



Ontario
Home Builders'
Association

29 LOCAL ASSOCIATIONS

BILD

- Brantford
- Chatham-Kent
- Greater Dufferin
- Durham Region
- Grey-Bruce
- Guelph & District
- Haldimand-Norfolk
- Haliburton County
- Hamilton-Halton
- Kingston-Frontenac
- Lanark-Leeds
- London
- Niagara
- North Bay & District
- Greater Ottawa
- Peterborough & the Kawarthas
- Quinte
- Renfrew County
- Sarnia-Lambton
- Saugeen Country
- Seaway Valley
- Simcoe County
- St. Thomas-Elgin
- Stratford & Area
- Sudbury & District
- Thunder Bay
- Waterloo Region
- Greater Windsor

Ontario Home Builders' Association

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THE RESIDENTIAL CONSTRUCTION INDUSTRY IS
**the engine that drives
Ontario's economy**

2011 Data



67,821 Housing Starts Housing starts in Ontario increased by 12% in 2011 over the 60,433 housing starts recorded in 2010. Activity is anticipated to soften in 2012 with a forecast 63,450 housing starts. Each new home built in Ontario is not only a roof over a family, but it provides thousands of jobs and generates significant dollars in taxes, fees and levies for all three levels of government.

325,800 Jobs The new housing and renovation sector is a significant employer in Ontario. Residential construction includes a broad range of high quality jobs from skilled trades to planners, engineers, architects, economists and lawyers.

\$42 billion In 2011 the value of new housing, residential renovations and impacts of other expenditures related to residential construction in Ontario totalled \$42 billion.

\$17.1 billion in Wages The average weekly wage in Ontario's construction sector is \$1,016. This compares to a \$1,002 average in all industries. The average construction wage is 1% higher than the overall industry wage for full-time employment in Ontario.

\$3.17 billion Total income taxes for the federal and provincial governments generated from Ontario housing starts, renovations and other related expenditures.

\$2.68 billion Total GST revenue generated from Ontario housing starts, renovations and other related expenditures.

\$3.38 billion Total provincial share of HST revenue generated from Ontario housing starts, renovations and other related expenditures. The harmonized sales tax significantly increased provincial sales tax revenue on new homes and renovations when it was implemented on July 1, 2010.



\$1.45 billion Total CPP Premiums generated from Ontario housing starts, renovations and other related expenditures.

\$610 million Total EI Premiums generated from Ontario housing starts, renovations and other related expenditures.

\$149 million Estimated total WSIB premiums billed to the Home Builder rate group in Ontario.

Ontario's Renovation Industry



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The Size of Ontario's Renovation Industry

- **211,000 Jobs** in home renovation and repair
- **\$21.8 Billion** in construction value
- **\$10.9 Billion** in wages
- **\$2 Billion** in federal and provincial Income Tax revenues
- **\$910 Million** in Canada Pension Plan premiums
- **\$380 Million** in Employment Insurance premiums
- **\$1.4 Billion** in GST Revenues to federal government
- **\$1.5 Billion** in Harmonized Sales Tax revenues to the provincial government
- **\$6.2 Billion** in total federal and provincial government revenue.



OHBA is the home of Professional Renovators in Ontario

Through the RenoMark label, contractors must:

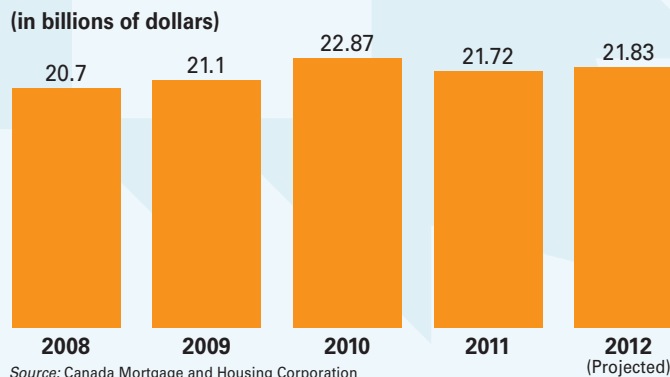
- Be a member in good standing of the Local Home Building Association.
- Provide a detailed, written contract (including scope of work) for all jobs.
- Offer a minimum two-year warranty on all work (excludes minor home repair).
- Carry a minimum of \$2 million liability insurance.
- Have coverage for workplace safety and employers' liability and/or work only with subcontractors who carry such coverage.
- Carry applicable licenses and permits.
- Maintain a professional level of knowledge of current building codes, permit procedures, and technical skills through continuing education.
- Maintain a safe and organized worksite.
- Return phone calls within two business days.



The Problem of the Underground Economy

- In a 2010 Environics Survey of 1,113 Ontario homeowners, 56% admitted to paying cash for a home repair or renovation job, while 68% said they'd be less likely to pay cash if they could receive a tax credit.
- The underground economy prior to the implementation of the HST represented an estimated 37% of the total output of residential renovation contractors in Ontario or approximately \$5.2 billion.
- The underground economy in the renovation sector presents a myriad of problems including:
 - Significant government revenue leakages in Ontario, such as:
 - Loss of up to \$298 million in GST revenues annually;
 - Loss of up to \$1.6 billion in income tax revenue annually;
 - Loss of up to \$767 million from other revenues such as CPP, WSIB, EHT and Employment Insurance premiums;
- When consumers participate in the underground economy, they expose themselves to:
 - Financial and liability risks;
 - Health and safety risks for construction workers and the homeowners who hire them; and
 - Undermining the integrity of the tax system.

Renovation Activity in Ontario



OHBA represents 4,000 member companies organized into a network of 29 local associations across the province.

Together we build 80% of the new housing in Ontario.

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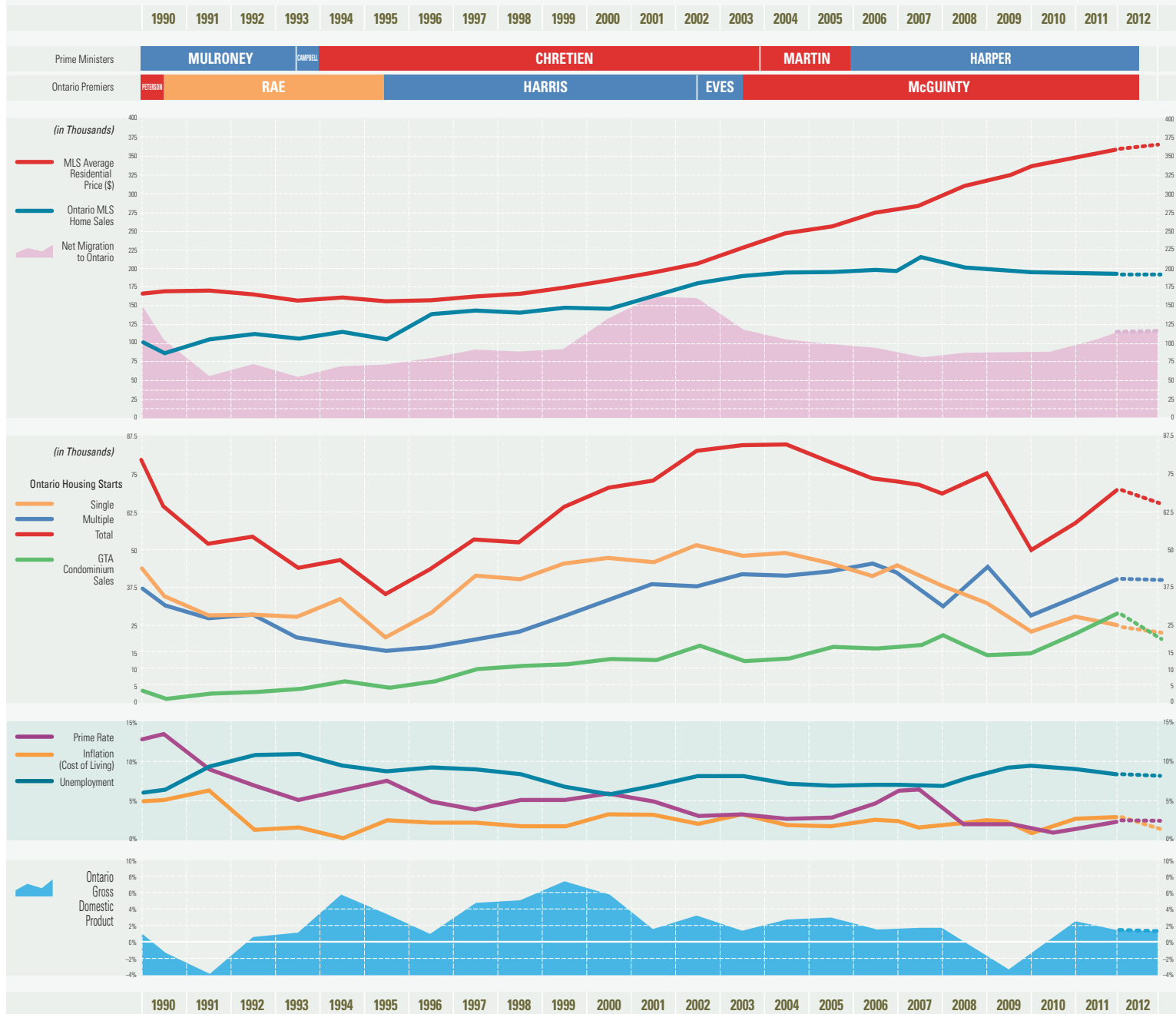
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1990-2012

Ontario Housing & Economic Indicators



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Source: Statistics Canada, CREA, CMHC, Bank of Canada, Ministry of Finance, Urbanation

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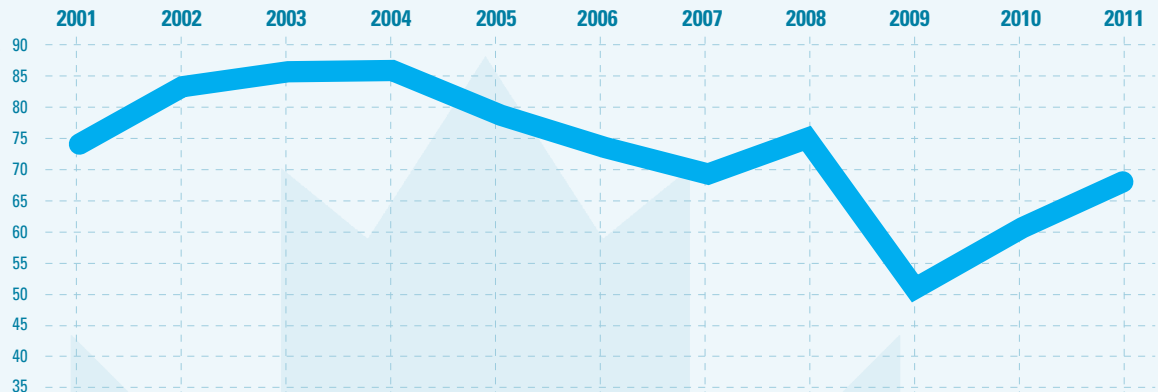
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Total Housing Starts Ontario 2001-2011



All Ontario
in thousands



Census Metropolitan Areas

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Barrie	2,445	2,739	2,368	2,435	1,484	1,169	980	1,416	427	682	700
Brantford	475	700	458	482	534	409	589	432	317	504	428
Guelph	993	1,138	994	1,420	951	864	941	1,087	567	1,021	764
Hamilton	3,365	3,803	3,260	4,093	3,145	3,043	3,004	3,529	1,860	3,562	2,460
Kingston	707	810	1,131	872	683	968	880	672	717	653	959
Kitchener	3,537	4,130	3,995	3,912	3,763	2,599	2,740	2,634	2,298	2,815	2,954
London	1,607	2,604	3,027	3,078	3,067	3,674	3,141	2,385	2,168	2,079	1,748
Oshawa	2,561	3,490	3,907	3,153	2,934	2,995	2,389	1,987	980	1,888	1,859
Ottawa	6,251	7,796	6,381	7,243	4,982	5,875	6,506	6,998	5,814	6,446	5,794
Peterborough	294	423	547	514	619	437	540	428	371	404	351
St. Catharines	1,134	1,317	1,444	1,781	1,412	1,294	1,149	1,138	859	1,086	1,110
Sudbury	191	298	306	388	400	477	587	543	450	575	595
Thunder Bay	211	197	211	287	227	165	249	167	180	222	374
Toronto	41,017	43,805	45,475	42,115	41,596	37,080	33,293	42,212	25,949	29,195	39,745
Windsor	2,157	2,490	2,237	2,287	1,496	1,045	614	453	391	617	719

Larger Census Agglomerations

Belleville	284	393	387	507	367	313	368	324	357	324	265
Chatham-Kent	96	90	150	143	197	217	177	136	85	103	113
Cornwall	148	198	231	217	159	132	135	133	156	173	127
Kawartha Lakes*	290	321	359	367	322	334	349	311	199	341	212
North Bay	89	123	125	151	226	185	112	139	199	176	101
Sarnia	155	374	203	194	243	191	258	278	299	203	223
Sault Ste Marie	74	86	99	119	128	105	117	173	85	99	129

Urban areas

(Population 50,000+)	70,262	79,615	80,933	79,894	69,365	63,928	59,460	67,798	44,903	53,382	61,946
All Ontario	73,282	83,597	85,180	85,114	78,795	73,417	68,123	75,076	50,370	60,433	67,821

* Prior to 2002, Kawartha Lakes data includes Lindsay Town, Ops Township, Fenelon Township, Laxton Township, Mariposa Township and Sturgeon Point Village

Source: CMHC

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