



February 13, 2024

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

Sent via email to: [councilmeeting@toronto.ca](mailto:councilmeeting@toronto.ca)

**RE: CC15.1 - Budget Implementation Including Property Tax Rates, User Fees and Related Matters**

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Dear Mayor Chow and Members of Toronto City Council,

Further to our previous budget committee correspondence, we acknowledge that on January 29<sup>th</sup> Mayor Chow announced a reduction to the proposed residential property tax increase from 10.5% to 9.5% and also a reduction to the multi-residential tax rate to 3.5%. The full details of which were later released on February 8<sup>th</sup>.

While we were initially encouraged by the January 29<sup>th</sup> announcement of a reduction to the proposed multi-residential tax increase (for purpose-built rental projects), we learned on February 8<sup>th</sup> through further clarification from City Staff that the reduced increase of 3.5% for multi-residential was only applicable to rental buildings that were built pre-1998 and any units post-1998 and new construction would face the full freight of the increase, being 9.5%.

BILD and its members are significantly concerned with the proposed property tax increase of 9.5% for new purpose-built rental (PBR) development projects, especially at a time when all three levels of government need to come together to stimulate the development of PBR housing. Again we stress that the deficit of rental housing supply in the Greater Toronto Area will double in the next 10 years to 177,000 units (Urbanation, 2023).

As a reminder, the Federal Government and the Provincial Government recognized the need, and stepped up with GST and HST relief for new PBR projects. While the feasibility of new PBR projects is supported by these measures, they are still highly sensitive to any market instabilities or government taxes and levies that may rise. Raising the property taxes on new PBR development negates the tax relief provided by the other levels of government which was designed to restore project viability and unlock supply.

In Toronto, a 9.5% new multi-residential tax increase on PBR developments will have a cooling effect on new PBR construction. We strongly urge you to exclude new PBR from this increase, and in fact, reductions should be considered akin to the other levels of government.

As a closing sentiment, the city should also consider that the cost of inaction results in a lack of supply and forces projects to sit idle because they are not economically viable. Ultimately, causing the city to forgo significant lost revenue.

We thank you for your consideration of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Danielle Binder".

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