

The Hon. François-Philippe Champagne, MP
Minister of Finance and National Revenue
Department of Finance Canada
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Ottawa, Ontario K1A 0G5

Delivered via email: yourbudget-votrebudget@fin.gc.ca

August 22, 2025

2025 Pre-Budget Submission – Housing Affordability and Supply Recommendations

Dear Minister Champagne,

On behalf of the Toronto Regional Real Estate Board (TRREB), representing more than 70,000 residential and commercial REALTORS® in the Greater Toronto Area (GTA), we welcome the opportunity to provide input ahead of the federal government's 2025 Fall Budget. TRREB is committed to advancing policies that strengthen our region's housing market, increase supply, and enhance affordability. With the housing supply and affordability crisis persisting nationwide and particularly in the GTA, we recommend the following measures to support the government's housing objectives:

1. Expand the GST Rebate to All Buyers of New Homes Under \$1.5 Million

TRREB strongly urges the federal government to expand the GST rebate on new housing beyond first-time buyers to include all purchasers of new builds, such as move-up buyers, seniors right-sizing, and middle-income households. The current structure is too narrow, and expanding eligibility would lower transaction costs, especially in high-priced markets such as the GTA, encourage mobility within the housing spectrum, and stimulate new construction.

Including all non-profit housing developers in rebate eligibility is equally critical. Doing so would empower the non-profit sector to deliver more deeply affordable housing, aligning with federal commitments to equity and affordability. This change would complement existing efforts such as the Housing Accelerator Fund (HAF), support municipal and provincial housing targets, and reflect demographic and immigration trends.

TRREB has partnered with the Canadian Real Estate Association (CREA) and Habitat for Humanity to call for this change. Expanding the rebate to all new homes priced under \$1.5 million is one of the most direct and immediate ways the federal government can ease costs for homebuyers while increasing housing starts and supply.

2. Reduce Municipal Development Charges by 50% and Support Local Zoning Reform

Development charges (DCs) in the GTA have risen dramatically and are now among the highest in North America, inflating the cost of new housing and discouraging development. For example, DCs on a two-bedroom unit in Toronto have increased from \$17,000 a decade ago to over \$80,000 today. Without intervention, attainable homeownership in the GTA will remain out of reach for many homebuyers.

TRREB recommends a 50 per cent reduction in DCs, achieved in collaboration with municipalities and offset through enhanced federal funding mechanisms such as the HAF and new intergovernmental funding mechanisms. Prime Minister Carney's election commitment to cut DCs by 50 per cent underscores the urgent need for coordinated federal leadership.

Building on the success of the HAF, TRREB further recommends that the next phase prioritize:

- Municipalities that commit to lowering development charges and streamlining approvals.
- Funding tied to concrete housing delivery outcomes and fully implemented policy reforms.
- Transparency in the distribution of funds and project completion timelines.

3. Revive the Multi-Unit Residential Buildings (MURBs) Program

The federal Multi-Unit Residential Buildings (MURB) tax incentive program, introduced in the 1970s, successfully mobilized private investment in rental housing. By allowing property owners to offset rental unit losses against other income, it reduced tax burdens and encouraged new construction.

Reviving this program today would unlock private capital to deliver more rental units, improve affordability, and align private investment with public housing goals. It represents a proven, cost-effective way to expand rental supply and meet urgent housing needs.

4. Fiscal Cost of Action vs. Inaction

While expanding the GST rebate carries fiscal implications, the cost of inaction is far greater. According to the Missing Middle Initiative analysis, a revised federal program could expand eligibility to approximately 22,000 of Ontario's 24,000 new homes annually, with an average federal rebate of \$32,000. The federal cost would rise to \$714 million in Ontario (\$1.6 billion nationally). Similarly, enhancing Ontario's HST rebate from an average of \$24,000 to \$60,000 would cost the province \$1.47 billion.

However, all three levels of government face a potential \$6.6 billion annual loss in tax revenue in the GTA alone due to declining housing construction. Investing now would drive housing starts, improve affordability, and generate long-term economic growth through homeownership and related sectors. Inaction risks further deepening the housing crisis and weakening economic participation.

TRREB looks forward to continued engagement with the Government of Canada to advance our shared goal of building a more sustainable, inclusive, and affordable housing market.

Sincerely,



Elechia Barry-Sproule
President