

Trump Tariffs Could Decimate Ontario's Housing Sector

OHBA Is Extremely Concerned by the Potential Effects of Tariffs on Ontario Housing

TORONTO, ONTARIO, MARCH 4, 2025 – The Trump administration's implementation of 25% tariffs on all non-energy imports and 10% tariffs on energy imports are extremely concerning for the Ontario Home Builders' Association (OHBA). While the effects are not yet clear, they will almost certainly result in severe repercussions for Ontario's housing sector.

The risk of a resulting economic downturn is significant. And as a result, we will undoubtedly see less housing starts, ongoing projects halt, and completed projects struggle to close. Even the threat of tariffs over the last couple of months has already created considerable uncertainty and hurt the industry. With housing starts in Ontario down 16% in 2024, these tariffs are effectively pulling the rug out from under the housing sector.

"I spoke to a builder recently who sold two houses in all of 2024. The market is already in a bad place, and there's no saying how bad the fallout from this additional threat will be," warned Scott Andison, CEO of OHBA. "Builders across the province are struggling to survive, and this unwarranted act of economic aggression is going to be even more devastating for them."

The economic uncertainty around tariffs will lead investors to be extremely cautious before starting any new projects, which means the progress made towards increasing supply in recent years will be eroded. And where available financial capital cannot get a reasonable return, it usually flees the jurisdiction. This would not be good for Ontario or Canada.

Construction costs will likely increase as Canadian suppliers struggle to replace their US customers, counter tariffs raise costs on key imports, and the Canadian dollar depreciates. This will only exacerbate the challenges the residential construction industry is facing and further deter builders and developers from pursuing new housing projects.

"Housing starts were already significantly down in 2024; this means more projects go unsold, get converted to rentals, or stop construction and go into receivership," explained Andison. "We may be looking at a prolonged slump for the housing sector as a result of these tariffs."

With some municipalities, like Guelph and Brantford, reporting decreases in housing starts at or above 60%, the effects of these tariffs are certain to impact some housing markets more than others.

OHBA will continue to work with the provincial government to attempt to minimize the impact of these tariffs on the residential construction industry and housing affordability. However, the potential exists for the impact of tariffs on housing to be devastating.



About the Ontario Home Builders' Association

Founded in 1962, the Ontario Home Builders' Association (OHBA) is the voice of the residential construction industry in Ontario. It represents over 4,000 member companies in the home building, land development, professional renovation, and professional services sectors through 28 local chapter associations across the province. OHBA advocates on behalf of its members to key stakeholders, provides member benefits and training, and promotes innovation and professionalism within the residential construction industry.

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