who have purchased a brand new residence – those who have built their own new home – and those who have “dramatically” renovated their primary residence (90% of the structure). Both end-users and real estate investors are eligible for the rebate under specific circumstances.

## How does an investor and end-user differ?

Homebuyers who reside in the new home would claim a New Home Rebate. Investors who plan to lease the new home as an income property would claim a New Residential Rental Property Rebate. While applications differ for each, both types of rebates would be voided by Canada Revenue Agency if the new home were sold within the first 12 months of closing.

## What rules govern the New Home Rebate?

The New Home Rebate (NHR) is for “end-users”. You must personally reside in the home as a principal resident. You must also live in the home for at least the first year. The rebate will also apply if a direct blood relative resides in the home (parents, children, siblings, spouses or common-law. Co-signers are required to reside in the home, again as a principal resident.

## What are the rules for the NRRP Rebate?

The New Residential Rental Property Rebate (NRRPR) is designed specifically for investors - both Canadian and foreign. You must provide a formal one-year lease in order to prove that the condo

or home will be fully leased. Investors pay the HST amount upfront and can expect to receive their rebate approximately two months after submitting their paperwork.

## **Is the HST rebate included in a condo price?**

With the purchase of a pre-construction condo, the sale price will usually incorporate the Ontario New Housing Rebate. However, this is NOT always the case - sometimes the rebate is not factored into the price. This is why it's important to read all the "fine print" and even consider working with a [tax rebate specialist](#), who can identify the ins and outs of the sale.

## **How is the Ontario HST rebate calculated?**

While there are specific dollar guidelines set by Canada Revenue Agency, the Ontario New Housing Rebate does vary from property to property. For some, the rules and regulations can be confusing – additional guidance is often helpful. Professionals like [Rebate4U](#) provide services that assist property owners in submitting claims and receiving the best rebates.