

# news release

## FOR IMMEDIATE RELEASE

### **New Toronto Tax Could Mean More Gridlock and Pollution for GTA**

TORONTO, January 26, 2006 – The Toronto Real Estate Board (TREB) has told the provincial government that proposed new taxing powers for the City of Toronto could result in more urban sprawl in the GTA.

The provincial government recently released a proposed Growth Plan for the Greater Golden Horseshoe that attempts to prevent further urban sprawl by targeting expected population growth to already urbanized areas, like Toronto. However, the Province has recently introduced legislation that, if passed, would allow the City of Toronto to levy a municipal land transfer tax that could force many homebuyers to choose to live outside Toronto, where they wouldn't have to pay this tax.

“The provincial government has taken some significant steps to prevent further urban sprawl, but it will be difficult to avoid if the door is open to a Toronto land transfer tax,” said John Meehan, TREB President.

Under *Bill 53, Stronger City of Toronto for a Stronger Ontario Act*, the City of Toronto would be given general authority to levy taxes with certain limitations. Land transfer tax is not included as one of those limitations, meaning that this option would be open to Toronto City Council if the legislation is passed.

Homebuyers already face a substantial provincial land transfer tax when they purchase a home. This tax is calculated as a percentage of the purchase price of a property and is payable in full when a homebuyer takes possession of the property. The current provincial land transfer tax on an average Toronto home is approximately \$3,900.

TREB has told the Province that, if Toronto housing is made less affordable relative to surrounding areas, it will be more difficult to achieve the objectives of the proposed Growth Plan, which sets out a number of priority areas for population growth. Five of these priority areas are in Toronto.

“Clearly, the intention is that Toronto should be a main focus for population growth in the GTA, but it will be more difficult to encourage people to live here if it is more affordable for them to live outside of the City,” said Meehan.

“Good public policy is about balancing competing priorities. TREB understands Toronto’s budget constraints, but addressing that concern shouldn’t mean more pollution, more gridlock, and a worse quality of life,” added Meehan.

The provincial government is currently accepting feedback on the proposed Growth Plan. TREB has outlined its concerns in a detailed written submission to the Honourable David Caplan, Minister of Public Infrastructure Renewal.

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