

June 16, 2020

Mayor John Tory and members of the Executive Committee
City Hall, 2nd Floor
100 Queen St. W.
Toronto, ON
M5H 2N2

Dear Mayor John Tory and members of the Executive Committee,

RE: Municipal Land Transfer Tax Rebate for First-Time Home Buyers (EX 14.5)

In the City of Toronto, the building and renovation industry provides over \$14.8 billion in investment value and employs over 118,000 people¹. As a simple rule of thumb one crane in the sky is equal to 500 jobs. With approximately 1,500 member companies, BILD is the voice of the home building, land development and professional renovation industry in the Greater Toronto Area and Simcoe County. Residential Construction is a key economic driver to every community in Canada.

We understand that City Council has requested its Chief Financial Officer to identify opportunities to provide First-Time Home Buyers with greater relief from the Municipal Land Transfer Tax (MLTT). As found in staff report EX.14.5 which will be received by the Executive Committee on June 22nd, this includes revising the maximum price eligibility threshold of \$400,000 to reflect increased home prices in Toronto.

BILD would like to take this opportunity to express our support for any changes to the MLTT that better reflect market data and reduce costs to future homeownership. Any efforts to alleviate financial pressures and barriers to homeownership, especially for first-time home buyers, will be pivotal in combatting the detrimental impacts the COVID-19 pandemic and rebuilding economies.

Council's intention to reduce the MLTT's financial burden is directly aligned with our industry's (the Canadian Home Builders' Association, the Ontario Homebuilders' Association, and BILD) pandemic recovery recommendations to the Ontario Jobs and Recovery Committee. It also supports our initial recommendation to Mayor Tory and the Toronto Office of Recovery & Rebuild to review the MLTT as a part of the overall post COVID-19 recovery strategy.

With the help of Altus Group, BILD surveyed its members on how the pandemic has impacted the delivery of future housing supply. From the 109,000 units accounted for in the survey, this emergency period will lead to the loss of about 9,000 housing starts over the course of 2020 and 2021 and the delayed occupancy of over 8,000 units by the end of 2021, potentially exacerbating an already existing shortages of housing in the City. These figures underscore the importance of supporting the new homeowners of Toronto with this MLTT policy change.

¹ Based on 2018 Canadian Mortgage and Housing Corporation and Statistics Canada data



BILD

BUILDING A GREATER GTA
Building Industry and Land
Development Association

We look forward to hearing further developments on the Chief Financial Officer's reporting on changes to the MLTT and are happy to assist in any way we can. Thank you again for your leadership on this matter.

If you have any questions, please feel free to reach out to the undersigned.

Sincerely,

Dave Wilkes
President & CEO, BILD

CC: Saad Rafi, City of Toronto
Chris Murray, City of Toronto
Heather Taylor, City of Toronto