

## TRREB CALLS ON CITY COUNCIL TO FOCUS ON EXPANDING HOUSING SUPPLY INSTEAD OF NEW INVESTOR TAX

**TORONTO, ONTARIO, December 15, 2021** – With Toronto City Council set to consider a motion by a councillor to ask the provincial government to impose another tax on the sale of non-principal resident homes, referred to as a “speculation tax,” the Toronto Regional Real Estate Board (TRREB) is warning about the potential unintended impacts of such a tax. This tax would be on top of an existing substantial federal capital gains tax on these properties, and TRREB is urging City Council to focus instead on options targeted at increasing the supply of affordable homeownership.

“Housing affordability is one of the most significant challenges facing Toronto and the entire region. Governments at all levels have started making this issue a priority, thanks in part to the numerous public calls for action made by TRREB. We are thankful for this, but it’s essential that governments get the solutions right so that we don’t create new or worse challenges. A speculation tax could primarily impact small-scale “mom and pop” investors who also happen to be a key source of supply for an already tight rental market. This is the wrong approach because it doesn’t target the real problem, which is an inadequate supply of housing for sale and rent, and it could actually make affordability even worse,” said Kevin Crigger, TRREB President.

“Experts, including TRREB, agree that policies aimed at the demand side of the market will not have any sustainable long-term benefits. In addition, discouraging small-scale investor-owned housing also means discouraging the creation of rental housing supply – further driving up already high rents, with the average rent for a one-bedroom condo apartment currently sitting at \$2080 per month and a two bedroom at \$2,885 per month. Moreover, past experience with the provincial Speculation Tax in 1974 indicates that such a tax could have ripple effects that would negatively impact not just investor-owned homes, but also the value and equity of other homeowners,” added Crigger.

“From the perspective of the City of Toronto, the best option would be for City Council to accelerate implementation of its *Expanding Housing Options in Neighbourhoods* initiative to facilitate a greater diversity and number of housing units in existing neighbourhoods,” said John DiMichele, TRREB’s Chief Executive Officer.

TRREB has indicated its [concerns to City Council in a letter](#), which outlines why another tax on the sale of non-principal resident homes, referred to as a Speculation Tax, would not solve this issue. TRREB will be monitoring City Council’s deliberations on this issue and looks forward to providing further input.

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### Media Inquiries:

Genevieve Grant, Public Affairs Specialist [ggrant@trebnet.net](mailto:ggrant@trebnet.net) 416-443-8159

The [Toronto Regional Real Estate Board](#) is Canada’s largest real estate board with more than 64,000 residential and commercial professionals connecting people, property and communities.

