



*Source: Habitat for Humanity Canada*

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## **Habitat for Humanity Canada calls on federal government to prioritize affordable homeownership in its upcoming budget**

### **Non-profit affordable housing providers need effective tools and support to serve more families**

TORONTO, April 03, 2024 (GLOBE NEWSWIRE) -- In advance of the upcoming federal budget, Habitat for Humanity is calling on the Government of Canada to introduce measures that will strengthen the housing system, create housing supply, and allow non-profits like Habitat to significantly increase access to affordable homeownership for Canadian families.

Our recommendations to Deputy Prime Minister and Minister of Finance Chrystia Freeland include:

#### **1. Defer the GST paid on the sale of affordable homes built by affordable homeownership providers**

The homes that Habitat for Humanity builds are subject to the same taxation as other newly-built houses, despite being intended for lower-income families who pay an affordable mortgage that doesn't exceed approximately 30% of their income.

For market home sales, those tax costs are embedded in the sale price. However, non-profits that sell homes to lower-income families, including charities like Habitat, must either absorb the tax costs or pass them on to the family in need of housing.

The GST creates a significant barrier to Habitat's ability to serve families. In the Greater Toronto Area, for example, for every 100 units on which GST is paid, 13 additional units could have been constructed. In some cases, provincial and federal sales tax costs on newly-built housing are as high as \$80,000 per unit, depending on the fair market value of the property.

In many cases, affordable housing providers are paying more in fees and taxes back to governments than they receive in government funding to help build affordable homes. GST relief for non-profit builders like Habitat would represent less than 0.1% of total government revenue from home sales and extend the same tax relief the federal government already offers for new rental housing.

#### **2. Speed up the provision of surplus federal lands for affordable housing**

Land acquisition is one of the biggest barriers to creating affordable housing, and non-profit builders like Habitat must compete against for-profit developers to acquire it.

Local Habitats for Humanity are very experienced in creating communities appropriate to a piece of land, and Habitats in several provinces have successfully used surplus federal land to create affordable housing for Canadian families.

However, along with other housing organizations, Habitat is concerned that the current processes for the release of, and access to, federal and other underutilized lands are blocking construction and the creation of vibrant mixed income, mixed-tenure communities.

"Budget 2024 is an opportunity to build a future where every Canadian has safe and decent housing," says Julia Deans, President and CEO of Habitat for Humanity Canada. "Through a simple

taxation change and streamlined processes, the federal government can help non-profit builders like Habitat for Humanity get more houses built, and more families on the path to the security and independence of owning their own home.”

### **About Habitat for Humanity Canada**

Founded in 1985, Habitat for Humanity Canada is a national, charitable organization working towards a world where everyone has a safe and affordable place to call home. Habitat Canada brings communities together to help families build strength, stability and independence through affordable homeownership. With the help of volunteers, Habitat homeowners and 46 local Habitats working in every province and territory, we provide a solid foundation for better, healthier lives in Canada and around the world. Habitat for Humanity Canada is a member of Habitat for Humanity International, which was established in 1976 and has grown to become a leading global non-profit working in more than 70 countries. For more information, please visit [www.habitat.ca](http://www.habitat.ca)

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A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/e360662d-9069-444e-814b-9a539a8a3caf>

### **Attachments:**



- Habitat for Humanity Canada calls on federal government to prioritize affordable homeownership in its upcoming budget