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Housing Crisis Demands Tax Relief on New Home Construction

Vaughan, Ont. – A three-year HST holiday on new home construction is needed to boost Ontario’s battered housing sector. That is the ask the Residential and Civil Construction Alliance of Ontario (RCCAO) and the Residential Construction Council of Ontario (RESCON) are making of the Government of Ontario and Federal government. The policy is backed by economic analysis conducted by the Canadian Centre for Economic Analysis (CANCEA) and shows it would be statistically revenue-neutral for all governments.

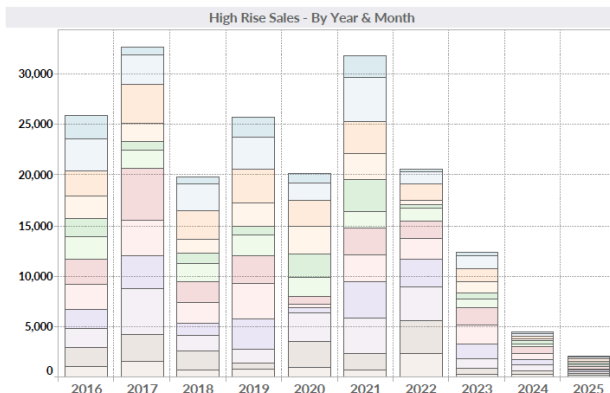
High-taxes on new home construction in Ontario is worsening the province’s housing crisis. The Government of Ontario must take urgent action to provide meaningful tax relief to jumpstart the collapsed housing sector.

The CANCEA research supporting the policy found that a 3-year HST holiday would:

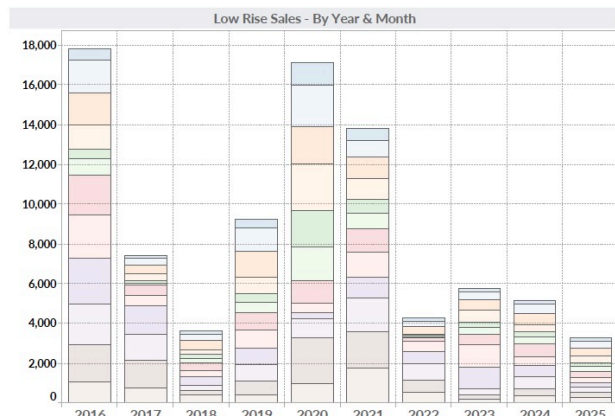
- Help preserve skilled trade jobs and have builders constructing new housing supply.
- Create economic urgency in the market to incentivize buyers to purchase new homes.
- Be revenue-neutral for all governments.

“Ontario’s housing crisis is worsening and prolonged job-losses risk adding to long-term problems plaguing the sector,” said Nadia Todorova, Executive Director of RCCAO. “The men and women in the skilled trades need to see urgent government action to improve market conditions in the sector so they can get back to building desperately needed homes across Ontario. A 3-year sales tax holiday does just that by saving 26,000 direct industry jobs”

“Our governments tax homes at the same level of alcohol and tobacco. We need fast action to provide tax relief to kickstart Ontario’s housing industry back into building,” said Richard Lyall, President of RESCON. “A three-year HST holiday would help reverse market conditions devastating the industry and support \$3.9 billion of GDP to Ontario’s economy.”



Reference: AltusGroup, New Homes Monthly Report, December 2025



RCCAO and RESCON say their call should be heeded swiftly and enacted through the upcoming 2026 provincial budget, with the Federal government moving in lockstep. The Federal Government also needs to see Bill C-4 passed in the Senate of Canada and given Royal Assent.

The CANCEA economic analysis can be read at

rccao.com/news/files/CANCEA-Tax-Scenarios-Housing-Report-RCCAO-2026-02.pdf

RCCAO Executive Director Nadia Todorova, RESCON President Richard Lyall, and Paul Smetanin from CANCEA are available for interviews.

Background on RCCAO: The Residential and Civil Construction Alliance of Ontario (RCCAO) is a labour-management construction alliance. Since its formation in 2005, RCCAO has been a leading industry advocate for infrastructure investment. It has commissioned 64 independent, solutions-based research reports to help inform decision makers.

PUBLIC POLICY BENEFITS OF 3-YEAR HST HOLIDAY ON NEW HOMES

New research conducted by the Canadian Centre for Economic Analysis and jointly commissioned by RCCAO & RESCON reveals a 3-year HST holiday would kickstart Ontario's battered housing sector.

KEY FINDINGS FROM THE ANALYSIS:

GETS BUILDERS CONSTRUCTING NEEDED NEW HOUSING	STIMULATES NEW HOME SALES	REVENUE NEUTRAL POLICY
High taxes are making new home construction uneconomic, and forcing workers into unemployment. A tax holiday would preserve skilled trade jobs and have builders constructing new housing supply.	Create economic urgency in the market to incentivize the purchase of new homes. A three-year HST holiday on new homes creates strong market incentives to capitalize new home construction and bring needed new supply to help resolve the housing crisis.	The economic analysis reveals a 3-year HST holiday on new homes would be revenue neutral for governments. With a housing shortage plaguing Ontario's market, a revenue-neutral measure that boosts supply is smart public policy.

Learn more about the benefits and read the full analysis at RCCAO.com

 **RESIDENTIAL AND CIVIL CONSTRUCTION ALLIANCE OF ONTARIO**
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