

Thank-you. My name is John Lusink and I am the Chair of the Toronto Real Estate Board's Government Relations Committee.

We would like to begin today by applauding Mayor Tory for making the City's housing needs a priority.

TREB agrees that housing must be a priority for Council. In particular, we believe that the City can play a critical role in helping Torontonians to achieve home ownership, and that ownership housing can, and does, help the City achieve its affordable housing goals.

In this regard, a survey released by the City's Affordable Housing Office, in 2012, found that 14% of people who achieved home ownership, with assistance from the City, were either previously living in Toronto Community Housing or on the social housing wait list. By helping these people to become home owners, the City freed up Toronto Community Housing and took pressure off the wait list.

Given this, it is clear that it makes sense for the City to do all that it can to make home ownership a reality for as many people as possible. Unfortunately, the City is making home ownership more difficult to achieve, instead of easier, because of the way that it imposes the Land Transfer Tax.

TREB continues to believe that this tax should be phased out entirely. With that said, our recommendations, today, focus on what we believe are realistic actions that can be taken with this year's budget.

Our first recommendation is with regard to the Land Transfer Tax rebate for first-time buyers. This rebate has not been adjusted for inflation since this tax was first implemented. Since that time, because of rising house prices, the average LTT paid to the City has increased by a whopping 102%, but the maximum allowed rebate for first-time buyers has been left unchanged. Under the current structure, even a first-time buyer purchasing a BELOW AVERAGE priced home would NOT be exempt from land transfer tax. In fact, a recent Ipsos Reid poll found that 61% of first time home buyers in Toronto had to pay some LTT.

With this in mind, we recommend that the LTT first-time buyer rebate maximum be adjusted upwards, for inflation.

Our second recommendation also focuses on an inequity in this tax. Currently, the highest LTT rate of 2% kicks in on homes priced at or above \$400,000, which was the average home prices when this tax was first implemented in 2008, but is significantly below the current average Toronto home price, which was \$610,000 in 2014. This means that even purchasers of BELOW average priced homes are currently being forced to pay the HIGHEST LTT rate.

As such, our second recommendation is that the LTT's tax rate thresholds be adjusted upward to account for inflation.

Thank-you for this opportunity to present our views.