

News Release

HST will increase the costs of homeownership, say local REALTORS®

(YOUR TOWN, November 16, 2009) – The Government of Ontario formally launched its latest assault on homeowners, purchasers and sellers with the introduction of Bill 218, the *Ontario Tax Plan for More Jobs and Growth Act, 2009*.

Local REALTORS® say the Government of Ontario's plan to introduce a HST on July 1, 2010 will significantly increase the cost of homeownership by increasing taxes on buyers, seller and owners.

Homebuyers and sellers will pay 8 per cent more on legal fees, appraisals, real estate commissions, home inspection fees, and moving costs, adding about \$1,500 in new taxes to the average residential real estate transaction in Ontario.

For existing homeowners, the HST will also add hundreds of dollars in additional tax on utility bills, such as gas, electricity and home heating fuel, on home renovation labour, the cost of lawn upkeep or landscaping and the cost of snow removal.

QUOTES:

“No matter how you sell it, the HST is a big tax increase for local home buyers, sellers and owners,” said *Name*, President of *Real Estate Board*. “The HST will take more hard-earned money out of the pockets of local homeowners.”

“This tax increase will price some local homebuyer's right out of the market,” explained President *Name*. “We need government to reduce taxes and help families achieve their dreams of homeownership.”

“Thanks to the HST, the day to day cost of owning a home is going to increase,” said President *Name*. “Once again, the bill for this government's agenda has fallen on the backs of local homeowners.”

QUICK FACTS:

The HST combines the PST and GST into one value added tax, meaning that the 8 per cent PST will be applied to list of goods and services that were previously exempt.

The Ontario Real Estate Association (OREA) estimates that the new tax will add **\$1,449** in new taxes to an average resale home costing \$302,354. OREA also estimates that the HST will add an estimated **\$262 million** in new taxes annually to residential resale real estate transactions.

Homeowners will also have to pay an additional 8 per cent on many services required to maintain their homes. These services were previously exempt from PST and include utilities, home renovation labour, landscaping, snow removal and many others. OREA estimates HST on these services will add \$480 in annual tax to the homeowner (based on a family that budgets \$500 per month for such costs).

<Insert local Board information >

HST and Average Resale Home in Ontario (\$302,354)			
Taxable Service	Current Tax Payable	HST Tax Payable	New Taxes
Legal Costs	\$50.00	\$130.00	\$80.00
Sample Real Estate Commission¹	\$756.00	\$1965.00	\$1209.00
Home Inspection	\$20.00	\$52.00	\$32.00
Moving Costs	\$50.00	\$130.00	\$80.00
Home Appraisal	\$15.00	\$39.00	\$24.00
Home Energy Audit	\$15.00	\$39.00	\$24.00
		Total Est. New Tax:	\$1449.00

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Job Title
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¹ Based on 5% commission example; note that all commissions are negotiable.