

Ontario enhanced HST rental rebate for new rental Construction projects

November 03, 2023

On Nov. 1, 2023, the [Ontario government announced](#) that it will introduce an enhanced rebate removing the full provincial portion of the Harmonized Sales Tax (HST) on **qualifying new purpose-built rental housing, in line with the federal government's enhanced GST New Residential Rental Property Rebate** introduced in Bill C-56, Affordable Housing and Groceries Act, which received its first reading in the House of Commons Sept. 31, 2023. For further information regarding the enhanced GST New Residential Rental Property Rebate, please refer to BLG's previous article [Canada's enhanced GST Rental Rebate for new rental construction projects](#).

What you need to know

- Enhanced Ontario HST New Residential Rental Rebate together with the federal enhanced rebate would eliminate the GST/HST (13 per cent) entirely on qualifying projects, such as apartment buildings, student housing and senior residences built specifically for long-term rental accommodation.
- The enhanced rebate will apply to qualifying projects that begin construction between Sept. 14, 2023 and Dec. 31, 2030, and complete construction by Dec. 31, 2035.

Existing Ontario HST New Residential Rental Property Rebate

- Ontario's HST New Residential Rental Property Rebate is equal to 75 per cent of the provincial portion of the HST paid on qualifying residential units, up to a maximum rebate of \$24,000 per qualifying residential unit. Generally, a residential unit is a qualifying residential unit if its first use is as the primary place of residence of an individual.

Enhanced Ontario HST New Residential Rental Property Rebate

- The enhanced Ontario HST New Residential Rental Property Rebate would be equal to 100 per cent of the provincial portion of the HST, with no maximum rebate amount.
- To qualify for the enhanced HST New Residential Rental Property Rebate, new residential units must be in buildings with at least four private apartment units or at least 10 private rooms or suites and have at least 90 per cent of residential units designated for long-term rental.
- For example, for a residential rental unit valued at \$500,000, the enhanced Ontario HST New Residential Rental Property Rebate would deliver \$40,000 in HST relief. When combined with the enhanced GST New Residential Rental Property Rebate, the total rebate amount would be \$65,000.

BLG can help you understand the implications of both enhanced New Residential Rental Property Rebates to ongoing and future new residential rental construction projects.

If you have any questions or require more information, please reach out to any of the key contacts listed below.

By

[Olivia Ruvo](#)

Expertise

[Tax Disputes & Litigation](#), [Commodity Tax](#)

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 725 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2025 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.