



July 16, 2024

To: Mayor Chow  
Members, Executive Committee

From: Daryl Chong, Greater Toronto Apartment Association

**Re: EX16.8 – Considerations for Implementing a New MR Property Tax Subclass**

Greater Toronto Apartment Association Members own and manage more than 150,000 residential units in purpose-built rental buildings. The vast majority were built before 1980 and subject to the Multi-Residential (“MR”) property tax rate, which remains nearly twice the Residential (“R”) rate paid by owners of condominium units and detached houses.

In 2005, Toronto Council adopted “*Enhancing Toronto’s Business Climate – It’s Everybody’s Business*” which implemented several property tax fairness initiatives. These were implemented in 2006 to slowly address the imbalances in tax ratios. At that time the MR property tax rate was 3.7 times higher than the R rate.

Today’s report indicates that Toronto’s New MR property class (“NT”) which was introduced in 1998 currently includes just 264 properties. The city’s financial contribution is minimal when viewed in context of the intent of this newly provided ability, which the report states as, “*to support the development of much needed purpose-built rental housing and is aligned with the City of Toronto’s efforts to incentivize the creation of new purpose-built rental homes.*”

Toronto should proceed and create a reduced new municipal property tax rate and it should be implemented at the maximum allowable amount which is 35%. This alone does not improve a rental development pro forma sufficiently to start new projects, but in combination with other incentives the collective effect could be impactful.

Rental housing is chronically undersupplied and new units are urgently required. A synchronized timeline that brings together rental-related recommendations and initiatives (ie, Apartment Infill), ahead of the 2025 budget cycle to provide a complete package of policy and program changes could encourage immediate new rental construction.

This is a helpful initiative which when combined with others creates great potential. We look forward to actively participating in upcoming consultations as we share the common goal of providing more rental housing to fill the needs of our growing City.

Respectfully,



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