

City Council**Notice of Motion**

MM38.1	ACTION			Ward: All
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Request the Government of Ontario Help to Stop Out-of-Control Housing Prices by Imposing a Home Speculation and Home Flipping Tax - by Councillor Mike Colle, seconded by Councillor John Filion

** Notice of this Motion has been given.*

** This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

Recommendations

Councillor Mike Colle, seconded by Councillor John Filion, recommends that:

1. City Council request the Government of Ontario to introduce a Home Speculation and Home Flipping Tax to help stop the extreme increases in home prices driven by land speculators and home flippers in the City of Toronto.

Summary

Given the out of control, hyper escalation of home prices in Toronto, making housing affordability impossible for most Torontonians, and given that these out of control housing prices are fueled by real estate speculators and home flippers ("investors") who are buying multiple properties other than their primary residence, it's time for the Ontario Government to stop out-of-control housing prices by re-imposing a Land Speculation Tax to stop home speculators from unfairly driving up the cost of housing in Toronto to unprecedented levels.

Recent data from the Toronto Regional Real Estate Board shows that home prices in the City rose by an alarming 22 percent over the last year making the average selling price for a resale house or condo \$1.16 million (up from \$955,889 which was last November's average).

This explosion in housing costs is being fueled in large part by home speculators who are purchasing multiple homes and flipping them for huge profits. According to Teranet, an unprecedented 25 percent of all property sales in Toronto are now to land speculators (so called "investors") up from 16 percent in 2011.

According to research by the Canadian Mortgage and Housing Corporation, home prices in Canada have risen 30 percent since the start of the COVID-19 pandemic and land speculation is partially to blame. Canadian Mortgage and Housing Corporation Chief Economist, Brad Dugan says that's "something that worries [him] because that adds extra froth to the market, pushes home prices higher and can create a harder landing if and when the market turns and prices correct."

When Toronto was facing a similar problem in the early 1970s, Ontario Premier Bill Davis implemented a 50 percent Land Speculation Tax on people buying and selling homes that were not their principal residence. This tax is credited with slowing the extreme increase in property values in Toronto in the 1970s.

Urgent action is needed to help stop the extreme increase in home prices in Toronto, driven by home flippers and land speculators who treat housing like a Bitcoin-type commodity.

Background Information (City Council)

Member Motion MM38.1

Communications (City Council)

- (December 8, 2021) E-mail from Joe Lombardi (MM.Main)
- (December 8, 2021) E-mail from Michael Lauber (MM.Main)
- (December 8, 2021) E-mail from Greer Wright (MM.Main)
- (December 8, 2021) E-mail from Jeffrey Stutz (MM.Main)
- (December 8, 2021) E-mail from Marvyne Jenoff (MM.Main)
- (December 8, 2021) E-mail from Laura Lamarche (MM.Main)
- (December 8, 2021) E-mail from Susan Pink (MM.Main)
- (December 8, 2021) E-mail from Shauna Corbin (MM.Main)
- (December 8, 2021) E-mail from Laraine Naft (MM.Main)
- (December 8, 2021) E-mail from Brent McGaw (MM.Main)
- (December 8, 2021) E-mail from Gail Axmith (MM.Main)
- (December 8, 2021) E-mail from Harold B. Smith (MM.Main)
- (December 8, 2021) E-mail from Patricia and William Clark (MM.Main)
- (December 8, 2021) E-mail from Seboua March (MM.Main)
- (December 8, 2021) E-mail from Dawn Scott (MM.Main)
- (December 8, 2021) E-mail from Terry Lobo (MM.Main)