

### **TRREB Calls on City Council to Ensure Appropriate Exemptions for New Vacant Home Tax and to Keep Home Energy Rating Program Voluntary for Homeowners**

**TORONTO, ONTARIO, July 14, 2021** – As City Council meets today, the Toronto Regional Real Estate Board (TRREB) is urging Councillors to carefully consider the implementation details of two items on Council’s agenda: a new Vacant Home Tax (VHT) and a new home energy rating and disclosure program.

“As is often the case, the devil is in the details. The new Vacant Home Tax and proposed home energy rating and disclosure programs are not necessarily bad ideas, but City Council has to get the implementation right. It is crucial that the new tax allows for suitable exemptions as recommended by TRREB, and that any home energy rating and disclosure program remains voluntary for homeowners,” said TRREB President Kevin Crigger.

The City of Toronto is moving towards implementing a tax on vacant homes, excluding principal residences. TRREB has worked closely with the City and supports the Executive Committee’s recommendation of several key exceptions, including principal residences, snowbirds, homes under renovation, commuters for employment, and various others.

“We appreciated the opportunity for input throughout the development of the Vacant Home Tax, and we are encouraged that the proposed tax contains TRREB’s recommendations, especially the need for various exemptions. TRREB is generally supportive of the list of exemptions included in the staff recommendations, and we look forward to providing further input as staff continues with the next step of public consultations,” said TRREB CEO John DiMichele.

City Council is also considering a potential home energy rating and disclosure program by asking City staff to report back with a plan for a voluntary program initially and a subsequent plan to consider making the program mandatory in 2025. Under such a program, homeowners would have an energy audit conducted on their home, receive a home energy efficiency rating, and disclose it to potential home buyers. TRREB backs programs encouraging home energy efficiency but strongly believes any such program must remain voluntary and optional, and should never be mandated.

“Encouraging home energy efficiency is, of course, an important goal, but we have to make certain that trying to solve one problem doesn’t create others. Without question, a mandatory home energy efficiency rating program will cause numerous issues for homeowners and Toronto’s housing market,” added DiMichele.

TRREB has raised various concerns about making a home energy efficiency and rating program mandatory versus voluntary, including:

- Putting City of Toronto homeowners at a disadvantage by forcing them to face red tape burdens not faced in other Greater Toronto Area (GTA) municipalities;
- Potentially delaying housing transactions as homeowners wait for an energy audit before being able to sell their home;
- Risking consumer protection challenges by making homeowners subject to the discretion of home

- energy auditors who are not provincially regulated; and
- Questionable efficacy of the program in achieving its objectives.

“A better option is to include home energy ratings as part of a standard home inspection which is voluntary. There is already wide uptake for home inspections in the real estate market, and the provincial government is currently in the process of regulating both home inspectors and the home inspection process. There is no need to reinvent the wheel with a mandatory municipal home energy rating process,” stressed DiMichele.

“It also makes sense to focus on incentive programs that provide financial assistance or rebates for retrofits to improve a home’s energy efficiency. These types of programs have been successful in the past. We should consider efforts that are proven to make a difference and implemented widely enough to be meaningful. That is why such initiatives are better achieved at the provincial or federal levels because Toronto will not accomplish its goal in addressing these issues in isolation,” added DiMichele.

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