

**Richard Silver, President
Toronto Real Estate Board
Remarks to City of Toronto Budget Committee
December 7, 2011
Speaking Notes**

[Check Against Delivery]

Thank-you.

My name is Richard Silver and I am the President of the Toronto Real Estate Board.

As you may know, TREB is an association of over 32,000 REALTORS® from across the GTA. We are here today because we care deeply about the entire region.

TREB supports the recommended 2012 Budget because it continues the process of bringing fiscal sustainability back to City Hall.

However, while we support the direction of this Budget, we note that it does not begin fulfilling Mayor Ford's commitment to repeal the Toronto Land Transfer Tax; a commitment that is strongly supported by Torontonians. A recent poll conducted for TREB, by Ipsos Reid, found that 65 per cent of Torontonians continue to support Mayor Ford's commitment to repeal this tax.

This means that, notwithstanding the difficult decisions on services that City Council has faced recently, the public understands that the Land Transfer Tax is NOT part of the solution to the City's financial challenges; it is part of the problem.

It is part of the problem because;

- it is an unfair tax that forces home buyers and business owners to pay more than their fair share of taxes;
- it is a volatile revenue stream that goes up AND DOWN with the market;
- it makes the City less competitive than other municipalities where there is no municipal land transfer tax; and,
- it is a band-aid that has delayed sustainable solutions.

So, what are the solutions?

First and foremost, City Council must continue efforts to ensure that services are delivered efficiently. Important achievements have been made but further opportunities exist. For example, our recent Ipsos Reid poll shows that the public expects respect for taxpayers to be the guiding principle during on-going labour negotiations:

- close to 70 per cent believe that the City should seek concessions from its unions; and,

- a majority, 54 per cent, would support a lock-out if union representatives do not agree to concessions.

But efficiencies, alone, will not solve the problem; FAIR revenue sources are equally important. In this regard, our recent Ipsos Reid poll found that a MAJORITY of Torontonians would support INCREASES to residential property taxes.

Toronto residents currently enjoy the lowest residential property tax rate in the GTA. At the same time, Toronto businesses face the highest commercial and industrial property tax rates. Reversing this formula, and repealing the Land Transfer Tax, is a key part of a sustainable solution to the City's financial challenges, because this will allow the property tax base to grow, providing long-term, RELIABLE, revenue, which will ultimately benefit residents.

We also believe that other FAIR revenue sources, such as user fees and monetization of assets, must be considered.

With this in mind, we are calling on City Council to conduct a fairness review of all of its revenue sources, so that Council can make informed decisions about the best ways to raise revenue.

We strongly believe that eliminating the Land Transfer Tax, making business taxes more competitive, and optimizing fair revenue sources are an important part of getting the City's fiscal house in order.

Thank-you. We are happy to answer any questions.