

Why Does Ontario Rebate the HST on New Homes?

Categories : [First-time homebuyer](#), [Housing costs](#), [HST housing rebate](#), [Rebate Blog](#)

HST housing rebates are available to Ontario residents through Canada Revenue Agency. Residents can claim an [HST rebate on a newly built home](#) that will be the principal residence OR an investment property that will be used as a rental.

These rebates allow individuals to recover portions of the provincial taxes and federal taxes that were paid out. The intent of these rebates is to provide a form of reimbursement on real estate purchases that typically require large investment.

The HST Rebate on New Housing in Ontario

In Ontario, the New Housing Rebate allows purchasers to recover a portion of the HST paid on a newly built home or a home that has been substantially renovated. This rebate is available for up to two years following the purchase of the home or the completion of the “substantial” renovation.

To qualify for this rebate, the home must be occupied as the primary residence, either by the purchaser or by an immediate family relative. The rebate is only applicable when CRA guidelines and conditions have been satisfied – otherwise the rebate may be nullified with possible penalty.

- The newly built home must be used as a principal residence
- A “substantial” renovation constitutes a 90% re-construction
- A “major” addition is one that doubles the size of the home
- Co-ownerships, partnerships, corporations would not qualify
- A non-residential property must be converted to a residential

The [New Residential Rental Property Rebate](#)

The HST rebate on a rental property is intended for investors and landlords who plan to rent out a

newly purchased property. It's referred to as the New Residential Rental Property Rebate and is available only to the purchaser of the property. The rebate is offered immediately after the real estate purchase closes. Rebate claimants must follow certain guidelines in their application.

- The HST rebate on a rental property must be claimed within 2 years of the real estate purchase
- HST portions of building construction costs and land purchase fees can be recovered as well
- Any interest charges incurred on financial transactions (if applicable) can also be recovered

Essentially, the HST rebate on a rental property is for investors or landlords who have already paid HST on a real estate purchase. The property must be used for residential rental purposes. Application paperwork and supporting documents must be submitted accurately and on time.

Hiring a Professional for the HST Tax Rebate

With HST property rebates, the rules can sometimes get confusing. As well, deadlines must be satisfied, and late filing could jeopardize a claim. For some property buyers, including seasoned individuals, a rebate professional can be a very valuable asset during an application.

At Rebate4U, in-house professionals are experienced with the New Residential Rental Property Rebate. We have regular contact with Canada Revenue Agency, and we regularly deal with all types of HST property rebates for property owners throughout the province of Ontario.

Contact Rebate4U directly at 1-800-610-4510 or visit our company website at www.rebate4u.ca to find out more about our services.