



The Honourable Chrystia Freeland
Deputy Prime Minister and Minister of Finance

October 25, 2024

The Honourable Sean Fraser
Minister of Housing, Infrastructure and Communities

RE: Expanding GST/HST Relief to Non-Profit Homeownership

Dear Minister Freeland and Minister Fraser,

In the midst of a housing crisis, we are writing to urge the Government of Canada to extend current HST exemptions offered to for-profit developers of rental units to non-profit and charitable partners who focus on affordable home ownership. We ask that you extend this measure at your earliest opportunity, and at the latest to be included in the 2024 Fall Economic Statement.

While for-profit builders have recently had their HST waived when they build rental units, non-profits building affordable homes for ownership haven't gotten the same exemption.

Imagine the impact of empowering national organizations, as well as smaller, local organizations and branches, that intimately understand the unique needs of their communities. Organizations like Habitat for Humanity are well-poised to lead the charge of building the affordable housing we need and would be able to meaningfully increase the number of units they're able to provide with this impactful measure.

Habitat for Humanity Victoria has shared 14% of renter households in the Capital Region are defined as being in "core housing need", lacking the strong foundation of an affordable place to call home upon which they can build their family's futures.

Habitat for Humanity Waterloo Region recently built 45 affordable townhomes on Kehl Street in Kitchener. If this measure had already been extended, they would have had access to an additional million dollars to build even more units.

Across the Greater Toronto Area, Ontario, and Canada more broadly, GST/HST is adding an average of \$15,000 to \$80,000 per home to the price that Habitat for Humanity incurs to deliver desperately needed new affordable ownership homes. We understand from Habitat for Humanity that for every 100 homes they deliver, they could deliver 5-20 more if they were not burdened with the additional expense of GST/HST. Exempting or deferring GST/HST on non-profit affordable ownership homes like those built and delivered by Habitat for Humanity would represent a loss of only 0.1% to 0.5% of total government revenues from GST/HST on new homes.

The lost tax revenue could easily be made up by ending a \$300 million tax exemption benefitting Real Estate Investment Trusts (REITs), which largely buy up existing affordable homes and drive up prices, which you can see more about in MP Morrice's Private Members Motion 71 from 2022.

We would encourage you to assist and move quickly to expand the GST/HST relief now in place for purpose-built rental, co-op, and student housing to also include non-profit affordable ownership housing. A strong suggestion we would offer is to include this recommendation for inclusion in our 2024 Fall Economic Statement.

We would greatly appreciate the opportunity to meet with you and your team to discuss this further. Thank you for the work you do in service of Canadians.

Sincerely,



Mike Morrice,
MP for Kitchener Centre



Elizabeth May, MP for Saanich-Gulf Islands, BC
Leader of the Green Party of Canada