

NEWS RELEASE

REALTORS® PROUD TO BE CHAMPIONS CALLING FOR RESPONSIBLE FISCAL MANAGEMENT FROM TORONTO CITY COUNCIL

Toronto, September 21, 2011 – REALTORS® are following-up on their presentation to the City’s Executive Committee, earlier this week, by providing additional information on why they believe that the Toronto Land Transfer Tax is not part of the solution to the City’s financial challenges.

“We are proud that the Toronto Real Estate Board was the only business organization that had the courage to go to City Hall and call for the fiscal restraint that so many Torontonians want and demand from City Council. We are proud to be a loud and strong voice in favour of sound and fair financial management from City Hall,” said Richard Silver, President of the Toronto Real Estate Board (TREB).

TREB presented its views to the City of Toronto’s Executive Committee on September 19, 2011. In its presentation, TREB told the Committee that City Hall must live within its means and that the Toronto Land Transfer Tax is not part of the solution to the City’s financial challenges.

“Questions from some City Councillors, after TREB’s presentation, made it evident that some Councillors who are not members of the Executive Committee would prefer to continue to use the Toronto Land Transfer Tax as a band-aid solution to the City’s financial challenges. Torontonians don’t want band-aids to the City’s financial challenges; they want long-term solutions,” said Silver.

After TREB’s presentation, some Councillors implied that the Toronto Land Transfer Tax has improved the City’s budget situation. TREB disagrees.

“Four years ago, many of the same City Councillors that are currently opposing changes at City Hall claimed that the Toronto Land Transfer Tax would solve the City’s financial challenges. Yet, here we are, four years after the City began collecting the Land Transfer Tax, and the City’s financial situation is the same, if not worse. Why? The answer is simple: the Land Transfer Tax was a band-aid, not a real solution. Like all band-aids, it needs to be removed,” said Silver.

Some Councillors, pointed to the current health of the real estate market as justification for keeping the Toronto Land Transfer Tax. TREB is pointing out that the real estate market can experience ups and downs.



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“It is important to remember that the Land Transfer Tax is not a predictable revenue stream. The amount of revenue it generates is based totally on the activity of the real estate market. What will the City do if there is a downturn in the real estate market? Create yet another tax to balance the budget?” said Silver.

Some Councillors, questioned the relative influence of the Land Transfer Tax and municipal services on property transactions and values.

“Make no mistake: REALTORS® understand that municipal services play a critical role in our City’s quality-of-life. These services are important to our clients. That is precisely why we want the City to get its finances in order. Without long-term solutions to the City’s finances, the quality of the municipal services that matter to our clients will deteriorate,” said Silver. “While municipal services are important to property transactions and values, for the vast majority of people, price is still the first and, most important, consideration.

The City of Toronto is the only municipality in the Greater Toronto Area that imposes a second Land Transfer Tax, in addition to the provincial Land Transfer Tax. TREB feels that a budget shortfall supported by a tax collected from a small group to provide services for all citizens is not sustainable in the long run. It is time to axe the tax and find a long term solution.

We look forward to the results of the Core Services Review by Toronto City Council.

Greater Toronto REALTORS® are passionate about their work. They are governed by a strict Code of Ethics and share a state-of-the-art Multiple Listing Service. Over 32,000 TREB Members serve consumers in the Greater Toronto Area. The Toronto Real Estate Board is Canada’s largest real estate board.

Media Inquiries: Mary Gallagher, Senior Manager Public Affairs (416) 443-8158
maryg@trebnet.com



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