



ONTARIO GOVERNMENT ONE STEP CLOSER TO ALLOWING DOUBLING OF LAND TRANSFER TAXES ON HOME BUYERS PROVINCE-WIDE

Provincial government looking to extend power to all municipalities to charge unfair, unsustainable Municipal Land Transfer Tax despite public opposition and election promise

Toronto, ON, Oct. 27, 2015 – The Ontario Ministry of Municipal Affairs and Housing has indicated that they are going to make buying a home even harder by giving every municipality province-wide the power to charge a Municipal Land Transfer Tax (MLTT), a change that will double the land transfer taxes consumers have to pay on their next home. The Ontario Real Estate Association (OREA) encourages all Ontarians to visit www.donttaxmydream.ca to learn more about the negative impact of the MLTT and stop this tax from spreading province-wide.

“Ontario home buyers are already charged a provincial land transfer tax, so by adding a municipal tax, they’re essentially doubling the tax burden on Ontario families,” said Patricia Verge, president of OREA. “If the Ontario Liberals follow through with this plan, home buyers will be forced to pay \$10,000 in total land transfer taxes on the average priced home in Ontario, starting as early as next year.”

Broken election commitment doubles tax on home buyers

The provincial government is currently undertaking a public consultation on changes to the *Municipal Act*. Despite the fact that the period for public comment is still open until October 31, 2015, the Ministry of Municipal Affairs and Housing has indicated that they will move ahead with granting municipalities across the province the ability to impose a municipal land transfer tax, disregarding views expressed by Ontarians during this important public process.

Verge said that, “The Ontario Liberals wrote to us in May 2014, during the election, stating that ‘*they had no plans to extend these powers to municipalities*’. On behalf of home buyers, we want them to remain good on this election promise and that means Ontarians need to send a strong message that the government must rethink its plan to double the land transfer tax burden on home buyers.”

In 2008, the City of Toronto put an MLTT in place after the Ontario government extended the powers to do so two years prior. The result has been significant negative impacts on jobs and the economy. Over five years, it is estimated that 38,227 housing transactions did not occur in Toronto because of the MLTT. With every home transaction generating \$55,000 in consumer spending on things like renovations, furniture, appliances, and fees to professionals, the MLTT has cost the City of Toronto \$2.3 billion in lost economic activity and 15,000 jobs. This type of effect would be multiplied across Ontario if the government moves ahead with its plans.

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New data from Ipsos Reid show Ontarians do not support new tax

A new Ipsos Reid poll shows that the overwhelming majority of Ontarians (89 per cent) outside of Toronto oppose a new MLTT charged on home purchases in their area. Respondents agreed that if a new land transfer tax were put in place, it would limit their ability to afford a home (77 per cent) and they would likely have to delay a purchase (75 per cent). Ontarians agreed (77 per cent) that the government should do all it can to help families own their own home.

About OREA

The Ontario Real Estate Association represents 62,000 brokers and salespeople who are members of the 40 real estate boards throughout the province. OREA serves its REALTOR® members through a wide variety of professional publications, educational programs, advocacy, and other services.

www.OREA.com.

Methodology

These are some of the findings of an Ipsos Reid poll conducted between August 28 to September 8, 2015, on behalf of the Ontario Real Estate Association. For this survey, a sample of 1,501 Ontarians from Ipsos' Canadian online panel was interviewed online. Weighting was then employed to balance demographics to ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within +/-2.9 percentage points of what the results would be had all adults in Ontario been surveyed.

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