



MEMBER UPDATE

May 16, 2025

2025 Ontario Budget: Key Highlights for Ontario's Residential Construction Industry

Yesterday, Ontario's Minister of Finance, the Honourable Peter Bethlenfalvy, released the [2025 Budget: A Plan to Protect Ontario](#), outlining a record \$232.5 billion in spending. The budget focuses on protecting Ontario workers and communities while responding to growing global economic uncertainty, including trade tensions with the United States.

The following highlights will be relevant for members, with a focus on housing supply, infrastructure, and workforce development.

Housing-Enabling Infrastructure Investments

The 2025 Budget builds on previous commitments to accelerate housing delivery and address growth-related infrastructure needs. Key highlights include:

- **An additional \$400 million for the Housing-Enabling Water Systems Fund**, increasing the total investment to \$2.3 billion over four years. This fund is critical for municipalities to unlock new housing by building essential water, wastewater, and stormwater infrastructure.
- **\$5 billion added to the Building Ontario Fund**, supporting the construction of affordable housing, long-term care homes, and major energy projects that serve growing communities.
- **\$3 billion in infrastructure funding for Indigenous communities**, tripling the existing commitment to support the development of vital housing and community infrastructure.

Workforce Development Supports

In response to ongoing labour market challenges and recent U.S. trade actions:

- **\$20 million will be invested in new training and support centres** to assist laid-off workers, including those impacted by tariffs, with immediate transition support.
- This builds on the province's **\$1 billion Skills Development Fund**, aimed at reskilling and training workers to meet the demands of high-growth sectors, including construction and skilled trades.

Housing Outlook

The Budget notes that housing starts are projected to temporarily decline in 2025 to approximately **71,800 units**, largely due to supply chain pressures and higher input costs. However, housing starts are expected to rebound to **86,000 units by 2028**, reflecting renewed stability and the positive impact of infrastructure investments.

Fiscal and Economic Context

Ontario's deficit is projected to reach **\$14.6 billion**, up from the previous forecast of \$4.6 billion, primarily due to spending related to tariff relief and worker supports. Real GDP growth is forecast at **0.8% in 2025**, with a modest increase to **1.0% in 2026**—down from earlier expectations due to broader economic headwinds.

Promotion of Ontario-Made Products

To support domestic industries and promote national pride, the province has declared the Friday before Canada Day as **“Buy Ontarian, Buy Canadian Day.”** This initiative will highlight made-in-Ontario products, including Ontario Wood, VQA wines, and Foodland Ontario goods.

Conclusion

The 2025 Ontario Budget reflects the government's ongoing commitment to building critical infrastructure, supporting economic resilience, and working with the residential construction industry to address the housing supply crisis. OHBA welcomes the continued investments in housing-enabling infrastructure and skills training and will remain engaged with the government to ensure that policies support builders and developers working to meet Ontario's growing housing needs.

To read the full 2025 Ontario Budget: Plan to Protect Ontario, please click [here](#).

For further budget details or to discuss how this may impact your local region or business, please contact the OHBA policy team at advocacy@ohba.ca