

December 9, 2025

The Honourable Doug Ford  
Premier of Ontario  
Legislative Building, Queen's Park  
Toronto, ON M7A 1A1

Dear Premier Ford,

**Re: Request for Provincial Intervention to Prevent Further Municipal Land Transfer Tax Increases**

On behalf of the Toronto Regional Real Estate Board (TRREB), we respectfully request provincial intervention to prevent the City of Toronto from increasing its Municipal Land Transfer Tax (MLTT) for the third time in the last eight years. The City's increases to the MLTT have created a prohibitive barrier to homeownership and hurt Toronto's housing market.

Since its introduction in 2008, the MLTT has been increased twice by the City (in 2017 and 2023) to collect more tax revenue off the backs of Toronto homebuyers. In 2017, Toronto increased MLTT rates, and in September 2023, City Council adopted a new graduated rate structure for higher-value residential properties. Those changes took effect on January 1, 2024, and imposed marginal tax rates ranging from 3.5 per cent to 7.5 per cent on homes valued at more than \$3 million. The City is now advancing another MLTT increase, which would raise these marginal tax rates further to 4.4 per cent and 8.6 per cent for properties valued over \$3 million, effective April 1, 2026.

On top of some of the highest development charges in Canada, MLTT increases have helped make Toronto one of the most heavily taxed housing markets in North America, with buyers of an average-priced home paying more than \$17,000 in Municipal Land Transfer Tax alone. The proposed 2026 increase will further suppress market mobility and undermine provincial policy objectives to increase supply and support affordability at a critical time for Ontario's economy and housing market.

These repeated increases follow the pattern of relying more heavily on homebuyers to fund municipal revenues. The result is that potential purchasers are required to pay the provincial land transfer tax and then again pay a full municipal tax, the only City in Ontario where homebuyers get hit with a double tax as an upfront closing cost, which currently amounts to \$34,000 on the average-priced Toronto home. Amid a national affordability crisis, this dual-tax regime discourages young families, newcomers and first-time buyers from entering the Toronto housing market.

The MLTT suppresses housing supply by adding thousands of dollars in costs at the time of title transfer when a property is sold. Increasing taxes on homes valued at over \$3 million discourages owners from moving, reducing the number of move-up properties available. With fewer higher-end homes coming onto the market, higher-income buyers are more likely to compete in lower price ranges, intensifying pressure on first-time buyers.

When you ran for Mayor of Toronto in 2014, you publicly committed to reducing the MLTT by 15 percent each year over four years, ultimately eliminating the tax. At the time, you called the MLTT unfair, especially to buyers of modest homes, arguing that the tax “hurts the economy and the housing market” and places a disproportionate burden on working-class residents.

More recently, under your government’s leadership, Ontario delivered historic fiscal relief to the City through the upload of the Gardiner Expressway and the Don Valley Parkway under the New Deal for Toronto Act, 2023. This upload relieved substantial long-term infrastructure costs and responsibility from the City’s balance sheet, reducing Toronto’s fiscal burden and lowering the need for more tax increases on the backs of home buyers.

### **Require City MLTT To Match Provincial LTT Rates**

In light of these facts, we respectfully urge the Province to amend the City of Toronto Act, 2006, to require that the City’s MLTT be tied directly to the provincial Land Transfer Tax (LTT) rates and that the Toronto MLTT not exceed those rates. Such an amendment would preserve the City’s ability to collect modest transfer tax revenues, as it was always originally intended to do, and prevent the City from leveraging the MLTT to pay for higher and higher spending. As the only City in Ontario that can charge the MLTT, Toronto must use that power responsibly and in alignment with provincial housing goals and objectives.

A uniform, harmonized tax regime would restore fairness and predictability for homebuyers, encourage mobility, and boost housing supply and new development, all essential to addressing Ontario’s housing supply shortage.

Thank you for being a champion of housing affordability and the dream of home ownership. We look forward to working with you on this significant legislative change.

Sincerely,



Elechia Barry-Sproule

President  
Toronto Regional Real Estate Board

Cc: Honourable Peter Bethlenfalvy, Minister of Finance  
Honourable Rob Flack, Minister of Municipal Affairs & Housing  
Toronto City Council