



MORTGAGE  
PROFESSIONALS  
CANADA

# **HOUSING AFFORDABILITY FOR NOVA SCOTIA FIRST-TIME BUYERS**

2026 Pre-Budget Submission to the Government of Nova Scotia



MORTGAGE  
PROFESSIONALS  
CANADA

### About Mortgage Professionals Canada

Mortgage Professionals Canada is Canada's largest network of non-profit mortgage industry association, representing over 15,000 mortgage brokers and agents, as well as banks, lenders, insurers, and service providers. We are proud to be the industry that provides Canadians with choice when making the most important financial decision of their lives and helps people achieve the dream of homeownership.



First-time buyers face increasing financial pressure in a challenging housing market. CMHC reports that they take longer to save for a down payment, are more likely to put down less than 20%, and identify rising prices, upfront taxes and fees, and high interest rates as major barriers to homeownership.<sup>i</sup>

They are also younger—typically between 25 and 34—and more than 70% of them rented before buying their first home.<sup>ii</sup> Without the advantage of equity that repeat buyers rely on, first-time buyers are disproportionately impacted.

While ownership costs have eased somewhat due to interest rate cuts, home prices remain well above pre-pandemic levels. Housing experts continue to point to high development costs—driven by land, labour, materials, and government fees—as major constraints limiting new supply and keeping prices elevated.

Against this backdrop, the Government of Nova Scotia has taken meaningful steps to support housing affordability. The 2024 enhancement to the Down Payment Assistance Program expanded access for first-time buyers struggling to enter the market. The province has also reduced the provincial portion of the HST on new homes by one percentage point—an important measure that lowers upfront costs and helps improve affordability for buyers of newly constructed homes.

These policy changes demonstrate a clear effort to support aspiring homeowners. Building on this momentum, Mortgage Professionals Canada respectfully presents the following recommendations to further strengthen affordability and expand opportunities for first-time buyers.



### **Recommendation 1: Review and Strengthen the Down Payment Assistance Program**

Housing prices continue to rise across Nova Scotia. Since the 2024 update to the Down Payment Assistance Program, the average home price has increased by 5%, from \$431,817 (2024) to \$473,769 (September 2025).<sup>iii</sup> In the Halifax-Dartmouth region, prices have climbed from \$565,000 to \$600,000 year-over-year. According to the Nova Scotia Association of Realtors, nearly all regions have recorded annual price increases.

First-time buyers face increasing financial pressure in a challenging housing market. CMHC reports that they take longer to save for a down payment, are more likely to put down less than 20%, and identify rising prices, upfront taxes and fees, and high interest rates as major barriers to homeownership.<sup>iv</sup>

The Parliamentary Budget Officer ranks Halifax as Canada's least affordable housing market, with a 74% affordability gap, underscoring the growing disconnect between household incomes and home prices.<sup>v</sup> With population and economic growth expected to keep driving demand, more first-time buyers risk being priced out.

**MPC recommends the Nova Scotian government review the Down Payment Assistance Program and update the purchase price and income cap to keep pace with market realities.**

### **Recommendation 2: Improve the Deed Transfer Tax to support First-Time Buyers**

The Deed Transfer Tax (DTT) represents a significant upfront cost for first-time buyers. On an average \$600,000 home in Halifax, the DTT amounts to \$9,000 (1.5% of the purchase price). Recent discussions at the City of Halifax exploring raising the DTT—and potentially introducing a tiered structure—could further increase costs and set a precedent for other municipalities across the province.

**MPC recommends the government refrain from allowing municipal increases to the DTT and instead work together to introduce a DTT exemption or rebate for first-time buyers.**

If a tiered DTT framework is pursued, the government could also consider using a portion of the additional revenue generated from higher-value transactions to fund targeted relief for first-time buyers.

This approach would strike a fair balance: higher-end purchases would contribute more, while first-time buyers—who typically enter the market at lower price points—would receive meaningful support.

Similar tiered tax system and first-time buyer rebates in Ontario and British Columbia demonstrate that such models can be both equitable and fiscally sustainable.

### **Recommendation 3: Enhance Provincial HST Relief for First-Time Buyers of New Homes**

Nova Scotia's First-Time Home Buyers Rebate currently covers 18.75% of the provincial portion of the HST, capped at \$3,000, on new homes. On an average \$470,000 home, the provincial portion of the HST alone amounts to \$42,300. Even after applying the



rebate, a first-time buyer still pays \$39,300 in provincial taxes—and this amount is even higher in the Halifax area, where homes average at \$600,000.

Properly structured relief can help more Nova Scotians enter the housing market, stimulate new housing supply, and support broader affordability goals.

Other jurisdictions are taking action. The federal government has proposed eliminating the HST for first-time buyers on new homes up to \$1 million. Ontario has matched this by proposing to eliminate the provincial portion of the HST. Combined, these measures would deliver up to \$130,000 in savings for Ontario first-time buyer buying a new home.<sup>vi</sup>

In Saskatchewan, 42% of the PST is rebated on the purchase of a new home for all buyers. In Ontario, existing buyers can benefit up to \$24,000 of rebate on purchase of newly build home.

**MPC recommends the government to enhance the rebate program through one or more of the following recommendations:**

- Align with recent federal GST changes by exempting first-time buyers from provincial portion of the HST.<sup>vii</sup>
- Increase the rebate cap (currently \$3,000) and the eligible rebate percentage (currently 18.75%).
- Include substantially renovated homes to expand affordable options for buyers.
- Target enhanced rebates to high-cost, high-developing areas, such as the Halifax Regional Municipality.

**Additional Recommendations**

Mortgage Professionals Canada is committed to improving fairness in the housing market by reducing mortgage fraud and advancing collaborative housing solutions. **We respectfully request that the Government of Nova Scotia encourage the federal government to advance the following priorities, and to reflect supportive language in the upcoming provincial budget.**

**Recommendation 1: Support a Digital Income Verification Tool**

Mortgage fraud is rising—up nearly 30% from pre-pandemic levels—driving up home prices, eroding confidence in the system, and giving dishonest buyers an unfair advantage. More than 90% of fraud cases involve falsified financial documents. A secure, CRA-enabled income verification tool would provide lenders and brokers the ability to validate income directly through tax data, making the process safer, more accurate, and less vulnerable to fraud.

Regulators across Canada—including the Mortgage Broker Regulators' Council of Canada, provincial regulators, and OSFI—support this solution. Canadians do too: Pollara's July 2025 survey shows that 58% see mortgage fraud as a major issue, 64% say it drives up housing prices, and 78% believe it gives dishonest buyers an unfair edge.<sup>viii</sup>

International models exist. The UK's Mortgage Verification Scheme has shown how securely verifying income through tax data can prevent fraud while protecting privacy.



A Canadian version could validate key tax line items (e.g., Line 15000—total income) with client consent and limited access windows.

Although the federal government committed to this tool in the 2024 Fall Economic Statement, progress has stalled.

MPC asks the Government of Nova Scotia to urge the federal government to set a clear timeline and prioritize implementation of this initiative.

### **Recommendation 2: Establish a Permanent Housing Roundtable**

Canada's housing challenges require coordinated action. MPC, alongside partners such as the Canadian Real Estate Association and the Canadian Bankers Association, is calling for a permanent housing roundtable that brings together federal and provincial governments, municipalities, industry, and civil society.

A structured, recurring forum would help align policy on key areas such as land use, skilled labour shortages, immigration, supply constraints, and pathways to homeownership. It would signal a shared commitment to coordinated, results-driven solutions.

MPC encourages the Government of Nova Scotia to advocate for the creation of this roundtable at the federal level.

---

<sup>i</sup><https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-research/surveys/mortgage-consumer-surveys/2024-mortgage-consumer-survey>  
<sup>ii</sup>*ibid.*

<sup>iii</sup> <https://creastats.crea.ca/board/nsar>

<sup>iv</sup><https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-research/surveys/mortgage-consumer-surveys/2024-mortgage-consumer-survey>

<sup>v</sup> [Housing prices: PBO finds affordability better for some](#)

<sup>vi</sup> <https://news.ontario.ca/en/release/1006665/ontario-lowering-costs-for-first-time-home-buyers>

<sup>vii</sup> <https://www.canada.ca/en/departement-finance/news/2025/05/gst-relief-for-first-time-home-buyers-on-new-homes-valued-up-to-15-million.html>

<sup>viii</sup> <https://www.canadianmortgagetrends.com/2025/09/most-canadians-say-mortgage-fraud-stacks-the-deck-against-honest-buyers/>