

## TORONTO REAL ESTATE BOARD RAISES CONCERNS ABOUT NEW PROPOSAL CALLING FOR CITY OF TORONTO TO RELY ON UNPREDICTABLE LAND TRANSFER TAX EVEN MORE

**TORONTO, ONTARIO, March 22, 2019** – With City Council in the midst of dealing with a huge shortfall in Land Transfer Tax revenue in 2018, the Toronto Real Estate Board (TREB) is raising concerns about a new proposal calling for the City to rely on this unpredictable revenue stream even more.

“City Council just finished a budget process which showed that revenue from the Municipal Land Transfer Tax is expected to come in about \$100 million less than expected for last year. Unfortunately, it appears that was not enough to scare them straight because this new proposal is calling for the City to rely on this unpredictable revenue stream even more. When will it end? It’s a slippery slope to rely on this tax as the ‘go-to’ funding source for initiatives that are more appropriately funded from reliable and stable sources like the property tax base,” said Garry Bhaura, TREB President.

TREB is responding to a motion tabled for consideration at the March 27, 2019 Toronto City Council meeting, which is calling for consideration of an additional tier of Municipal Land Transfer Tax rates, above the current top tier, to fund the City’s Housing Allowance Program.

The City of Toronto’s Finance staff have reported that revenue from the Municipal Land Transfer Tax is expected to have finished 2018 about \$100 million less than what was expected because of fewer than anticipated real estate transactions.

“We have always told City Council that the Municipal Land Transfer Tax is a bad way to generate revenue, and that became obvious last year and during this year’s budget process. Housing our most vulnerable citizens should be done with stable and predictable revenue. As noted in the Councillors’ motion, it is anticipated that housing benefits will be introduced through the Federal National Housing Strategy. This is a much more appropriate and stable way to fund these needs,” said John DiMichele, TREB’s Chief Executive Officer.

For 2019, the Municipal Land Transfer Tax is budgeted to raise almost \$730 million.

“When will it end? The Municipal Land Transfer Tax is not a gift that keeps on giving. Unfortunately, that seems to be the way it is viewed at City Hall. City Council has been repeatedly advised by City staff that they need to rely on this tax less, not more. Home buyers are already paying more than their fair share to fund City services,” said Von Palmer, TREB’s Chief Communications and Government Affairs Officer.

TREB looks forward to working with City Council on this issue.

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