



January 28, 2022

12th floor, West Tower, City Hall
100 Queen Street West
Toronto, ON M5H 2N2
Attention: Marilyn Toft

RE: EX29.8: Request the Government of Ontario Help to Stop Out-of-Control Housing Prices by Imposing a Home Speculation and Home Flipping Tax (Ward All)

Dear Mayor John Tory and Members of City Council,

This is to express our strong support for the above captioned Motion and Recommendation from Executive Committee.

We believe that this Request to the Ontario Government is extremely important as, if approved, it would signal the City's endorsement of the concept that the housing affordability issue is NOT solely a supply issue, as many Real Estate voices suggest, but largely a demand issue.

The latter view has been eloquently expressed by Professor Patrick Conlon¹ noting that cities such as Vancouver have "already tried harder than anywhere else in North America to add housing supply in the hopes of lowering home prices and sadly it has not worked.....what's happening in B.C. is happening elsewhere — whether they are adding housing slowly or quickly. It makes no difference if these cities are constraining supply like San Francisco, California, or letting it rip like Austin, Texas. Everywhere, housing prices are separating from the ability of average wage earners to afford homes. So, it's not about supply and it's not about B.C. and it's not about Vancouver. It's about a worldwide gap between what people are getting paid and what things cost, important things, valuable things, especially housing. It's called [global asset price inflation](#) and it's raging worldwide".

"The pandemic has impelled the Bank of Canada, (and other global central banks), to increase the money supply ([quantitative easing](#)) — all to keep interest rates near zero in the hopes of preventing our economy from crashing, This cheap money, combined with the ability for investors to use any of their existing equity in rapidly inflating urban land value to leverage more of it (buying up a second or third property or apartment buildings), fuels the speculative frenzy in urban land value we are seeing now".

However, we are concerned that the City of Toronto may unwittingly be encouraging this type of speculative activity through its Expanding Housing Options in Neighbourhoods (EHON)

¹ James Taylor Chair in Landscape and Livable Environments at the University of British Columbia's School of Architecture and Landscape Architecture

initiatives, especially Garden Suites, based on the recent experience elsewhere in Ontario where such suites have been introduced².

Yours truly,

Geoff Kettel
Co-Chair, FoNTRA

Cathie Macdonald
Co-Chair, FoNTRA

Cc: Chris Murray, City Manager
Tracey Cook, Deputy City Manager, Infrastructure and Development Services
Gregg Lintern, Chief Planner and Executive Director, City Planning Division

The Federation of North Toronto Residents' Associations (FoNTRA) is a non-profit, volunteer organization comprised of over 30 member organizations. Its members, all residents' associations, include at least 170,000 Toronto residents within their boundaries. The residents' associations that make up FoNTRA believe that Ontario and Toronto can and should achieve better development. Its central issue is not *whether* Toronto will grow, but *how*. FoNTRA believes that sustainable urban regions are characterized by environmental balance, fiscal viability, infrastructure investment and social renewal.

² Long Branch Neighbourhood Assn webinar meeting re Garden Suites with City of Barrie residents.
https://www.youtube.com/watch?v=pKYX_5m3To