



PR POST MEDIA REPORT

Residential Construction Council of Central Ontario:

GST takes growing bite out the housing market, making new home ownership more difficult for many Canadians, study finds

December 14, 2007

- 36 daily newspaper stories, total circulation 2,050,353
- 1 media website story
- 1 television report, total viewers 385,700

Total reach = 2,436,053

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Coverage Summary

Daily Papers

Toronto Star
Toronto Sun (2)
Canadian Press
Belleville Intelligencer (2)
Kingston Whig-Standard
Cornwall Standard-Freeholder
Ottawa Citizen
Ottawa Sun
North Bay Nugget
Sault Star
Sudbury Star
Orillia Packet & Times
Owen Sound Sun Times
Barrie Examiner
Hamilton Spectator
St. Catharines Standard
Kenora Daily Miner & News
Brantford Expositor
Guelph Mercury
Kitchener-Waterloo Record
Welland Tribune
Niagara Falls Review
Stratford Beacon-Herald
Sarnia Observer
London Free Press
Halifax Daily News
Moncton Times & Transcript
Fredericton Daily Gleaner
Winnipeg Sun
Calgary Sun (2)
Edmonton Sun
Saturday Okanagan
Kamloops Daily News

Dec 14, 2007 04:43 PM
THE CANADIAN PRESS

OTTAWA – The federal government is raking in more tax money than it ever meant to on new home sales and needs to bring GST rebates in line with today's cost of housing, the Residential Construction Council of Ontario said today.

The council, which represents home builders, says Ottawa takes in about \$2 billion a year in GST on new homes. It says the GST on the average-priced new home in Canada is approaching \$20,000 – almost double what it was in 1991.

The high tax costs make it harder for people to buy new homes, the council said.

"This argument that we're making has been made by every building association across the country for years. We're just making the same argument again based on current stats," council chairman Phillip Rubinoff said in an interview.

The council said new home buyers were entitled, when the GST was first implemented, to a rebate of 36 per cent of the GST on homes costing up to \$350,000. That rebate declined for houses priced between \$350,000 and \$450,000.

Home prices higher than \$450,000 were not eligible for a rebate.

But the council claims just four per cent of new homes were priced around \$450,000 in 1991.

The council said new housing prices have increased sharply – particularly in the West, where the oil boom has driven up housing prices in Alberta, British Columbia and Saskatchewan – but the rebate remains the same.

Rubinoff suggested a rebate of 36 per cent of the GST be applied to homes costing up to \$500,000. That rebate would decrease gradually for more expensive homes.

One of the Conservatives' central policy planks in the 2006 federal election was to reduce the GST incrementally to five per cent from seven per cent.

The Tories made the first reduction to six per cent last year and Finance Minister Jim Flaherty recently said the government plans to drop the GST to five per cent in January.

But the council says home buyers will still pay about \$16,500 on average even when the GST reaches five per cent.

Meanwhile, Statistics Canada reported this week the rate of growth in new housing prices slowed again in October – the 14th straight month in which the pace of growth has either decelerated or held steady.

Contractors' selling prices went up 6.1 per cent between October 2006 and October 2007, compared with a 6.2 per cent year-over-year increase in September.

That increase is only half of the most recent high of 12.1 per cent in August 2006, the agency said.

"Most of the number, at the Canada level, is influenced by Alberta and Saskatchewan," said Statistics Canada analyst Neil Killips.

Saskatoon led the country in with 47.9 per cent year-over-year growth in October, followed by Regina (29.5 per cent) and Edmonton (24.3 per cent).

Windsor was the only city in Canada to record a year-over-year deflation, with new housing prices falling 2.6 per cent from October 2006.

Southern Ontario has been beset in recent years with layoffs and slowdowns in the manufacturing sector.

GST on new homes nets \$2 billion windfall, report says; Ottawa raking in more than intended from taxation that home builders brand an attack on affordability

The Toronto Star

Sat 15 Dec 2007

Page: B01

Section: Business

Byline: Tony Wong

Source: Toronto Star

New homeowners pay close to \$20,000 in GST when they buy an average-priced home in Canada.

But because the price of homes has skyrocketed since the tax was introduced in 1991, the federal government is benefiting far more than they intended, driving up the cost of home ownership for Canadians, argues a builders' lobby group in a study released yesterday.

While the Ontario government announced Thursday that first-time home buyers will be given a break on the land transfer tax by extending the existing exemption for new homes to include resale homes, the federal government continues to create an affordability issue with their goods and services tax policy that takes in \$2 billion a year on new home sales, according to the Residential Construction Council of Ontario.

"Rising home prices and rising interest rates have been all part of an attack on affordability and taxes are part of that," says housing economist Will Dunning, who wrote the report.

One major problem according to the economist is that the 17-year-old tax hasn't been adjusted for inflation or market conditions.

Average home prices have increased dramatically since 1991, with new home prices virtually doubling since then.

With the implementation of the tax, buyers were entitled to a rebate of 36 per cent of the GST on homes costing up to \$350,000. The rebate was clawed back from homes costing between \$350,000 and \$450,000. Homes priced at \$450,000 and above are not entitled to a rebate.

"This was a totally arbitrary number, and they haven't changed it since," says Dunning.

Back in 1991, only 4 per cent of homes were taxed at the full GST rate. One reason may have been that anyone who would spend \$450,000 for a home back then could afford to pay full freight.

But that figure isn't representative of a "luxury" or upscale home.

ReMax, for example, changed its definition of a luxury home in the Toronto market this year to \$1.5 million from \$1 million.

Today, about 25 per cent of all new homes exceed \$450,000 and buyers pay full GST, the study says.

One problem is that when the tax was first introduced, the federal government committed to reviewing the thresholds "every two years and adjust them as necessary to ensure they adequately reflect changes to economic conditions and housing markets," the report says. That hasn't happened.

Even with the GST being reduced to 5 per cent next year, home buyers will still be paying \$16,500 on average, far more than originally anticipated, said the report.

A spokesperson from Finance Minister Jim Flaherty's office said yesterday they were aware of the report, but no one was immediately available for comment.

The study is supported by groups such as the Canadian Taxpayers Federation who are concerned about housing affordability.

"The federal government's failure to adjust GST credits on items like new homes hurts families the most," said John Williamson, federal director of the taxpayers federation.



GST on new homes has climbed 95% since 1990

The Toronto Sun

Fri 14 Dec 2007

Page: 10

Section: News

Byline: BY JAMES WALLACE, SUN MEDIA

Seventeen years ago, the federal government replaced its sales tax on new homes with a new-fangled tax, the GST.

It was a switch that wasn't supposed to cost consumers more money but since that time, GST collected on new homes has escalated 95% to almost \$2 billion annually, according to a report being released today by an Ontario builders association.

"The near doubling in the amount of GST paid per new home since 1991 has far outstripped the rate of growth in average weekly wages (39%) and consumer prices (34%) over the same period," says a report by the **Residential Construction Council of Ontario**.

Consumers currently pay roughly \$19,286 after rebates to cover the GST on a \$396,721 home, which is the price for an average, detached house in urban cities across Canada with populations of more than 50,000, according to data from the Canada Mortgage & Housing Corp. Even with a planned reduction in GST to 5% in January, homebuyers will still pay \$16,500 on average in 2008.

"That's a huge amount of money for anyone to have to pay, and it is especially onerous for young families and first-time buyers," said **Phillip Rubinoff**, chairman of the **Residential Construction Council of Ontario**.

A key reason behind the escalation in tax paid on new homes is the federal government has broken a promise to regularly review and adjust its GST rebate program for new homes.



Quick Money Sunflashes Column

The Toronto Sun

Sat 15 Dec 2007

Page: 41

Section: Business

Byline: BY SUN MEDIA WIRE SERVICES

Column: Quick Money Sunflashes

TAX ON NEW HOMES BRINGS IN \$2B

The federal government is raking in more tax money than it ever meant to on new home sales and needs to bring GST rebates in line with today's cost of housing, the Residential Construction Council of Ontario said yesterday.

The council says Ottawa takes in about \$2 billion a year in GST on new homes, which on average is nearly \$20,000 per home -- almost double what it was in 1991.

THE CANADIAN PRESS 

INDEX:Business, Construction, Politics, RealEstate

The Canadian Press – Broadcast Wire

Sat 15 Dec 2007

Section: General And National News

OTTAWA _ An Ontario home builders group says the federal government is raking in more tax money than it ever meant to on new home sales.

The Residential Construction Council of Ontario says Ottawa needs to bring G-S-T rebates in line with today's cost of housing.

The council says the government takes in about two (b) billion dollars a year in G-S-T on new homes.

It says the G-S-T on the average-priced new home in Canada is nearly 20-thousand dollars -- almost double what it was in 1991.

The council says the high tax costs are making it harder for people to buy new homes.

Council chairman Phillip Rubinoff says the same argument has been made by every building association across the country for years.

He says the Ontario association is just making the argument again based on current figures.

The council says new housing prices have increased sharply but the tax rebate remains the same.

(The Canadian Press)

The Intelligencer

GST collected on homes has risen 95 per cent

Belleville Intelligencer (ON)

Fri 14 Dec 2007

Page: 7

Section: National

Byline: James Wallace

Source: Osprey News Network

Seventeen years ago, the federal government replaced federal sales tax on new homes with a newfangled tax - the GST.

It was a switch that wasn't supposed to cost consumers more money but since that time, GST collected on new homes has escalated 95 per cent to almost \$2 billion annually, shows a report being released today by an Ontario builders association.

"The near doubling in the amount of GST paid per new home since 1991 has far outstripped the rate of growth in average weekly wages (39 per cent) and consumer prices (34 per cent) over the same period," says a released being issued today by the **Residential Construction Council of Ontario**.

Consumers currently pay roughly \$19,286 after rebates to cover the federal Goods and Services Tax on a \$396,721 home, which, believe it or not, is the price for an average, detached house in urban communities across Canada with populations of more than 50,000, according to Canada Mortgage and Housing Corporation data.

Even with a planned reduction in GST to five per cent in January 2008, homebuyers will still pay \$16,500 on average this coming year.

"That's a huge amount of money for anyone to have to pay, and it is especially onerous for young families and first-time buyers," **Phillip Rubinoff**, Chairman of the **Residential Construction Council of Ontario**, said in a release obtained by Osprey News.

Back in 1991, when the same average price home was \$202,403, the GST amounted to \$9,880 or slightly more than half the 2007 figure.

The net effect of the increase in GST has been to substantially increase the cost of new housing, Rubinoff suggests in the release.

A key reason behind the escalation in tax paid on new homes is the federal government has broken a promise to regularly review and adjust its GST rebate program for new homes.

In 1991, 91 per cent of new homes were priced below \$350,000 and eligible for a full GST rebate. Five per cent of new homes at that time priced between \$350,000 to \$449,999 and eligible for a partial rebate and just four per cent worth more than \$450,000 were not entitled to any rebate.

Despite a 1991 promise to "review these thresholds every two years," to reflect changes in economic conditions and the housing market, they have been frozen for 17 years.

House prices, meanwhile, have increased dramatically (96 per cent) over the intervening years.

As a result of the failure to adjust rebates, just 52 per cent of new homes in 2007 qualified for full rebates, 22 per cent for partial rebates and 26 per cent were entitled to no rebate at all.

The report, prepared for the construction council by a Toronto economic research firm, **Will Dunning** Inc., cautions consumer GST payments will continue to escalate and drive up new home prices unless rebate thresholds are adjusted upward to reflect today's higher-cost housing.

James Wallace is Queen's Park bureau chief for Osprey News Network. Contact the writer at jwallace@ospreymedia.ca

The Intelligencer

Ottawa makes \$2 billion on GST from new homes

Belleville Intelligencer (ON)

Sat 15 Dec 2007

Page: A6

Section: Business

Byline: Steve Rennie

Source: The Canadian Press

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The high tax costs make it harder for people to buy new homes, the council said.

"This argument that we're making has been made by every building association across the country for years. We're just making the same argument again based on current stats," council chairman Phillip Rubinoff said in an interview.

Canada Mortgage and Housing Corporation spokeswoman Kristen Scheel said the average price of a new home in Canada, as of November 2007, was \$424,395.

The council said new home buyers were entitled, when the GST was first implemented, to a rebate of 36 per cent of the GST on homes costing up to \$350,000. That rebate declined for houses priced between \$350,000 and \$450,000.

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Meanwhile, Statistics Canada reported this week the rate of growth in new housing prices slowed again in October - the 14th straight month in which the pace of growth has either decelerated or held steady.

THE KINGSTON WHIG-STANDARD

Two very different housing markets

Kingston Whig-Standard (ON)

Sat 15 Dec 2007

Page: D1

Section: Commerce

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Source: The Canadian Press

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Standard Freeholder

GST on new homes hurting consumers

Cornwall Standard-Freeholder (ON)

Fri 14 Dec 2007

Page: 7

Section: Canada

Source: Osprey News

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Fix Highway 5 now, expert warns; 'One death is one death too many,' professor says after incidences of loose asphalt

The Ottawa Citizen

Sat 15 Dec 2007

Page: E15

Section: City

Byline: Dan Robson

Source: The Ottawa Citizen

A Quebec expert on the state of highways yesterday called for immediate action to repair dangerously crumbling stretches of Highway 5.

"If our highway infrastructure is in such poor shape that there are loose pieces of asphalt on the highway, or pieces of concrete falling from the overpasses, I think this is a dangerous situation and one death is one death too many,' said Saeed Mirza, a McGill University professor and expert on highway infrastructure.

Mr. Mirza's comments followed two incidents on Highway 5 in the past four days, one of which was fatal.

On Tuesday, Luc Landry died between the Mont-Bleu and St-Raymond exits when a piece of loose asphalt was kicked up by another vehicle and sent flying through his windshield, causing him to lose control his car.

A day later, Tom O'Brien's truck struck another piece of flying asphalt near the exit to the Casino du Lac Leamy. Mr O'Brien, whose truck blew a tire, thought the asphalt might have fallen from the overpass he was driving under. But the Quebec Ministry of Transportation said yesterday it came from the crumbling surface of the highway.

Tuesday's fatal accident is still under investigation.

Jock Phillion, director of Quebec's Ministry of Transportation, said yesterday his ministry recognizes work needs to be done on Highway 5, but there is no money available.

"It's not a question of waiting for the next budget," said Mr. Mirza. "It must be done now."

He says adequate improvements to Canada's infrastructure will cost about \$123 billion and, unfortunately, preventable accidents will continue to happen until the work is done.

In the meantime, Mr. Mirza suggests there are other ways roads can be made safer in the short term. For example, in Montreal, wire mesh was installed under several overpasses to contain loose debris.

He also suggests ministry officials should be taking better care to ensure that loose debris is properly removed.

"A pothole is not as bad as a piece of loose asphalt concrete lying there, which can come under a vehicle and get thrown over to something else."

Since the release of a report on the 2006 bridge collapse in Laval, the ministry announced it will spend \$2 billion a year for the next 15 years on the improvement of transportation infrastructure.



Quick Money Sunflashes Column

The Ottawa Sun

Sat 15 Dec 2007

Page: 34

Section: Business

Byline: BY SUN MEDIA WIRE SERVICES

Column: Quick Money Sunflashes

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THE NORTH BAY
NUGGET

Feds make \$2B a year on new homes

North Bay Nugget (ON)

Sat 15 Dec 2007

Page: D5

Section: Business

Source: The Canadian Press

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Ottawa makes \$2B a year in GST on new homes, group says

Sault Star (ON)

Sat 15 Dec 2007

Page: B7

Section: Canada

Byline: Steve Rennie

Source: THE CANADIAN PRESS

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The Sudbury Star

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Sudbury Star (ON)

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Page: D1

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PACKET & TIMES

GST on homes escalates

Orillia Packet and Times (ON)

Fri 14 Dec 2007

Page: A10

Section: News

Byline: James Wallace

Source: Osprey News Network

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Despite a 1991 promise to "review these thresholds every two years" to reflect changes in economic conditions and the housing market, they have been frozen for 17 years.

House prices, meanwhile, have increased dramatically (96 per cent) over the intervening years.

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New homebuyers paying too many taxes, feds told

Owen Sound Sun Times (ON)

Sat 15 Dec 2007

Page: B11

Section: Business

Source: The Canadian Press

The Residential Construction Council of Ontario is accusing the federal government of raking in more money than it ever intended from the GST on new home sales.

The council says Ottawa takes in about \$2 billion a year in GST on new homes.

And it says the GST on the average-priced new home in Canada is approaching \$20,000, almost double what it was in 1991.

It's a huge amount of money for anyone to have to pay, "and it is especially onerous for young families and first-time buyers," according to council chairman Phillip Rubinoff.

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But the council claims just four per cent of new homes were priced around \$450,000 in 1991.

The council said new housing prices have increased sharply - particularly in the West, where the oil boom has driven up housing prices in Alberta, British Columbia and Saskatchewan - but the rebate remains the same.

"And this is having a significant impact on housing affordability in Canada," said Rubinoff.

THE BARRIE EXAMINER

Government making big bucks on new homes

Barrie Examiner (ON)

Sat 15 Dec 2007

Page: A10

Section: Your Money

Source: CP

The federal government is raking in more tax money than it ever meant to on new home sales and needs to bring GST rebates in line with today's cost of housing, the Residential Construction Council of Ontario said yesterday.

The council, which represents home builders, says Ottawa takes in about

\$2 billion a year in GST on new homes. It says the GST on the average-priced new home in Canada is approaching \$20,000 - almost double what it was in 1991.

The high tax costs make it harder for people to buy new homes, the council said.

"This argument that we're making has been made by every building association across the country for years. We're just making the same argument again based on current stats," council chairman Phillip Rubinoff said in an interview.

Canada Mortgage and Housing Corporation spokeswoman Kristen Scheel said the average price of a new home in Canada, as of November 2007, was \$424,395.

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Rubinoff suggested a rebate of 36 per cent of the GST be applied to homes costing up to \$500,000. That rebate would decrease gradually for more expensive homes.

One of the Conservatives' central policy planks in the 2006 federal election was to reduce the GST incrementally to five per cent from seven per cent.

The Tories made the first reduction to six per cent last year and Finance Minister Jim Flaherty recently said the government plans to drop the GST to five per cent in January.

But the council says home buyers will still pay about \$16,500 on average even when the GST reaches five per cent.

Meanwhile, Statistics Canada reported this week the rate of growth in new housing prices slowed again in October - the 14th straight month in which the pace of growth has either decelerated or held steady.

Contractors' selling prices went up 6.1 per cent between October 2006 and October 2007, compared with a 6.2 per cent year-over-year increase in September.

That increase is only half of the most recent high of 12.1 per cent in August 2006, the agency said.

"Most of the number, at the Canada level, is influenced by Alberta and Saskatchewan," said Statistics Canada analyst Neil Killips.

Saskatoon led the country in with 47.9 per cent year-over-year growth in October, followed by Regina (29.5 per cent) and Edmonton (24.3 per cent).

THE HAMILTON SPECTATOR

Builders want GST reduced

Hamilton Spectator

Sat 15 Dec 2007

Page: A22

Section: Business

Byline: Steve Rennie

Dateline: OTTAWA

Source: The Canadian Press

The federal government is raking in more tax money than it ever meant to on new home sales and needs to bring GST rebates in line with today's cost of housing, the Residential Construction Council of Ontario said yesterday.

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The Standard

Construction group wants tax break on new homes

St. Catharines Standard (ON)

Sat 15 Dec 2007

Page: A10

Section: Business

Byline: Steve Rennie

Source: The Canadian Press

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But the council claims just four per cent of new homes were priced around \$450,000 in 1991.

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The Tories made the first reduction to six per cent last year and Finance Minister Jim Flaherty recently said the government plans to drop the GST to five per cent in January.

But the council said homebuyers will still pay about \$16,500 on average even when the GST reaches five per cent.

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Windsor was the only city in Canada to record a year-over-year deflation, with new housing prices falling 2.6 per cent from October 2006.

Southern Ontario has been beset in recent years with layoffs and slowdowns in the manufacturing sector.

Ottawa cashing in on new home sales

Kenora Daily Miner & News

Mon 17 Dec 2007

Page: A6

Section: News

Byline: BY CP

Dateline: OTTAWA

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THE EXPOSITOR

BRANTFORD, ONTARIO

Construction group urges Ottawa rethink GST on new homes

Brantford Expositor (ON)

Sat 15 Dec 2007

Page: B10

Section: Business

Byline: Steve Rennie

Source: the canadian press

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Windsor was the only city in Canada to record a year-over-year deflation, with new housing prices falling 2.6 per cent from October 2006.

GUELPH MERCURY

Construction council wants GST in line with home costs

Guelph Mercury

Sat 15 Dec 2007

Page: B8

Section: Business

Dateline: OTTAWA

Source: Mercury news services

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THE RECORD

Home builders argue GST rebates on new houses out of date

The Record (Kitchener, Cambridge and Waterloo)

Sat 15 Dec 2007

Page: F7

Section: Business

Dateline: OTTAWA

Source: The Canadian Press

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But the council claims just four per cent of new homes were priced above \$450,000 in 1991.

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Rubinoff suggested a rebate of 36 per cent of the GST be applied to homes costing up to \$500,000 and then would decrease gradually for more expensive homes.

One of the Conservatives' central policy planks in the 2006 federal election was to reduce the GST incrementally to five per cent from seven per cent.

The Tories made the first reduction to six per cent last year and Finance Minister Jim Flaherty recently said the government plans to drop the GST to five per cent in January.

But the council says home buyers would still pay about \$16,500 on average even when the GST reaches five per cent.

Statistics Canada reported this week the rate of growth in new housing prices slowed again in October.

THE TRIBUNE

Ottawa said to be making \$2B a year in GST on new homes

Welland Tribune (ON)

Sat 15 Dec 2007

Page: A8

Section: Business

Byline: Steve Rennie

Source: The Canadian Press

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Southern Ontario has been beset in recent years with layoffs and slowdowns in the manufacturing sector.

The Review

Ottawa rakes in \$2B in GST on new homes

Niagara Falls Review (ON)

Sat 15 Dec 2007

Page: D7

Section: Canada/World

Source: The Canadian Press

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The Beacon Herald

Raking it in

Stratford Beacon-Herald

Sat 15 Dec 2007

Page: 6

Section: Business

Byline: BY THE CANADIAN PRESS

Dateline: OTTAWA

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The Observer

New home GST questioned

Sarnia Observer (ON)

Sat 15 Dec 2007

Page: B11

Section: Business

THE FEDERAL GOVERNMENT is raking in more tax money than it ever meant to on new home sales and needs to bring GST rebates in line with today's cost of housing, the Residential Construction Council of Ontario said Friday. The council says Ottawa takes in about \$2 billion a year in GST on new homes.

THE LONDON FREE PRESS

Feds urged to adjust GST rebate

The London Free Press

Sat 15 Dec 2007

Page: D14

Section: Business

Byline: BY STEVE RENNIE, CP

Dateline: OTTAWA

The federal government is raking in more tax money than it ever meant to on new home sales and needs to bring GST rebates in line with today's cost of housing, the Residential Construction Council of Ontario said yesterday.

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Home prices higher than \$450,000 were not eligible for a rebate.

But the council claims just four per cent of new homes were priced around \$450,000 in 1991.

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Ottawa averages \$20,000 in GST on new homes

The Daily News (Halifax)

Sat 15 Dec 2007

Page: 20

Section: Business Matters

Source: The Canadian Press

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Times & Transcript

Ottawa rakes in \$2B in GST on new homes; Construction group says rebates have not kept up with rising cost of homes

Times & Transcript (Moncton)

Sat 15 Dec 2007

Page: B1

Section: News

Byline: THE CANADIAN PRESS

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The Daily Gleaner

Construction group wants higher GST rebates on houses

The Daily Gleaner (Fredericton)

Sat 15 Dec 2007

Page: D2

Section: Business

Byline: STEVE RENNIE The Canadian Press

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But the council says home buyers will still pay about \$16,500 on average even when the GST reaches five per cent.

Meanwhile, Statistics Canada reported this week the rate of growth in new housing prices slowed again in October -- the 14th straight month in which the pace of growth has either decelerated or held steady.

Contractors' selling prices went up 6.1 per cent between October 2006 and October 2007.



Quick Money Sunflashes Column

The Winnipeg Sun

Sat 15 Dec 2007

Page: 25

Section: Business

Byline: BY SUN MEDIA WIRE SERVICES

Column: Quick Money Sunflashes

TAX ON NEW HOMES BRINGS IN \$2B

The federal government is raking in more tax money than it ever meant to on new home sales and needs to bring GST rebates in line with today's cost of housing, the Residential Construction Council of Ontario said yesterday.

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Council says home buyers pay \$2B GST

The Calgary Sun

Sat 15 Dec 2007

Page: 58

Section: Business

Byline: BY CP

Dateline: OTTAWA

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Home prices higher than \$450,000 were not eligible for a rebate.

But the council claims just 4% of new homes were priced around \$450,000 in 1991.

The council said the rebate remains the same, though new housing prices have increased sharply -- particularly in the west, where the oil boom has driven up housing prices in Alberta, B.C., and Saskatchewan.

Rubinoff suggested a 36% GST rebate be applied to homes up to \$500,000, decreasing gradually for more expensive homes.



Quick Money Sunflashes Column

The Calgary Sun

Sat 15 Dec 2007

Page: 59

Section: Business

Byline: BY SUN MEDIA WIRE SERVICES

Column: Quick Money Sunflashes

TAX ON NEW HOMES BRINGS IN \$2B

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The council says Ottawa takes in about \$2 billion a year in GST on new homes, which on average is nearly \$20,000 per home -- almost double what it was in 1991.



Quick Money Sunflashes Column

The Edmonton Sun

Sat 15 Dec 2007

Page: 92

Section: Business

Byline: BY SUN MEDIA WIRE SERVICES

Column: Quick Money Sunflashes

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Ottawa making \$2B a year in GST on new homes; GST charge almost double what it was in 1991, says construction group

Okanagan Saturday
Sat 15 Dec 2007
Page: C5
Section: Business
Dateline: TORONTO
Source: Canadian Press

The **Residential Construction Council of Ontario** is accusing the federal government of raking in more money than it ever intended from the GST on new home sales.

The council says Ottawa takes in about \$2 billion a year in GST on new homes.

And it says the GST on the average-priced new home in Canada is approaching \$20,000, almost double what it was in 1991.

It's a huge amount of money for anyone to have to pay, "and it is especially onerous for young families and first-time buyers," according to council chairman **Phillip Rubinoff**.

One of the Conservatives' central policy planks in the 2006 federal election was to reduce the GST incrementally to five per cent from seven per cent.

The Tories made the first reduction to six per cent last year and Finance Minister Jim Flaherty recently said the government will drop the GST to five per cent in January.

But the council says homebuyers will still pay about \$16,500 on average even when the GST reaches five per cent.

The council said Friday that new homebuyers were entitled, when the GST was first implemented, to a rebate of 36 per cent of the GST on homes costing up to \$350,000. That rebate declined for houses priced between \$350,000 and \$450,000.

Homes priced higher than \$450,000 were not eligible for a rebate.

But the council claims just four per cent of new homes were priced around \$450,000 in 1991.

The council said new housing prices have increased sharply -- particularly in the West, where the oil boom has driven up housing prices in Alberta, British Columbia and Saskatchewan -- but the rebate remains the same.

Ottawa making \$2B a year in GST on new homes: construction group

The Daily News (Kamloops)

Sat 15 Dec 2007

Page: A12

Section: News

Dateline: OTTAWA

Source: The Canadian Press

The federal government is raking in more tax money than it ever meant to on new home sales and needs to bring GST rebates in line with today's cost of housing, the **Residential Construction Council of Ontario** said Friday.

The council, which represents home builders, says Ottawa takes in about \$2 billion a year in GST on new homes. It says the GST on the average-priced new home in Canada is approaching \$20,000 -- almost double what it was in 1991. The high tax costs make it harder for people to buy new homes, the council said.

"This argument that we're making has been made by every building association across the country for years. We're just making the same argument again based on current stats," council chairman **Phillip Rubinoff** said in an interview.



Television

December 19, 2007 – Richard Lyall interview on CablePulse 24 with anchor, Jee Yun Lee – 6.5 minutes