

Motion on GST and PST Exemptions for Homebuyers

Moved by - Mayor Marianne Meed Ward - Burlington and Chair of OBCM

WHEREAS provincial housing targets are designed to address the housing crisis by setting ambitious goals for new home construction—such as Ontario's target of building 1.5 million homes by 2031—and to support these targets, the Province assigns specific goals to municipalities, which are incentivized through programs such as the *Building Faster Fund* for meeting or exceeding their targets; and

WHEREAS new home sales—a key leading indicator of future housing supply—have reached historic lows, currently trending at only 85% below the ten-year average, with just 300 new homes sold in the GTA in August compared to the ten year average for August of 1600; and

WHEREAS this sharp decline in new home sales is projected to result in a significant housing shortage over the next 2 to 5 years, further compounding affordability challenges for residents of Ontario's big cities; As shown in the attached table, the trends seen in the GTA are also evident across other major urban centres in the province; and

WHEREAS this projected downturn in new housing supply could lead to the loss of approximately 41,000 jobs across the Greater Toronto Area and 17,000 across the Greater Golden Horseshoe, creating economic uncertainty and undermining the stability of local economies; and

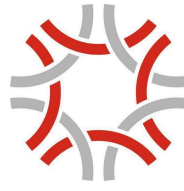
WHEREAS revenue generated from new housing—including development charges (DCs), parkland dedication fees, and other municipal growth-related revenues—is forecasted to contract by as much as \$6 billion, limiting municipalities' ability to fund infrastructure and community services that benefit both new and existing residents; and

WHEREAS the federal government has not updated the Goods and Services Tax (GST) rebate thresholds since the program's introduction in 1991, despite its initial intent to protect housing affordability for 95% of new homebuyers—an objective no longer being met, in all of Ontario's urban housing markets; and

WHEREAS existing GST rebate eligibility is limited to homes priced under \$350,000, which now excludes the vast majority of new home purchases in Ontario's big cities, where the average price far exceeds these outdated thresholds; and

THEREFORE BE IT RESOLVED that the Ontario Big City Mayors (OBCM) urgently request that the Government of Canada, as part of its November 4th budget, implement a three-year full GST exemption on the first \$1.5 million for all homebuyers.

AND THAT we request that the Government of Ontario implement a parallel three-year exemption from the Provincial Sales Tax (PST) for all homebuyers on the first \$1.5 million.



Total New Home Sales August 2025 vs August 10 Year Average

Municipality	Aug-25	10 Yr Avg
Barrie	24	60
Brantford	1	39
Cambridge	8	33
Guelph	10	36
Hamilton	9	153
Kitchener	14	65
St. Catharines	2	10
Waterloo	2	20
Ottawa	299	343

Source - Building Industry and Land Development Association (BILD)