

First-Time Home Buyer GST Rebate

Frequently Asked Questions

Section 1 - Program Details

1. What is the First-Time Home Buyer GST Rebate?

The First-Time Home Buyer (FTHB) GST Rebate is a federal program administered by the Canada Revenue Agency (CRA). It allows eligible buyer(s) to recover some or all of the 5% GST paid on a newly constructed home.

The program was introduced to improve housing affordability and support first-time buyers entering the housing market.

Eligible buyer(s) may qualify for a rebate of up to \$50,000, depending on the purchase price of the home and CRA eligibility requirements.

2. How do you calculate the GST rebate?

The rebate amount depends on the purchase price of the new home.

Home Price	GST Rebate
< \$1,000,000	100% of GST
\$1,000,000-\$1,500,000	Partial rebate (phased out)
> \$1,500,000	Not eligible

Example Rebate Savings:

Home Price (including GST)	Est. GST	Est. Rebate Savings
\$450,000	\$21,429	\$21,429
\$550,000	\$26,190	\$26,190
\$650,000	\$30,952	\$30,952
\$750,000	\$35,714	\$35,714
\$850,000	\$40,476	\$40,476

* Examples above are for illustrative purposes only and assume the buyer(s) qualify for the full rebate. Actual rebate amounts may vary depending on CRA eligibility requirements.

Prices rounded to the nearest \$1.00.

GST calculation: $GST = Total \times (5 / 105)$

3. Who qualifies for the rebate?

To qualify, each purchaser must:

- Be at least 18 years of age or older
- Be Canadian Citizens or Permanent Residents
- Purchase as individual(s) (not as a corporation or other business entity)
- Have not owned and/or lived in a home they owned in the past four calendar years
- Intend to use the home as their primary residence

Eligibility for the FTHB GST Rebate is generally determined at the **time of closing** (transfer of title).

Purchasers will be required to sign a statutory declaration confirming eligibility at closing.

Builders may ask preliminary eligibility questions when the purchase agreement is written, but final eligibility is determined by the CRA.

4. How does the four-year rule work?

To qualify, buyer(s) must **not** have:

- Owned a home or
- Lived in a home owned by their spouse/common-law partner during:
 - The current calendar year, and
 - The previous four (4) calendar years (does not require exact dates)

Example:

- Last owned and lived in a home: 2021
- Eligible again starting: January 1, 2026

Eligibility is determined when the buyer(s) take possession or ownership of the new home, not when the purchase agreement is signed.

5. When does the GST Rebate apply?

The First-Time Home Buyer GST rebate applies to:

- New homes purchased from a builder on or after March 20, 2025
- Owner-built homes where construction begins on or after March 20, 2025
- Homes where construction begins before 2031
- Homes that are substantially completed before 2036

Eligibility is subject to CRA program rules and requirements.

6. What types of homes qualify?

Eligible homes include:

- Newly constructed homes purchased from a builder
- Newly constructed condominiums
- Substantially renovated homes (generally where 90% or more of the interior is replaced)
- Owner-built homes
- Certain cooperative housing units

The home must be intended as the buyer(s)' primary residence.

7. Does Alberta have additional rebates?

No. Alberta does not currently have any provincial rebates that apply to new homes.

This is subject to change without notice.

8. How is the rebate claimed?

There are two common ways the rebate may be claimed.

A. Builder submits the rebate on behalf of the buyer(s)

- This is the most common situation
- The buyer(s) assign the rebate to the builder who submits the rebate application to the CRA on behalf of the buyer(s)
- The estimated rebate amount is typically credited in the purchase price and reflected in the purchase agreement.

B. Buyer(s) apply directly to the CRA

- If the builder does not credit the rebate, the buyer(s) may apply directly to the CRA using Form GST190.

9. What documents are typically required?

Typical documentation may include:

- Purchase agreement
- Statement of adjustments
- Proof of GST paid
- Possession or occupancy documents
- Statutory declaration indicating the buyer(s) qualify for the FTHB rebate
- Identification

When the builder submits the rebate on behalf of the buyer(s), the builder manages most of the paperwork.

10. Important conditions the buyer should understand

- The CRA has final authority on all eligibility determinations
- The rebate can only be claimed once per person
- The home must be intended as the buyer(s)' primary residence
- Buyer must move into the home within a reasonable time after possession
- Builders will generally require a signed statutory declaration confirming buyer eligibility at closing if they are submitting the rebate on the buyer's behalf

If the buyer is later found ineligible by the CRA, the rebate may be reassessed and must be repaid, including any amount credited by the builder.

11. How does occupancy affect eligibility?

The rebate is intended for homes used as a primary place of residence.

- The buyer or a relation must intend to occupy the home
- Occupancy must occur within a reasonable time after possession.

If the home is purchased strictly for rental or investment purposes or purchased by a corporation or business:

- The rebate will not apply.

If circumstances change after move-in (e.g., job relocation):

- The rebate is generally not affected, provided the original intent to occupy was genuine.

If the home purchased was used as a builder's showhome:

- The rebate could still apply if it was never occupied as a residence.

12. What if a buyer does not qualify?

If a buyer(s) does not qualify for the FTHB GST rebate, they may still be eligible for the standard GST New Housing Rebate.

This program provides:

- A maximum GST rebate of \$6,300
- A federal price limit of \$450,000.

13. What other CRA programs are available?

There are several programs for first-time home buyers:

- First Home Savings Account (FHSA) allows first-time homebuyers to save up to \$40,000 tax-free with a maximum yearly contribution of \$8,000.
- Home Buyers' Plan (HBP) allows buyers to withdraw up to a maximum of \$60,000 tax-free from your RRSP to purchase a qualifying home. This is to be repaid over 15 years.
- First-Time Home Buyers' Tax Credit (HBTC) is a one-time non-refundable credit of up to \$10,000 (≈\$1,500 tax savings) available to eligible first-time buyers

CRA program summary:

Program	Type	Max. Benefit
FTHB GST Rebate (2026)	Enhanced rebate	Varies, max. purchase price \$1,500,000
FHSA	Tax-free account	\$40,000 + tax-free growth
HBP	RRSP withdrawal	\$60,000
HBTC	Tax credit	\$1,500
GST Rebate (standard)	Tax rebate	Varies, max. purchase price \$450,000

14. Can the rebate be claimed more than once?

No. The FTHB GST rebate can only be claimed once per person.

However, a person may qualify again in limited situations if they previously qualified but not claimed the rebate.

Important notice:

Information in this document is provided for general guidance only and does not constitute tax or legal advice.

Douglas Homes does not make any representations or guarantees regarding eligibility for the GST rebate.

All eligibility determinations are made solely by the Canada Revenue Agency (CRA).

Program details, including amounts, dates, and form numbers, are subject to change without notice or obligation.