

Making New Homes More Affordable for Ontario Families

March 2026

Ontario's Housing Challenge

Ontario is facing a growing housing supply problem. New home sales have fallen dramatically in recent years, making it increasingly difficult for builders to launch new projects and deliver the homes Ontario families need.

One of the biggest factors affecting affordability today is the high level of taxes and government charges built into the price of a new home. In many cases, these costs add hundreds of thousands of dollars to the price paid by buyers.

When homes become too expensive to purchase, sales slow. When sales slow, projects stop moving forward. And when projects stop, fewer homes are built.

This cycle reduces housing supply and ultimately makes affordability worse for everyone.

Why This Matters

Home construction is one of Ontario's most important economic drivers.

Residential construction supports:

- More than 220,000 jobs across Ontario
- Billions of dollars in economic activity
- Thousands of businesses in construction, manufacturing, trades, and services

When new home construction slows, the impacts extend far beyond the housing industry. Communities lose jobs, governments lose revenue, and fewer homes are available for families.

What Happens If Nothing Changes

Without action to improve affordability and restore new home sales, Ontario could face a sharp decline in housing construction in the coming years.

Economic analysis indicates that by the end of the decade:

- Housing construction could fall dramatically
- More than 100,000 jobs could be at risk
- Billions of dollars in economic activity could be lost

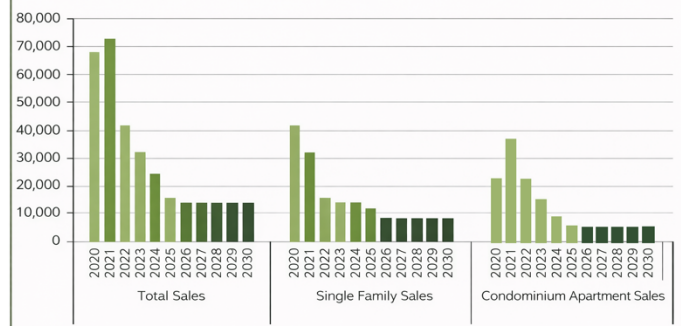
At the same time, the housing shortage would grow even worse, putting homeownership further out of reach for many families.

The Solution: Reduce Taxes on New Homes

One of the most effective ways governments can improve affordability is by reducing the tax burden on newly built homes.

Proposed measures include removing the provincial and federal sales tax on the first portion of a new home purchase and reducing excessive development charges.

Ontario sales scenario assuming no improvement from 2025



SOURCE: ALTUS GROUP, FEBRUARY 2026

These actions would:

- Lower the upfront price of new homes
- Reduce monthly mortgage payments for buyers
- Restore confidence in the housing market
- Encourage new housing projects to move forward

The Benefits of Action

If governments reduce the tax burden on new homes:

More Families Can Buy Homes

Lower purchase prices and mortgage costs will allow more Ontario families to enter the housing market.

More Homes Will Be Built

Lower costs will stimulate new home sales and help restart housing construction across the province.

Jobs Will Be Protected

Tens of thousands of jobs in construction and related industries could be preserved.

Stronger Communities

More housing supply means healthier communities, stronger local economies, and better opportunities for families across Ontario.

A Clear Opportunity

Ontario needs more homes. Making new homes more affordable is one of the fastest and most effective ways to address the housing shortage.

Reducing excessive taxes on new homes will help:

- Build more housing
- Support jobs
- Strengthen the economy
- Make homeownership attainable for more families.

Government action today can help ensure Ontario families have a place to call home tomorrow.