



Bill Johnston
Chair, Government Relations Committee
Toronto Real Estate Board

Executive Committee
City of Toronto

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Good afternoon. My name is Bill Johnston and I am the Chair of the Toronto Real Estate Board's Government Relations Committee and a member of TREB's Board of Directors. With me today on my right is Von Palmer, TREB's Director of Government Relations and Chief Privacy Officer, and on my left Mauro Ritacca, TREB's Manager of Government Relations. On behalf of TREB's 26,000 REALTOR® members, thank-you for this opportunity.

I'd like to begin my comments by stating that Toronto's REALTORS® agree with what Mayor Miller said in his re-election victory speech last November: "We don't need more taxation in this country".

The possibility of new taxes was not mentioned in anyone's election platform last year, so it is clear that City Council does not have a mandate in this regard. With that in mind, it is reasonable to expect that the public would be given a REAL opportunity to comment on these proposals. Unfortunately, they were not. Four public meetings crammed into two weeks is not adequate consultation. For this reason, we respectfully request that you defer consideration of this proposal until the public has been given a true opportunity to provide feedback on ALL options.

Notwithstanding the rushed consultations, the public's message was clear: no new taxes.

Also clear was the consensus that a second land transfer tax makes the least amount of sense. As the staff report points out, the public's least favourite option was the land transfer tax, and this was reinforced by a recent poll conducted for the Toronto Board of Trade. The public told the City that this is a bad idea. Unfortunately, the City ignored them.

REALTORS® share the public's concern because, simply, these proposals are unfair. If they move forward, the average Toronto homebuyer will pay another \$4,200 in land transfer tax. That is a 100 per cent increase, and would give Toronto the highest land transfer taxes in Canada and the second highest in North America.

What transaction-related services can home buyers expect to receive from the City for that kind of money? The truth is that this tax is NOT related to any land transfer service, because that is handled by the Province, not the City. It is simply a way of forcing a small group to pay for services that benefit everyone. That is UNFAIR.

Unfortunately, homebuyers can't even expect improved municipal services. The staff report clearly notes that revenue from the new taxes would be used to cover existing budgetary shortfalls. That means that homebuyers will be paying more tax for the same service. That is UNFAIR.

There are currently thousands of people who have already purchased new homes in Toronto, but won't close their deals for one, two, or more years. If this proposal moves forward, these homebuyers will be surprised by a land transfer tax that is double what they had budgeted for. That is UNFAIR.

Consider the real cost of a Toronto land transfer tax. Many homebuyers will have no choice but to take money from their down payment to pay this tax, which would mean extra mortgage interest and higher mortgage insurance premiums for them. For the most vulnerable, this means that the second land transfer tax will actually cost over \$15,000. The City will literally be forcing people to take out a mortgage to pay a tax. That is UNFAIR.

Every re-sale housing transaction in Ontario generates approximately \$30,000 in spending on things like furniture and renovations. If land transfer taxes are doubled, Toronto home buyers will have less money for this type of spending, and many jobs will be at risk. That is UNFAIR.

Toronto is the only Ontario municipality that can charge a second land transfer tax. In neighbourhoods near the City's borders, home sellers could be forced to reduce their prices to compete with nearby properties where only one land transfer tax applies. This means that the City will be artificially deflating some property values. That is UNFAIR.

In summary, REALTORS® understand the financial challenges faced by the City, but we urge you to consider the bigger picture. Increasing land transfer taxes in Toronto by 100% is not only unfair, it is also short-sighted.

Thank-you once again. We are happy to answer any questions.