

# GST/HST RELIEF FOR BUYERS OF NEW HOMES

Why it makes sense to buy a new home **NOW** rather than wait



## What is the rebate?

The federal government has announced that there will be a new GST/HST rebate for **first-time home buyers** (named the “FTHB GST/HST Rebate”), which will remove the GST (or the federal part of the HST) on new homes at or under \$1 million and lower it on homes between \$1 million and \$1.5 million for all first-time home buyers.

As a result of this rebate, first-time home buyers will be able to **save up to \$50,000 on a new home**. The FTHB GST Rebate will generally be available if the agreement of purchase and sale for the home is entered into with the builder on or after May 27, 2025 and before 2031.

## What this means for buyers now

While the government has made this commitment, the bill to put it into force did not pass before the House of Commons rose for the summer, ending the spring session of Parliament. The proposed legislation still needs to receive Royal Assent when Parliament resumes in September. This means that although the rebate has been promised to come, home buyers cannot yet apply for the rebate, even though they will be eligible. This also means that builders cannot currently provide buyers with a credit for the new FTHB GST/HST Rebate, which would lower the purchase price, which can be important for qualifying for a mortgage.

If you are eligible for the new FTHB GST/GST Rebate and buy a home today, you will secure the rebate in one of two ways, depending on timing: 1) If ownership is transferred to you before the proposed legislation receives Royal Assent, you will need to apply separately to the CRA for the FTHB GST/HST rebate if Royal Assent is received. 2) Alternatively, if the proposed legislation receives Royal Assent and ownership is subsequently transferred to you, your builder will be able to credit the FTHB GST/HST rebate to you. This means builders would credit the rebate amount to you as the purchaser, against the total amount payable for the house. The purchaser would not have to apply to the CRA directly or wait to receive their rebate.

## Lock in by purchasing now

If you qualify for the FTHB GST/HST Rebate ([see qualifications requirements here](#)), but don't need the rebate deducted from the purchase price in order to qualify for a mortgage, purchasing now is advantageous for several reasons:

- ✓ You will beat the rush of the first-time homebuyers who do not qualify for a mortgage now and must wait for the rebate.

Canadian  
Home Builders'  
Association



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- ✓ Once the legislation is passed, you will still receive your rebate or be able to have the credit the rebate amount at the time of closing.
- ✓ You'll benefit from current prices, which may go up due to increasing construction costs and increased demand once legislation passes.
- ✓ You'll be in your new home faster.
- ✓ Finally, in the unlikely event that the legislation does not pass, you're no worse off, but have gained the other advantages above.

For more information about the proposed FTHB GST/HST rebate, you can refer to the Department of Finance backgrounder [GST relief for first-time home buyers on new homes valued up to \\$1.5 million](#). To stay up to date on the CRA's administration of the FTHB GST/HST rebate, visit [GST/HST new housing rebate](#).

