

Government Programs and Regulations

GST/HST Rebate on New Homes

The Ontario and Federal Governments have expanded the HST rebate to assist both first-time and all home buyers in reducing the upfront cost of purchasing a newly built home.

Eligibility Criteria

To qualify for the Rebate, you must be at least 18 years of age. You are also required to be a Canadian citizen or a permanent resident. In addition, you must not have owned a home, whether in Canada or abroad, that you or your spouse or common-law partner lived in during the current year or in any of the four preceding years.

The property you are purchasing must meet at least one of the following conditions:

- it must be purchased from a builder,
- it must be an owner-built home,
- or it must involve the purchase of shares in a co-operative housing corporation.

Eligibility criteria for the Ontario portion of the full HST rebate follows those set by the federal government, including that the individual must be acquiring the new home for use as their primary place of residence.

Rebate Details and Eligibility – ALL HOMEBUYERS

The Ontario government, in partnership with the federal government, has introduced an expanded HST rebate of the 13% HST on new homes. The rebate is capped at \$130,000 which is the HST on a \$1 million dollar home. The maximum rebate of \$130,000 will still be available to buyers of homes with values between \$1 million to \$1.5 million.

For the full rebate to apply, agreements of purchase and sale must be signed between **April 1, 2026 and March 31, 2027**

For homes valued between \$1.5 million and \$1.85 million, the rebate is gradually reduced until it reaches \$24,000 which is the lowest eligible amount.

Construction must begin by December 31, 2028, and be substantially completed by December 31, 2031.

Rebate Details and Eligibility – FIRST-TIME HOMEBUYERS

First-time home buyers can claim a rebate for the full 13% HST on the purchase price of homes valued up to \$1 million. The rebate applies to Agreements of Purchase and Sale entered into on or after **March 20, 2025**, and before January 1, 2031.

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The rebate is reduced for homes priced between \$1 million and \$1.5 million. No rebate is available for homes priced at or above \$1.5 million.

Construction of the home must begin before 2031, and the home must reach substantial completion before 2036.

How to Apply – FIRST-TIME HOMEBUYERS

If you are purchasing a new home from a builder, you must submit your rebate application to the Canada Revenue Agency (CRA) once the home is substantially completed. If you are constructing an owner-built home, you should apply through the CRA after the construction of the home is fully completed.

Note: Processing times can vary, so it is recommended that you keep all receipts and documentation related to the purchase or construction of the home.

- Ensure all eligibility criteria are met before applying to avoid delays or disqualification.

SPECIAL NOTE:

As of this posting the Federal Government application portal does not yet include application details for the expanded Ontario HST rebate for “all” buyers of new homes. TRREB is waiting for applications to open and we will update this fact sheet once regulations are revised and applications open for the enhanced HST rebate.

For more detailed information on the first-time home buyers rebate, visit the official Government of Canada website: [GST/HST Rebate for First-Time Home Buyers](#)

This information is provided as a general guide. For personalized advice, please consult a tax professional or financial advisor.

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