

January 29, 2024

Mayor Chow and Budget Chief Councillor Shelley Carroll
Toronto City Hall
100 Queen Street West
Toronto, ON
M5H 2N2

Sent via email to: mayor_chow@toronto.ca, councillor_carroll@toronto.ca

RE: Encouraging the Type of Housing Supply Toronto Needs - Approach to Property Taxes for New Purpose Built Rental Development Projects

Dear Mayor Chow and Councillor Shelley Carroll,

We write to you today on behalf of the purpose-built rental (PBR) members of the Building Industry and Land Development Association regarding the proposed increase to the multi-residential tax rate and its potential impact on the development of PBR in the City of Toronto.

We acknowledge the City is at a pivotal juncture where it must decide how to plan for a fiscally sustainable future. We congratulate you on the achievement of the new deal with the Province, where they have agreed to provide the City with up to \$1.2 billion in provincial operating supports over three years and significant capital relief. This is a testament to your leadership and recognition of the support the City requires from other levels of government.

We also acknowledge your courageous leadership to bring the municipal residential property tax rates into alignment with and the City's growth. We note that through the Budget proceedings, the City has proposed a 10.5% increase to the residential tax rate. Our members are concerned that this proposal translates into a 5.25% increase for the multi-residential tax rate, which will severely impact Toronto's new housing supply of PBR.

Through a [study](#) we released last year, we estimate that the deficit of rental housing supply in the Greater Toronto Area will double in the next 10 years to 177,000 units. We also note that the City of Toronto has its own housing targets of 285,000 homes, of which 41,000 are targeted to be rental. CMHC has stated that "the rental sector needs to be expanded a lot, and so in order to encourage that, we need a lot of private sector investment."

Through our advocacy, we urged all levels of government to implement policies to stimulate the development of PBR housing to meet rapidly growing housing demand. The Federal and Provincial Government recognized the need, and stepped up with GST and HST rebates, yet the proposed increases in property taxes will run counter to this work, having a cooling effect on new PBR by diluting the positive impact on project viability.

We strongly urge you to exclude all PBR from this increase, and in fact, reductions should be considered akin to the other levels of government.



Additionally, we would like to take this opportunity to request a meeting with you to discuss how we can bring more purpose built rental to the City of Toronto. We thank you for your leadership and consideration of these requests.

Sincerely,

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

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

CC: Jennifer Chan, Legislative Affairs and Implementation Liaison, Office of Mayor Olivia Chow
Tom Gleason, Chief of Staff, Office of Councillor Shelley Carroll