



**BUILDING A GREATER GTA**  
Building Industry and Land  
Development Association

NEWS RELEASE

# Tax Harmonization Would Slam Door on Homebuyers: Report

*Homebuyers to be hit with \$2.4 billion price tag*

**TORONTO (Wednesday March 11, 2009)** – Ontario’s new homebuyers would face a massive tax grab under the proposed harmonization of the federal GST and Ontario PST, a new report released today concludes.

The report is titled “New Housing is Different: Implications for Sales Tax Harmonization on New Home Buyers in Ontario.” It was written for BILD (Building Industry and Land Development Association), the Greater GTA affiliate of the Ontario Home Builders’ Association, by veteran housing analyst Frank Clayton, PhD, of Canada’s largest independent real estate consulting and advisory firm Altus Group.

The report looks at nine Ontario municipalities and three different home types revealing tax increases for single detached homes ranging from \$8,957 (Windsor) to \$17,049 (Ottawa) in mid-markets outside the GTA, and from \$24,566 (Mississauga) to a whopping \$46,676 (Toronto) within the GTA.

“All told, harmonization of PST and GST without any offsetting measures by the provincial government would rip \$2.4 billion dollars out of the pockets of new homebuyers, slamming the homeownership door shut in the face of many Ontarians,” said Stephen Dupuis, President and CEO of BILD.

BILD Chair Leith Moore added that the proposal for GST/PST harmonization couldn’t come at a worse time and runs completely contrary to the Province’s efforts to stimulate spending and jobs. “There’s no point putting the gas pedal to the metal from a stimulus standpoint while braking equally hard with the other foot, but that’s what harmonizing the sales tax on housing amounts to,” Moore said.

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Meanwhile, Ontario Home Builders' Association president Frank Giannone said harmonization is a "poison pill" for housing. "Housing is the only product that keeps on paying property tax after it is consumed. So to cripple the new homebuyer market at this time not only damages the provincial economy, it also hurts governments in terms of revenues. In addition, the HST would also add additional tax to future renovation projects, and we all know tax increases drive consumers into the underground economy and into cash deals. It makes no sense," he said.

Dupuis explained that builders are not fighting harmonization, but fighting for fair treatment of housing under a harmonized sales tax regime. "The reason housing gets hit so hard is that it is the biggest of the big ticket items and it's not currently directly subject to PST, for good reason," he said.

"As matters currently stand, builders are paying an average of 2 per cent PST embodied in the price of each new home and they're prepared to keep on paying at that rate, notwithstanding all the other taxes, fees and levies they must endure.

"What home builders are not prepared to do is to sit idly by while homebuyers are hammered to the tune of \$2.4 billion due to harmonization. That's not on," Dupuis concluded.

**\*The full report is available at [www.bildgta.ca](http://www.bildgta.ca) under Media.**

**\*Please see attached backgrounder**

**For more information or to arrange interviews with first-time homebuyers, home builders in various Ontario cities, or BILD officials, please contact:**

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