



**Ontario**  
Home Builders'  
Association

## *Ontario 2017 Budget Release*

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# **Hot Housing Market Helps Deliver Ontario's Balanced Budget**

## *Home Buyers Contributing Billions in Housing Taxes*

**Toronto, April 27, 2017** – The Ontario Home Builders' Association (OHBA) attributes the provincial government's success in balancing the 2017 provincial budget to the additional tax revenue generated from the hot housing market. Rapid housing price escalation and high sales volumes have brought in billions of additional HST and Land Transfer Tax revenues to the provincial government, in addition to spin-off revenues generated from the actual construction of new homes and 336,000 jobs supported by Ontario's housing sector.

"Last year, the Ontario government collected more through the Land Transfer Tax (LTT) than the Gasoline tax. The LTT alone provided \$637 million in additional taxes to Ontario's bottom line. The billions of new unexpected housing taxes from Ontario's home buyers helped deliver a balanced budget and are projected to increase and help balance future budgets. The province is clearly benefiting from this hot housing market," remarks OHBA CEO Joe Vaccaro.

Ontario's new housing, land development and professional renovation industry are contributing significantly to the rebound in provincial finances. The 2017 Budget noted that the improvement of government revenue compared to projections in the 2016 Budget was primarily due to the strength of Ontario's housing market. Overall, HST revenue – including unexpected taxes from the HST on new homes – was \$714 million higher than projected.

"Today's budget clearly shows that the province has the ability to lower housing taxes," says Vaccaro. "While new home buyers helped to balance this budget, the reality is that they need government action to improve housing affordability and housing supply. It is time to update the HST on new housing to match new market realities, and provide new home buyers with some HST tax savings."

OHBA has previously recommended that the provincial government modernize the HST threshold to reflect current home prices. Adjusting the HST for new homes from the current \$400,000 to \$500,000 would provide new home buyers with \$6,000 of HST savings, along with supporting future housing supply through targeted infrastructure and partnership funding to complement Ontario's Fair Housing Plan.

OHBA believes that the Ontario government has an opportunity to support housing affordability and supply by reinvesting some of these unexpected tax dollars into Ontario's housing market.

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### About OHBA

The Ontario Home Builders' Association is the voice of the residential construction industry in Ontario representing 4,000 member companies organized into 29 local associations across the province. The industry contributes over \$56 billion dollars to Ontario's economy, generating \$19.8 billion in wages and employing more than 336,000 people across the province.

*For further information or to arrange an interview with OHBA CEO Joe Vaccaro please call 416-606-3454*



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