

# RCCAO and RESCON praise decision to remove HST for new homebuyers in Ontario

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Both the Residential and Civil Construction Alliance of Ontario (RCCAO) and the Residential Construction Council of Ontario (RESCON) have applauded the Ontario government's plan to remove HST for new home purchases.

The province will remove the full 13 per cent HST for eligible buyers of new homes valued up to \$1 million for a maximum rebate of \$130,000.

Ontario's proposal would strengthen the existing provincial HST New Housing Rebate and New Residential Rental Property Rebate for one year, from April 1, 2026 to March 31, 2027

RCCAO says its sustained advocacy and research has consistently shown the high tax burden, over 30 per cent of the cost of a new home, was directly contributing to Ontario's housing crisis.

"As our commissioned research has demonstrated, targeted taxation measures like this will protect skilled trades jobs, stimulate the economy, and help get the homebuilding industry back to what it does best: building the homes Ontarians urgently need," said Nadia Todorova, Executive Director of RCCAO.

"This is a critical step towards making new homes more affordable and demonstrates that Premier Doug Ford and Prime Minister Mark Carney understand the severity of the housing downturn and the urgent need for decisive action to restore confidence in the market," said RESCON president Richard Lyall.

RCCAO and RESCON cite an economic analysis conducted by the Canadian Centre for Economic Analysis (CANCEA), which said a three year HST holiday would help preserve skilled trade jobs and have builders constructing new housing supply and create economic urgency in the market to incentivize buyers to purchase new homes. It would do this while remaining revenue-neutral for all governments.

RESCON says the sector has been grappling with a perfect storm of economic pressures, including rising construction costs, regulatory barriers and an exorbitant tax burden on new housing. All of this has resulted in what RESCON says is a dramatic slowdown in new home sales and housing starts across the province.

While applauding the decision, RESCON also said additional action is required. While citing how development charges in Toronto have risen by more than 5,000 per cent over the last 25 years, RESCON said the province should still consider reforming development charges, providing faster approvals and removing barriers to housing delivery as further solutions.

“However, the step taken today is exactly the kind of initiative we need right now,” said Lyall.