



MEMBER UPDATE

Monday, February 10, 2025

OHBA on the Risk to Ontario's Housing Sector From Trump Tariffs

With this today's announcement of the Trump administration's 25% tariffs on Canadian steel and aluminum, the Ontario Home Builders' Association (OHBA) is greatly concerned by how the new tariffs will negatively impact housing in Ontario.

OHBA believes that these three areas present the greatest risk to the housing sector in Ontario:

- Risk of economic slowdown
- Risk of increased construction costs
- Risk of currency depreciation

The potential for economic slowdown due to the tariffs may be most impactful to the housing sector. Canada is the largest exporter of steel and aluminum to the United States, the negative impact from tariffs on these industries will likely have ripple effects across the Canadian economy, particularly Ontario. This economic slowdown will likely lead to decreased investment in residential real estate and fewer housing starts, and would surely erode the progress made to increase the supply of housing and improve affordability for Ontarians.

The tariffs on steel and aluminum will also lead to an increase in costs for key construction materials for new homes, including projects already underway. Increasing construction material costs means increased construction costs overall, and therefore an increase in the price of new homes for potential purchasers. This would only compound the effects of decreased investment in housing, a sector that is already struggling to keep up with rising costs due to inflation.

Moreover, given the importance of steel and aluminum to our trading relationship with the United States, the new tariffs will likely result in a weaker Canadian dollar, which would

again further contribute to increasing construction costs in Ontario. Retaliatory tariffs, that may be necessary for political reasons, would exacerbate the effects described above.

OHBA will look to work with the provincial government to minimize the impact of these tariffs on the residential construction industry. However, between the risk of a downturn, increased costs of construction materials, and currency risk – the potential exists for the impact of these tariffs on housing to be devastating.

For more on the tariffs and the housing sector in Canada, please read [this analysis](#) from the Canadian Home Builders' Association (CHBA).

Please contact [Kirstin Jensen](#), Vice President, Policy, Advocacy & Relationships, for any questions or comments.