

MEDIA BRIEFING

Expanding Ontario's HST Rebates for New Homes



Ministry of Finance

March 25, 2026



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1. Government Action to Date to Speed Up Home Construction

The government has already taken action on new housing to support affordability and Ontario's economy:

- **Increased Rental Housing Supply**
 - Providing relief from the full 8 per cent provincial portion of the HST on qualifying purpose-built rental housing. Since the rebate was announced in 2023, rental starts have increased from about 18,000 to reach nearly 24,000 in 2025.
- **HST Relief for First-Time Home Buyers**
 - Working to remove the 8 per cent provincial portion of HST for first-time home buyers on homes valued up to \$1 million in partnership with the federal government.
- **Unprecedented Funding for Housing-Enabling Infrastructure**
 - Launched the \$4 billion Municipal Housing Infrastructure Program
 - The Building Faster Fund, a three-year, \$1.2 billion program that rewards municipalities for getting shovels in the ground.
- **Standardized and streamlined the development charge framework** including making long-term care homes exempt from municipal development charges and providing exemptions for affordable housing units and non-profit housing development.

The government is taking additional steps as more needs to be done to make new homes more affordable:

- Economic uncertainty and tariffs have weighed on Ontario's housing market activity, lowering projections for new home construction in 2026.
- Financial challenges are faced by many in Ontario, with recent economic pressures, tariffs and uncertainty driving up costs.
- The government is acting to provide expanded tax relief for new home buyers, building on a suite of measures to support affordability and a robust housing industry in Ontario.

2. Ontario's Expanded HST Relief for Housing

Ontario is proposing a **temporary expansion of existing HST relief on new homes**. Subject to eligibility:

- For new homes valued up to \$1 million, Ontario, with the support of the federal government, would provide up to \$130,000 in relief, equivalent to the full 13 per cent HST.
- The \$130,000 **maximum rebate would be maintained for new homes valued between \$1 million and \$1.5 million**, reflecting the reality of housing costs in many Ontario communities.
- **A reduced rebate would be available** for new homes valued between \$1.5 million and \$1.85 million. New homes above \$1.85 million would qualify for \$24,000 in HST relief under pre-existing rebate.
- Ontario's contribution to the temporary expansion of HST rebates on new homes would provide **almost \$1.4 billion in estimated total provincial tax relief**.
- The federal government has **agreed to cost-share with** Ontario in support of provincial housing initiatives, subject to passage of federal legislation, which would approximately cover the federal 5 per cent portion of the HST that is being removed from new homes in Ontario.

The expanded relief would be **available from April 1, 2026 to March 31, 2027** and the new home must be used as a primary place of residence or as a residential rental property.

Proposal subject to federal regulatory enactment. The HST and associated rebates are administered by the Canada Revenue Agency.

3. Rebate Timing and Eligibility Period

Eligibility criteria for the expanded rebates include when a purchase agreement is entered into, when construction begins and when construction is completed.

The following are two examples of purchases that would generally be eligible for expanded relief.

An individual acquires a new home for use as their **primary place of residence** and:

- the purchase agreement with the builder was signed between **April 1, 2026 and March 31, 2027**;
- construction of the home begins on or before **December 31, 2028**; and
- construction is substantially completed on or before **December 31, 2031**.

A purchaser who acquires a new home where **construction began before March 31, 2026** for use as a **residential rental property** and:

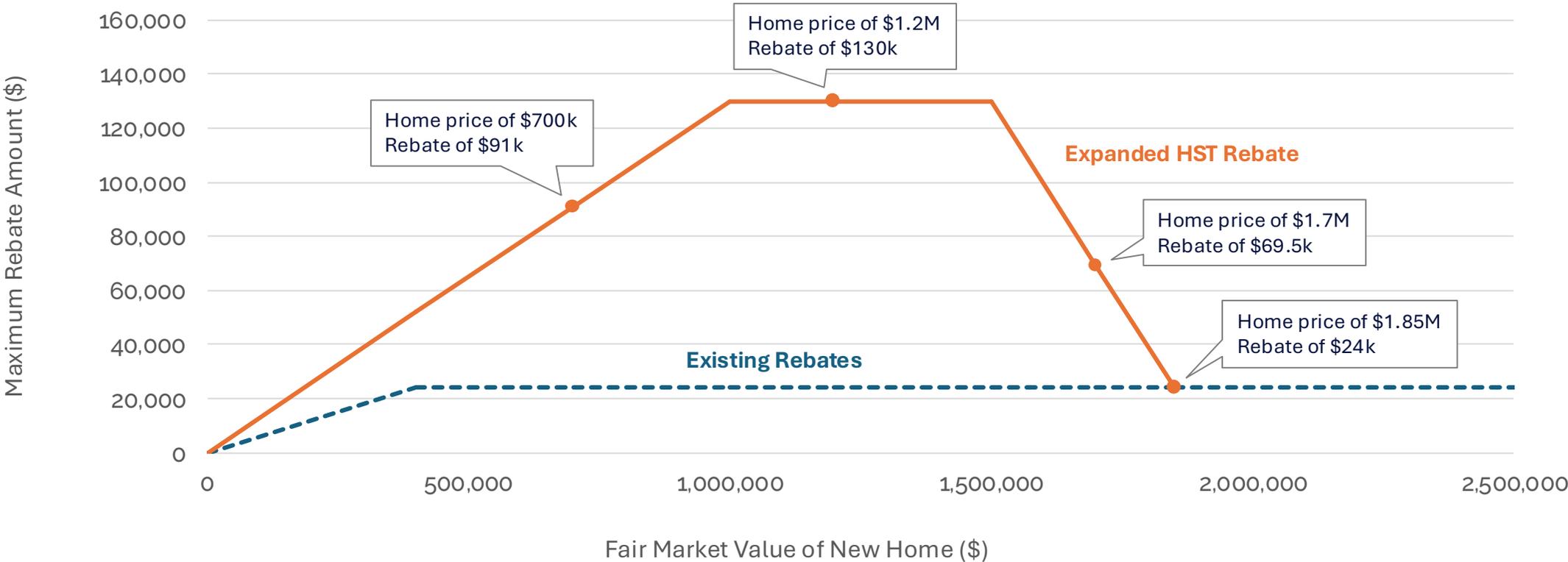
- the purchase agreement with the builder was signed between **April 1, 2026 and March 31, 2027**;
- construction is substantially completed on or before **December 31, 2029**.

Further details on eligibility criteria will be published on Ontario.ca by the end of March.

Proposal subject to federal regulatory enactment. The HST and associated rebates are administered by the Canada Revenue Agency.

4. Maximum Relief Available Under Expanded HST Rebate

Subject to eligibility, the amount of the expanded rebate would depend on the fair market value of the new home, as shown below.



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5. Looking Ahead

- The measure **could stimulate an additional 8,000 Ontario housing starts and support up to 21,000 jobs**, which could boost Ontario real GDP growth by \$2.7 billion.
- **Further details, including eligibility criteria, will be published** on Ontario.ca on or around the release date for Ontario's *2026 Budget*.
- The proposed expansion is **subject to regulatory changes by the federal government**.
- In addition, Ontario is working with the federal government to access housing-enabling infrastructure funds through the *Build Communities Strong Fund*.
- As Ontario and the federal government invest to lower the costs of new homes and speed up home construction, the province also continues to expect that municipalities will do their part by lowering municipal development fees that add hundreds of thousands of dollars to the cost of new homes.

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