

RESCON, RCCAO urge governments to enact three-year HST holiday for housing sector

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Two of Ontario's most influential residential construction associations say the industry needs a three-year holiday from the HST if it is to return to capacity.

The Residential and Civil Construction Alliance of Ontario (RCCAO) and the Residential Construction Council of Ontario (RESCON) are urging the provincial and federal governments to take the step as both prepare for their respective budgets. The recommendation is backed by economic analysis from the Canadian Centre for Economic Analysis (CANCEA) and shows the move would be statistically revenue-neutral for all governments.

The CANCEA research supporting the policy found that a three-year HST holiday would: help preserve skilled trade jobs and have builders constructing new housing supply, create economic urgency in the market to incentivize buyers to purchase new homes, and be revenue-neutral for all governments.

“Ontario’s housing crisis is worsening and prolonged job-losses risk adding to long-term problems plaguing the sector,” said Nadia Todorova, executive director of RCCAO. “The men and women in the skilled trades need to see urgent government action to improve market conditions in the sector so they can get back to building desperately needed homes across Ontario. A three-year sales tax holiday does just that by saving 26,000 direct industry jobs.”

RCCAO and RESCON say their call should be heeded swiftly and enacted through the upcoming 2026 provincial budget, with the federal government moving in lockstep. The federal government also needs to see Bill C-4 passed in the Senate of Canada and given royal assent.