

## REALTORS® Call for a “Home Owners’ Budget” From City

**TORONTO, February 9, 2009** – In advance of the release of the City of Toronto’s recommended 2009 Operating Budget tomorrow, Toronto’s REALTORS® are calling on the City to do its part for the economy by making home owners and buyers a priority in the City’s budget.

“We have seen governments at all levels taking action on the economy, and we’re hoping that the City will do its part too. We’re looking to the City to make this a home owners’ budget,” said Maureen O’Neill, President of the Toronto Real Estate Board (TREB). “The housing industry is critical to Toronto’s economy. It generates billions of dollars of spending and creates thousands of jobs. One of the best things that the City can do for the economy is to roll back the Toronto Land Transfer Tax.”

A recent study conducted by the C.D. Howe Institute and Economics Professors from the University of Toronto determined that the Toronto Land Transfer Tax is having a significant impact on Toronto’s real estate market, reducing housing sales by 16 per cent and values by 1.5 per cent.

A separate recent study, conducted 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. Based on these studies, TREB estimates that the Toronto Land Transfer Tax has cost the City’s economy about \$200 million in consumer spending and has reduced Toronto home owners’ net worth by \$3.5 billion in lost equity when selling their homes, and less credit available to them from equity lines of credit, thereby reducing spending and economic activity.

“City policies impact the housing sector. It was encouraging to see this recognized recently with action on development charges. We hope City Council will also recognize the impact of the Toronto Land Transfer Tax,” said O’Neill.

TREB is calling on the City to use its 2009 Operating Budget process to continue implementing recommendations made by the Mayor’s Fiscal Review Panel one year ago.

“The City has fiscal options. The Mayor’s Fiscal Review Panel pointed out that the City should be able to find \$150 million in budget savings this year. Now, more than ever, it is important for the City to move in this direction, instead of options that reduce economic activity, like the Toronto Land Transfer Tax,” said O’Neill.

REALTORS® look forward to providing input during the City’s 2009 Operating Budget consultations.

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