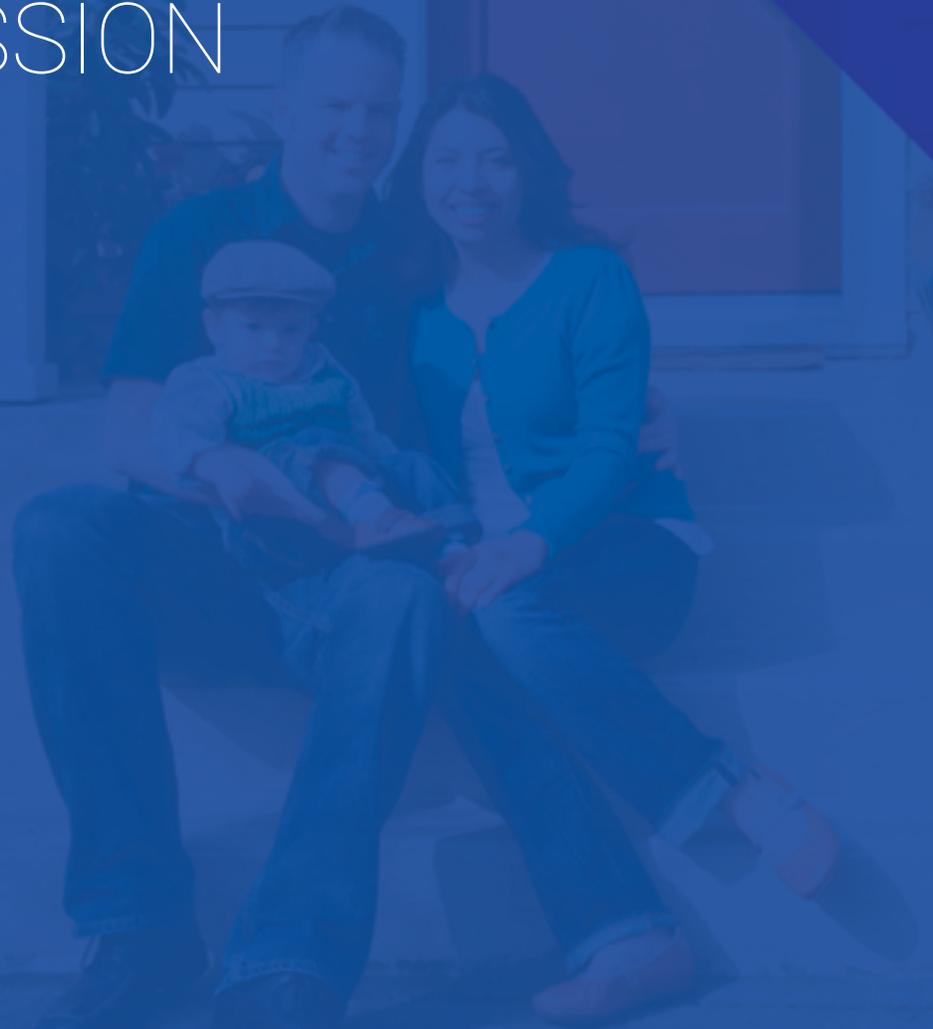




---

# 2018 PRE-BUDGET SUBMISSION



# About the Ontario Real Estate Association

The Ontario Real Estate Association represents 70,000 brokers and salespeople who are members of the 38 real estate boards throughout the province. OREA serves its REALTOR® members through a wide variety of professional publications, educational programs, advocacy, and other services.

Ann Hoggarth, MPP, Chair  
Standing Committee on Finance and Economic Affairs  
Room 1405, Whitney Block, Queen's Park,  
Toronto, Ontario, M7A 1A2

January 19th, 2018

Dear Madam Chair,

Thank you for allowing the Ontario Real Estate Association (OREA) to present our 2018 pre-budget recommendations.

Last year, Ontario's real estate market bore the brunt of numerous government interventions. From a new stress test and rising interest rates to Ontario's Fair Housing Plan, governments at all levels piled on new regulations to try and cool the market. Forgotten in the rush to regulate the market, are the thousands of middle class families who dream of one day owning a home.

Going forward, the provincial government must focus on helping more young people achieve the dream of homeownership. The best long-term solution to give growing families and millennials a shot at affordable home ownership is to increase housing supply and choice in the market-place. OREA would also like to see incentives for seniors to "right-size" and rebates for energy efficient retrofits.

On behalf of our 70,000 members, thank you for the opportunity to present our seven budget recommendations. We look forward to seeing these included in the 2018 Ontario Budget.

Should you have any additional questions, please contact Adam Yahn, OREA's Head of Government Relations at [AdamY@orea.com](mailto:AdamY@orea.com) or 416-385-6630.



Ettore Cardarelli, President  
OREA



John Oddi, Chair  
OREA Government Relations Committee

# 7 Key Budget Priorities

Ontario REALTORS® are strong supporters of the Canadian dream of home ownership. Home ownership is critical to the Ontario economy and strong communities. OREA encourages the Standing Committee on Finance and Economic Affairs to support affordable home ownership in their 2018 Budget recommendations. The first section of our submission outlines the REALTOR® five-point platform for home ownership which will keep the Canadian dream affordable for young families and seniors across our province. The second section outlines two additional recommendations that will continue to support a strong real estate industry in Ontario.



**SECTION ONE**

REALTOR® Platform for  
Home Ownership



## TAX REBATE FOR FIRST-TIME HOME BUYERS

*Ontario REALTORS® recommend increasing the First-Time Home Buyer Land Transfer Tax (LTT) rebate to \$6,000 and index with inflation.*

In January, the government increased the First-Time Home Buyer Rebate to a maximum of \$4,000. However, the current housing prices mean that first-time buyers are still paying a portion of the LTT - especially in Toronto where home buyers pay a second LTT. The rebate should be increased and indexed with inflation.



## GREEN HOME ENERGY ASSISTANCE PLAN (GHAP)

*Ontario REALTORS® recommend that instead of introducing mandatory energy audits, the government should invest those funds (\$250 million) into targeted retrofits instead.*

According to the Conference Board of Canada, the largest source of greenhouse gas emissions (GHGs) in residential buildings comes from homes built pre-1995. Following the success of the Home Energy Savings Program (HESP) in 2007 which saw the equivalent of 120,000 cars taken off the road, Ontario should give targeted rebates to home owners to make energy efficiency upgrades/renovations (windows, furnaces and insulation). With over 70,000 salespeople and brokers in every community across Ontario, REALTORS® will be a partner in promoting this program with home owners.



## FIRST-TIME BUYER DOWN PAYMENT ASSISTANCE PROGRAM

*Ontario REALTORS® recommend that the government commit to introducing a provincially backed loan program for middle-class families that would match the amount a first-time buyer has saved for a down payment (five per cent of the home's purchase price - up to \$37,500).*

One of the hardest things to do is to save enough money for a down payment. To be able to save for one, many young couples and recent graduates are moving back home. Further, recent mortgage stress test changes are going to impact the ability for first-time buyers to get into the market. The British Columbia (BC) government introduced a similar program called the BC Home Owner Mortgage and Equity (HOME) Partnership.



## TAX RELIEF FOR SENIORS

*Ontario REALTORS® recommend that the government offer a land transfer tax rebate to seniors who right-size (move into smaller housing).*

The main issue in the current housing market is the lack of inventory. This not only applies to new housing, but also resale. With older adults staying in their homes longer, there is less supply available for young families and first-time home buyers. One of the reasons is that the cost to move, especially in Toronto with a double land transfer tax, is too high. The Canadian Centre for Economic Analysis notes that more than half of Ontarians are “over-housed” and there are more than 400,000 homes that have three or more empty bedrooms.



## CUT RED TAPE LIMITING NEW HOUSING SUPPLY

*Ontario REALTORS® recommend that the government commit to removing the red tape that delays new housing supply from being built.*

The lack of new housing supply is one of the biggest barriers to a balanced housing market. Layers upon layers of approvals, lack of serviced land, and zoning challenges are just a few examples of some policies that limit new building supply. Demand for housing is increasing in the Greater Golden Horseshoe for many reasons. Government policy should encourage the building of more homes for Ontario families

A photograph of a family of three—a man, a woman, and a young child—sitting on the steps of a house. The image is overlaid with a blue gradient that is darker in the top right corner and lighter towards the bottom left. The text is positioned on the left side of the image.

**SECTION TWO**

Supporting a Strong Ontario  
Real Estate Industry



## PERSONAL REAL ESTATE CORPORATIONS

*Ontario REALTORS® recommend that Ontario bring fairness to the tax treatment of Ontario real estate professionals and permit personal real estate corporations (PREC)s.*

Ontario real estate salespeople are prevented by the Real Estate and Business Brokers Act, 2002 from incorporating their businesses through a personal real estate corporation (PREC). The exclusion of PRECs from REBBA was not an intentional decision, but rather a technical oversight when the legislation was drafted. There is support for PRECs on all sides of the Legislature as Bill 104, Tax Fairness for REALTORS® Act passed second reading last March and is awaiting public hearings.



## REVIEW OF THE REAL ESTATE AND BUSINESS BROKERS ACT, 2002

*Ontario REALTORS® recommend that the government continue with the review of the Real Estate and Business Brokers Act, 2002 (REBBA).*

It has been fifteen years since REBBA was introduced and the Act needs to be modernized to reflect the modern real estate market. The Premier's commitment to review the legislation last year was welcome news to OREA's members. As part of the review, OREA has launched the biggest member consultation in our history and look forward to continuing to work with all parties to ensure much needed changes are made to the legislation to enshrine the highest professional standards in North America.