

news release

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Toronto REALTORS® Tell City that 100% Land Transfer Tax Increase is Unfair

TORONTO, June 27, 2007 – The Toronto Real Estate Board has told the City of Toronto that its proposal to charge a second land transfer tax treats home buyers unfairly. TREB's comments were made in a formal presentation to the City's Executive Committee earlier this week.

If the City moves forward with the proposal, the average Toronto home buyer will pay another \$4,200 in land transfer tax. That is a 100 per cent increase, and would give Toronto the highest land transfer taxes in Canada and the second highest in North America.

"A second land transfer tax discriminates against home buyers. The City doesn't provide any land transfer related services, so this tax is just a way of forcing home buyers to pay for services for everyone. That, simply, is unfair," said Dorothy Mason, President of the Toronto Real Estate Board.

TREB also pointed out that the proposed second land transfer tax is most unfair to those who can least afford it – people who have small down payments and, therefore, can only qualify for a mortgage by also paying for mortgage insurance.

"Many home buyers will have no choice but to take money from their down payment to pay this tax, which would mean extra mortgage interest and higher mortgage insurance premiums. For the most vulnerable, this means that the second land transfer tax will actually cost over \$15,000. The City will literally be forcing people to take out a mortgage to pay a tax. That is unfair," Mason said.

TREB also noted that Toronto residents and businesses can't even expect that the new money the City collects from this tax will result in any improved services.

"The Mayor and City staff have admitted that the money the City takes from home buyers will be used to fill the holes in the City's current budget, not to expand or improve services. It's not fair that home buyers will be paying more for the same service", Mason said.

TREB plans to continue opposing the implementation of a second land transfer tax in Toronto.

"A second land transfer tax will make the dream of home ownership more difficult to achieve. Toronto's REALTORS® are protecting the interests of home buyers by strongly opposing the City's proposal. Just in the last week, hundreds of REALTORS® and the public have sent emails to the Mayor and all City Councillors telling them that his tax is a bad idea. We plan to keep up the fight," said Mason.

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