



# Actions Speak Louder than Words on Affordable Housing

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TREB PRESIDENT'S COLUMN AS IT APPEARS IN THE TORONTO SUN

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It's an age-old truism that actions speak louder than words. This is especially true when it comes to government, which may be why it came to mind last month when Toronto City Council committed to finalizing a 10 year action plan on affordable housing. While it is encouraging that the City is talking about the importance of affordable housing, its words should be measured against its actions, which, unfortunately, have included numerous increases to the costs faced by home owners and buyers.

If you are a regular reader of this column, you will know that REALTORS® have numerous concerns with recent decisions made at Toronto City Hall. With that said, the City's decision makers do deserve credit for the work done on their Affordable Housing strategy so far. Although this strategy has yet to be finalized, its preliminary draft recognizes that encouraging and facilitating home ownership is as important as creating and maintaining rental housing. REALTORS® strongly believe that home ownership is a critical part to personal wealth, economic prosperity, and a high quality of life.

Unfortunately, while the City's Affordable Housing strategy talks about facilitating home ownership, the City's actions are, regrettably, doing just the opposite. In the last two years, Toronto home owners and buyers have faced thousands of dollars in added costs from an unprecedented Toronto Land Transfer Tax, property tax increases at twice the rate of inflation, increases in water rates, and new garbage pick-up fees.

If the City's Affordable Housing strategy is truly serious about facilitating home ownership, it's

difficult to understand how the City can impose a land transfer tax that costs home buyers, of even very modest properties, approximately \$4,000 up front on average. As if that's not enough, the City's land transfer tax is piled on top of a similar amount for the provincial land transfer tax. Furthermore, because these taxes are based on the price of the home, the more expensive the home, the higher the tax that is paid.

Interestingly, the City's Affordable Housing strategy speaks not only of facilitating home ownership, but also about helping existing home owners to keep their homes. Unfortunately, once again, the City's actions appear to contradict this laudable goal. For example, even though property taxes represent one of the biggest costs of home ownership, the City, for the second year in a row, is proposing to increase residential property taxes by about twice the rate of inflation, despite Mayor Miller's 2006 election pledge to keep taxes in line with inflation. This is on top of recent City increases on other home ownership costs such as water rates and garbage fees.

The City of Toronto should be commended for recognizing that encouraging home ownership is an important part of any affordable housing strategy; however, the City's actions shouldn't contradict its words. Imposing a land transfer tax that makes it more difficult to buy a home, and increasing City costs on maintaining a home, is no way to encourage affordable housing.

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