



# MEMBER UPDATE

March 3, 2025

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

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 economic downturn is significant and will result in less housing starts as ongoing projects halt and completed projects struggle to close. With housing starts in Ontario down 16% in 2024, OHBA is concerned that these tariffs may lead to a prolonged slump for the residential construction industry.

The risks OHBA is watching are:

- Risk of economic downturn
- Risk of increasing construction costs
- Risk of counter tariffs
- Risk of currency depreciation

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. The risk also exists that investors will reconsider investing in Ontario altogether, which would further deteriorate confidence in the residential construction industry.

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.

OHBA will continue to work with the provincial government 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.

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