

HST: KNOW BEFORE YOU SELL



LOCATIONS **NORTH**
BROKERAGE

April 1st, 2026

The provincial and federal governments are partnering to effectively remove the entire 13% HST on qualifying new homes for a one-year period.



MAXIMUM REBATE:
UP TO \$130,000



QUALIFIERS:
ALL ELIGIBLE BUYERS

(Provided the home is used as a primary residence or a residential rental property)

YOUR BENEFIT DEPENDS ON THE PURCHASE PRICE OF THE NEW HOME

UNDER \$1.5 MILLION	\$1.5 MILLION TO \$1.85 MILLION	OVER \$1.85 MILLION
Eligible for the full 13% rebate, capped at \$130,000. For homes exactly at \$1M, the 13% HST is \$130k; for homes between \$1M and \$1.5M, the rebate stays flat at that \$130k maximum.	The rebate decreases proportionally on a sliding scale from \$130,000 down to \$24,000.	Buyers only qualify for the pre-existing standard provincial rebate of \$24,000.

Time Is of the Essence (*Always*)

APRIL 1ST, 2026 - MARCH 31ST, 2027

The Agreement of Purchase and Sale (APS) must be signed.

DECEMBER 31ST, 2028

Construction must begin for primary residences.

DECEMBER 31ST, 2029

Construction must begin for rental properties.

DECEMBER 31ST, 2031

The home must be substantially completed.

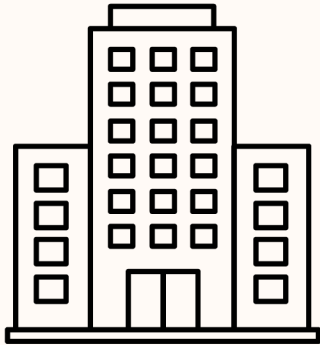
First-Time Homebuyers

For your first-time buyer clients, a separate federal program (Bill C-4) remains in place. They can still access a **\$50,000 federal GST** rebate for agreements signed as far back as March 20th, 2025. However, this new April 1st announcement allows every buyer to stack these provincial and federal benefits to hit that \$130,000 ceiling during the one-year "booster" window.

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Purpose Built Rentals

Commercial or investor-focused agents working on larger projects (4+ units or 10+ rooms), should know that the **100% Rebate for Purpose-Built Rentals is still active.**

- This removes the full 8% provincial portion (with no cap) and the 5% federal portion (capped at \$35,000/unit) for projects starting construction before 2031.

Your Take Home

The current market dynamic is being shaped by a strong sense of urgency. The expanded \$130,000 rebate is positioned as a temporary measure which is set to expire in March 2027. This creates a compelling incentive for buyers who have been hesitant due to affordability concerns to act sooner rather than later.



THE "STICKER PRICE" VS. THE "FINAL CHECK"

The buyer must pay the full purchase price plus the full 13% HST at the lawyer's office, and then seek the rebate afterward.

1. Base Purchase Price: \$1,000,000
2. HST (13%): +\$130,000
3. Total Cash Due on Closing: \$1,130,000

The Rebate: The buyer applies to the CRA/Ontario for the \$130,000 rebate after closing.

THE FINANCING NIGHTMARE

BANKS GENERALLY ONLY MORTGAGE THE PURCHASE PRICE, NOT THE HST.

- If the rebate is "assigned to the builder" (HST included), the bank sees a net price.
- If HST is "in addition to," the buyer often has to come up with that \$130,000 in liquid cash to hand to the lawyer on closing day. They then wait months for the government to send them a cheque to "repay" themselves.

The Builder's Benefit

Builders use "HST in addition to" to protect themselves from **Rebate Disqualification**. If a buyer says they are moving in but actually intends to flip it or rent it out, the builder loses the rebate. By making it "in addition to," the builder gets their full price, and the "rebate risk" sits entirely on the buyer's shoulders.

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Honey, Call The *Lawyers*

When it's "in addition to," the lawyer doesn't "grant" the rebate.

Their job is to:

1. Collect the full tax amount from the buyer.
2. Remit that tax to the builder (who then pays the CRA).
3. Provide the buyer with the "Proof of Occupancy" or "Land Transfer" documents needed to file the GST190 or GST524 rebate forms themselves.



To Sum It Up

Feature	HST Included (Standard)	HST In Addition To (Risky)
Closing Cost	Lower (Rebate already deducted)	Higher (Full 13% paid upfront)
Cash Required	Standard Down Payment	Down Payment + Full Tax Amount
Rebate Handling	Builder claims it directly	Buyer applies to CRA after moving in
Mortgage	Covers the "Net" price	Usually does NOT cover the extra tax

Moral Of The Story

If there is an "HST in addition to" in a new-build contract, the client should be informed to speak to their mortgage broker. The goal is to avoid a situation where a buyer reaches 48 hours before closing only to discover they are \$130,000 short because the lender will not finance the tax portion.