

Provincial Government Charts Path Economic Growth to Build Ontario

Toronto, Nov. 5, 2021 (GLOBE NEWSWIRE) — The Minister of Finance, the Honourable Peter Bethlenfalvy, delivered the provincial Fall Economic Statement (FES) in the Ontario legislature on November 4th, 2021. Entitled, “Build Ontario: 2021 Ontario Economic Outlook and Fiscal Review,” the FES outlines the government’s plan to build the foundation for the province’s recovery and prosperity by getting shovels in the ground on critical infrastructure, attracting increased investment, and building capacity across numerous economic sectors.

“The Fall Economic Statement, delivered today, charts an important direction for economic recovery and prosperity in communities big and small across Ontario,” noted OHBA President Bob Schickedanz. “The home building and professional renovation sectors are poised and ready to build Ontario to ensure that our province remains the very best place to live, work and play.”

OHBA welcomes and supports a number of key components of the FES which are aimed at building Ontario. As part of the FES, the provincial government has indicated its goal to move forward with both the Bradford Bypass and Highway 413. The Bradford Bypass and Highway 413 represent critical transportation infrastructure that will enhance the movement of people, goods and services necessary to address the real growth pressures of today and in the imminent and longer-term future needs so that more Ontario families can achieve the great Canadian dream of home ownership.

The province also plans to renew the Seniors’ Home Safety Tax Credit. This program supports 25 % of renovation costs up to \$10,000 in eligible expenses for a senior’s principal residence in Ontario that are completed in 2022. The 2022 extension would provide an estimated \$35 million in support for approximately 32,000 people, or \$1,100, on average, up to a maximum benefit of \$2,500. These are renovations that help Ontario seniors age safely in place in the comfort in their own homes, help ensure positive health outcomes and are made possible thanks to our professional renovator members who complete these transformative projects.

Building Ontario also includes important investments in transportation and infrastructure. The FES reiterates that the government is committed to Transit-Oriented Communities on priority transit corridors such as the Ontario Line and the Yonge North Subway Extension. The province is also proposing doubling the Ontario Community Infrastructure Fund program with an additional \$1 billion over five years. This \$2 billion investment will assist hundreds of small, rural and northern municipalities construct, and rehabilitate the critical infrastructure needed to support these growing communities.

Important investments in Ontario’s workforce are also being proposed to ensure our province has the skilled workforce needed to support economic recovery and drive productivity. The provincial government is continuing the Ontario Jobs Training Tax Credit into 2022 which provides up to \$2,000 in relief for 50% of eligible training expenses. Furthermore, the province

is also investing an additional \$90.3 million over three years in its Skilled Trades Strategy, \$5 million more for the Second Career program and a second round of Skill Developing Funding.

In addition, a critical initiative that is proposed through the FES are enhancements to the Brownfields Financial Tax Incentive Program to facilitate the redevelopment of contaminated lands by allowing a reduction of municipal and education property taxes on brownfield sites. The government is proposing to extend the period for matching provincial education tax assistance from three to six years for business developments and 10 years for residential developments. Having heard from the industry on the need for red tape reduction, the province is taking steps to streamline administrative processes for the program, particularly the application review timelines. Finally, OHBA is pleased to see the province deliver on a number of key objectives of the housing supply action plan and we look forward to taking an active role on the Housing Affordability Task Force.

OHBA is supportive and welcomes these important changes outlined in the FES, are encouraged and look forward to the provincial government implementing further key measures that will help reduce the red tape and regulatory burden, fill the gaps in the skilled trade labour shortage and reinforce a predictable, balanced and growth-oriented planning system that will help enable our industry deliver keys to awaiting families across Ontario.

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Key Economic Figures

- Ontario's real GDP is projected to rise 4.5% in 2022, 2.6% in 2023 and 2.0% in 2024.
- Ontario's 2021–22 long-term public borrowing is now forecast to be \$42.0 billion.
- On an annual basis, more than 300,000 net new jobs are expected in 2021 compared to 2020. Job gains are expected to continue over the projection period, resulting in over half a million more jobs by 2024.

Key Pages

- Highway 413 & Bradford Bypass, page 48
- Transportation, pages 49-55
- Seniors' Home Safety Tax Credit, pages 23, 34, 169
- Skilled trades and labour policy, pages 72-76
- Brownfield redevelopment incentive, pages 65 & 175

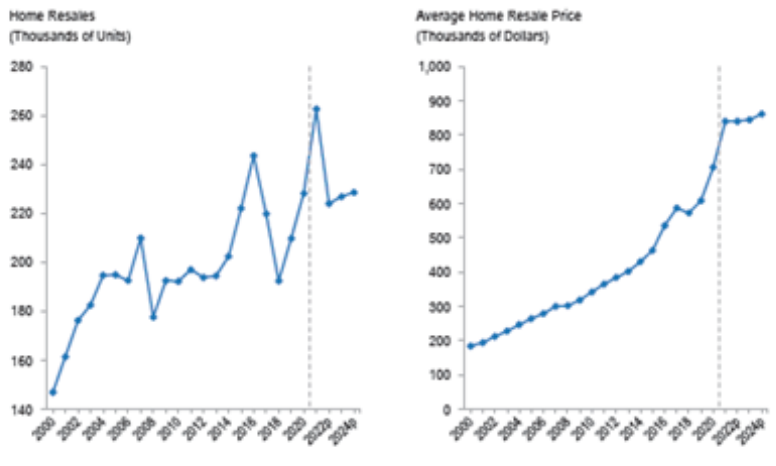
Annex A

Housing

Strong demand for housing supported by low interest rates, higher overall disposable incomes, limited resale listings and shifting home preferences contributed to rising home resales and prices in Ontario over the last year. By March 2021, home resales reached a record high. Activity in the housing market subsequently moderated, with home resales declining 33.3 per cent by September from the March peak. The average home resale price has increased strongly since the start of the pandemic. By September 2021, the average home resale price in Ontario was 31.4 per cent higher than the February 2020 pre-pandemic level.

Strong momentum early in the year is expected to contribute to a 15.1 per cent rise in annual home resales in 2021. Sales are projected to decline 14.7 per cent in 2022, as activity is expected to return to levels consistent with fundamental drivers of housing demand, such as population growth. The average home resale price is expected to increase 19.0 per cent in 2021, before moderating over the 2022 to 2024 period.

Chart 2.9
Ontario Home Resale Market



p = Ontario Ministry of Finance planning projection.
Sources: Canadian Real Estate Association and Ontario Ministry of Finance.

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