



Ontario
Home Builders'
Association

OHBA represents
4,200 member
companies organized
into a network
of 29 local
associations across
the province.

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

Ontario Home Builders' Association

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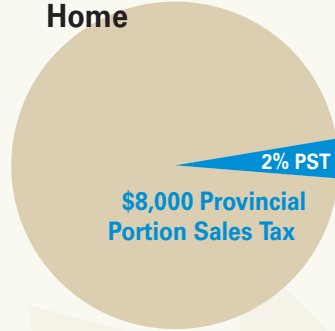
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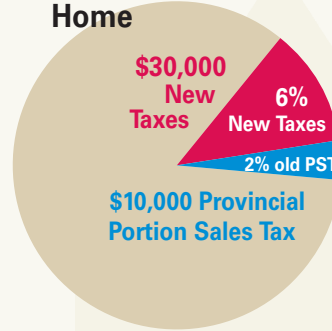
Harmonization & Housing

"An Anomaly or Big Mistake"

\$400,000 Home

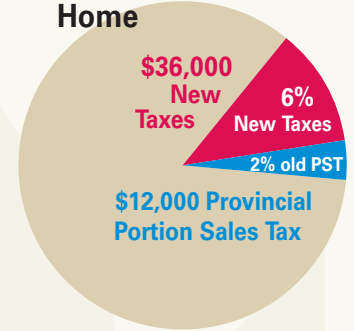


\$500,000 Home



* \$32,000 tax increase for a \$100,000 price increase

\$600,000 Home



* \$8,000 tax increase for a \$100,000 price increase

- Under a harmonized sales tax regime a new home under \$400,000 would receive a rebate of 75% of the provincial portion of the sales tax. Therefore consumers would effectively pay a 2% provincial sales tax which is approximately the same amount of provincial sales tax as paid today.
- New homes priced over \$500,000 will face a full tax burden of the 8% provincial share of a harmonized sales tax. This results in 6% NEW taxes or \$30,000 in NEW taxes on a \$500,000 new home.
- A \$100,000 price increase on a new home from \$400,000 to \$500,000 results in \$32,000 in new additional taxes on a consumer as a result of harmonization; **gouging the young families that 'Places to Grow' is trying to bring into cities.**

2008 – Single Family / Semi-Detached Absorbed Units – Ontario

Ontario*	< \$400,000	\$400,000 - \$500,000	\$500,000 +
Units Absorbed	17,600	7,264	7,311
Percentage	54.7%	22.6%	22.7%

*For Centres over 50,000 population

Source: CMHC

- Approximately one half of single family and semi detached homes sold in Ontario would qualify for the 75% provincial portion of the tax (6% of the sales price). The remaining half of new single-detached and semi-detached homes would pay higher provincial sales taxes as a result of harmonization.
- According to RealNet Canada Inc., as of February 28, 2009, 41 per cent of the remaining new home inventory in the GTA is priced over \$400k and therefore subject to a very sizeable tax increase.



**Harmonization is
a Jobs Killer
for Residential Construction**



- The \$37.9 billion residential construction industry created 368,000 jobs across Ontario in 2008.
- Residential renovations will now be subject to provincial sales taxes, driving more consumers to the underground economy in search of the 'cash deal'.
- Harmonization is devastating for housing affordability and the new taxes will result in significant job losses as consumers purchase fewer new homes at the worst possible time for the provincial economy.