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RCCAO: HST Removal From New Home Purchases Great News For Homebuyers & Homebuilding Industry

Vaughan, Ont. – The temporary removal of HST from new home purchases is an important step to support homebuyers and the homebuilding industry in Ontario. The announcement made by the Ontario Government with support from the Federal government will breathe life into the collapsed housing sector by reducing the excessive tax burden the sector has faced.

The Residential and Civil Construction Alliance of Ontario's (RCCAO) applauded the news from the Ontario Government and Government of Canada. RCCAO's sustained advocacy and research has consistently shown the high tax burden, over 30% of the cost of a new home, was directly contributing to Ontario's housing crisis.

"RCCAO applauds the Government of Ontario and the Government of Canada for their historic collaboration to temporarily remove the HST on new housing—an essential and transformative measure that directly tackles one of the most significant barriers to building homes." said Nadia Todorova, Executive Director of RCCAO. "As our commissioned research has demonstrated, targeted taxation measures like this will protect skilled trades jobs, stimulate the economy, and help get the homebuilding industry back to what it does best: building the homes Ontarians urgently need. By acting together, both governments have taken a decisive step toward restoring momentum in the housing market and setting the sector back on a more stable and sustainable path."

Economic analysis conducted by the Canadian Centre for Economic Analysis revealed 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.

RCCAO and its members are grateful for Premier Ford's leadership in responding to Ontario's unique circumstances and working with the Federal government to see this tax relief for homebuyers and homebuilders realized.

RCCAO urges both levels of government to pass the necessary legislation required for this policy as soon as possible and issue clear guidance on its implementation, providing certainty to industry and Ontario homebuyers.

Resources:

CANCEA Report 2026: [Ontario New-Home Sales-Tax Relief](#)

CANCEA Report 2023: [Will Feds Answer the Call?](#)

RCCAO Executive Director Nadia Todorova is 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.*

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