



# REALTORS® take message to Ottawa

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

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If you are a regular reader of this column, you will know that I feel one of the most important services that REALTORS® provide is promoting the interests of home buyers and owners, as well as the important economic role of real estate, to governments at all levels. With this in mind, hundreds of REALTORS® from across Canada met in Ottawa last week to raise some important issues with Members of Parliament (MPs).

Our first message to MPs was that real estate plays a critical role in the economy. In fact, new research conducted for the Canadian Real Estate Association shows that, in Ontario, the average re-sale housing transaction generates close to \$48,000 in spin off spending on things like renovations, furniture and appliances. This is up from about \$33,000 just two years ago. This means that, last year alone, resale housing transactions pumped approximately \$3.6 billion of spin-off spending into the GTA economy.

Given this, REALTORS® have always made it a priority to work with governments, at all levels, to ensure that public policy promotes a prosperous real estate market. We have made significant strides in this regard, but we are also focused on the future, which is why, while in Ottawa, we met with MPs to discuss two proposals that we believe would benefit the economy.

Our first proposal to MPs called for the Home Buyers' Plan to be permanently indexed to inflation and for all home buyers, not just first-time buyers, to be allowed to take advantage of this program, for a two-year period, as a temporary economic stimulus measure. Under the existing program, first-time home buyers can withdraw funds from their RRSP to put towards the down payment of a home. Until recently, the maximum amount that a home buyer could withdraw was \$20,000 per individual (\$40,000 per couple). This maximum had not been adjusted since 1992. REALTORS® called on the

government to address this issue, which it recently did by increasing the maximum to \$25,000 per individual. We are now calling on the government to establish a policy that will ensure that this limit will be permanently indexed with inflation, so that it grows with the economy.

Also, given the current economic realities, REALTORS® are calling on the government to allow all home buyers to take advantage of the Home Buyers' Plan. Currently, this program is restricted to first-time buyers. Interestingly, when this program was first implemented during the recession of the early 1990s it was open to all buyers, and it played a key role in stimulating the economy then. REALTORS® believe it can do the same thing now and are calling on the government to remove the first-time buyer condition for a period of two years.

Our second proposal to MPs would also help to stimulate the economy. There are currently numerous small-scale investors who are essentially "locked-in" with investment properties that they own because of capital gains tax rules that make it difficult for them to turn over the property. Research has shown that, in recent years, almost 60 per cent of people claiming capital gains from real estate sales had net incomes of \$50,000 or less. With this in mind, REALTORS® are telling the federal government that capital gains tax rules should allow for the tax payable on the sale of an investment property to be deferred if the owner of the property reinvests the proceeds from the sale in another property.

REALTORS® number one priority is their clients. We work for you in many respects, but our efforts with governments are some of the most important things that we do.

*Maureen O'Neill is President of the Toronto Real Estate Board, a professional association that represents 28,000 REALTORS® in the Greater Toronto Area.*