



October 10, 2023

Mayor Chow and members of Council
Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Sent via email to: councilmeeting@toronto.ca

RE: Toronto City Council Meeting, Agenda Item EX8.7 Vacant Home Tax: Status Update

Dear Mayor Chow and members of Council,

The Building Industry and Land Development Association monitored the October 3rd Executive Committee on the City's Vacant Home Tax update and we would like to provide some points of clarification with respect to our position on the levy.

To begin the City of Vancouver's empty homes tax was the model from which the Toronto vacant home tax program was developed, but Toronto's first iteration it was missing a vital component of the Vancouver program, being an exemption for new construction/development inventory.

Even with Toronto staff's newly proposed exemption, it is still very concerning as it limits the exemption to 2-years, whereas the City of Vancouver's program does not place a time limit on the exemption.

BILD recommends that the City of Toronto echo the Vancouver model and remove the time limit on the exemption altogether.

No time limit is necessary for this exemption because:

- It allows developers ample time to sell condo's that typically take longer to sell such as larger or irregular units without penalty.
- It allows time for any returning inventory (units that fail to close) to be re-sold without penalty.
- Ideally all units could be sold within the first month of it being up for sale, but that is simply not the case. With the changing interest rate environment and market instability, it has been and will likely continue to take much longer in the months ahead. This program does not account for current and future market volatility.
- Finally, there is no incentive for developers to keep units in inventory as they accrue carrying costs, such as maintenance fees and property taxes.

We thank you for the opportunity to submit these comments. Please feel free to contact the undersigned with any questions.

Sincerely,

Danielle Binder, RPP MCIP
Director, Policy and Advocacy, BILD