



Recommendations on **tariffs**

*A companion set of recommendations to
“CHBA’s Unlocking the Door to Homeownership – Recommendations on the Federal Role 2025”*

The Canadian Home Builders’ Association (CHBA) condemns U.S. President Trump’s tariffs on Canada that will further degrade housing affordability in both countries. CHBA urges the federal government to do what it can to help mitigate the impacts in Canada on an industry that is already struggling to build more housing supply and keep costs down for buyers.

There are two principal areas of concern where tariffs will affect Canada’s residential construction industry:

- Overall economy: Slowing economic growth and lowered consumer income and spending power will stifle housing investment, slowing housing starts and renovation activity.
- Supply chain and construction costs: All importers in the residential construction supply chain will need to look at alternatives to U.S. goods upon which Canadian countervailing tariffs are placed, and products will still likely be more expensive than the U.S. goods prior to tariffs, which will raise the cost of construction.

RECOMMENDATIONS:

The top objective needs to be to end the trade war as quickly as possible, on fair and acceptable terms for Canada. CHBA recognizes that all efforts will be made by the federal government to do so, and that retaliatory tariffs are part of the response. During this trade war, **there are federal actions that can help offset the damage to housing affordability and supply.**

- **Avoid Canadian retaliatory tariffs on construction materials**, with an eye to getting new construction ramped up.
 - Where tariffs are necessary, **target U.S. imports that will have the least impact**, e.g. product categories where there is ample supply from within Canada and/or other countries.
- **Remove the GST on new home construction** – this will help offset increased construction costs while also incentivizing the purchase of newly constructed homes, thus increasing housing supply.
- **Remove GST on secondary suites** – this will offset increased construction costs, support the renovation industry and incent more new rental housing units.
- **Continue to pressure municipalities to reduce development taxes** (and find alternative funding models) – reducing these where they are already much too high can more than offset the increased costs of construction from tariffs.
- **Implement CHBA’s suite of Recommendations in “Unlocking the Door to Homeownership”** – CHBA’s recommendations on the federal role all target improving housing affordability and supply, and can help offset the impacts of the trade war.

