
news release

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Toronto Real Estate Board to City: Help Keep Real Estate Market Healthy

TORONTO, May 5, 2004 – High development charges could hurt Toronto's real estate markets. That's the message that the Toronto Real Estate Board (TREB) will be delivering to the City's Policy and Finance Committee tomorrow, when it meets to hear public comments on proposed hikes to development charges.

TREB is concerned that the proposed increases would make Toronto property less affordable. Development charges are paid by the building industry before construction, but these costs are factored in to the end price of a home or building, driving up the cost to the consumer.

"Toronto is one of the most expensive places in the GTA to live and increasing development charges will drive prices even higher", said TREB President Cynthia Lai.

According to TREB's statistics, the average price for a single family home in Toronto was \$322,000 at the end of 2003, much higher than many other GTA municipalities, such as Brampton, which had an average price of \$243,000, or Oshawa, which had an average price of \$170,000.

"City Council has to keep its focus on the bigger picture. What is more important to the City – the one-time revenue generated by development charges, or the annual property taxes from new development that will help pay for City programs for many years to come?" Lai said.

TREB is specifically asking the City to reduce the amount it is planning to raise development charges by and to fully exempt affordable housing and business properties.

"Actions speak louder than words. City Council has talked a lot about affordable housing, but if they really want to have an impact they can exempt it from development charges," said Lai.

TREB also believes that new business properties should be exempt from development charges. The City currently exempts these properties to try and attract more businesses and jobs to Toronto, but the current proposals would impose a significant charge.

"Toronto's businesses already pay extremely high property taxes. Forcing them to pay development charges will drive more of them outside of the City," said Lai.

Serving the Greater Toronto Area with more than 19,500 Realtors, the Toronto Real Estate Board is North America's largest real estate board.

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