



A Taxing Issue: Let's call on future mayor to roll back LTT

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

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If you are at all interested in Toronto politics, you have likely heard that Toronto Mayor David Miller has announced that he will not seek re-election next year. Only time will tell how history will view Mayor Miller's leadership, but one thing is indisputable: Mayor Miller ushered in some very significant changes to how the City operates, not the least of which was the introduction of a City land transfer tax, which has been shown to have had a negative impact on the real estate market and the City's economy. With this in mind, REALTORS® are calling on any candidates that run to replace Mayor Miller next year to make serious commitments to roll back this unfair tax once elected.

Without a doubt, many issues are discussed during municipal election campaigns, so why should the Toronto land transfer tax be included among these? The answer is two-fold: this tax is bad policy and it's bad politics.

First, I'll deal with why the Toronto Land Transfer Tax is bad policy. The real estate sector is one of the most important parts of the economy. When people buy homes, they usually spend money on numerous other things like renovations, furniture, and appliances, which helps to maintain and create jobs. In fact, a recent study conducted for the Canadian Real Estate Association showed that every re-sale housing transaction in Ontario resulted in over \$47,000 being pumped into the economy.

This type of spending should be encouraged, but, unfortunately, Toronto's Land Transfer Tax does just the opposite. In fact, a recent study conducted by the C.D. Howe Institute and Economics Professors

from the University of Toronto showed that this Tax resulted in approximately 5,000 lost re-sale housing transactions in the City in the first year that the tax was implemented. This represents a loss to Toronto's economy of almost \$240 million in consumer spending.

But not only is the Toronto Land Transfer Tax bad policy, it is also bad politics. When this tax was first proposed, REALTORS® spoke out strongly against it, and we heard from countless people that they supported and appreciated our efforts to protect their interests. Well, now that the tax has been implemented, the public is opposed to it more than ever. In fact, a recent poll conducted by the Environics Research Group found that 65 percent of Torontonians want this tax repealed.

REALTORS® are looking forward to raising these issues during the upcoming municipal election campaign. Not only will we be working hard to make sure that all Mayoral and Council candidates understand why this unfair tax should be rolled back, we will also be working to ensure that the voting public remembers this Council decision and considers it when they go to the voting booth. I am confident that the public will, once again, join REALTORS® in calling for this tax to be scrapped.

Tom Lebour is President of the Toronto Real Estate Board, a professional association that represents 28,000 REALTORS® in the Greater Toronto Area.