TORONTO

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2017 OPERATING BUDGET BRIEFING NOTE
Municipal Land Transfer Tax (MLTT) Harmonization

Issue/Background:

On December 13, 2016 Council adopted staff report EX20.2 titled "City of Toronto's Immediate and Longer-Term Revenue Strategy Directions" with amendments.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX20.2

Council referred the following revenue options to the Budget Committee for consideration as part of the 2017 budget process:

1. Harmonizing the Municipal Land Transfer Tax (MLTT) rates with the Ontario Land Transfer Tax (LTT) rates, including the new graduated rate;
2. Harmonizing the MLTT first-time homebuyer (FTHB) rebates with the Ontario LTT FTHB rebates, including the new Canadian citizenship and permanent residency test;
3. Changing the MLTT FTHB rebate eligibility criteria to include a maximum value of consideration.

Council also directed the City Manager, in consultation with the Province, to examine the potential impacts and the possibility of the City of Toronto levying an additional land transfer tax on purchase and/or sale of homes to non-Canadian residents (this comprises of foreign nationals that are not Canadian citizens or permanent residents of Canada) of up to 5 percent of the value of the sale of the house.

Revenue to be generated from MLTT harmonization is not included in the 2017 preliminary operating budget. However, it has been identified as an available 2017 budget revenue option as well as a measure to streamline the MLTT policy. It involves matching the City's MLTT rate structure with that of the new Provincial Land Transfer Tax (LTT) structure that came into effect January 1, 2017. The annualized full-year revenue potential for harmonizing the rates was estimated to be $85M based on 2015 data. The 2017 revenue impact was estimated to be $77M if the rate harmonization is implemented on March 1, 2017. Harmonizing FTHB rebates with the Ontario FTHB rebates has been estimated to cost the City a range of $5M to $10M annually, and a range of $5M to $9M for 2017 if implemented on March 1, 2017.

An additional eligibility restriction (point 3. above) for the MLTT first time home buyer rebate was proposed to limit access to the rebate to those purchasers for whom affordability is an issue, and would reduce the cost of the rebate program by an amount estimated to range from $3M to $27M depending on the eligibility threshold.

Finally, based on the 2016 preliminary actual year-end data, total 2016 MLTT revenue was $15M higher than that originally projected in the 2017 Preliminary Budget.

The table below summarized the $99 million in MLTT net revenue included in the 2017 Preliminary Operating Budget along with up to $90 million in additional MLTT revenue currently under consideration.

Description ($Millions)	2017			2018 Annualization
	Operating	Capital	Total Revenue	
MLTT - 2016 Approved Budget	486	40	526	
MLTT - 2017 Preliminary Operating Budget	585	40	625	
Additional MLTT Net Revenue Included in 2017 Preliminary Operating Budget	99	0	99	
Additional MLTT Revenue Under Consideration				
MLTT Harmonization				
MLTT Rate Harmonization	77		77	8
FTHB Rebate	-5 to -9		-5 to -9	0 to -1
FTHB Rebate Limit ($1M)	3		3	
Revised 2016 Projected Actuals	15		15	
Total Additional MLTT Revenue Under Consideration	86 to 90		86 to 90	7 to 8

Key Points:

1. **Implementation date:** Staff have taken steps (initiating programming preparations and posting notice of Council's December 13th decision on the MLTT website) to enable MLTT harmonization to be implemented effective March 1, 2017, subject to final Council approval as part of the 2017 budget on February 15 – 17, 2017. Any changes from the proposed rates or the FTHB rebate eligibility could delay implementation by a month (to April 3, 2017) or more.

2. **No Grand-parenting:** The proposals do not include grand-parenting provisions. All property transfers as of March 1, 2017 would be subject to the new rate structure. The City has posted the December 13th Council decision on the City's MLTT website for the purpose of notice and communications.

3. Proposed MLTT tax rate changes:

TABLE 1

= proposed

<table>
<tr><th rowspan="2">Value of Consideration</th><th colspan="3">Residential (SFR)*</th><th colspan="3">All other properties (non-SFR)</th></tr>
<tr><th>Current/ 2016</th><th>Proposed = Province</th><th>Total City & Province</th><th>Current/ 2016</th><th>Proposed = Province</th><th>Total City & Province</th></tr>
<tr><td>$0-$55,000.00</td><td>0.50%</td><td>0.50%</td><td>1.00%</td><td>0.50%</td><td>0.50%</td><td>1.00%</td></tr>
<tr><td>$55,000.01 - $250,000.00</td><td>1.00%</td><td>1.00%</td><td>2.00%</td><td>1.00%</td><td>1.00%</td><td>2.00%</td></tr>
<tr><td>$250,000.01 - $400,000.00</td><td>1.00%</td><td>1.50%</td><td>3.00%</td><td>1.00%</td><td>1.50%</td><td>3.0%</td></tr>
<tr><td>>$400,000.00</td><td rowspan="3">2.00%</td><td>2.00%</td><td>4.00%</td><td rowspan="2">1.50%</td><td rowspan="3">2.00%</td><td rowspan="3">4.00%</td></tr>
<tr><td>>$2 million</td><td rowspan="2">2.50%</td><td rowspan="2">5.00%</td></tr>
<tr><td>>$40 million</td><td>1.00%</td></tr>
</table>

* Residential = properties with not more than 2 single-family residences (SFR). All other properties = non-SFR

<table>
<tr><th rowspan="2">Maximum FTHB Rebate</th><th>Current/ 2016</th><th>Proposed</th></tr>
<tr><td>$3,725 for VOC $400,000</td><td>$4,000 for VOC $368,300 (harmonize with Prov)</td></tr>
</table>

Currently in the city of Toronto, the average value of consideration (VOC) for FTHB transactions is approximately $500,000, while the average VOC for all residential (SFR) transactions (including detached, semi, townhouse and condos) is approximately $750,000.

4. FTHB Rebate Eligibility Criteria:

In addition to increasing the maximum FTHB rebate from $3,725 to $4,000, two new measures are proposed:

a. Residency test – Consistent with recent provincial changes, the rebate would be restricted to first time home buyers who are Canadian citizens or permanent residents. The impact of a residency test on revenue is unknown, in part due to data limitations.

b. Maximum price limit – A price limit is proposed to restrict the FTHB rebate benefit to those for whom affordability is an issue. This change is not part of the provincial reform, but considered appropriate for the Toronto market where there is evidence that some first-time buyers have purchased multi-million luxury homes. For example, in 2015 10% of the FTHB purchased homes that ranged from $750,000 up to $6.5M. Table 4 on p. 4 shows the impacts of various price limits.

5. City's Revenue Impact:

Rate Harmonization: If the City harmonizes the rates with the Province's new rates (excluding changes to FTHB rebate), incremental annual revenue is estimated at $85M, and 2017 impact is estimated at 90% of the annual amount at $77M, based on 2015 data as shown in table 2 below.

TABLE 2

Estimated Incremental Annual Revenue from Harmonizing Rates only ($M)			
	Part-year 2017*	Annualized	% of total
Residential (SFR)	$34	$38	45%
All other properties (non SFR)	$42	$47	55%
Total	$77	$85	100%

* Assuming March 1. 2017 implementation

Rebate Harmonization: By increasing the maximum FTHB rebate from $3,725 to $4,000 (harmonizing with Province) or higher, the City would incur higher rebate costs. Similarly, lowering the FTHB rebate from the current level of $3,725 would reduce rebate costs and increase revenue. The entire FTHB rebate program cost the City $66M in 2015. Several maximum FTHB rebate scenarios are illustrated in table 3 below:

TABLE 3

Estimated Net Annual Revenue Change at harmonized rates ($M)			"+" = revenue "-" = cost
Max FTHB Rebate Scenarios	Corresponding VOC (at harmonized rates)	Part-year 2017* (relative to $77M)	Annualized (relative to $85M)
$0 (cancelling FTHB rebate)	na	+59	+66
$2,000 (previous Provincial policy)	$227.500	+22	+25
$3,725 (current)	$350,000	0	0
$4,000 (current provincial policy)	$368,300	-5	-5
$4,475	$400,000	-9	-10
$5,000	$426,250	-14	-16
$6,475	$500,000 (avg FTHB transaction)	-25	-28
$11,475	$750,000 (avg SFR transaction)	-44	-49

* Assuming March 1, 2017 implementation

Rebate eligibility limit: In British Columbia, FTHB rebates are restricted to transactions below a threshold price. This is not the case in Ontario. A new FTHB rebate eligibility restriction based on maximum transaction price would reduce rebate costs and increase net MLTT revenue. The estimated impacts (based on 2015 transaction data) of various eligibility price limits are summarized in table 4 below:

TABLE 4

Estimated Net Incremental Annual Revenue -- FTHB Rebate Price Limit Scenarios ($M)			
FTHB Rebate VOC/Price Limit Scenarios	Part-year 2017*	Annualized	Percentage of FTHB excluded from Rebate
$1M	3	3	4%
$750,000 (avg SFR transaction)	7	8	10%
$700,000	9	10	13%
$600,000	15	17	21%
$500,000 (avg FTHB transaction)	24	27	34%

* Assuming March 1, 2017 implementation

Combined Budget Impact: The combined revenue impact (excluding residency test) from rate harmonization, rebate harmonization (at $4,000 maximum) and a new rebate eligibility price cap (at $1,000,000), based on 2015 results, is an estimated $75 million increase in 2017 City revenue, as summarized in table 5 below:

TABLE 5

Summary of Revenue Impacts ($M)		
	Part-year 2017*	Annualized
Rate harmonization	+77	+85
FTHB rebate • Full harmonization with Province ($4,000 for VOC$368,000) • Increasing rebate to $4,475 for VOC$400,000	 -5 -9	 -5 -10
FTHB Rebate price limit ($1M)	+3	+3
Net	from +71 to +75	from +78 to +83

* Assuming March 1, 2017 implementation

6. Impact on Individual Property Buyer:

Residential (SFR) transactions:

A regular homebuyer not eligible for the FTHB rebate would pay up to $750 more per transaction for VOC up to $2M, and an additional 0.5% on the portion above $2M.

For example, table 6 shows, for an average SFR transaction:

TABLE 6

VOC	Current MLTT	Harmonized MLTT	Increase
$750,000	$10,725 (eff. tax rate=1.4%)	$11,475 (eff tax rate = 1.5%)	$750

The equivalent impact on a typical mortgage payment is about $4 per month.

If Council chooses to harmonize the maximum FTHB rebate with the Provincial maximum, an eligible FTHB would receive a rebate of up to $275 more, resulting in a net maximum tax increase of $475 (= $750 minus $275).

e.g. average FTHB transaction:

TABLE 7

VOC	Current MLTT after $3,725 rebate	Harmonized MLTT after $4,000 rebate	Increase
$500,000	$2,000 (eff. tax rate = 0.4%)	$2,475 (eff. tax rate =0.5%)	$475

Alternatively, if the City were to increase the FTHB Rebate further to shelter the first $400,000 VOC from tax as is currently the case (instead of $368,300), the corresponding maximum rebate would be $4,475 (instead of $4,000). An eligible FTHB would receive a rebate increase of up to $750, completely offsetting the tax increase for VOC up to $2M.

e.g. average FTHB transaction:

TABLE 8

VOC	Current MLTT after $3,725 rebate	Harmonized MLTT after $4,475 rebate	Increase
$500,000	$2,000 (eff. tax rate = 0.4%)	$2,000 (eff. tax rate = 0.4%)	$0

Please see Appendix A for details.

Non-single family residential (non-SFR) transactions:

The proposed changes would tax buyers of non-residential properties at the same rates as residential properties, except that the new 2.5% rate on VOC greater than $2 million would not apply to non-SFR transactions.

7. Foreign Buyer Tax

Effective August 2, 2016, the Province of British Columbia introduced a 15% foreign buyer tax, amongst other measures, to cool the hot housing market there. According to the Real Estate Board of Greater Vancouver, December 2016 sales in the Greater Vancouver Region (GVR) saw a drop of more than 39% compared with December 2015. Total 2016 sales of detached, attached and apartment properties were 5.6% lower than those in 2015. Average composite price in GVR declined to $897,600 in December 2016, but was still 20.5% higher than the previous year. Compared with the July 2016 average composite price of $930,400, the average composite price has dropped 4% in the region since the introduction of the foreign buyer tax.
In Ontario, the Minister of Finance, Charles Sousa, is on record stating that Ontario is not prepared to follow BC's lead and impose a tax on foreign buyers. On November 8, 2016, in his address to the Canadian Club Toronto, Minister Sousa indicated that he needed more data on the impact of BC's foreign buyer tax on Vancouver's market and more information on the Toronto market, and did not intend to do anything that would adversely affect neighbouring real estate markets. In response to Council direction (EX20.2), City staff have consulted the Province in relation to an additional land transfer tax on purchases of homes by non-Canadian residents (comprising foreign nationals that are not Canadian citizens or permanent residents of Canada) of up to 5%

of the value of the sale of the house. Provincial staff indicate that the government's positon has not changed as they are still reviewing the matter.

Toronto could consider adopting its own foreign buyer tax. However, Toronto is different from Vancouver in a number of ways.

- The BC government (not the municipal government) implemented the tax, not as a revenue generation tool, but as a policy lever to cool the market and improve affordability for its residents.

- Foreign buyer presence in, and impact on, the Toronto market is thought to be considerably less than the case in Vancouver. An Ipsos Reid survey commissioned by the Toronto Real Estate Board (TREB) in October 2016 reported that the share of foreign buyers transactions in Toronto was just 5%. In Metro Vancouver, the share of foreign buyers was approximately 15% (by transaction volume) and 19% (by total market value of transaction) just before the tax was implemented.

- Toronto's issues with affordability are quite different. The supply-side market response through condo development in Toronto has been much more robust, so the foreign buyer impact on price appreciation is thought to be more of a factor in the higher-end single detached home market where supply is more restricted.

- A Toronto tax would not apply to surrounding municipalities in the GTHA, and so market reaction to a foreign buyer tax could be greater in Toronto where demand can shift to those surrounding municipalities as buyers seek lower tax alternatives.

- MLTT is a much larger portion of own source tax revenue in Toronto (approaching 15%) compared to BC (<2%), Ontario (<2%) and Vancouver (0%). Any tax increase would provide greater City exposure to the risk of a market downturn that could have serious budget implications for the City.

Staff are not able to predict how prices and volumes would respond to various foreign buyer tax options in Toronto, nor the tax rate that would be most effective in terms of generating revenue. A reduction in both volumes and prices resulting from an introduction of the tax could result in a substantial reduction in land transfer tax revenue – an undesirable result for Toronto.

Finally, the BC foreign buyer tax has been in place only for a relatively short time. Even though the tax was implemented for legitimate policy reasons, it is not clear whether the tax will survive potential legal challenges based on international trade agreements, the limits of provincial jurisdiction and discrimination.

2016 Budget Variance and updated Year-end Forecast

MLTT revenue has once again exceeded expectations in 2016 as shown in table 9 below. The revised projected actual 2016 net revenue is $640M, exceeding the budget of $526M by almost $115M (or 22%), and prior years actuals of $517M by $123M (or 24%).

TABLE 9

MLTT Net Revenue ($M)

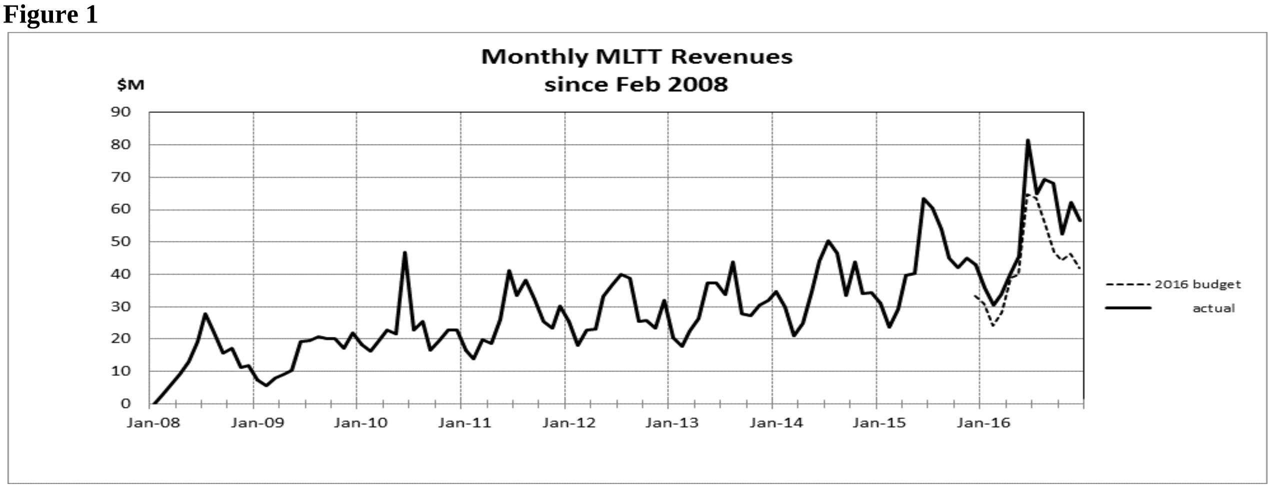
	Month			Annual		
	Dec 2016*	Dec 2015	y-y % change	2016*	2015	y-y % change
Actual	56	43	31%	640	517	24%
Budget	42	33	25%	526	425	24%
Budget Variance	14	10		115	92	
% Variance	34%	29%		22%	22%	

* Preliminary. All figures are subject to y/e adjustments by RSD re manuals, fees, IDC, etc.
Includes MLTT admin fee revenue implemented April 1, 2016.

The City's MLTT preliminary net budget for 2017 is $625 million. Following the 2016 budgeting strategy (where the budget is set to equal prior year's projected actuals) provides the opportunity to recognize an additional $15M in the budgeted revenue forecast. However, given the significance of MLTT to the City's operating budget, and the demonstrated volatility of the real estate market, the City would be prudent to increase its allocation to capital as a risk mitigation strategy. Further analysis of the market and its volatility are discussed in subsequent sections.

This positive variance is a continuation of a market trend that began in 2014 which has accelerated in the last year, as depicted in figure 1 below.

Figure 1



In terms of market segments, in 2016 single family residential revenue has grown to about 73% of the total revenue, compared with 64% in 2010. Non-residential sales and revenues are a smaller share, but even more variable, and heavily influenced by a small number of high value transactions. Of the approximately 76,000 transactions tracked by Teranet, 28 (or 0.04%) non-residential transactions were over $40M and contributed a total of $41M (or 7%) to the MLTT received by the City. Because of the impact of a small number of non-residential transactions on revenue, non-residential revenues are less predictable.

Table 10 below shows the budget variances since MLTT inception:

TABLE 10

		2008	2009	2010	2011	2012	2013	2014	2015[1]	2016[1]	CAGR[3]
Net Budget	$M	155.0	160.0	170.0	220.0	288.0	315.0	349.8	425.0	525.5	
Net Actual	$M	154.9	178.5	274.5	319.2	344.5	356.8	432.0	517.1	640.0 [2]	
Variance	$M	(0.1)	18.5	104.5	99.2	56.5	41.8	82.2	92.1	114.5	
	%	0%	12%	61%	45%	20%	13%	23%	22%	22%	
Annual growth %	Budget to budget		3%	6%	29%	31%	9%	11%	21%	24%	
	Actual to actual		15%	54%	16%	8%	4%	21%	20%	24%	19%

1. includes $40M transfer to Capital Financing Reserve Fund
2. Preliminary actual, subject to y/e adjustments w.r.t. manual, fees, IDCs & others
3. CAGR = cumulative annual growth rate 2008 – 2016

8. **Toronto Real Estate Board (TREB) statistics (2016)**:

Resale Residential Sales — GTA residential property sales continue the growth trend that began in 2014. Within the GTA, however, the city had slower 2016 sale and price growth than the 905. Due to a tight supply of low-rise properties (single, semi-detached, and townhouses) in the city, sales in 2016 for these properties were restrained (+3%, -6%, +4% respectively, year over year), but more than offset by an increase in high-rise condos (+20%), resulting in an overall annual sales increase of 10%.
Resale Residential Price — Competition amongst buyers in a seller's market continues to exert upward pressure on property prices. Average 2016 selling price of all resale homes in the city was $740,685 – up 12% year over year. Price growth was strongest for single detached, with average price reaching $1,252,069, up 20%, followed by semi (+17%) and townhouses (+16%), and high-rise condos (+9%). High-end homes accounted for a greater share of overall transactions than in 2016, driving up the average price. Table 11 compares the average price with the median price:

TABLE 11

	TREB MLS Resale Home Price (city of Toronto)	
	Average	Median
Dec 2016	$ 710,307	$ 534,900
2016 year	$ 740,685	$ 564,900

Non-Residential — Total sales have been trending down since the beginning of 2015. Non-residential average sale price per square foot varied from month to month, which resulted from fluctuations in market conditions, and variations in the mix of properties transacted in terms of geography, size and type — large industrial properties generally sell for less on a per square foot basis. The number and size of commercial transactions can be volatile.

9. Real Estate Industry Forecasts:

Table 12 below summarizes the current range of sales and price forecast for 2017 by industry experts (with a comparison of the predictions last year at this time):

TABLE 12

Industry Forecasts for Toronto Region		% change: 2016 vs 2015			% change: 2017 vs 2016		
		sales volume	average price	revenue impact = (volume x price)	sales volume	average price	revenue impact = (volume x price)
TREB [1]	low	-5%	5%	0%	2017 Outlook report expected to be released on Jan 31, 2017		
	high	4%	7%	11%			
CMHC [2]	low	-2%	8%	5%	-9%	7%	-3%
	high	4%	12%	17%	-7%	9%	1%
RE/MAX [3]		na	17%	na	-5%	8%	3%
Will Dunning [4]		na	15%	na	-3%	7%	3%
Range of revenue impact:				0% to +17%			-3% to +3%

1 TREB 2016 Market Year In Review & Outlook report Jan 18, 2016
2 CMHC Housing Market Outlook Fall 2016
3 RE/MAX Housing Market Outlook 2017
4 Will Dunning Inc., Housing Market Digest GTA, Nov 2016

10. 2017 preliminary operating budget:

TABLE 13

	2016		2017 preliminary operating budget		
	Budget ($M)	Projected Actual ($M)	MLTT revenue included in the prelim op budget ($M)	Add incremental revenues from harmonization per table 5 ($M)	Increased to prior year actual (+15), with harmonization ($M)
Total MLTT	526	640	625	+71 to +75	711 to 715
- Operating	486	600	585	+71 to +75	671 to 675
- Capital contribution	40	40	40	0	40
Capital contribution as % of total	7.6%	6.3%	6.4%	na	5.6%

The preliminary 2017 net operating budget for MLTT is currently $625M. Increasing the budget to 2016 projected actual net revenue would yield a budget of $640M. Combined with the identified harmonization changes should Council adopt them, the 2017 budget would range from $711M to $715M depending on the specific changes.

The preliminary 2017 revenue budget incorporates a $40M contribution to capital. This measure allows full recognition of revenue potential, while sheltering the operating budget from a direct impact should the forecast not be fully realized. $40M is just over 6% of the net preliminary revenue budget, and about 5.6% of budgeted revenue of $715 million if adjustments discussed above are adopted.

In EX20.2 staff suggested that a prudent capital allocation of up to 20% of net revenues (i.e. $143M) would be a reasonable hedge against a potential market downturn.

Forecast risks:

A number of circumstances could cause the City to miss its budget target. These include:

Market Correction: Industry experts have warned that home prices in the GTA were over-valued, and the double-digit rise in home prices has outstripped income growth or population growth, such that housing affordability is eroding, and Toronto would be in a real risk for correction.

Interest Rates: On July 13, 2016 the Bank of Canada held its benchmark interest rate steady at 0.5%, but said overly high house prices in some cities, namely Vancouver and Toronto, and the threat of Brexit, are risks to Canada's economy down the line. An increase in interest rates would have an immediate impact on price affordability.

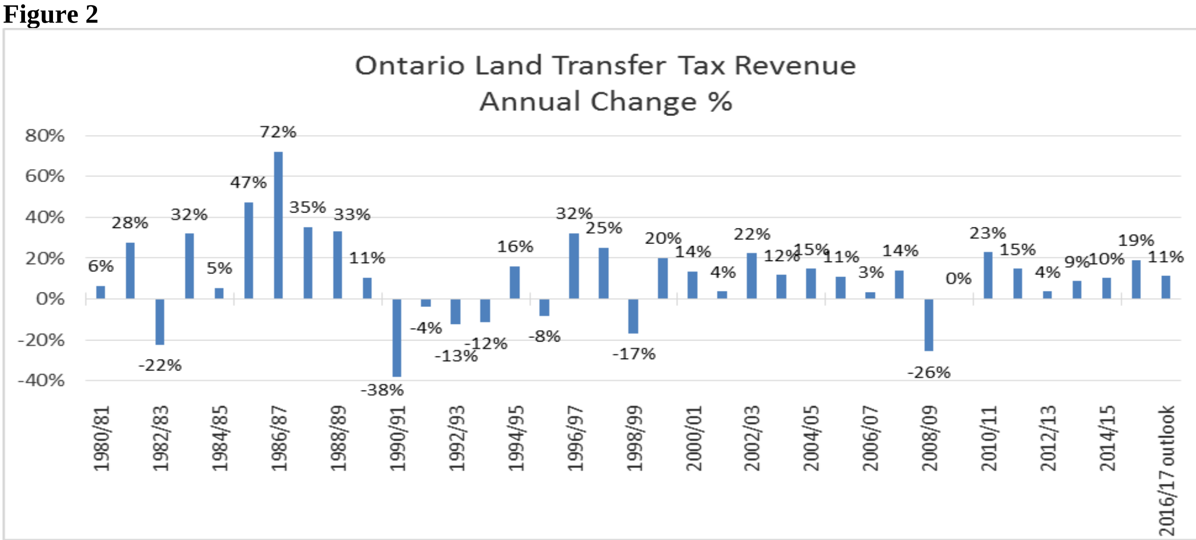
Regulatory changes: The recent tightening of the Federal mortgage insurance rules were expected to have a dampening impact on the housing market. A senior economist at the Bank of Nova Scotia cautioned that both the tightening of the rules and lowered affordability is not a good sign for the Toronto market, “Given increasingly stretched affordability, we expect the latest tightening in mortgage qualifying rules will lead to a cooling in GTA housing demand over the coming year. At the same time, severely constrained supply – the ratio of sales to new listings climbed to a seven-year high in September – will likely keep upward pressure on prices in the near term.”

Staff will continue to monitor the monthly variances and update the 2017 revenue estimate accordingly.

11. Other Background Information – Volatility of Ontario Land Transfer Tax 1980-2016:

The volatility of land transfer tax revenues (province wide data) in the past is an important reminder of how things can change. Figure 2 below shows the year-over-year change in actual LTT revenue in Ontario.

Figure 2



The record indicates that the provincial LTT revenues declined significantly (by about 20% or more) every 7 – 9 years. Once again, staff have indicated that increasing the capital allocation from MLTT revenues would be a prudent strategy in the circumstances.

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Appendix A – Impact on Taxpayer

TABLE 14	Impact on residential home buyers if City harmonizes rates & rebate with Province "+" means buyer pays more; "-" means buyer pays less						
	MLTT			FTHB Rebate if City Harmonizes with Province (max $4,000 for VOC $368,000)			
Property Value of Consideration	City current	Province	Difference	City current	City proposed = Province	Difference	Net incremental impact on eligible FTHB
$100K	$725	$725	$0	$725	$725	$0	$0
$200K	$1,725	$1,725	$0	$1,725	$1,725	$0	$0
$250K	$2,225	$2,225	$0	$2,225	$2,225	$0	$0
$300K	$2,725	$2,975	+$250	$2,725	$2,975	-$250	$0
$368K	$3,408	$4,000	+$592	$3,408	$4,000	-$592	$0
$400K	$3,725	$4,475	+$750	$3,725	$4,000	-$275	+$475
$500K	$5,725	$6,475	+$750	$3,725	$4,000	-$275	+$475
$600K	$7,725	$8,475	+$750	$3,725	$4,000	-$275	+$475
$700K	$9,725	$10,475	+$750	$3,725	$4,000	-$275	+$475
$800K	$11,725	$12,475	+$750	$3,725	$4,000	-$275	+$475
$1M	$15,725	$16,475	+$750	$3,725	$4,000	-$275	+$475
$2M	$35,725	$36,475	+$750	$3,725	$4,000	-$275	+$475
$3M	$55,725	$61,475	+$5,750	$3,725	$4,000	-$275	+$5,475

Alternatively, if the City caps FTHB Rebate at the VOC of $400,000 same as the current structure, the corresponding maximum rebate would be $4,475 (due to increased tax rates for the tier from $250,000 to $400,000).

TABLE 15	MLTT			FTHB Rebate if City caps the rebate at VOC of $400,000 (max of $4,475)			
Property Value of Consideration	City current	Province	Difference	City current	City new scenario	Difference	Net incremental impact on eligible FTHB
$100K	$725	$725	$0	$725	$725	$0	$0
$200K	$1,725	$1,725	$0	$1,725	$1,725	$0	$0
$250K	$2,225	$2,225	$0	$2,225	$2,225	$0	$0
$300K	$2,725	$2,975	+$250	$2,725	$2,975	-$250	$0
$368.3K	$3,408	$4,000	+$592	$3,408	$4,000	-$592	$0
$400K	$3,725	$4,475	+$750	$3,725	$4,475	-$750	$0
$500K	$5,725	$6,475	+$750	$3,725	$4,475	-$750	$0
$600K	$7,725	$8,475	+$750	$3,725	$4,475	-$750	$0
$700K	$9,725	$10,475	+$750	$3,725	$4,475	-$750	$0
$800K	$11,725	$12,475	+$750	$3,725	$4,475	-$750	$0
$1M	$15,725	$16,475	+$750	$3,725	$4,475	-$750	$0
$2M	$35,725	$36,475	+$750	$3,725	$4,475	-$750	$0
$3M	$55,725	$61,475	+$5,750	$3,725	$4,475	-$750	+$5,000