

Toronto Land Transfer Tax Costs City's Economy \$170 million

TORONTO, December 10, 2008 – Supported by a study on the impact of the Toronto Land Transfer Tax, recently authored by the C.D. Howe Institute and two University of Toronto Economics Professors, Greater Toronto REALTORS® are renewing calls for this tax to be rolled back. [See complete study](#)

“The housing sector is one of the most significant parts of Toronto’s economy,” said Maureen O’Neill, President of the Toronto Real Estate Board (TREB). “Unfortunately, the study prepared jointly by the C.D. Howe Institute and Economics Professors from the University of Toronto shows that the Toronto Land Transfer Tax has had a negative economic impact, which TREB estimates to be \$170 million in 2008.”

The study found that the Toronto Land Transfer Tax, which costs average Toronto homebuyers approximately \$4,000 in addition to a similar amount for the provincial Land Transfer Tax, has reduced sales of re-sale single-family homes (condominiums not included in study) by 16 per cent, which means approximately 3,500 lost re-sale transactions in the first year of the tax. If condominiums are included, REALTORS® estimate that the impact could be in excess of 5,000 lost re-sale transactions in the first year of the tax.

A separate recent study, conducted by Altus Clayton for the Canadian Real Estate Association, determined that every re-sale housing transaction in Ontario generates approximately \$33,425 in economic spin-off activity on things like renovations, furniture, and appliances. This means that losing 5,000 re-sale housing transactions because of the Toronto Land Transfer Tax costs the City’s economy approximately \$170 million in consumer spending.

“When people buy a home, they usually spend thousands of dollars on related things like renovations, furniture, and appliances. Thousands of Toronto jobs depend on this spending,” said O’Neill. “Any City policy that impacts housing sales has a direct impact on the City’s economy and jobs.”

With the City currently preparing a recommended operating budget for 2009, TREB is calling on City Council to roll back the Toronto Land Transfer Tax.

“REALTORS® have been clear that we believe that the Toronto Land Transfer Tax is unfair and now a study by respected economists is validating that view. Not only is this tax unfair to home buyers and sellers, but also to the thousands of people whose jobs depend on the housing sector,” said O’Neill. “City Council can, and should, show leadership by rolling back the Toronto Land Transfer Tax.”

REALTORS® are looking forward to opportunities to provide input to the City’s 2009 Operating Budget.

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