

Land Transfer Tax: No way to build a great city

BY RICHARD SILVER

A new and concerning public opinion poll shows a significant number of Toronto residents planning to leave the city when they move.

This concerns us, and it is why we launched a new website, LetsGetThisRightToronto.ca, to help Torontonians understand the issue and to tell city council that they want the Toronto Land Transfer Tax repealed so that Toronto can reach its full potential as a world class city.

Most of us agree that Toronto's greatest strength is the people who choose to make this city their home. We can't make Toronto a world-class city by pushing people away, but that's exactly what the Toronto Land Transfer Tax is doing.

The recent poll conducted by Ipsos Reid, found that 25 per cent of Torontonians expecting to move in the next two years are planning to leave Toronto for the 905 regions. In contrast, only three percent of 905 residents expecting to move in the next two years are planning to come to Toronto.

Looking at the cause of this trend, the poll also found important links to the Toronto Land Transfer Tax; Seventy-five per cent of people in Toronto and the 905 regions who are expecting to move in the next two years said they are more likely to move outside of Toronto specifically because of the Toronto Land Transfer Tax. Among the other findings of the poll were:

- » 66 per cent of Torontonians support plans to repeal the Toronto Land Transfer Tax;
- » 77 per cent of Torontonians who recently purchased a home in Toronto feel that they received little or no added value in city services for the amount of Land Transfer Tax paid;
- » A third of first-time buyers indicated that they had to pay some Land Transfer Tax to the city, notwithstanding city rebates.

The Toronto Land Transfer Tax is no way to build a great city. It creates inequality among our residents; it perpetuates irresponsible city budgeting; it threatens jobs; it makes our city less affordable; it makes city hall less accountable; it hurts our environment; and it makes our roads even busier.

We are committed and willing to do what it takes to ensure that city council hears the public's voice on this issue.

The new website gives the public numerous ways to have their say. It allows people to easily send in their views directly to their city councillor, become more informed on this issue, and encourage others to speak out.

We launched this campaign for one simple reason: we want Toronto to succeed. Putting our voices together we can build a great city, and it's important for all of us that we get this right. We understand the importance of quality services for building a great city, but we believe that those services should be funded fairly and reliably.

I encourage you to check out LetsGetThisRightToronto.ca, become more informed and have your say.



Richard Silver is president of the Toronto Real Estate Board, a professional association that represents 34,000 Realtors in the Greater Toronto Area. torontorealestateboard.com

city of toronto

CITY OF TORONTO

ETOBICOKE
TORONTO
SCARBOROUGH



MARKET COMMENTARY

Courtesy of Toronto Real Estate Board

CITY OF TORONTO	ACTIVE LISTINGS	NEW	SALES	AVG. PRICE	AVG. DAYS ON MARKET	AVG. % LIST PRICE
MAY 2012	8,376	7,956	4,130	568,768	20	100%
MAY 2011	7,358	6,669	3,871	536,655	21	100%
% CHANGE	14%	19%	7%	6%	-7%	-

WHAT'S AVAILABLE AND WHAT IT COSTS

Competition among homebuyers remained strong in the City of Toronto in May. On average, sellers received offers matching their asking price in slightly less than three weeks. In fact, the City had the lowest average days on market compared to all other regions in the TREB market area.

“The housing market in the City of Toronto has been especially tight in the low-rise segment of the market, where for much of the year listings have been in short supply in many neighbourhoods and demand has been strong. This has supported strong price growth in this segment,” says Jason Mercer, the Toronto Real Estate Board’s Senior Manager of Market Analysis. “With this being said, new listings for lowrise

homes, including single-detached houses, were up quite strongly in the 416 area code in May, so the supply situation appears to be improving.”

The average selling price in the City of Toronto was \$568,000 – up six per cent compared to the average reported for May 2011.

“The City of Toronto encompasses a diversity of home types, from condominium apartments with an average price of almost \$370,000 through to single-detached homes with an average price of over \$820,000. This means that there home ownership opportunities for households at different stages of the housing life cycle,” says Mercer.

west region

HALTON
OAKVILLE
MILTON
BURLINGTON
HALTON HILLS

PEEL
MISSISSAUGA
BRAMPTON
CALEDON
ORANGEVILLE

CENTRAL
ETOBICOKE



MARKET COMMENTARY

Courtesy of Toronto Real Estate Board

HALTON REGION

May saw market conditions within Halton Region become more balanced, as new listings rose 32 per cent while sales rose on only 28 per cent. However, total available listings at the end of the month were up by a lesser 19 per cent.

“The trend throughout most of the GTA in May was for stronger growth in new listings, on a year-over-year basis, relative to sales,” says Jason Mercer, the Toronto Real Estate Board’s Senior Manager of Market Analysis. “If this trend continues, market conditions will become more balanced in the second half of the year.”

The average price for May transactions in Halton Region was \$577,699 - up seven per cent over May 2011.

“The annual growth rate for the average selling price was down in May compared to April. While some of this change may have been due to the type of homes selling this year versus last, more balanced market conditions likely also played a role,” Mercer says.

PEEL REGION/ ORANGEVILLE

The Peel Region/Orangeville area experienced very strong year-over-year growth in new listings, which were up 29 per cent over May 2011. Over the same period, sales were up by 16 per cent.

“While sales were up considerably compared to last year in Peel/Orangeville, listings were up even more as home owners reacted to the above-average price growth experienced over the last year,” says Jason Mercer, TREB’s Senior Manager of Market Analysis.

The average price in Peel/Orangeville reached \$442,624 in May, representing an annual increase of seven per cent. This was a slower year-over-year rate of growth compared to that reported for April.

“The expectation is that the housing market will continue to become better supplied in the second half of 2012 and even more so in 2013. Less competition between home buyers will result in less upward pressure on price growth,” Mercer says.

CITY OF TORONTO

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durham

DURHAM REGION

PICKERING
AJAX
WHITBY
OSHAWA
CLARINGTON
UXBRIDGE
SCUOGOG
BROCK



MARKET COMMENTARY

Courtesy of Toronto Real Estate Board

DURHAM REGION	ACTIVE LISTINGS	NEW	SALES	AVG. PRICE	AVG. DAYS ON MARKET	AVG. % LIST PRICE
MAY 2012	2,132	1,876	1,248	342,274	24	99%
MAY 2011	2,455	1,828	1,066	317,905	28	98%
% CHANGE	-13%	3%	17%	8%	-16%	-

WHAT'S AVAILABLE AND WHAT IT COSTS

Durham region bucked the broad GTA trend of a better supplied market in May. Sales, which were up 17 per cent compared to May 2011, grew at a quicker pace than new listings, which rose at a lesser annual rate of three per cent.

“With an average price below \$325,000, Durham Region offers relatively less expensive home ownership options compared to other regions/counties within the Toronto Real Estate Board market area. This is especially the case as it relates to single-detached homes,” says Jason Mercer, the Toronto Real Estate Board’s Senior Manager of Market Analysis. “Many households looking for value in the single-detached market

segment are attracted to Durham, helping explain the strong sales growth last month.”

“The fact that Durham market conditions remained tight in May was further evidenced by the fact that the average selling price was up by eight per cent year-over-year. This result was above the overall average of 6.5 per cent for the TREB market area,” says Mercer.

The average number of days a home remained on the market was 24 days and sellers continued to receive offers in line with their asking prices, with a sale price to listing price ratio of 99 per cent.

york / simcoe county

YORK REGION

MARKHAM
RICHMOND HILL
VAUGHAN
AURORA
NEWMARKET
KING
WHITCHURCH-STOUFFVILLE
EAST GWILLIMBURY
GEORGINA

SIMCOE COUNTY

BRADFORD-WEST GWILLIMBURY
NEW TECUMSETH
ADJALA TOSORONTIO
RURAL ADJALA TOSORONTIO
ESSA
INNISFIL



MARKET COMMENTARY

Courtesy of Toronto Real Estate Board

YORK REGION / SIMCOE COUNTY	ACTIVE LISTINGS	NEW	SALES	AVG. PRICE	AVG. DAYS ON MARKET	AVG. % LIST PRICE
MAY 2012	4,395	3,960	2,308	577,079	22	99%
MAY 2011	4,040	3,307	2,156	532,927	24	99%
% CHANGE	9%	20%	7%	8%	-10%	-

*The following Simcoe County municipalities are included in this table: Adjala-Tosorontio, Bradford West Gwillimbury, Essa, Innisfil, New Tecumseth

WHAT'S AVAILABLE AND WHAT IT COSTS

The average selling price in York/South Simcoe reached \$577,079 in May 2012 – up eight per cent compared to May 2011.

“The tight market conditions experienced over the past year continued to result in strong price growth in York Region and south Simcoe County,” says Toronto Real Estate Board’s Senior Manager of Market Analysis Jason Mercer. “However, we may have seen the beginning of a new trend towards a more balanced market in May. Growth in new listings outstripped growth in sales by a considerable margin. If this trend continues over the

next year, a better supplied market will result in more moderate annual rates of price growth.”

The average number of days on the market was 22 in May 2012, down from 24 days last year. The average sale price-to-list price ratio was 99 per cent – unchanged from the same time in 2011.

“Even with the additional supply of homes for sale this past May, there remained enough competition among buyers for home sellers receive offers very close to their asking price, on average, in less than a month’s time,” says Mercer.