

**Dianne Usher, President-Elect
Toronto Real Estate Board
Remarks to City of Toronto Budget Committee
December 10, 2012**

[Check Against Delivery]

Thank-you.

My name is Dianne Usher and I am the President-Elect of the Toronto Real Estate Board.

TREB is an association of over 35,000 REALTORS®. We are here today because we care about the success of our City.

In fact REALTORS® play a critical role in that success by helping people to make Toronto their home.

City Hall also plays an important part in our City's success, and we commend you for the work that you have done, so far, in this regard.

But, more work is needed. Specifically, City Council must begin eliminating the Land Transfer Tax, which is an anchor preventing our City from reaching its full potential.

In fact, new polling results, which TREB is releasing for the first time today, highlight how this tax is hurting our City.

The polling was conducted by Ipsos Reid and found that Toronto residents are decisively opposed to the Land Transfer Tax and want it eliminated. It also found that this tax is impacting the behaviour of Torontonians, and other GTA residents, to the detriment of our City.

Specifically, almost seven in ten Torontonians, 68%, support Mayor Ford's plan to eliminate the Land Transfer Tax. And seven in ten want this plan carried out, notwithstanding current political circumstances.

The poll also found that 70 per cent of Torontonians, and 89 per cent of 905 region residents, planning to purchase a home, in the next two years, are more likely to purchase outside Toronto specifically to avoid paying the Land Transfer Tax.

This is consistent with TREB's sales statistics, which show that the 905 region annual rate of sales growth has exceeded the Toronto rate of growth by approximately 10 percentage points.

This means that, because of this tax, our City is at a competitive disadvantage for its most important resource: people.

And it's no surprise, because this tax is a very substantial upfront cost. For a homebuyer of an average detached Toronto home, this tax costs about \$10,000, payable in full, upfront. That is enough to impact the economic decisions of many people.

Which is exactly what independent, research has shown.

Only two months ago, the C.D. Howe Institute published the results of a detailed economic analysis of the Land Transfer Tax. Their finding was clear: this tax is directly responsible for dampening home sales by 16 per cent.

A separate study has shown that every resale housing transaction generates over \$40,000 in spinoff spending on things like furniture, appliances, and renovations. Simply put, every sale that the land transfer tax prevents risks jobs that depend on this type of spending.

It is time for City Council to begin phasing this tax out. That is what the public wants, and, more importantly, it is the right thing to do.

Thank-you. We're happy to answer any questions .