

TREB APPLAUDS PROTECTION OF FIRST-TIME HOME BUYERS BUT REMAINS CONCERNED ABOUT LTT INCREASE FOR REPEAT BUYERS

TORONTO, ONTARIO, January 25, 2017 - The Toronto Real Estate Board is encouraged that the City of Toronto's Budget Committee has decided not to currently move forward with proposed Land Transfer Tax increases on first-time home buyers; however, TREB remains concerned about a proposal to increase the Land Transfer Tax by \$750 for all other buyers, and is also calling for changes that will help first-time buyers.

"The City's Budget Committee has done the right thing by taking proposals to hike the land transfer tax on first-time buyers off the table. TREB has been voicing its concern on these proposals since they were first announced late last year, and we are glad to see that City Hall is listening. We believe that Mayor Tory understands the importance of keeping Toronto affordable for everyone, especially first-time buyers, and we applaud his leadership in this regard," said Larry Cerqua, President of the Toronto Real Estate Board.

The City's Budget Committee was considering a City staff recommendation to increase the City's Land Transfer Tax by \$475 on all first-time buyers, and by as much as \$4,475 for some first-time buyers. Staff also recommended increasing the Land Transfer Tax by \$750 on all other home buyers. The City's Budget Committee decided not to move forward with any increases for first-time buyers by increasing the rebate to \$4,475 from \$3,725 to offset the \$750 which other buyers will face. TREB has been speaking out against the proposed increases and recently launched a campaign to highlight this proposal to the public, encouraging them to visit AnotherObstacle.ca to let Councillors know how they feel about these proposals.

"We are glad that the Budget Committee has addressed some of the concerns that home buyers have with these proposals, but City Council needs to go further. A proposal to hike the Land Transfer Tax by \$750, or 7%, for all repeat buyers is still on the table. City Hall's take from this tax has increased by 200% since 2008, from \$3,725 to over \$11,000 on an average priced property. Hasn't City Hall already taken enough from home buyers?" said Von Palmer, TREB's Chief Communications and Government Affairs Officer.

While TREB is encouraged that the Budget Committee is not moving forward with the proposed increase for first-time buyers, TREB believes that City Council should be going further by providing new relief for first-time buyers. Currently, first-time buyers are allowed a rebate of the Land Transfer Tax that is payable on a purchase price of up to \$400,000, which was the average price when this tax was implemented in 2008. The average price in 2016 was over \$700,000, which means that first-time buyers have lost substantial ground

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on the rebate. The provincial government recently recognized this concern by doubling the provincial Land Transfer Tax rebate. TREB is calling for City Council to make similar adjustments to the City Land Transfer Tax rebate to account for increases in housing prices.

“When the Land Transfer Tax was implemented, City Council put in place a rebate that essentially meant first-time buyers purchasing an average-priced home paid zero City Land Transfer Tax. Today, that purchaser would pay over \$6,000 in Land Transfer Tax. City Council should follow the provincial government’s lead and give first-time buyers the relief that they deserve,” said Palmer.

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