

MEDIA SCAN: HOUSING

April 20, 2017

Click links below to view article:

Online Coverage	4
Toronto Star: Premier Kathleen Wynne's housing plan won't cool prices, realtors assert	4
Toronto Star: Kathleen Wynne's housing plan a potpourri of politics: Walkom	7
Toronto Star: New tax, rent controls part of Wynne's plan to protect tenants and homebuyers	9
Toronto Star: Wynne to slap 15 per cent tax on foreign real estate speculators	12
Toronto Star: Foreign buyer tax means uncertainty for Toronto budget	14
Toronto Star: Tenant advocates welcome plan to curb rent increases	16
Toronto Star: New fair housing plan protects home buyers, owners and renters: Editorial	18
Toronto Star: Wynne unveils plan to protect tenants and homebuyers	20
Toronto Star: Trudeau wants to relieve pressures on GTA real estate, but cautiously	21
Globe and Mail: Wynne rides to the rescue on housing ... and makes things worse	22
Globe and Mail: What owners and buyers need to know now that Ontario has moved to cool the housing market	24
Globe and Mail: Banks unfazed by new Ontario rules on real estate	26
Globe and Mail: Ontario unveils new tax, caps rent hikes in bid to cool housing	28
Financial Post: Ontario slaps 15% tax on foreign buyers, expands rent control in 16-point plan to cool housing	30
Financial Post: Will Ontario's plan to cool housing work or do more harm? Both say economists	33
Financial Post: Ontario's measures to cool housing could be 'positive' for Canada's banks	35
Financial Post: Why the economics of building new apartments in Toronto just got worse	38
National Post: John Robson: Kathleen Wynne, the noted economist, knows how much your house should be worth	40
QP Briefing: Eight things you may not have known about 'Ontario's Fair Housing Plan'	42
QP Briefing: What people are saying about the 'Fair Housing Plan'	46
Toronto Sun: Ontario to tax non-resident foreign housing buyers 15%	49
Ottawa Sun: Many reasons require many housing affordability solutions	53
CBC News: Wynne's housing, rental affordability measures met with mixed response	55
CBC News: 'It's more than a good start': How province's housing measures hit Hamilton	57
CBC News: 'We know we have a problem': Ontario lays out sweeping measures to curb high rents, home prices	59
CBC News: Bye bye 1991 loophole — rent control to expand to all rental units in Ontario	62
CBC News: Wynne lays out plans to cool Ontario's sizzling housing market	65
CBC News: Wynne's rent control will backfire, says property owner association	67
CBC News: Foreign buyers tax, expanded rent control coming to Ontario	69
CP24: A full list of housing measures announced by the Ontario Government	72
Global News: Why Canada wins, but many Torontonians lose, from Ontario's new housing measures	74

<u>CTV News: Don Martin: Ontario takes politically smart, economically necessary action on housing</u>	77
<u>CTV News: 'A cooling effect': Realtors react to Ontario housing plan</u>	79
<u>CTV News: Expanded rent control, foreign buyer tax among 16 measures aimed at cooling housing market</u>	81
<u>CTV News: There are pressures on real estate that need to be alleviated, PM says</u>	84
<u>CHCH: Ontario to tax foreign buyers, expand rent control to cool housing market</u>	85
<u>Ottawa Citizen: Mayor Watson welcomes rent control expansion: 'Should have been done some time ago'</u>	86
<u>Ottawa Citizen: Does anyone trust the Liberals to fix housing prices?</u>	88
<u>Ottawa Citizen: Ontario to tax foreign buyers, expand rent control to cool housing market</u>	90
<u>Ottawa Citizen: Trudeau says there are pressures on real estate that need to be alleviated</u>	92
<u>Ottawa Citizen: Ontario housing measures expected to have short-lived impact, experts say</u>	93
<u>Ottawa Citizen: Why our suburbs are no place to grow old</u>	95
<u>Maclean's: The Wynne government flies blindly into the housing bubble</u>	97
<u>Maclean's: The 16 measures in Ontario's new housing plan</u>	99
<u>Reuters: Ontario sets tax on foreign buyers to cool Toronto housing market</u>	101
<u>Bloomberg: Cracks Appear in Toronto's Housing Market as Home Capital Drops</u>	103
<u>BNN: 'A game of whack a mole': Experts react to Ontario's new housing intervention</u>	108
<u>BNN: Ontario unveils 16 new housing measures, including 15% non-resident speculation tax</u>	109
<u>Metro News: What Ontario's new housing plan means for renters</u>	111
<u>Urban Toronto: Ontario's New Fair Housing Plan Aims to Stabilize Heated Market</u>	114
<u>Hamilton Spectator: Ontario to tax foreign buyers, expand rent control to cool housing market</u>	116
<u>Hamilton Spectator: Wynne to slap 15 per cent tax on foreign real estate speculators</u>	118
<u>Hamilton Spectator: How does Ontario's new foreign homebuyer tax work?</u>	120
<u>My West Nipissing Now: Northern Ontario Party Explains Toronto's Housing Crunch Problem</u>	122
<u>The Chronicle Herald: Ontario housing measures expected to have short-lived impact, experts say</u>	123
<u>The Chronicle Herald: The Canadian Press explains how Ontario's new foreign homebuyer tax would work</u>	125
<u>Waterloo Region Record: Ontario brings in foreign housing tax to cool Toronto market</u>	127
<u>Waterloo Region Record: Soaring prices draw influx of real estate agents, but they face stiff competition</u>	129
<u>Waterloo Region Record: Ontario housing measures to deal with speculators, supply, rental issues</u>	131
<u>Simcoe.com: Ottawa, province must address skyrocketing housing prices</u>	133
<u>MoneySense: The epicentre of Toronto's housing bubble</u>	134
<u>Huffington Post Canada: Foreign Home Buyer Tax Coming To Ontario, Along With New Rent Controls</u>	136
<u>Radio Canada International: Ontario to tax foreign home buyers, expand rent control</u>	138
TV Transcripts	139
<u>CTVNN: Power Play: Finance Minister Sousa On New Housing Measures In Ontario</u>	139
<u>CTVNN: Power Play: Press Panel On Ontario's Fair Housing Plan</u>	141
<u>CTVNN: Power Play: Host Don Martin On Ontario's Real Estate Market</u>	142
<u>CBCNN: Power & Politics: Panel Discusses Ontario Fair Housing Plan and Potential Impacts</u>	143

CBCNN: Power & Politics: Option for Housing Group Comments on the State of Toronto's Housing Market	146
CFTO: Province Introduces Measures Aimed to Help Cool Housing Market	149
CFTO: Reaction To Province's Recently Announced Fair Housing Plan	151
CFTO: Ontario Announces 16 Measures To Stabilize Housing Market	153
CFTO: Federal Finance Minister Reacts To Ontario's Housing Market Measures	156
Global: Premier Wynne Introduces Fair Housing Plan Today	157
Global: Premier Wynne Talks Strategy Behind Fair Housing Plan	159
Global: Public Reaction To Ontario Housing Announcement	161
Global: Financial Advisor Expert On Current Buyers Challenges In Housing Market	162
Global: Discussion On Rent Control Measures In Fair Housing Plan	164
Global: Ontario Introduces Fair Housing Plan To Stabilize Market	165
Global: Ontario Announces 16 Measures To Stabilizes Housing Market	166
Global: Interview With NDP Leader Andrea Horwath On Housing And Convention	168
CityTV: Ontario Introduces Fair Housing Plan To Stabilize Market	171
CityTV: Housing Expert Believes New Real Estate Measures Will Help Ontario	174
CBC: Province Announces New Housing Measures	176
CBC: Opposition Parties Question Timing Of Housing Announcement	178
CBC: Province Announces New Measures To Address Housing Affordability	180
CBC: Economist Discusses Impact Of Proposed Housing Measures	182
CBC: Province Introduces 16 New Measures To Cool Housing Market	184
CBC: Ontario Implements Foreign Buyers' Tax, Housing Organizations React	185
CKCO: Ontario Government Releases Plans To Tackle Housing In GTA	186
CKCO: Sales Agent Suggests New Housing Plan Could Impact Waterloo And Guelph	188
CKCO: Province Announces New Measures Aimed To Cool Housing Market	189
CJOH: Province Introduces 16-Point Strategy To Cool Hot GTA Housing Market	191
CJOH: CIBC Economist Warns Against Province's Rent Controls	193
CJOH: Province Introduces 16 New Measures To Cool Housing Market	194
CJOH: Ottawa Mayor Jim Watson Comments On Toronto's Housing Market	195
CHCH: Premier Wynne Announces Measures To Cool GTHA Housing Market	196
MCTV: Province Introduces Measures Aimed At Cool Housing Market	198
MCTV: CIBC Economist Warns Against Province's New Rent Controls	199
MCTV: Province Introduces 16 New Measures To Cool Housing Market	200
CKVR: Province Introduces Measures To Cool Housing Market	201
CKVR: Housing Announcement Expected To Bring Relief To Barrie	202
CKPR: Ontario Announces 16 Measures To Stabilize Housing Market	203
CKWS: Premier Wynne Announces New Measures To Cool Housing Market	205

ONLINE COVERAGE

TORONTO STAR: PREMIER KATHLEEN WYNNE'S HOUSING PLAN WON'T COOL PRICES, REALTORS ASSERT

Market activity might slow down, but that won't necessarily make buying more affordable or rentals more available in the near term, realtors say.

By: Tess Kalinowski, Real Estate Reporter
Thu., April 20, 2017

<https://www.thestar.com/business/2017/04/20/premier-kathleen-wynnes-housing-plan-wont-cool-prices-realtors-assert.html>

Financially stretched house-hunters competing for the Toronto region's limited supply of housing won't wake up this weekend to a drop in home prices or bidding wars thanks to Premier Kathleen Wynne's 16-point Fair Housing Plan.

There were mixed reactions to the province's announcement Thursday of proposed measures designed to cool the Toronto region's fevered property market, which has now infected the entire Greater Golden Horseshoe.

The Toronto Region Board of Trade questioned whether the proposed new vacancy and foreign-buyer taxes, rent restrictions on newer buildings and development enticements, will be enough to address the lack of supply of housing, to buy or rent, in the face of unprecedented demand.

"We've got 80,000 people a year moving into the city. We should have 30,000 new rental units a year coming on stream. Right now, and, over the last few years, the average has been 1,500," said Jan De Silva of the Board of Trade.

Realtors and business experts say it will likely take months, maybe longer, before it's clear whether the development charge breaks and other incentives Queen's Park is dangling before developers of rental buildings will be enough to counteract the discouraging effects of extending rent control.

London and New York have shown that rent controls are a disincentive to building new units, because they curtail the potential return on investment for pension funds and other investors in these kinds of developments, said the business group's CEO.

The Toronto Real Estate Board questioned whether the government plans for a 15 per cent tax on non-resident, foreign owners, similar to one in Vancouver, is supported by adequate data.

"It's not clear that the issues targeted by the policies announced are fully understood at this point, nor is it clear how effective these policies will be or if they will have unintended outcomes," said a statement by TREB, which represents 45,000 realtors in the Toronto region.

A survey of TREB members published earlier this year, said that only 4.9 per cent of transactions last year involved foreign buyers.

But that number has been the subject of widespread skepticism.

“None of the 16 measures that were talked about today is going to do anything to allow somebody to now all of a sudden afford a property,” said Ara Mamourian, a realtor with Spring Realty in Toronto.

In Vancouver, a tax on homes bought by foreign investors and a vacant-home tax didn’t make homes more affordable, but it did raise tax revenue for the government, he said.

Mamourian thinks that the foreign-buyer tax could slow pre-construction condo sales. Even though the province will refund the tax to foreign students and foreign nationals working in Ontario, those people would have to pay a lot of money up front, said Marmourian, who sells new homes and re-sale properties.

“Foreign buyers are quicker to buy this type of investment, so new development sales are going to take a little bit longer now. But, after a few months, things will normalize and foreign buyers will be back at it,” he said.

“The timing (of Wynne’s plan) is most disappointing given that it’s our spring market and we also have a real uptick in the last 10 days in terms of inventory,” said Dianne Usher, senior vice-president of Johnston and Daniel, a division of Royal LePage.

“The supply-and-demand situation was already starting to level out without any additional taxes,” she said.

New taxes might slow price growth but there will still be growth.

“So it’s not going to make it any more affordable for the young first-time buyer in Toronto,” said Usher.

But it could deter some builders from developing more rentals, particularly mid-rise, multi-unit dwellings, she said.

Some builders likely will abandon rental projects in the pipeline under the provincial plan to extend rent controls to units built after 1991, which were previously exempt, said Jim Murphy, CEO of the Federation of Rental-housing Providers of Ontario.

FRPO represents 2,200 owners of rental buildings.

“We have a lot of units that are now at risk,” said Murphy, citing \$2.7 billion in planned rental developments.

And there’s also the issue of rentals of condos, which have been become an increasingly important part of Toronto’s housing supply.

“Thirty per cent of condos are investor-owned and -rented. How does a small investor, who has one or two condo units, react to this?” said Murphy.

The government’s plan to match residential tax rates with multi-unit residences will make it easier for landlords to offer affordable rents and for condo builders to contain prices, said De

Silva of the Board of Trade. Although Toronto has already aligned those rates, it could help encourage rental construction in 905-area communities outside the city.

The board offered the examples of Brampton, where the residential rate is 1.1 per cent compared to a multi-unit rate of 1.75 per cent and, Oakville, where the residential rate of 0.78 per cent compares to 1.5 per cent for multi-unit buildings.

TORONTO STAR: KATHLEEN WYNNE'S HOUSING PLAN A POTPOURRI OF POLITICS: WALKOM

Some of the Ontario government's ideas for pricking the real estate bubble are good. Most are not.

By: Thomas Walkom, National Affairs Columnist
Thu., April 20, 2017

<https://www.thestar.com/opinion/commentary/2017/04/20/kathleen-wynnes-housing-plan-a-potpourri-of-politics-walkom.html>

Ontario's new fair housing plan is a potpourri of politics with a few good ideas mixed in.

If Toronto and surrounding areas are indeed caught up in an irrational real estate bubble, the measures announced Thursday may well burst it. As the Dutch discovered during the Tulip Craze of the 17th century, bubbles based on nothing are easily deflated once the speculators' bluff is called.

But if there is more at play than pure speculation in Toronto's frenzied real estate market, Premier Kathleen Wynne's plan is unlikely to make much difference.

The centrepiece of the plan — a 15 per cent tax on foreign non-residents who buy homes in the Greater Golden Horseshoe area around Toronto — is fatally flawed.

First, there is no evidence that foreigners are fuelling the surge in housing prices. Even Ontario Finance Minister Charles Sousa estimates that, at most, non-residents are involved in only eight per cent of housing sales.

Second, any number of foreigners would be either exempted from the tax or eligible for a refund.

These range from foreigners enrolled for two years as a student in Ontario, to those who have legally worked for one year in the province, to those who have become citizens or permanent residents.

A broadly based speculation tax that covers Canadians as well as foreigners would make more sense. But for a government already low in the polls, it would be a political nightmare.

Better to focus on foreign non-residents, even if doing so won't accomplish much. Foreigners can't vote.

Similarly, a proposal to let Toronto and other municipalities levy a tax on vacant homes probably won't make much substantive difference. Even if this is a widespread problem, it is easy to make an empty home look occupied.

But her proposal does allow Wynne to repair relations with Toronto Mayor John Tory, an enthusiastic proponent of the tax.

Tory's last attempt to impose a new municipal levy, through road tolls on two Toronto expressways, was summarily rebuffed by Wynne. This is her chance to make up.

There is also more politics than policy in the Liberal government's plan to expand rent controls to all units, including those built since 1991.

Rent controls can work if they are combined with massive public expenditures for housing. But on their own, they usually don't. As Ontario's New Democratic Party government conceded in 1991 when it eliminated rent controls on new units, they can make matters worse.

That is probably what will happen here.

Still, there are some good ideas in Wynne's 16-point plan. One is a proposal to let municipalities levy higher property taxes on vacant land approved for new housing. This could persuade developers sitting on fully serviced land to build.

Another is to leave the much-battered Greenbelt alone. Developers have been urging the government to ease restrictions on growth in the Greenbelt around Toronto in order to let them build more subdivisions. Wisely, the Wynne government has decided that in this, at least, it will not accommodate them.

The premier has pledged to sell off excess government land in order to "leverage" more housing. That could work out. Or it could be a giant Harbourfront-style barbecue for developers. History favours the barbecue.

The greatest failing in Wynne's 16-point plan is not her fault. It is that the real cause of skyrocketing home prices — low, low interest rates — is outside the provincial government's control.

Housing prices are high in the Toronto area in part because a lot of people want to live here. But they are high also because the money required to fund such dreams is unusually cheap.

Wynne and Sousa can't do anything about the latter. Bank of Canada Governor Stephen Poloz can but, for his own good reasons, won't.

If the central bank were to hike short-term interest rates, the Canadian dollar would rise and the country's recovering export industries would suffer. Poloz won't countenance that. So he keeps rates low, lets the bubble build and leaves it to elected governments to find solutions.

Which is what Wynne's government didn't quite do here.

TORONTO STAR: NEW TAX, RENT CONTROLS PART OF WYNNE'S PLAN TO PROTECT TENANTS AND HOMEBUYERS

While advocates praised many of the province's new measures, landlords were furious and political opponents dismissed promises as 'desperate' move.

By: Robert Benzie, Queen's Park Bureau Chief
Thu., April 20, 2017

<https://www.thestar.com/news/queenspark/2017/04/20/wynne-unveils-plan-to-protect-tenants-and-homebuyers.html>

Premier Kathleen Wynne is taking wide-ranging action to protect tenants from massive rent increases and homebuyers from being gouged.

As first disclosed by the Star, Wynne is immediately imposing a 15 per cent foreign buyers' levy — the non-resident speculation tax — to slow down southern Ontario's skyrocketing real estate market that the Bank of Canada has warned is unsustainable.

The tax, modelled on British Columbia's measure for Vancouver, "would apply to transfers of land that contain at least one and not more than six single family residences" and affect buyers who are not citizens or permanent residents as well as foreign corporations.

It will hit all residential transactions in the Greater Golden Horseshoe — including the Greater Toronto and Hamilton Area, Niagara, Brant, Haldimand, Kitchener-Waterloo, Barrie, Orillia, and Peterborough.

"Ontario welcomes everyone, but a 15 per cent non-resident speculator tax targets people looking only for a quick profit, not a place to call home," Wynne told reporters at the Williams Landing pub in Liberty Village on Thursday against a backdrop of gleaming condo towers.

"Our hot housing market is tied to the confidence people have in the Ontario economy — an unwanted consequence that has become unaffordable," the premier said.

Wynne insisted the sweeping changes — in the 14th year of Liberal governance — were not designed to boost her sagging political fortunes.

"Our Fair Housing Plan is about helping people to be able to buy a home; it's about being able to afford to rent a home ... my objective is to make sure that we help people."

Finance Minister Charles Sousa, who is tabling a balanced budget next Thursday, said exemptions would apply to refugees, international students, foreign nationals working in Ontario and rebates would be paid to buyers who subsequently become citizens or permanent residents.

Sousa, who said the changes should be revenue neutral because any proceeds from the new levy would be offset by lower land transfer taxes, said the government had to act because house prices are up 33 per cent year over year in Toronto.

To help tenants, there will be rent controls limiting increases on all buildings to the rate of inflation — as long as it is 2.5 per cent or lower. Currently only units built before 1991 are

subject to such curbs. Landlords will continue to be able to gain allowances to pay for renovations.

The city of Toronto and other municipalities would be empowered to slap a vacant homes property tax to discourage investors from sitting on empty homes.

There will be a new five-year, \$125-million program to encourage the construction of new rental apartments by rebating builders a chunk of development charges.

A “housing supply team” of provincial officials will be struck to find ways to streamline the building of new homes — a move welcomed by Ontario Home Builders’ Association CEO Joe Vaccaro.

“We’re happy see the focus of the announcement is on supply,” said Vaccaro, expressing hope that expedited approvals for new construction will address demand.

Wynne said the Liberal government would work with the real estate industry to reduce property speculation, including the questionable practice of “paper flipping” houses for quick profit.

She added that the province will review the rules surrounding real estate agents to ensure buyers are getting a fair shake in bidding wars.

Ontario Real Estate Association CEO Tim Hudak said the government’s moves “should help.”

“We’re pleased to see that the government has listened,” said Hudak, who has met more than dozen times with Wynne, Sousa, and other officials in recent months to discuss housing affordability.

“Increasing the supply of homes is the best way to give buyers a better shot at home ownership and the government has committed to working with municipalities to remove the barriers to getting more new homes and listings on the market faster,” he said.

Hudak said an upcoming modernization of Ontario’s real estate legislation, which dates back to 2002, will also help.

Toronto Mayor John Tory said he was pleased the government plans to “activate surplus provincial land” like the West Don Lands and a parcel at Grosvenor and Grenville Sts. near Queen’s Park for affordable housing.

“I’m also gratified that the provincial government will allow the city to move forward with a vacant homes tax ... other measures to curtail speculation and add new supply into the marketplace right away,” said Tory.

But Wynne’s political opponents were less enthusiastic.

NDP MPP Peter Tabuns (Toronto Danforth), who has been pushing for rent controls, said the Liberals are only taking action because “they’re desperate” with an election less than 14 months away.

“Their polling numbers are in the basement. They’re in a crisis. They want to do something dramatic, they think this will work, so they’re acting on it,”

Progressive Conservative MPP Ernie Hardeman (Oxford) said the Liberals “have finally come up with an answer” after years of inaction.

“The government believes that taxation will solve this problem. The problem is red tape in the development industry and we just are not producing the units we need,” said Hardeman.

ACORN Canada president Marva Burnett said “stricter regulations for ... rent increases will close a significant rent control loophole in the province.”

“This is undoubtedly a significant day for tenants in Ontario,” said Burnett.

But landlords were furious.

“Today’s announcement ... will put thousands of units and millions of dollars in provincial revenues at risk. It is a rash, politically motivated decision, which will hurt — not help — generations of Ontario renters,” warned Federation of Rental-housing Providers of Ontario president and CEO Jim Murphy.

In a positive move for apartment dwellers, Trinity-Spadina Liberal MPP Han Dong’s private member’s bill to ensure elevators are repaired in a timely manner will now be enshrined in law.

TORONTO STAR: WYNNE TO SLAP 15 PER CENT TAX ON FOREIGN REAL ESTATE SPECULATORS

Premier Kathleen Wynne will roll out a 15 per cent “non-resident speculation” tax to help cool down southern Ontario’s real estate market.

By: Robert Benzie, Queen's Park Bureau Chief
Thu., April 20, 2017

<https://www.thestar.com/news/queenspark/2017/04/20/wynne-to-slap-15-per-cent-tax-on-foreign-real-estate-speculators.html>

Premier Kathleen Wynne is slapping a 15 per cent “non-resident speculation” tax on foreign investors to help cool down southern Ontario’s scorching real estate market, the Star has learned.

Wynne will join Finance Minister Charles Sousa and Housing Minister Chris Ballard on Thursday against a backdrop of condo towers in booming Liberty Village to launch a massive plan to improve housing affordability.

A key plank in that would be the 15 per cent surcharge on offshore speculators, who are estimated to make up just 5 per cent of the current market.

Modelled on British Columbia’s “foreign buyers’ tax” in Vancouver, the levy would apply to home purchasers in the so-called Greater Golden Horseshoe who are not citizens or permanent residents.

It would affect sales in and around the Greater Toronto and Hamilton Area, Niagara, Kitchener-Waterloo, and encompass everywhere north to Barrie and Orillia and east to Peterborough.

Speaking in Ottawa on Wednesday, Wynne indicated there wouldn’t be a one-size-fits-all solution for real estate throughout Ontario.

“One of the things that we have talked about within caucus is . . . the interaction between the housing market in the Greater Golden Horseshoe and in Ottawa or London,” the premier said.

“The circumstances are different. Just as when this conversation began and we looked at what was happening in Vancouver, it was a different situation than in Toronto.”

“Now I think there are maybe some more similarities there than there were but we have to look at the evidence. We have to look at what’s actually happening in each of the communities and make a determination,” Wynne said.

“Right now in terms of the purchasing of a home, the really hot, frantic market is in the Greater Golden Horseshoe and . . . we have to consistently assess what happens when we bring in the package of initiatives and what happens going forward.”

Among more than a dozen measures in the government’s housing affordability plan will be some kind of clampdown on domestic housing speculators — though they will not face a 15 per cent tax.

As well , with house prices in Greater Toronto up 33 per cent year over year, the government plans to work with realtors to boost the transparency surrounding bidding wars to protect buyers.

Also, there will be an expansion of rent controls to all buildings. Currently, only those built before 1991 are protected from massive increases.

Under the amendment developed by Ballard, rent hikes on all newer units would be limited to the inflation rate, which was at 2 per cent in February.

There would be some exemptions for landlords doing capital improvements to properties.

That's more palatable for tenants than the doubling of rents that have been seen this year in some Toronto condos just steps from Thursday's announcement.

Sousa, for his part, said he is not worried that capping rent increases will discourage developers from building new housing.

"We need to put mitigations in this system," the treasurer said in Toronto where he announced an investment of almost \$190 million over three years to support the "Career Kick-Start Strategy."

That's a program — part of next Thursday's provincial budget — designed to create 40,000 "work-related learning opportunities" for students of all ages as well as recent graduates.

But the real estate news dominated his pre-budget announcement.

Toronto Mayor John Tory, who met with Sousa and federal Finance Minister Bill Morneau on Tuesday to discuss housing affordability, welcomed an expansion of rent controls.

"There are a lot of tenants who are finding it hard to make ends meet and there are some who have faced these extraordinary increases which are, in my view, kind of ridiculous," said Tory.

"I encourage the landlords to voluntarily come forward and say they would voluntarily comply with the kind of limit . . . around the rate of inflation," he said.

"I hope anything the government of Ontario does will be accompanied by measures that substantially encourage the construction of affordable rental housing. That will mean incentives they will have to provide at the same time as they announce whatever it is they are going to do about rent control to encourage people to build this housing."

With files from David Rider

TORONTO STAR: FOREIGN BUYER TAX MEANS UNCERTAINTY FOR TORONTO BUDGET
thestar.com

Thu Apr 20 2017

Section: News | Toronto Star

Byline: David Rider

Provincial efforts to cool Toronto's real-estate market could blow a hole in the city budget that relies heavily on tax revenue from property sales.

Mayor John Tory refused to speculate Thursday on the potential budget impacts of a new 15-per-cent foreign buyers' levy and other steps aimed at slowing skyrocketing home prices in the Golden Horseshoe.

He acknowledged, however, there is at least uncertainty for the city's 2017 spending blueprint(www.thestar.com)) that assumes Toronto will reap a record \$716 million in land transfer tax revenues, up from \$653 million last year.

Revenues lower than forecasted would force city council to scramble for other revenue sources or to cut spending.

"I guess we're going to have to see," Tory said in an interview. "I think there's a big unknown here about what the impact of all of these measures are going to be and we'll obviously watch it carefully ... and see what happens."

The mayor noted provincial efforts are aimed at reducing runaway prices, adding: "I think the Toronto housing market is going to remain healthy in terms of the number of people buying and selling units because there is demand created by people moving here."

Ontario Finance Minister Charles Sousa expects any dip in provincial land-tax revenues will be offset by revenue from the foreign buyers' tax(www.thestar.com)). There is no plan, however, for any of that money to flow to Toronto.

Tory said he recently raised the risk for Toronto with Sousa, and got no response, but he will raise it again.

The steady rise in Toronto real estate prices has turned the transfer tax into a cash cow for Toronto, quadrupling revenues between 2009 and 2016.

Council has in recent years relied more and more on those revenues to balance the books, while heeding city staff warnings to forecast conservatively so Toronto isn't stuck if the market takes a downturn.

This year, however, council baked the full revenue forecast into the budget.

Councillor Gord Perks, who warned during February budget debate that leaning so heavily on the land transfer tax is risky, said Thursday that Toronto is sailing in uncertain financial waters.

"It's impossible to say how big the risk is," Perks said, noting Vancouver saw a sudden, sharp decline in home sales last year after the B.C. government introduced its foreign buyers' tax(www.thestar.com)).

"We just don't know what the budget impacts might be, and that's because this mayor and the previous mayor used the land transfer tax to keep property taxes low.

"We might get a minor correction and sail through unscathed. If we get the worst case and a very sudden, sharp (home sales) decline, it would be a disaster for Toronto's budget."

British Columbia has a property transfer tax. Vancouver does not.

That tax pumped \$2.025 billion into B.C. coffers in fiscal 2016-17. That province is forecasting a \$483 million decline this year partly due to cooling sales as a result of the foreign buyers' tax.

Sousa's office said in a statement: "We look forward to continuing to work with Mayor Tory and the City of Toronto as we monitor the impact of the measures we introduced today."

TORONTO STAR: TENANT ADVOCATES WELCOME PLAN TO CURB RENT INCREASES

thestar.com

Thu Apr 20 2017

Section: News | Toronto Star

Byline: Emily Mathieu

Toronto tenants will be protected from massive spikes in monthly rent, as part of sweeping housing and rental protections announced by the province.

Under the new rules(www.thestar.com»)), announced Thursday, all occupied private rental units built after 1991 will now be protected by rent controls, or no longer vulnerable to an exemption that allowed landlords to boost the rent to whatever amount the market or their tenants could bear.

"This is a significant step forward and will provide more protections and affordability to tenants," said Councillor Josh Matlow, who led rental reforms at city hall, including the creation of a bylaw for Toronto buildings that will require landlords to register with the city.

Going forward, the cap on annual rent increases for occupied private units built after 1991 will be 2.5 per cent each year. It will mean some security for tenants in Toronto's commercial rental market, in a city where the waitlist for subsidized housing has topped 180,000 people.

Also included in "Ontario's Fair Housing Plan" is the creation of a standardized lease - with information in several languages - and tightened provisions around when and how a landlord can evict somebody to take back a rental unit for their own use, say, for a family member.

Diane Dyson, board executive with the Federation of Metro Tenants Association said the new lease is a necessary protection.

"Landlords use a wide variety of leases and when tenants walk through the door they don't know what they are going to get. This new lease will make a fair playing field for all."

Rent will be capped, but all landlords will still be allowed to apply for above-guideline rent increases to cover some significant expenses, including capital repairs. Landlords will not be allowed to apply if there are outstanding work orders on elevators.

Those above-guideline rental rules already applied to older buildings and tenant advocates contend that landlords used them to pass on the costs of unnecessary or excessive repairs, with the intent of forcing out long-term tenants.

The legislation also allows for the creation of new and tighter rules around how landlords can apply for and use those increases - something which the province will be consulting with tenants and landlords about in the coming months, according to a spokesperson from the Ministry of Housing.

Matlow said he was pleased to see above-guideline rent increases identified as a considerable stressor on tenants and a place where legislative change is required.

"It is either going to be a substantive change or lip service and it is really up to the province to demonstrate to tenants what these reforms will look like," he said.

Landlords can still name their price for vacant units.

"It is not rent control, it is rent regulation," said Mary Todorow, research and policy analyst, with the Advocacy Centre for Tenants Ontario. "When a sitting tenant leaves the unit the landlord can raise the rent to whatever they wish."

Marva Burnett, president of the Association of Community Organizations for Reform Now, Canada, described the 1991 exemption of rent controls as a "failed policy that did little to building new rentals" but instead made housing increasingly unaffordable across Ontario.

The announcement marked a "significant day for tenants," she said in a statement.

TORONTO STAR: NEW FAIR HOUSING PLAN PROTECTS HOME BUYERS, OWNERS AND RENTERS: EDITORIAL

thestar.com

Thu Apr 20 2017

Section: Opinion | Editorial Coverage | T

Finally, a bit of good news for the growing group of home hunters and renters who are being priced out of Toronto's increasingly ludicrous real-estate market: the Wynne government has released a set of 16 sensible and much-needed measures aimed at cooling the overheated market and protecting apartment dwellers from outrageous rent increases.

Over the last year, the price of the average Toronto house has increased by 33 per cent, making the already-expensive city unaffordable for many, especially young families looking for their first home.

By seeking to bring stability to the market before the bubble bursts - and economists have long warned that, without intervention, it will burst - the government has also moved to protect the investment current home owners have in their properties.

Among other measures, the plan introduces a 15-per-cent foreign buyers' tax, much like the one that has had a significant effect on the Vancouver market. While foreign speculation does not appear to be as rampant here as in Vancouver, the tax is bound to let at least a little air out of the balloon, as the government works on other measures.

Vancouver's version of the tax has gone some distance toward taming the even-wilder market there. But British Columbia failed to extend the tax to surrounding real-estate districts. The Wynne government will wisely apply the levy to properties throughout the Greater Golden Horseshoe, the whole of which has seen skyrocketing house prices in recent years.

The plan also provides much-needed relief for renters, imposing rent controls of 2.5 per cent or lower on all private units in the entire province. This measure closes a loophole that allowed landlords to hike rents as much as they wanted each year on units built after 1991. Recently, fearing the introduction of just such a measure, a number of Toronto landlords doubled their rents - a situation the premier rightly deemed "unacceptable."

The 1991 loophole was originally introduced in 1996, ostensibly to encourage developers to build new rental units. It didn't work. Wynne was right to scrap it, despite the protests of developers, and introduce new measures more likely to encourage construction of rental units.

Among them is a \$125-million, five-year program that encourages the construction of new purpose-built rental apartment buildings by rebating a portion of development charges. A second inducement ensures rental building owners will pay the same property tax rates as other residential properties.

The province has acknowledged that these steps alone won't solve the crisis of affordable housing in Toronto and throughout the region.

A good next step would be to deliver on two longstanding promises in next week's provincial budget. First, the government should finally make good on its three-year-old vow to invest nearly \$900 million to address the crushing repair backlog at Toronto Community Housing.

Some 181,000 people are on waitlists for affordable housing while the city is forced to close hundreds of units it can't afford to fix. That makes no sense.

The Wynne government should also live up to its commitment to introduce "inclusionary zoning" legislation that would ensure about 10 to 15 per cent of new developments are set aside for affordable units.

It will take time and further work to tackle the affordability challenge in Ontario, but with its new measures, the government has taken an important step toward protecting buyers, renters and owners alike.

TORONTO STAR: WYNNE UNVEILS PLAN TO PROTECT TENANTS AND HOMEBUYERS
thestar.com

Thu Apr 20 2017

Section: News | Toronto Star

Byline: Robert Benzie

Premier Kathleen Wynne is taking wide-ranging action to protect tenants from massive rent increases and homebuyers from being gouged.

As first disclosed by the Star, Wynne is imposing a 15 per cent foreign buyers' levy (www.thestar.com) - the non-resident speculation tax - to slow down southern Ontario's skyrocketing real estate market that the Bank of Canada has warned is unsustainable.

The tax "would apply to transfers of land that contain at least one and not more than six single family residences" and affect buyers who are not citizens or permanent residents as well as foreign corporations.

It will hit all residential transactions in the Greater Golden Horseshoe - including the Greater Toronto Area, Niagara, Kitchener-Waterloo, Barrie, Orillia, and Peterborough.

"This plan balances those needs to stabilize the market and prevent a sharp correction that would be harmful to everyone," Wynne told reporters at the Williams Landing pub in Liberty Village on Thursday against a backdrop of gleaming condo towers.

As well, rent controls limiting increases on all buildings to the rate of inflation - as long as it is 2.5 per cent or lower - will be introduced. Currently only units built before 1991 are subject to such curbs.

The city of Toronto and other municipalities would be empowered to slap a vacant homes property tax to discourage investors from sitting on empty homes.

There will be a new five-year \$125-million program to encourage the construction of new rental apartments by rebating builders a chunk of development charges.

A "housing supply team" of provincial officials will be struck to find ways to streamline the building of new homes.

Wynne said the Liberal government would work with the real estate industry to reduce property speculation, including the questionable practice of "paper flipping" houses for quick profit.

She added that the province will review the rules surrounding real estate agents to ensure buyers are getting a fair shake in bidding wars.

As part of the sweeping changes, Trinity-Spadina Liberal MPP Han Dong's private member's bill to ensure elevators are repaired in a timely manner will be enshrined in law.

TORONTO STAR: TRUDEAU WANTS TO RELIEVE PRESSURES ON GTA REAL ESTATE, BUT CAUTIOUSLY

In an interview, he says that any measures will have a national effect.

By: The Canadian Press
Thu., April 20, 2017

<https://www.thestar.com/news/canada/2017/04/20/trudeau-wants-to-relieve-pressures-on-gta-real-estate-but-cautiously.html>

There are pressures on the real estate market that need to be alleviated, but Ottawa must exercise caution because any measures it implements have a national effect, Prime Minister Justin Trudeau said Thursday.

“There’s a recognition that the levers that the federal government has cover the entire country and the housing market in Vancouver or Toronto is somewhat different than that in Halifax or Saskatoon or even Montreal,” Trudeau said in an interview with Bloomberg.

His comments came as the Ontario government unveiled a suite of changes intended to stabilize home prices in the Greater Toronto Area, which have leapt by more than 30 per cent in the last year. The measures include a 15 per cent foreign buyers’ tax, expansion of rent controls and granting Toronto the ability to impose a tax on vacant homes.

Trudeau said one of the challenges in crafting policies to rein in soaring house prices is a “dearth of data,” as was the case in Vancouver a year ago.

Concerns about a possible bubble have mounted in Toronto in recent months. Trudeau declined to say when asked whether he believes a bubble exists.

“My focus is on making sure that for the medium and long term, people in Toronto and across the country can afford their homes and that means working on the supply side, making sure that we’re investing in more rental stock, making sure that we’re investing in new construction of affordable housing so that the market can adjust itself without either popping or crashing,” he said.

GLOBE AND MAIL: WYNNE RIDES TO THE RESCUE ON HOUSING ... AND MAKES THINGS WORSE

By: Margaret Wentz

Last updated Thursday, Apr. 20, 2017 6:00PM EDT

<http://www.theglobeandmail.com/opinion/wynne-rides-to-the-rescue-on-housing-and-makes-things-worse/article34767161/>

In Toronto, where I live, all anybody talks about these days (aside from Donald Trump) is real estate. People are both transfixed and horrified. They're worried for their kids. Prices have spiralled to the moon, and would-be first-time homeowners have turned desperate. Even basic houses in the hinterland now cost more than ordinary people can afford without begging themselves. No one can agree on the roots of the problem, but everyone agrees that urgent action is required to fix it.

Enter Kathleen Wynne, Ontario's Premier. She's turned desperate too. The Liberals have flatlined in the polls. At this rate, a dead dog would beat her in next spring's election.

Given all this desperation, it was inevitable that Ms. Wynne would do something. So she and her brain trust have come up with an impressive-looking package of measures to cool down the housing market, as well as rent controls for tenants. The goal is to rein in the greedy bloodsucking landlords who've been exploiting the housing shortage by jacking up rents.

These measures are surefire crowd-pleasers, especially with the type of voters (e.g., renters) that Ms. Wynne wants to win back. Her re-election strategy is to make a hard left turn and crowd out the NDP. As Andrew Steele, a former senior Liberal adviser, wrote in the Globe earlier this week, she plans to pull out all the spending stops with new infrastructure projects, new social housing, and possibly a sharply higher minimum wage. Never mind Ontario's \$300-billion (and growing) debt. Time is short. She only has a year to make people forget how mad they got about their electricity bills.

So, will the Wynne treatment work? In fact, rent controls will make things worse. Rent controls are among the most destructive housing policies ever devised. This isn't me saying so. This is practically every economist on the planet saying so. New supply will dry up in a nanosecond, and existing rental units will deteriorate. Rent controls create a two-class system of people desperately hanging on to crumbling, cheap apartments and other people forking over \$4,500 a month for a shoebox because there's no supply. Rent controls invariably hurt the people they're supposed to help. But in the short run they're a vote-getter.

The same is true for the foreign-buyers' tax, an idea lifted from British Columbia. Foreigners with bags of loot (possibly ill-gotten loot) loom large in the popular imagination. There's little doubt that foreign buyers helped distort the housing market in Vancouver. By contrast, foreign buyers probably account for no more than 4 or 5 per cent of the Toronto market. No one knows for sure. But never mind. They make a handy scapegoat.

Will a foreign-buyers' tax depress prices? Not likely. After the tax was imposed in Vancouver, sales volumes went way down. But the effect on prices turned out to be temporary. After an initial dip, the price of single-family houses is pretty much back to where it was before.

The real problem in the GTA isn't demand. It's supply. Half the new houses on the market are being bought by immigrants, according to one survey, who are streaming into Ontario at a rate of more than 100,000 a year. But fixing the supply problem will take a while. Planning and development are bogged down by bureaucracy and red tape at every level. The head of one big Ontario home builder says it now takes as much as 10 years to gain all the approvals needed to make farmland builder-ready. In Toronto, it takes three to five years just to get a building permit – providing nobody objects. On top of that, the province and the municipalities are fundamentally at odds. The province wants smaller municipalities to build medium- and high-density developments, but the municipalities won't do it because the voters object.

Not all these problems started with the Liberals. As industry insiders told me, there's plenty of blame to go around. But the Liberals have let them fester. During their 14-year reign, the province has become markedly less pro-growth. A blizzard of new environmental regulations has slowed the process even more. The result of all this red tape and delay is that everybody suffers. The people who suffer most are the ones who desperately need affordable housing. There's no quick fix. As one veteran planning lawyer told me, "If they're serious about increasing the supply of affordable and rental housing, they're going to have to cut the regulations and approval times by two-thirds."

Now that would break the speculative cycle. And the chance that it will happen is just about zilch.

GLOBE AND MAIL: WHAT OWNERS AND BUYERS NEED TO KNOW NOW THAT ONTARIO HAS MOVED TO COOL THE HOUSING MARKET

By: Rob Carrick

Last updated Thursday, Apr. 20, 2017 7:16PM EDT

<http://www.theglobeandmail.com/globe-investor/personal-finance/household-finances/what-owners-and-buyers-need-to-know-now-that-ontario-has-moved-to-cool-the-housing-market/article34758900/>

Home owners and buyers are going to need an attitude adjustment as rationality seeps back into the country's hottest real estate market.

The Ontario government has introduced measures to restrain housing price surges that last month came in around 30 per cent in Toronto and nearby Hamilton. We could see prices stagnate or decline in the months ahead, but a crash is unlikely for now.

Housing markets have two arch enemies – rising unemployment and rising interest rates. Neither is a threat right now. Unemployment numbers have been quite good lately, though wage growth has been stagnant. And while pressure was building in financial markets not too long ago for a small mortgage rate increase, the threat has lately evaporated. As ever, there's no conviction that the economy is strong enough to justify a return to more normal borrowing costs.

Let's take a look at how buyers and owners should position themselves for the market conditions ahead. The point of the measures announced by Ontario's government is to shut down the speculative frenzy that has been driving house prices up at rates vastly ahead of both wage and economic growth.

This should ease the pressure on first-time buyers who feel they must venture into an unaffordable market before they're permanently priced out. Take a break, first-timers. Wait and see how the new measures affect prices and bidding wars. If the gold rush in housing isn't over, expect more action from government.

So much for the everyday homeowner's investment rationale for jumping into the market. Governments will not permit prices to keep rising like they have been because of the risk of a messy market crash that affects the national economy, not just Ontario. Buy a house because you love it and it fits your budget and family. There is zero chance the house you buy today will be worth 30 per cent more in April 2018.

First-time buyers should also understand that governments are unwilling to enhance the already substantial number of supports available to them. Expect no additional property tax rebates, tax breaks or encouragement to maintain your registered retirement savings plan by using the federal Home Buyers' Plan. These measures stoke demand for housing, which is the last thing Canada's hottest real estate market needs.

The best way for buyers to protect themselves against any price declines to come is to remain in a house they buy for at least five to 10 years, which should bridge us to the next upswing in housing. The purchase of a starter home makes no sense if you'll outgrow it in short order and want to sell.

Heavily indebted home owners need to consider the impact of Ontario's measures as well. Lots of them have been able to stay afloat financially by tapping into the rising equity in their homes. If home prices move sideways or fall, this relief valve is closed. See a financial planner or debt counsellor if you're worried about this.

Boomers who plan to cash out of hot markets in southern Ontario and buy elsewhere, what are you waiting for? You might end up leaving money on the table if prices keep rising, but that's the price of locking in a great price today and eliminating your exposure to a market decline.

Downsizing within a hot market is problematic today because there's often not much money left over after moving to bungalows, townhomes and condos. A more rational real estate market might break this impasse. There could be less demand for condos, for example, if more people can afford houses.

A re-think of buying real estate strictly as an investment is also called for as a result of Ontario's steps to reduce speculation in the housing market. One of the clearest signs of a housing bubble in the Toronto area is the number of pitches being made these days by people who show others how to get rich in real estate. People have, no question, made amazing money speculating in real estate in the past few years.

But the Ontario government is pretty clear in wanting this to stop. If housing were the stock market, the smartest investors would be taking profits rather than buying more. That's how they build up money to pick up bargains in the next market dip.

GLOBE AND MAIL: BANKS UNFAZED BY NEW ONTARIO RULES ON REAL ESTATE

By: James Bradshaw - Banking Reporter

Last updated Thursday, Apr. 20, 2017 6:48PM EDT

<http://www.theglobeandmail.com/report-on-business/big-banks-able-to-take-ontario-housing-market-measures-in-stride/article34767073/>

Ontario's suite of new measures aimed at curbing runaway growth in Toronto housing prices could similarly slow growth in mortgage lending, but Canada's largest banks are expected to absorb any impact comfortably.

A list of 16 recommendations put forward by the Ontario government includes a 15-per-cent tax on foreign home buyers, as well as expanded, province-wide caps on rent increases and a green light to cities to introduce a property tax on vacant homes.

The biggest impact for banks will likely come from the foreign buyers tax, at least in the short term. National Bank Financial Inc. estimates that foreign residents make 5 to 15 per cent of Greater Toronto Area purchases, and those sales could diminish noticeably.

But the ultimate risk to banks from a slowing mortgage market – that it might translate to slower growth in earnings, which in turn could curb increases in dividend payouts and hurt bank valuations – still seems remote, banking observers say. As long as the rules work as intended, and the provincial government successfully walks the tightrope of dampening increases in house prices without actually shrinking the mortgage market, the big banks' lending should remain intact.

The new measures "could curb mortgage growth for the banks," said Gabriel Dechaine, an analyst at National Bank Financial, in a research note. But most large Canadian banks had already slowed the rate of growth in their mortgage portfolios, and Ontario's rules shouldn't "materially alter" the broader outlook for bank stocks.

"As long as mortgage volumes are not going down, it won't decrease earnings, and won't put any pressure on the payout ratios," said John Aiken, an analyst with Barclays Capital Canada Inc., in an interview.

Meanwhile, investors who typically look for steady growth in banks' lending are mostly expected to give institutions a pass as long as banks continue to grow over all. Those same investors have had pointed questions about mortgages, but "have been reasonably agnostic about growth and where that has come from," Mr. Aiken said.

Generally speaking, banks appear comfortable with the health of their mortgage portfolios, even when faced with the prospect of a slowdown in Ontario's housing market. At most large banks, anywhere from 45 to 60 per cent of mortgages are insured, and the ratios between the size of loans and the value of homes still look healthy.

"We're comfortable with the quality that we're seeing come through," said Royal Bank of Canada chief executive Dave McKay, speaking to reporters earlier this month. New federal rules that force buyers to meet tougher stress tests mean potentially riskier borrowers "are choosing to exit the market."

A spokesperson for the Canadian Bankers Association said only that its members “are continuing to assess their mortgage portfolios” in the context of their risk-appetite frameworks.

Among the county’s six largest banks, Toronto-Dominion Bank, Bank of Nova Scotia and Canadian Imperial Bank of Commerce have the largest proportional exposures to Ontario’s new mortgage rules, as roughly half of their domestic mortgages and home equity lines of credit are in the province.

CIBC had one of the fastest-growth rates in new mortgages over the past year, up 12 per cent in the first quarter from a year earlier. A spokesperson for the bank declined to comment on the measures on Thursday.

Spokespeople for TD, BMO and National Bank also declined to comment, while representatives for RBC and Scotiabank could not be immediately reached.

The broader concern for banks is economic in nature – that if the housing market were to crash, and unemployment were to rise at the same time, it could lead to somewhat higher losses on credit card and auto loan portfolios, which are also important components of bank lending.

“This can be viewed as adequate tapping of the brakes without jamming on the brakes,” Mr. Aiken said. “Most of the measures are going to impact players outside of ... your average home owner.”

Banks have generally been supportive of government intervention to try to cool the market, but have warned against hasty measures that could trigger unforeseen effects. Mr. McKay was particularly vocal about the need for federal, provincial and municipal leaders to co-ordinate any new policies or regulations.

“If it’s not in a co-ordinated fashion, we could do real damage,” Mr. McKay said in early April.

Mr. Dechaine, the National Bank analyst, still sees the Ontario government’s actions as benign, but said that it is worth considering “potential negative outcomes,” given that the housing sector accounts for about 20 per cent of Ontario’s gross domestic product, both directly and indirectly.

“If regulation results in job losses and reduced economic activity in the housing sector, then the banks could have a problem,” Mr. Dechaine said in his report, but added: “We believe it is too early to make this call and there are some offsetting factors ([for example], a tax on vacant land could spur development) to consider.”

The Canadian real estate market has been looking overheated for years, said Prem Watsa, head of insurance and investment firm Fairfax Financial Holdings Inc., at the company’s AGM in Toronto on Thursday.

Mr. Watsa pointed to housing bubbles and corrections in countries, such as Ireland and Dubai, that caused major problems for banks that backed mortgages. “On real estate prices, my view is the same as it’s been now for years, is that it’s going to come down, and lots of people are going to get hurt,” he said.

With files from Jacqueline Nelson

GLOBE AND MAIL: ONTARIO UNVEILS NEW TAX, CAPS RENT HIKES IN BID TO COOL HOUSING

By: Justin Giovannetti and Jeff Gray

Last updated Thursday, Apr. 20, 2017 3:22PM EDT

<http://www.theglobeandmail.com/real-estate/the-market/ontario-housing-market-tax/article34757952/>

The Ontario government is slapping a 15-per-cent tax on foreign home buyers and capping rent increases across the province as it seeks to cool a runaway housing market in greater Toronto.

The new foreign home-buyers' tax is at the centre of Premier Kathleen Wynne's much-touted housing plan, which includes 15 additional measures aimed at easing the pressure on an increasingly unaffordable housing market where prices have seen double-digit growth over recent years.

Ms. Wynne was standing in a forest of towering new condo buildings in Toronto's Liberty Village, a rapidly growing neighbourhood, when she unveiled the tax alongside her finance and housing ministers.

"This is a complex issue," Ms. Wynne told reporters as she unveiled the measures. "There wasn't one single thing that we could do that would resolve the issues that we're confronting. That's why we're bringing forward this package."

Following two consecutive years of double-digit gains, Toronto's average house prices in March of 2017 were up more than 33 per cent from a year earlier.

The new tax, known as a non-resident speculation tax, will be imposed on buyers in an area known as the Greater Golden Horseshoe, spanning from the Niagara region to Peterborough, Ont. Once the bill has passed, it is expected to be in effect retroactively to April 21. The tax will need to be paid by non-residents and companies not based in Canada. It's not designed to target immigrants, the Premier said, so a rebate will be available for buyers who subsequently get citizenship or permanent resident status, as well as international students and foreign nationals who make the homes their primary residences.

"The non-resident speculation tax has nothing to do with new Canadians and people who want to make Ontario their home," Ms. Wynne said. "With this tax, we are targeting people who aren't looking for a place to raise a family – they're looking only for a quick profit or a safe place to park their money."

The 16 measures will also fundamentally change the province's rental housing market by imposing rent controls on all units. The new rule would cap rent increases at inflation, up to a maximum of 2.5 per cent annually. That measure, which some economists have warned will decrease new rental unit construction, follows up on months of complaints from tenants who said rents were increasing rapidly.

Among the other measures announced Thursday is the introduction of a new standard lease for tenants in Ontario, ending a practice in which many landlords ask for detailed personal information from prospective tenants.

The government also announced a \$125-million program to encourage rental construction by rebating a portion of development charges, as well as making more surplus provincial lands available for development.

Finance Minister Charles Sousa also gave the green light to cities such as Toronto that have been eyeing a tax on vacant homes. Mr. Sousa vowed not to introduce any new policies to stoke housing demand after a meeting earlier this week with federal Finance Minister Bill Morneau and Toronto Mayor John Tory.

Mr. Morneau told reporters that the new measures didn't raise any concerns in Ottawa. "I've had a brief look at what they've announced. Nothing there has surprised us," he said. "The move forward with an approach to dealing with potential speculators we hope will have an impact on reducing the speculative nature of what's going on in the market right now."

Facing a dismal approval rating, Ms. Wynne's government has promised action for weeks on housing. The Premier and her ministers admitted to growing frustration and anger in the province as home prices shot up and families found themselves losing numerous consecutive bidding wars for the few homes they could afford.

"When young people can't afford their own apartment or can't imagine ever owning their own home, we know we have a problem," Ms. Wynne said. "And when the rising cost of housing is making more and more people insecure about their future, and about their quality of life in Ontario, we know we have to act."

Reaction at Toronto city hall was cautious, but positive. Mayor John Tory said he welcomed many of the measures the Premier announced on Thursday, including the tax on foreign speculators. And he singled out Ontario's move to put new affordable housing on provincial lands on the West Don Lands, "something I have been urging the Premier to do for some time."

He also welcomed the permission needed from the province to move ahead with a special tax on vacant properties, which he asked for last month. He stressed that the city is still examining such a tax and hasn't yet decided to implement one.

"I look forward to further details on all the initiatives announced today and have asked City staff to determine what the full impact of these changes will be for the City of Toronto and its residents," Mr. Tory said in an e-mailed statement.

City Councillor Ana Bailao, a key Tory ally who chairs the city's affordable housing committee, issued a statement welcoming the new measures but pleading with the Ontario government to fund hundreds of millions in needed repairs to the city's crumbling social-housing stock: "Toronto strongly encourages the province to step up and provide much needed funding to help prevent the closure of social housing units in Toronto."

FINANCIAL POST: ONTARIO SLAPS 15% TAX ON FOREIGN BUYERS, EXPANDS RENT CONTROL IN 16-POINT PLAN TO COOL HOUSING

By: Garry Marr
April 20, 2017 5:50 PM ET

<http://business.financialpost.com/personal-finance/mortgages-real-estate/ontario-slaps-15-tax-on-foreign-buyers-expands-rent-control-in-16-point-plan-to-cool-housing>

The Ontario government moved forward Thursday with initiatives to rein in the housing market in and around its largest city, announcing 16 new measures including a 15 per cent tax on foreign buyers and expanded rent control rules.

The rent control measures, which apply province-wide, were immediately met with threats from developers to cancel projects in the Greater Toronto Area, an outcome that could ultimately lead to an even tighter market for rental accommodation.

“Our message is this is going to have a devastating effect on purpose-built rental supply,” said Jim Murphy, president of The Federation of Rental Housing Providers of Ontario. “This is coming at a time when we have renewed interest in building rental (properties). We had a 50 per cent increase (in construction) last year.”

One of the changes from the province deals with buildings constructed after 1991, which were previously not covered by rent control rules, allowing landlords to demand any rent they wanted once a lease was up. Anecdotal reports suggested landlords were doubling rents in some cases.

Premier Kathleen Wynne said the Ontario’s Fair Housing Plan had been in the works for weeks after months of consultation.

“The skyrocketing cost of renting or buying in Ontario and the Greater Golden Horseshoe in particular is the unwanted consequence of a strong economy with a promising future,” Wynne said at a press conference at which speculators and landlords were also blamed for rising housing prices and gouging renters. “When young people can’t afford their own apartment or can’t even imagine owning their own home, we know we have a problem.”

The Toronto Real Estate Board said this month that March prices across the region were up 33 per cent from a year ago while condo research firm Urbanation Inc. said condominium rents rose 8.3 per cent in the first quarter from a year ago.

Main Measures Proposed

- The 15 per cent foreign buyers’ tax won’t apply to refugees and immigrant nominees, and a rebate could be available for those who get citizenship later
- Increase in rents is capped at 2.5 per cent, with some exceptions
- Government to amend the Residential Tenancies Act to clarify text of leases and compensate evicted tenants
- Identify surplus provincially owned land that could be used to build affordable housing
- Tax vacant homes to push owners to sell unoccupied units or rent them out

- Align property tax for new multi-residential apartment buildings with other residential properties
- Municipalities could be allowed flexibility to use property tax as a policy tool to influence development

Toronto developer Brad Lamb said the province didn't do anything to boost supply in the province and vowed to cancel the rental projects that were already in his pipeline.

"Everything is stopping on the dime. I had nine apartment buildings in my pipeline," said Lamb, describing projects in Toronto's central core, its suburbs and Hamilton. I can tell you as of this announcement I will not do any of them."

Wynne was undeterred by arguments from developers. Sources indicate that up until a day ago the province was set to agree to a deal that would have allowed landlords with post-1991 buildings to pass on annual increases of inflation and up to 1.5 per cent.

"We have all heard the stories of rent gouging going on in today's market. It's wrong. And it is not at all fair. The argument that developers need to be able to increase rent by as much as 100 per cent or they won't keep building rental units, just does not hold water," the premier said.

The province is trying to appease developers with breaks on property taxes, development fees and promising a better process for cooperation to identify barriers to projects.

"Acknowledging the disincentive that rent controls can cause, Ontario is providing a carrot," said Craig Alexander, chief economist with the Conference Board of Canada. "The rent controls will stem the rapid rise in rental prices occurring in the market. Only time will tell whether it hampers future rental supply."

http://wpmedia.business.financialpost.com/2017/04/fp0405_gta_realestate_avg_price.png?w=620&h=418

The non-resident speculation tax of 15 per cent which only applies in the Greater Golden Horseshoe was generally welcomed by economists as a small step to control spiralling prices with a general belief that overseas buyers are not as prevalent in Toronto as Vancouver.

"Ontario is a welcoming place," said Wynne. "The non-resident speculation tax has nothing to do with new Canadians and people who want to make Ontario their home. With the tax, we are targeting people who aren't looking for a place to raise a family, they are only looking for a quick profit."

The tax will have exemptions for skilled workers enrolled in provincial programs and refugees. Anyone obtaining a permanent residency or Canadian citizenship within four years of purchasing their home would receive a full rebate of the NRST. International students enrolled full-time for at least two years would receive a full rebate.

Queen's Park also agreed to a request from Toronto Mayor John Tory to crack down on vacant homes, a perceived problem in the city. Toronto, along with other municipalities, will soon have the power to impose a tax on vacant homes.

"(The measure) will encourage owners to sell or rent their unoccupied units," said Charles Sousa, the provincial finance minister.

Municipalities will also be allowed to provide a higher tax on service land approved for development, something the government thinks will help spur housing development of vacant lots.

Ontario will also crack down on assignment clauses, the practice which allows a buyer who hasn't closed a purchase to pass on the right to buy a property. "There are speculators who enter into agreements to purchase property with no intention of buying them or living them, crowding out families who want to buy their own home," said Sousa.

He believes those "scalpers" are avoiding tax "and should pay their fair share" so the government will now be demanding full disclosure, if a property has been transferred through an assignment clause.

The government wants to make sure the land transfer tax is being paid and plans on working with the Canada Revenue Agency to pass on information it gets from its crackdown on assignment clauses.

Queen's Park also has plans to review the real estate industry, checking on practices such as double ending where a realtor represents the buyers and the seller. "We've heard about fake bidding so we want to modernize the rules," said Sousa.

FINANCIAL POST: WILL ONTARIO'S PLAN TO COOL HOUSING WORK OR DO MORE HARM? BOTH SAY ECONOMISTS

By: Financial Post Staff
April 20, 2017 5:36 PM ET

<http://business.financialpost.com/personal-finance/mortgages-real-estate/will-ontarios-fair-housing-plan-work-or-do-more-harm-than-good-what-the-economists-say>

After months of debate on how to cool Toronto's super-hot housing market, the Ontario government today unveiled its 16-point plan. Measures include a 15-per-cent foreign buyer tax, expanding rent control, allowing Toronto to impose a tax on vacant homes and using surplus lands for affordable housing.

But will it work — or will it do more harm than good?

Here are thoughts on that from some of Canada's top economists:

Benjamin Tal, CIBC

"Many of the moves introduced today are reasonable and potentially helpful. Each in isolation will have only a marginal impact, but margins do add up. The combination of the foreign buyers' tax, vacant units/land tax and measures to speed up approval processes should work to moderate house price inflation in the coming years. However, we view the move on rent control as one likely to have an impact in the wrong direction.

Overall we expect the measures to slow down activity in the GTA's housing market in the near term, not only due to their direct impact but also due to the impact of the uncertainty regarding their ultimate impact on potential buyers. We also expect a significant downscaling of purpose built developments. The move on rent control will help current renters, but the resulting lack of supply and lower turnover also means that future renters will face higher rent and less choice. "

Robert Kavcic, BMO senior economist

"Non-resident tax: The Province is aiming at those effectively parking wealth in the GTA real estate market, and we have been fully in favour of such a move for some time. Look for a modest negative impact on price growth and sales at the high end of the market. The impact will likely be less than that seen in Vancouver, given that the non-resident investor share is by all accounts smaller in the GTA (the Finance Minister cited 8% today), the move comes with more exemptions, and it was well telegraphed.

Absent—any measures to target domestic speculation:

Rent control: The concern here is that this fans longer-term excess demand in the rental market, when vacancy rates are already barely more than 1%. That is, less incentive to bring supply to market in a timely fashion, and more incentive to stay put in an increasingly underpriced unit (landlord own-use eviction rules will be tightened to boot). Note that chronic underbuilding came to a swift end in the late-1990s when rent controls were removed. From an investors' perspective, buyers will have to adjust their rental growth assumptions accordingly.

Vacancy tax: The Province will allow individual municipalities to apply a tax on vacant properties. This will likely have minimal impact on prices, and the biggest issue will probably end up being enforcement. Still, it's at least a commendable effort given the unproductive vacant units dotting many neighbourhoods.

Real estate practices: There are no changes yet in today's announcement, but some areas will be reviewed. For example, the practice of multiple representation (where one agent works on behalf of both the buyer and seller) will be looked at—that should be the lowest of the low-hanging fruit. Again, this probably won't impact prices, but there are clearly areas where a bit more regulation and transparency are warranted.

The Bottom Line: The Province has taken some actions that attempt to address what has now become runaway price growth across much of Southern Ontario. While certainly commendable, it remains to be seen if these measures will bring price growth back down to more fundamental levels.”

FINANCIAL POST: ONTARIO'S MEASURES TO COOL HOUSING COULD BE 'POSITIVE' FOR CANADA'S BANKS

By: Barbara Shecter
April 20, 2017 4:58 PM ET

<http://business.financialpost.com/personal-finance/mortgages-real-estate/ontarios-measures-to-cool-housing-could-be-boost-for-canadas-banks>

Measures introduced Thursday by the Ontario government to cool the Toronto area's hot housing market are not expected to directly impact the mortgage books of the country's big banks.

But analysts and other industry watchers warn mortgage growth could be affected going forward, and unintended consequences, such as a sudden downturn, could hit other consumer lending portfolios within the banks.

"We believe it (the new tax) will reduce some of the speculative activity that's causing higher house prices in Toronto, which should be positive for the banks," said Jason Mercer, an assistant vice president and analyst at Moody's Investors Service.

If prices continue to skyrocket in the absence of higher household incomes, the chance of a housing crash increases, Mercer told the Financial Post. A crash would lead to lower house prices, which would put recoveries for the bank at risk if buyers start to default.

"It's the amount of price build-up in the system, without supporting income increases, that makes the market susceptible to a housing crash," Mercer said. "If prices decrease, that reduces the value of the collateral (attached) to a mortgage loan."

Even in that scenario, however, "housing prices need to fall pretty significantly for a loss to the bank to occur," he said.

In a report in last June, Mercer calculated that a U.S.-style housing meltdown would cause Canada's largest banks to lose close to \$12 billion. Mortgage insurers would also face losses in the billions, he said in the report, calculating that total loss would be around \$17 billion.

Gabriel Dechaine, an analyst at National Bank Financial, said the new measures unveiled in Ontario on Thursday — which include the potential for Toronto to put a tax on vacant homes — could curb mortgage growth at Canada's big banks.

"While the market typically appreciates growth, in this case we believe an exception will be made, as investors have become more concerned about the risks associated with 'excessive' mortgage growth," he said in a note to clients, indicating one such risk is "fallout if the housing bubble bursts."

Dechaine said mortgages are a "low-margin product," which would dull the earnings impact from any pullback in volume.

Bank of Montreal, Canadian Imperial Bank of Commerce, and National Bank of Canada have been experiencing the fastest mortgage growth in Ontario over the past year, Dechaine said, while Toronto-Dominion Bank, Bank of Nova Scotia, and CIBC have the most proportional

exposure to mortgages in the province, accounting for about 50 per cent of their total domestic mortgages and home equity lines of credit.

Fairfax Financial Holdings chief executive Prem Watsa, who profited handsomely by betting against the U.S. housing market before it crashed 10 years ago, had a more ominous take on the state of the market.

Watsa told shareholders at his company's annual meeting in Toronto on Thursday that he expects a Canadian crash and that it would be painful.

"Most banks can't survive a 50 per cent drop in real estate values," Watsa said, according to a report from Bloomberg News. "It's going to come down, and a lot of people are going to get hurt."

Executives at the banks themselves have expressed concern about double-digit price increases in Toronto's red-hot residential real estate market.

In February, Royal Bank of Canada chief executive Dave McKay told the Financial Post the increases in Canada's largest city were "unsustainable," and said he thought it was time to consider bringing measures that cooled Vancouver's sizzling housing market to Toronto.

The number of houses sold in Vancouver has tapered off since a 15 per cent additional land transfer tax was introduced for foreign buyers in the British Columbia city last August. And there have been recent indications of modest price pullbacks for single family homes.

Vancouver also introduced a vacant home tax that went into effect on Jan. 1. Ontario has opened the door to a similar tax for Toronto, though it will be up to the city to determine whether one is adopted.

John Jason, a lawyer specializing in financial services at law firm Cassels Brock & Blackwell LLP in Toronto, said Ontario's new housing measures could lead to some decreases in house prices if speculation is tamped down. While that is potentially "psychologically painful," it would not necessarily raise the level of defaults, he said.

"Efforts have been made to ensure that banks only make loans that are supported by income — in other words that the borrower can support the loan and the loan is not solely dependent on realizing on the value of the property," said Jason. He added that mortgages underwritten by the big banks tend to either be insured or have loan-to-value ratios that provide a significant cushion if home prices fall.

But he noted that the impact of policy changes is hard to predict, and there is a risk of fallout beyond the housing market in other pockets of the banks' consumer credit business that includes credit cards and auto loans.

"You would hope that a small reduction in demand would not have a major impact. Of course you cannot be certain in advance exactly what the impact will be," said Jason, whose areas of focus include regulatory risk management.

"If house prices drop substantially, does that lead to a negative psychology that leads to an across-the-board reduction in consumer spending? That could lead to defaults generally and not just in relation to mortgages."

Dechaine, the National Bank analyst, also raised concerns about potential “unintended” consequences.

“While we view the Ontario Government’s actions as benign, we must still consider potential negative outcomes,” he wrote in his note to clients, adding that construction and other parts of the real estate sector support both jobs and GDP in Ontario.

“If regulation results in job losses and reduced economic activity in the housing sector, then the banks could have a problem,” Dechaine wrote, adding that it is too early to make that call and other mitigating factors including new measures meant to stimulate more real estate development could come into play.

FINANCIAL POST: WHY THE ECONOMICS OF BUILDING NEW APARTMENTS IN TORONTO JUST GOT WORSE

By: Jonathan Ratner
April 20, 2017 4:27 PM ET

<http://business.financialpost.com/investing/why-the-economics-of-building-new-apartments-just-got-worse-in-toronto>

The Ontario province's new plan to battle soaring home prices, particularly its expansion of rent control, shouldn't take a bite out of the profits of most Canadian apartment real estate investment trusts, but some winners and losers may emerge.

The decision to expand rent control to all private rental units in Ontario, including those built after 1991, could also lead to some strategy adjustments within the sector.

That's because several larger REITs are already developing new rental apartments in Ontario. Some have near-term plans to begin development, either on a standalone basis, or as part of large-scale, mixed-use projects.

"The economics for building new apartments becomes much worse, and that was an emerging part of the strategies of many Canadian REITs," said Alex Avery, a real estate analyst at CIBC World Markets. "Many REITS were looking at the Toronto market in particular, as an area where they could surface a lot of value by building purpose-built rentals. That prospect has gotten a lot less attractive."

Avery highlighted RioCan REIT as likely having the largest identified portfolio of opportunities in Ontario. One such project is the redevelopment of a 7.6-acre site in Toronto's west end it is working on with Allied Properties REIT and Diamond Corp.

"It doesn't impact any of RioCan's existing operations or cash flow, it just brings into question whether or not their residential development strategy is still something they are going to pursue, and are they going to pursue it on the same scale and timeline, given the changing economics," Avery said.

In Ontario, a very large proportion of the rental stock owned by publicly-listed REITs is comprised of buildings constructed well before 1991.

For example, Canadian Apartment Properties REIT, has some 30,000-odd apartment suites. But almost none of them will be materially impacted by the government's extension, because almost all are already under rent control.

That's why the changes have a greater impact on the prospects for new, purpose-built developments — those intended to be owned all by one entity and designated as rental housing.

Residential vacancy rates are tight across Ontario, and that stems in large part from strong demand due to natural population growth and immigration.

The tight vacancy may also be partly the result of regulated allowable rent growth, which was a relatively low two per cent in Ontario last year, and just 1.5 per cent in 2017.

To alleviate tight vacancy, many markets are in need of new rental supply.

“In general, increased regulation such as rent controls, and new or standardized residential leases, is not stimulative to free-market new supply,” said Neil Downey, a managing director and real estate analyst at RBC Capital Markets. “So the announcement will likely cause most to at least re-evaluate their new residential rental development plans.”

Another way REITs could be impacted is by more challenging applications for above-guideline increases – a mechanism within the current rental housing framework that allows landlords to apply for higher rent increases associated with additional investments of capital.

In the past 19 years since the last change to rent control, many landlords have invested substantial amounts of capital to improve their portfolios. To make it economic, they’ve applied for above-guidance increases in rents. So instead of 1.5 per cent for example, they’ll target 2.5 or three per cent.

Although details are limited so far, if the government gets more strict about these increases, analysts believe it will be a negative, but not one that has a huge impact on REITs.

Jonathan Kelcher at TD Securities noted that among the REITs he covers, only two have exposure to Ontario units built after 1991.

They are CAPREIT at 1.9 per cent of total units, and Killam Apartment REIT at approximately nine per cent.

“We expect the announcement to have little impact on these REITs, as we believe the buildings are already at market,” the analyst said in a research note.

However, Jeffrey Olin, chief executive at Vision Capital Corp., believes Killam is among the big losers as a result of the changes.

He noted that post-1991 units in Ontario account for 20 per cent of the value of Killam’s apartment portfolio.

“They were building at quite low returns, buying new developments at very marginal returns, and thinking maybe over time they could increase the rents,” Olin said. “Well, they can’t do that anymore.”

The portfolio manager also highlighted Interrent REIT as a potential winner, given what he labeled a unique focus in eastern Canada.

“They are actually improving the rental stock for Ontarians, and improving the quality of life,” Olin said. “In doing so, they are able to achieve higher rents.”

NATIONAL POST: JOHN ROBSON: KATHLEEN WYNNE, THE NOTED ECONOMIST, KNOWS HOW MUCH YOUR HOUSE SHOULD BE WORTH

By: John Robson
April 20, 2017 1:54 PM ET

<http://news.nationalpost.com/full-comment/john-robson-kathleen-wynne-the-noted-economist-knows-how-much-your-house-should-be-worth>

Fresh from their triumphs on energy, health and other files, the Ontario Liberals plan to extinguish an “overheated” Toronto housing market. When politicians start deciding how much your house should be worth, it’s time to hit the roof.

Chesterton once said the modern world consists of formerly coherent virtues wandering about in mad isolation. It certainly seems to consist of economic principles doing so.

People now routinely ascribe to government the qualities once attributed to God, namely omniscience, omnipotence and infinite compassion, despite the virtually universal view that politicians and bureaucrats are ignorant and self-serving. So let us soften our scorn for the credulity of past ages long enough to consider that the major thrust of government policy over the past decade has been to “stimulate” the economy by keeping interest rates artificially low, after deficit spending failed, was repudiated, was adopted again and failed again.

Reputable opinion is all bwa bwa bwa about how the tax system should encourage saving not consumption to foster growth. But it’s also all bwa bwa bwa about needing to keep the overnight rate down at 0.5 per cent, 0.75 or one per cent to encourage consumption, not saving, to foster growth.

Oddly, they claim know to several decimal places what it should be yet it’s always a round number, never 0.56 per cent or 1.3. But I digress. The point is, the whole idea behind cheap money, other than (a) government can alter real interest rates because the market is full of dopes who don’t know from nominal and (b) to hold down interest payments on runaway public debt, is to make citizens borrow and spend. Then when we do, responding rationally to loose money by taking out big mortgages, they say hey, we wanted you to spend like maniacs but not on significant assets. Dawk.

Part of the argument is that if the housing “bubble” were to “burst” it would hurt the economy. But that’s only true if government has foolishly socialized risk by backing unsound mortgages, the same brilliant plan followed in the U.S. especially through unaccountable quasi-governmental agencies Fannie Mae and Freddie Mac. So having made the whole system dangerously unstable and inflated it recklessly, they now want to do us another favour based on their superior enlightenment, capacity and compassion.

So now we have the “Ontario Fair Housing Plan,” which includes a 15 per cent tax on non-residents. Hey wait. Isn’t that populist xenophobia? Is the premier suddenly channeling Donald Trump?

Heck no. But see the market is “a frenzy” according to Ms. Wynne, who’s such a good economist Hydro One just charged \$113.61 to deliver what it openly admits was no electricity at all to my cottage. Plus a 75 cent regulatory charge which is at least 75 cents more than Ontario power regulation is worth.

The new housing scheme will be a brutal failure in practice even if it doesn't turn out to have loopholes those devious speculators manage to exploit. And it will fail in practice because it's stupid in principle. It's true that when some Chinese rich person nastily buys a nice house in a desirable Ontario urban location, it forces some hapless Canadian to accept a windfall they then inflict on their fellows through spending or investment. But in "I Pencil" Leonard Read demonstrated over half a century ago that nobody can know what all the things required to make a humble pencil do cost, from paint to loggers' coffee, let alone what they "should" cost. Regulating prices with government's characteristic clumsy ignorance thus inevitably sends harmfully disruptive effects rippling throughout the supply chain in ways the planners could not foresee, cannot understand and are helpless to correct.

Ditto houses. They have no "fair" or "efficient" price other than what buyers will part with and sellers will accept. Admittedly the Ontario government already claims to know what your house should sell for, through the Municipal Tax Assessment Corporation, though they won't buy it at that price if you ask. So why not simply mandate that no house in the Greater Golden Horseshoe can sell for more than its MPAC valuation, at least to a stinking foreigner?

Because it would be central planning, which we know always causes unfair disaster. So while they devise other central planning to cause unfair disaster, please hit the roof as hard and often as possible especially if you live in Toronto. Putting holes in it with your head will reduce its value. Which your government actually wants.

QP BRIEFING: EIGHT THINGS YOU MAY NOT HAVE KNOWN ABOUT 'ONTARIO'S FAIR HOUSING PLAN'

By: Geoff Zochodne

<http://www.qpbriefing.com/2017/04/20/eight-things-you-may-not-have-known-about-ontarios-fair-housing-plan/>

After weeks of waiting, and month after month of rising real estate prices in the Greater Toronto Area, the Liberal government released its "Fair Housing Plan" Thursday morning.

Some of the juiciest bits of the plan leaked out prior to its publication – such as the new 15-per-cent tax on foreign speculation in the real estate market – but there were a few aspects that flew under the radar. QP Briefing has highlighted eight of them below.

#1 – A "revenue neutral" foreign speculation tax – but how much revenue must be neutralized?

The centerpiece of the Liberal government's housing-affordability plan is the new non-resident speculation tax, or NRST. The new tax will require non-citizens and foreign corporations to cough up an extra 15-per-cent for residential properties they buy in the Greater Golden Horseshoe area, which wraps around Lake Ontario from Niagara to Northumberland. The tax is effective Friday, and is aimed at stopping foreign speculation in the real estate market.

"In a tight market, vacant homes and speculators who never set foot in Ontario exaggerate our challenges," said Premier Kathleen Wynne at a press conference Thursday in Toronto's condo-heavy Liberty Village. "So we're taking action to discourage the practice. Our priority here is the people who live and work in Ontario, making the process of finding or buying a home fairer and more affordable for you."

There are some exceptions to the NRST. It doesn't apply to purchases of apartment buildings with more than six units, or to farmland and industrial properties. What's more, a foreign buyer can get a rebate on the tax if they become a citizen or permanent resident of Canada within four years of making their purchase. They can also get the money back if they've worked full-time in Ontario for a year, or studied as a full-time student for at least two years.

But there are questions about the cost and the effectiveness of the NRST. Just 5 per cent of Greater Toronto Area transactions involve a foreign buyer, according to a Toronto Real Estate Board survey.

So how much money will the government make off the new foreign speculation tax? None, the finance minister claims.

"It's revenue neutral," said Charles Sousa.

Progressive Conservative Leader Patrick Brown previously used the "revenue neutral" idea in discussing his plan for a carbon tax. In those instances, the Tory leader meant the cost of the carbon fee would be returned to people through government tax cuts elsewhere, such as to the income or sales taxes. He's since said his carbon tax would be "revenue negative."

Sousa's comments, however, suggested the NRST may not bring in that much cash, or will just pay for the government's Fair Housing Plan.

“It’s all of course predicated by degree of activity in the marketplace,” the minister said when asked about the revenue neutrality. “We’re also providing additional supports for affordable housing in this package, which then provides revenue-neutral activity.”

But the only dollar figure in the Fair Housing Plan was \$125 million spread over five years to refund developers some of the fees they pay in constructing new apartments.

“Working with municipalities, we’ll target projects in communities that are most in need of new, purpose-built rental housing, expanding rental choice for Ontario families who call those communities their home,” Housing Minister Chris Ballard said.

There could be other costs to the Fair Housing Plan, such as ones tied to its implementation, but the price-tags are not included in the document.

#2 – Unlock the provincial housing stock

Ah, the old “unlock the value” line. The Liberal government is fond of using it in connection with the privatization of Hydro One and the selling of real estate properties owned by the LCBO and Ontario Power Generation. Now, the Grits have attached it to their Fair Housing Plan, by vowing to “leverage the value of surplus provincial land assets across the province to develop a mix of market housing and new, permanent, sustainable and affordable housing supply.”

“We’ll unlock the value of surplus provincial land assets through a new program that will create a new permanent, sustainable, and affordable housing supply,” is how Ballard put it.

The two surplus properties the province is eyeing for a pilot project are in Toronto, one being the West Don Lands and the other just a short stroll from Queen’s Park.

“We have an opportunity to use some of the surplus land owned by the province to build new rental and affordable housing in areas where it’s most needed,” said Premier Wynne. “So we’re taking that opportunity.”

#3 – More rent control that will be retroactive – to today

The good news: if you’re currently a renter, your rent will be controlled from this day forth.

The bad news: if you’re a renter whose skittish landlord recently doubled your rent out of fear of coming rent controls, you may be out of luck.

The Liberals said Thursday that they’ll be extending rent control to all private units in Ontario, ending the current practice of landlords hiking rents however they want in buildings constructed after 1991.

Premier Wynne said the time for “rent gouging” had come to an end.

“It’s wrong, and it is not at all fair,” she said. “And the argument that developers need to be able to increase rents by as much as 100 per cent or they won’t keep building rental units just does not hold water.”

The Liberals' plan says they will introduce legislation that would expand rent control – capping future increases at 2.5 per cent – effective April 20, otherwise known as Thursday, or today. But a few stories popped up in recent weeks that landlords had doubled rents ahead of the release of the Fair Housing Plan. Those tenants may be out of luck.

The coming changes will also leave landlords free to hike rents when a tenant vacates an apartment.

“Under our proposed amendments, landlords will continue to have the predictability and flexibility to negotiate starting rents based on current market rates, both with new tenants and when units become vacant,” said Ballard.

#4 – A bit of give and take

The Liberals' housing plan giveth tenants more rent control and taketh away higher taxes on landlords.

The expanded rent control will also come with reforms of the Residential Tenancies Act, “to further protect tenants and ensure predictability for landlords,” the Fair Housing Plan says. One of those changes will be tighter restrictions on landlords evicting tenants to use an apartment for their own purposes. Another will be drawing up a new standard lease, which may not be the sexiest measure, but had the housing minister quite talkative.

“Both tenants and landlords will also benefit from our proposal for a new standard lease, a valuable resource that would bring consistency to the rental housing system for everyone participating in it,” said Ballard. “A standard lease will help all parties know their rights and responsibilities. It will also make renting easier for small landlords who are expanding rental options for Ontarians within their homes, but who don't have a team of people behind them to manage technical challenges like leases.”

The Liberals' housing plan also calls for the property tax levied on apartment buildings to fall in line with that of other residential properties.

“Last fall, we froze property taxes on apartment buildings. We're concerned that the higher tax burden on these buildings was ultimately being passed on to tenants,” said Sousa. “So today, we're announcing that municipalities will be required to apply a lower tax for new apartment buildings at a rate similar to other residential properties. This would encourage development of new purpose-built rental properties.”

There will also be the aforementioned five-year, \$125-million program that will rebate developers some of their municipal development charges.

#5 – Call in the 'SWAT' team

Hit the music:

<https://www.youtube.com/watch?v=bIVWSjgHUKQ>

Yes, Finance Minister Charles Sousa says the new Fair Housing Plan will include “a SWAT team of sorts” that will team with municipalities and the federal government to try to increase housing supply and ensure speedy approvals.

The new “Housing Supply Team” will parachute in on specific housing projects and figure out ways to get them built. A working group will also consult with industry and municipalities to figure out ways to streamline the approvals process.

#6 – You have the right to remain informed

The Liberals’ plan also includes getting homebuyers up to speed on their consumer rights – and putting realtors on notice that shenanigans will no longer be tolerated.

“This includes practices such as ‘double ending,’ and we’ve heard about fake bidding,” said Sousa. “We want to modernize the rules ... and improve the home buying experience, with the goal to offer greater consumer protection and make Ontario a leader in real estate transactions and standards.”

As part of the Fair Housing Plan, rules for real estate agents will be reviewed. The government will also spend some time trying to determine the impact and possible solution to practices like “assignment flipping,” where a purchase agreement is signed and the property sold off to another party before the first deal closes.

“We are going to be working with the realtors right now,” Wynne said. “I think we need to identify exactly what the practices are. I think we need to be clear what the problems are that need to be solved. Is it that the rules aren’t good enough, or is it that the rules aren’t being followed?”

#7 – Make elevators reliable again

The government is borrowing from the backbenches with its housing plan. Liberal MPP Han Dong already has a bill before the house, the Reliable Elevators Act, that would require broken elevators to be fixed within 14 days for most buildings, and within seven days if for a retirement home.

But ‘lo and behold, tucked into the Fair Housing Plan is a vow to make elevators “more reliable by establishing timelines for elevator repair.” Sure, there’s the caveat that this will be done “in consultation” with the industry and the Technical Standards & Safety Authority, but it’s in there.

#8 – AWOL: Action Without Legislation

The Liberal government now has two “fair” plans it has released without accompanying legislation that explains how the plan will actually work.

There’s the Fair Hydro Plan, which the Liberals say will reduce electricity bills by an average of 25 per cent, including an 8-per-cent rebate that began in January. No bill has been tabled yet that outlines the plan.

Meanwhile, the Fair Housing Plan was released while the legislature was on a break, but QP Briefing eagerly awaits the bills and regulations that will surely come soon after MPPs return to Queen’s Park next week.

QP BRIEFING: WHAT PEOPLE ARE SAYING ABOUT THE 'FAIR HOUSING PLAN'

By: Geoff Zochodne

<http://www.qpbriefing.com/2017/04/20/what-people-are-saying-about-the-fair-housing-plan/>

The release of the Liberal government's "Fair Housing Plan" definitely has people talking. Here's a roundup of things that were sent and said to QP Briefing in the aftermath of the plan's release.

NDP MPP Peter Tabuns, to reporters:

"We've seen this movie before, in that the government waits until there's a complete crisis – a crisis for them politically as well as for people – a lot of people get hurt and then they're willing to move.

We're going to look at what they've brought forward in this package. We hope that there's some good stuff in here. But I just wish they'd moved months earlier – on the rent control years earlier – to avoid a lot of people getting hurt."

Progressive Conservative housing critic Ernie Hardeman, to reporters:

"If we had more supply, the marketplace would see prices level off. The government believes that taxation will solve this problem. It isn't. This problem is red tape in the development industry and we just not are producing the units we need and so the units that are available, people are paying out-of-the-world prices to get those."

Joe Vaccaro, CEO, Ontario Home Builders' Association, to reporters:

"We're happy to see the focus of the announcement included the supply piece. We're happy to see they're going to put some resources there and help us get approvals through the system and bring those projects to market. That's really important for us. Ultimately, our industry builds 95 per cent of the new housing that comes to the marketplace, so it's important that we have provincial leadership there and some resources there."

NDP Leader Andrea Horwath, in a release:

"Today in Ontario, families are struggling to afford their own apartments, and most young families have no hope of buying into the neighborhood they grew up in. Kathleen Wynne watched this problem grow for years, and has done nothing.

Now, I'm concerned today's announcement may be too little, too late.

There is nothing in the Wynne Liberal bullet points that addresses affordable or social housing stock that is desperately needed. And there is nothing in this announcement that helps first-time buyers get into a home of their own.

I'm waiting to see the legislation – since we know Wynne has a record of selling one thing to Ontarians, and doing another. But, frankly, the missing pieces and vague bullet-points leave Ontario families concerned that Kathleen Wynne still doesn't get how much the housing crisis is impacting their lives."

Jim Murphy, president and CEO, Federation of Rental-housing Providers of Ontario, in a release:

"Today's announcement by the Wynne government will put thousands of units, and millions of dollars in provincial revenues at risk. It is a rash, politically motivated decision, which will hurt, not help, generations of Ontario renters."

Toronto Mayor John Tory, in a release:

"My goal as Mayor is to ensure housing is affordable in Toronto for all age groups and for all income levels.

To that end, I welcome many of the actions announced by Premier Kathleen Wynne's government today.

I am pleased that the government will activate surplus provincial land like the West Don Lands to create new affordable housing, something I have been urging the Premier to do for some time. I'm also gratified that the provincial government will allow the City to move forward with a vacant homes tax, subject to the results of our examination, and other measures to curtail speculation and add new supply into the marketplace right away.

I look forward to further details on all the initiatives announced today and have asked City staff to determine what the full impact of these changes will be for the City of Toronto and its residents."

Bonnie Crombie, Mayor of Mississauga, in a release:

"I am encouraged by many of these measures, but I believe that further study and analysis is needed to better understand what these new measures mean for Mississauga and how they will impact our housing market.

In the interest of accountability and transparency, I strongly believe any and all revenue generated by new tax measures must go directly toward creating more affordable housing options and the building of regionally-integrated transit, so we can build critically needed housing and allow people to more easily get to and from home.

I further welcome the government's commitment to work closely with municipalities, especially the recommendation for a housing advisory group. Mississauga Council and staff understand acutely the urgency to make housing more affordable for homebuyers and renters in Mississauga."

Keith Currie, President, Ontario Federation of Agriculture, in a release:

"There may or may not be some short-term solutions that have impact, but OFA believes that the real long-term solution lies outside the GTHA. It is time to recognize that Toronto and the surrounding metropolis will never catch up with its infrastructure and housing needs at the current growth rate. The viable, long-term solution is to stabilize Toronto's growth rather than just the housing market. This can be done by distributing economic development initiatives across the province – build up and invest in our rural communities. Only then will we relieve the pressure on the housing market for the long term."

Ontario Real Estate Association CEO Tim Hudak, in a release:

“Our goal as Realtors is to keep the dream of home ownership within reach for millennials, first-time home buyers and young families. We had over a dozen meetings with Premier Wynne, Finance Minister Sousa, the Honourable Tracy MacCharles, Housing Minister Chris Ballard and other senior staff to bring our ideas on home affordability forward. We’re pleased to see that the government has listened. For one, increasing the supply of homes is the best way to give buyers a better shot at home ownership and the government has committed to working with municipalities to remove the barriers to getting more new homes and listings on the market faster.

Secondly, since I became CEO of the Ontario Real Estate Association, I’ve worked with my board and Ontario Realtors to call for an overhaul of REBBA, the legislation that sets the rules for Realtors, to raise the bar on professional standards. Since the Act was first implemented in 2002, the real estate world has changed tremendously, therefore the legislation must be updated to catch up with the times. We look forward to working with the government to modernize the rules governing the profession, to help strengthen the sector and make Ontario a leader in real estate transactions and standards.

Education standards for Realtors must also be improved to ensure that Ontarians are working with highly skilled professionals when buying and selling their home, the biggest financial move most people will make in their lives.”

TORONTO SUN: ONTARIO TO TAX NON-RESIDENT FOREIGN HOUSING BUYERS 15%

By: The Canadian Press

Updated: Thursday, April 20, 2017 01:59 PM EDT

<http://www.torontosun.com/2017/04/20/ontario-to-tax-non-resident-foreign-housing-buyers-15>

TORONTO - Ontario plans to help cool a hot housing market by bringing in a 15-per-cent foreign buyer tax, expanding rent control, allowing Toronto to impose a tax on vacant homes and using surplus lands for affordable housing.

Premier Kathleen Wynne announced Thursday that a non-resident speculation tax will be imposed on buyers in the Greater Golden Horseshoe who are not citizens, permanent residents or Canadian corporations. The area, which stretches from the Niagara Region to Peterborough, Ont., is home to about 9 million people and is one of North America's fastest growing regions.

Once legislation passes, the non-resident speculation tax would be effective retroactively to April 21.

The tax is not about targeting immigrants, Wynne said, and a rebate would be available to people who subsequently get citizenship or permanent resident status, as well as foreign nationals working in Ontario and international students.

"The non-resident speculation tax has nothing to do with new Canadians and people who want to make Ontario their home," she said. "With this tax, we are targeting people who aren't looking for a place to raise a family — they're looking only for a quick profit or a safe place to park their money."

Despite the focus on foreign speculators, the government has admitted it doesn't have good data on the real estate market. As of Monday, however, homebuyers are required to give information about their residency and citizenship status and how they intend to use the property.

The Ontario speculation tax appears similar to one British Columbia implemented in Metro Vancouver last August, when foreign nationals purchasing property were slapped with a 15 per cent levy. In January B.C. Premier Christy Clark announced the tax would be lifted for those who have a work permit in order to encourage more people to come to the province to work.

The number of sales in Metro Vancouver plunged in the months after the new tax, though signs have since cropped up that the market may be bouncing back. In the Greater Vancouver area, the price of a home rose 12.3 per cent year-over-year to \$1,179,482, according to a Royal LePage report released this week.

In the Greater Toronto Area, the average price of detached houses rose to \$1.21 million last month, up 33.4 per cent from a year ago.

Skyrocketing demand and rising cost of housing is the "unwanted consequence" of a growing economy, but the province's new measures will make the process of finding a place to live a little easier, a little less frantic and a lot fairer, Wynne said.

"When young people can't afford their own apartment or can't imagine ever owning their own home, we know we have a problem," she said. "And when the rising cost of housing is making

more and more people insecure about their future, and about their quality of life in Ontario, we know we have to act.”

The province’s housing package will also expand rent control, which currently only applies to units built before November 1991, after tenants in newer units complained of dramatic spikes in rent. New rules would see all private rental units fall under annual rent increase guidelines. Those have averaged two per cent in the last 10 years and this year it is 1.5 per cent.

Tenants groups welcomed the move. However, Geordie Dent, executive director of the Federation of Metro Tenants’ Associations, noted the rent control will come too late for tenants who’ve recently seen outrageous rent increases.

Tenants will benefit from the government’s additional move to standardize rental agreements, Dent said, which will mean landlords won’t be able to hit tenants with extra fees and charges.

Some economists have warned that rent control will discourage developers from building new rental properties. To offset that, the government has also introduced a five-year, \$125-million program to rebate a portion of development charges on new purpose-built rental properties in areas with low vacancy rates.

Ontario is also giving Toronto and other interested municipalities the power to impose a vacant homes tax to encourage owners to sell or rent such spaces — something Toronto’s mayor has been pushing for.

Federal finance minister Bill Morneau welcomed Ontario’s housing package, saying the measures aren’t aimed at increasing demand, but instead look at ways to deal with speculation in the market.

“The move forward with an approach to dealing with potential speculators we hope will have an impact on reducing the speculative nature of what’s going on in the market,” he said.

The provincial Liberal government’s housing plan contains 16 measures in total.

Rules for real estate agents will also be reviewed, in particular practices such as double ending, where the agent represents both the buyer and the seller.

Ontario will also establish a program to identify provincially owned surplus lands for affordable and rental housing, with an eye to using a few specific sites such as the West Don Lands in Toronto for pilot projects.

Neither of Ontario’s opposition parties objected to any of the government’s proposed measures.

Ontario NDP MPP Peter Tabuns had proposed the same rent control measure in a private member’s bill, and said he was pleased to see the government move forward on that. Progressive Conservative Housing Critic Ernie Hardeman said the measures are moving “in the right direction.”

LIST OF PROPOSED HOUSING MEASURES

The Ontario government has announced what it calls a comprehensive housing package aimed at cooling a red-hot real estate market. Here are the 16 proposed measures:

- A 15-per-cent non-resident speculation tax to be imposed on buyers in the Greater Golden Horseshoe area who are not citizens, permanent residents or Canadian corporations.
- Expanded rent control that will apply to all private rental units in Ontario, including those built after 1991, which are currently excluded.
- Updates to the Residential Tenancies Act to include a standard lease agreement, tighter provisions for “landlord’s own use” evictions, and technical changes to the Landlord-Tenant Board meant to make the process fairer, as well as other changes.
- A program to leverage the value of surplus provincial land assets across the province to develop a mix of market-price housing and affordable housing.
- Legislation that would allow Toronto and possibly other municipalities to introduce a vacant homes property tax in an effort to encourage property owners to sell unoccupied units or rent them out.
- A plan to ensure property tax for new apartment buildings is charged at a similar rate as other residential properties.
- A five-year, \$125-million program aimed at encouraging the construction of new rental apartment buildings by rebating a portion of development charges.
- More flexibility for municipalities when it comes to using property tax tools to encourage development.
- The creation of a new Housing Supply Team with dedicated provincial employees to identify barriers to specific housing development projects and work with developers and municipalities to find solutions.
- An effort to understand and tackle practices that may be contributing to tax avoidance and excessive speculation in the housing market.
- A review of the rules real estate agents are required to follow to ensure that consumers are fairly represented in real estate transactions.
- The launch of a housing advisory group which will meet quarterly to provide the government with ongoing advice about the state of the housing market and discuss the impact of the measures and any additional steps that are needed.
- Education for consumers on their rights, particularly on the issue of one real estate professional representing more than one party in a real estate transaction.
- A partnership with the Canada Revenue Agency to explore more comprehensive reporting requirements so that correct federal and provincial taxes, including income and sales taxes, are paid on purchases and sales of real estate in Ontario.
- Set timelines for elevator repairs to be established in consultation with the sector and the Technical Standards & Safety Authority.

— Provisions that would require municipalities to consider the appropriate range of unit sizes in higher density residential buildings to accommodate a diverse range of household sizes and incomes, among other things.

OTTAWA SUN: MANY REASONS REQUIRE MANY HOUSING AFFORDABILITY SOLUTIONS

By: Mark Taylor

Updated: Thursday, April 20, 2017 09:35 PM EDT

<http://www.ottawasun.com/2017/04/20/many-reasons-require-many-housing-affordability-solutions>

On Thursday, the Ontario government announced a series of measures to address housing affordability. This is important for everyone, regardless of where you are with respect to your own housing. I credit the province for taking this action because tackling housing affordability generally goes hand in hand with tackling homelessness. Making a good home in Ontario and Ottawa should be accessible and affordable to everyone.

A recent Ottawa Sun editorial, "Homelessness is getting worse", raised some important issues. The more attention housing affordability and homelessness get, the more we will all get involved in solutions.

As the Alliance to End Homelessness Report acknowledged, we have made progress on our 10-year plan to end chronic homelessness, but we still have a significant amount of work to do.

Several months ago, at the request of the mayor, I began working with the alliance, service providers and many others to determine how to make more progress and make it faster. We have had some significant accomplishments though in 2016:

- 423 single people, 279 families and 37 couples were diverted from emergency shelters to other housing options;
- 256 long-stay shelter clients were housed in affordable permanent housing with supports;
- 320 new affordable housing options were created (48 new units built, 100 rent supplements, 132 housing allowances);
- 1,769 households were housed from the centralized wait list.

The city is also in the middle of more affordable housing developments with a \$12-million request for proposals being launched in the spring of 2017 for multi-use, mixed-income affordable housing and an application to turn the federal land at 289 Carling Ave. into supportive housing for long-stay shelter clients.

I am glad the Sun noted the value of providing rent supplements as a tool to help residents directly and quickly. I agree. That's exactly why we are supporting more of these each year. Going further, it's also why we are looking at a whole range of tools.

There isn't one tool or solution to this issue because, as the Sun points out, there can be many reasons a person is in crisis. Many reasons require many solutions, and that's what the city, province, federal government and, most importantly, a city full of service providers, are working together.

Mental health, addiction issues, complex physical health needs, and other circumstances are all precipitating factors for homelessness. Over the past several years, Ottawa has embraced a

housing-first approach that has seen money flowing into housing supplements and subsidies. Capital investments are important, as are subsidies and supplements, and a host of other tools. We recognize that to be effective we must have an all-of-the-above approach to assisting residents in need.

I've been very encouraged by the dialogue with provincial ministers and their staff on Ontario's Poverty Reduction Strategy, and their trial of a basic income program. I've suggested Ottawa has all of the features they are considering in piloting a basic income trial. I believe that one of the best ways to address homelessness is to prevent homelessness.

This year I will be providing Mayor Watson and the community with my report based on months of investigations and discussions with partners all across the sector, and with those who have lived experiences, too. Soon we will be arriving at a place where we can bring forward recommendations to enhance our progress.

We can end homelessness in our city — and in a city as smart, compassionate and committed as Ottawa, I believe we will.

— Mark Taylor is Special Liaison, Housing and Homelessness, deputy mayor, and councillor for Bay Ward.

CBC NEWS: WYNNE'S HOUSING, RENTAL AFFORDABILITY MEASURES MET WITH MIXED RESPONSE

Soaring home prices and sudden rent increases prompted government action

By: Lucas Powers

Last Updated: Apr 20, 2017 4:58 PM ET

<http://www.cbc.ca/news/canada/toronto/toronto-gta-housing-market-1.4077488>

The Ontario Liberals' new plan to help curb soaring home prices and curtail questionable rental practices, particularly in the Greater Toronto Area, was met with mixed reaction Thursday.

The 16-point strategy includes measures such as a proposed 15 per cent foreign buyers tax, an opportunity for municipalities to tax vacant homes, and perhaps most importantly, sweeping rent control measures that will be felt particularly heavily in the GTA, where some steep hikes in monthly rents have forced some tenants from their homes.

Wynne's Liberals introduced the changes after significant pressure from voters across Ontario, along with a number of veritable horror stories involving tenants and landlords that have made headlines in recent weeks. CBC Toronto reported earlier that renters in a hip Liberty Village condo were forced out after a 100 per cent increase in rent overnight.

This week, CBC's Here and Now interviewed 25-year-old Nicole Meredith, who has been forced to move after her rent jumped \$425 per month after a new company purchased her building. She says that while she's rented for years in the city, she's been unable to find a new apartment with a rent she can afford.

"It's amazing that so many people came forward and forced the government to do something about this," she told CBC News Thursday.

"I think, and I most people would think, that they should be able to live in a place they can afford and not have to worry about suddenly facing crazy rent."

There are, however, industry groups that decried the measures.

Rent controls "will have a detrimental affect on all those planned developments that our members want to build," said Jim Murphy, CEO of the Federation of Rental-Housing Providers of Ontario, a group that represents more than 2,000 builders and contractors.

Murphy says companies that he lobbies for currently have about 28,000 rental units "in the pipeline" that are ready to be built, but now many will likely be abandoned due to the threat of rent controls.

According to Murphy, the 16 measures do little to help renters or ease the supply-side pressure of the housing market. Rather, he says, they serve another purpose for a premier facing low approval numbers.

"They're politically popular for the premier," he told reporters.

But Geordie Dent, a representative of the Federation of Metro Tenants Associations, says it's a myth that rent control limits the construction of new rental-specific homes.

"Landlord's might be a little upset, but it's the best rental market for them in 30 years, so they're doing fine," he said with a smirk.

"It's going to help tens of thousands of people across Toronto and hundreds of thousands across Ontario."

CBC NEWS: 'IT'S MORE THAN A GOOD START': HOW PROVINCE'S HOUSING MEASURES HIT HAMILTON

CBC.CA News

Thu Apr 20 2017, 6:34pm ET

Section: Hamilton

Byline: CBC News

Some housing measures promised by the province Thursday were encouraging to market watchers in Hamilton, where prices have been rising by double digits for years.

"It's more than a good start, it's a willingness to engage on this issue substantively and not just on the margins," said Sara Mayo, who studies housing issues at the Social Planning and Research Council of Hamilton.

Especially good news to Mayo was that the province was not just looking at the Greater Toronto Area, but including the Greater Golden Horseshoe in some of its efforts to slow down runaway housing prices.

"Just in terms that they're looking at the housing market broadly in terms of the region, that's most interesting," she said.

Premier Kathleen Wynne announced the measures Thursday morning. They include:

- Expanding rent control to buildings built after 1991
- A rebate to encourage developers to build rental housing
- A standardized lease document for all tenants
- A look at realtor practices like representing both buyer and seller on a deal
- New powers for cities to charge a tax on vacant homes
- A foreign-buyer tax of 15 per cent

Mayo was especially heartened to hear about the measures aimed to help tenants: standard lease and the rent control. She said she hoped Hamilton would ask for the powers to charge taxes on vacant houses.

Coun. Aidan Johnson said he hears regularly from millennials in his ward that "inaccessible" housing in Hamilton is prompting them to look to live elsewhere.

"It looks like excellent news from the province of Ontario," Johnson said. "We have a growing problem of insufficient housing. We know that millennials face very different challenges when it comes to housing and economic stability than what older people do."

The foreign-buyers tax won't apply as directly to Hamilton, which sees less interest from global buyers than Toronto, but if it serves to lessen demand elsewhere in the Greater Golden Horseshoe, Hamilton may see some relief.

"Certainly in Hamilton I don't think there are foreign investors in Hamilton, unless you count Toronto," said Richard Harris, a professor at McMaster University who studies real estate and the Hamilton housing market. "There's certainly some investor speculation and that sort of thing."

Harris wondered at the effect of targeting only people who don't live in Canada.

"Why is it worse that a Chinese buyer purchases a home in Hamilton than a Toronto investor doing the same thing?" he said. "The issue should be whether the purchase is purely speculative, and the way to get at this would be to target people who buy and sell within a specific period without occupying the unit."

Harris also wondered whether the long-term impact of rent control might serve to make the rental market tighter.

He said the measures were a mixed bag but said seeing controls on the realtor practices and the implementation of a standard lease were positive moves. And he said some moves could have a positive effect on psychology ? in lowering feelings of desperation around buying now or being priced out forever.

Wynne was asked how effective the measures will be when demand for homes continues to outstrip supply and bidding wars on downtown homes are commonplace.

"We are not interested in controlling the market," said Wynne. "That is not the aim. But we do believe that there is a need for interventions right now to calm what is going on, to put protections in place."

CBC NEWS: 'WE KNOW WE HAVE A PROBLEM': ONTARIO LAYS OUT SWEEPING MEASURES TO CURB HIGH RENTS, HOME PRICES

Premier Wynne promises 15% foreign buyers tax and expansion of rent control

By: CBC News

Last Updated: Apr 20, 2017 3:44 PM ET

<http://www.cbc.ca/news/canada/toronto/wynne-housing-market-1.4077094>

Worried that too many Ontarians are getting priced out by fast-rising rents and surging home prices, Premier Kathleen Wynne unveiled sweeping measures Thursday aimed at cooling red-hot markets she admits have become "a problem."

Wynne said it's hoped the 16 measures — most of which will be contained in legislation that must first pass before they proceed — will curb housing costs that are rising "way faster than people's paycheques."

"When young people can't afford their own apartment or can't imagine ever owning their own home, we know we have a problem," she said. "And when the rising cost of housing is making more and more people insecure about their future, and about their quality of life in Ontario, we know we have to act."

Many of the measures were reported earlier today by CBC's Queen's Park reporter, Mike Crawley, before they were outlined by Wynne.

They include:

- A 15 per cent tax on home purchases by non-resident foreigners in Toronto and the Greater Golden Horseshoe. Wynne said the tax would not apply to new immigrants who plan to live here, but are instead aimed at speculators who will "never set foot in Ontario." The proposed tax would apply to transfers of land that contain at least one and not more than six single-family residences, including semi-detached homes, townhomes and condos. It would not apply to transfers of other types of land including multi-residential rental apartment buildings, agricultural land or commercial/industrial land. A rebate would be available for those who later become citizens or permanent residents, as well as foreign nationals working in Ontario and international students.
- A move to expand rent control to all private rental units in Ontario, including those built after 1991, which are currently excluded. CBC Toronto first broke the news when Housing Minister Chris Ballard said the government would move to remove the 1991 rule after residents complained of massive rent spikes. The issue was highlighted in a CBC Toronto series of stories called "No Fixed Address." The rent controls must come through approved legislation, but will take effect today, April 20. Annual rent increase for an existing tenant can be no higher than the rate of inflation. Rent increases will be capped at 2.5 per cent, even if the rate of inflation is higher.
- A rebate of development cost charges to encourage building of more rental housing.
- A standardized lease document for all tenants.

- A plan to look at practices that may be contributing to tax avoidance and excessive speculation in the housing market, such as "paper flipping" — a practice that includes entering into a contractual agreement to buy a residential unit and assigning it to another person prior to closing.
- New powers for Toronto and other municipalities to introduce a tax on vacant homes to encourage owners to sell or rent unoccupied units.
- A move to identify provincially owned surplus lands that could be used for affordable and rental housing development. In Toronto the areas identified include the West Don Lands and 27 Grosvenor St. and 26 Grenville St.
- A \$125-million, five-year program to encourage the construction of new purpose-built rental apartment buildings by rebating a portion of development charges.
- A review of the rules real estate agents are required to follow to ensure that consumers are fairly represented in real estate transactions. A government backgrounder on the measures announced today specifically mentions the practice of double-ending, when one agent represents more than one party in a transaction.

Toronto Mayor John Tory has been calling for a tax on vacant homes, and Wynne says Ontario will give Toronto and other interested municipalities the power to impose such a tax to encourage owners to sell or rent such spaces.

The moves come as Ontario residents — particularly those in larger cities — find themselves struggling to keep up with rents and home prices that have far outpaced wage increases.

The average price of detached houses in the Greater Toronto Area rose to \$1.21 million last month, up 33.4 per cent from a year ago. The news is no better in the Toronto rental market where some tenants are facing massive and sudden rent increases. Earlier this month, CBC Toronto reported about a tenant in a two-bedroom condo in Liberty Village — the same neighbourhood where Wynne made Thursday's announcement — jump from \$1,660 to \$3,320.

Wynne was asked how effective the measures will be when demand for homes continues to outstrip supply and bidding wars on downtown homes are commonplace.

"We are not interested in controlling the market," said Wynne. "That is not the aim. But we do believe that there is a need for interventions right now to calm what is going on, to put protections in place."

Wynne said she would not rule out other measures if she sees the need.

"Right now we believe these are the measures needed to help people find a place to live that they can afford," she said.

Prime Minister Justin Trudeau, speaking in Toronto Thursday as part of a Bloomberg series held at the Art Gallery of Ontario, was asked if there was a housing bubble in the city.

"We're looking at a time of pressures on housing that need to be alleviated," he told Bloomberg editor-in-chief John Micklethwait. He said the federal government is investing more than \$11

billion to build more affordable housing and rental units, and that his government would "work with cities to create stability."

"People need to afford the homes in the cities that they work," he added.

CBC NEWS: BYE BYE 1991 LOOPHOLE — RENT CONTROL TO EXPAND TO ALL RENTAL UNITS IN ONTARIO

Rent increases for existing tenants can be no higher than the rate of inflation and capped at 2.5%

By: Alexandra Sienkiewicz, CBC News
Last Updated: Apr 20, 2017 5:24 PM ET

<http://www.cbc.ca/news/canada/toronto/rent-byebye-1991-loophole-1.4077446>

Renters in Ontario are breathing a sigh of relief today, hearing that their rent will be protected from exorbitant increases.

Announced on Thursday, here's what Ontario's Fair Housing Plan means for renters:

- Expanding rent control to all units, including those built after 1991.
- Annual rent increases for existing tenants can be no higher than the rate of inflation.
- Rent increases will be capped at 2.5 per cent, even if the rate of inflation is higher.
- Change becomes effective as of April 20, regardless of when legislation is passed.
- A standard lease will be developed in multiple languages.
- Tenants will be adequately compensated if asked to vacate for "landlord use."

Housing Minister Chris Ballard was the first to tell CBC Toronto about new rent controls in mid-March, saying at the time that the government was working on legislation that would expand "on the rent controls that are currently in place." The legislation will be introduced as soon as possible and is expected to pass, as the Liberals hold a majority in Ontario.

- Wynne's housing, rental affordability measures met with mixed response

Thursday's news comes after weeks of increased pressure on the government in light of stories about massive rent increases people in Toronto have been forced to pay, many featured as part the CBC Toronto series "No Fixed Address."

Changes are 'great and very important'

Valerie Bruce, a renter living in Liberty Village, recently received a notice saying her rent would double from \$1,600 to \$3,200, so she decided to move.

Though the news may be too late in her situation, she called the proposed changes "great and very important," adding that there needs to be security and safety for the increasing number of renters who are living in condos in Toronto.

Given today's announcement, Milos Milic, who currently lives in a pre-1991 rental unit, says he would now consider moving into a newer unit.

ACORN, an organization that represents low-income families, also welcomed the news, saying rent control on units built in 1991 and earlier was a failed policy that did little to build new rentals and did a lot to make housing unaffordable in the province.

Rental industry 'disappointed and concerned'

Not everyone is happy with Thursday's announcement. The Federation of Rental-housing Providers of Ontario (FRPO) said it's disappointed and concerned with the proposed changes because they were made "without formal consultation" with the industry responsible for rental housing.

The announcement will "put thousands of units, and millions of dollars in provincial revenues at risk," said Jim Murphy, FRPO president and CEO. "It is a rash, politically motivated decision which will hurt, not help, generations of Ontario renters."

Ernie Hardeman, the PC housing critic, said the changes come too late and that the government should have moved "when they started musing about it." He isn't convinced the 1991 rent control exemption should have been removed for all buildings, and suggested a "graduated method" that saw the rules apply to pre-2001 may have been a better fit.

The Bank of Montreal commended the government for taking action, but said it's too early to tell if the new measures will help.

Stan Cho, a homeowner, renter and landlord of 19 different units, said today's move will hurt tenants more than anybody else because domestic investors will stop buying.

"We should have a free market economy where the supply and demand is balanced and the market dictates how much the rent increase should be," he said. "Right now, the reason we're seeing these rent increases is because we don't have that balance."

He believes the focus should be on reducing red tape for developers and homeowners, adding that he's been trying to get permits and approvals for his house for over a year.

He said landlords who have doubled the rent are the exception and that the government's "panic mode" reaction doesn't fix the real problem, which is demand.

Julie Bond, who leases several condos in Toronto, echoes Cho's concerns, saying the income she gets from her properties doesn't even cover the mortgage, maintenance and taxes.

Skeptical that the changes will have a positive effect, she says, "Perhaps this is a great way to correct the housing market, to ensure that all landlords sell their units" and that "many people will lose their residences as a result of [Thursday's] policy."

Vacancy rate still low in Toronto

The changes will be effective as of April 20, regardless of when the legislation passes, meaning landlords will not be able to raise rent by more than 1.5 per cent this year — the annual provincial rent increase guideline for 2017.

However, a landlord can raise rent by any amount in between tenant residencies. For example, if one tenant paying \$1,600/month chooses to move out of their unit, the landlord can charge the incoming tenant \$2,000/month or more.

With the city's vacancy rate sitting at one per cent — the lowest it's been in seven years — rental bidding wars will likely go unchanged.

If a unit is listed at \$1,700/month, there is nothing stopping potential renters from offering more money to secure a lease.

The housing plan also includes change at the Landlord-Tenant Board which will make the process "fairer and easier." Eviction provisions will be tightened, ensuring that tenants evicted for "landlord's own use" will be adequately compensated.

CBC NEWS: WYNNE LAYS OUT PLANS TO COOL ONTARIO'S SIZZLING HOUSING MARKET

CBC.CA News

Thu Apr 20 2017, 10:23am ET

Section: Toronto

Byline: CBC News

The province introduced plans this morning aimed at cooling Ontario's surging real estate and rental market, with the goal of making housing "fairer and more affordable."

Premier Kathleen Wynne said it's hoped the 16 measures will curb housing costs that are rising "way faster than people's paycheques."

"It's about helping people to be able to buy a home, to be able to rent a home or to stay in the rental home they're in," she said.

Many of the measures were reported earlier today by CBC's Queen's Park reporter, Mike Crawley, before they were outlined by Wynne.

They include:

- A 15 per cent tax on home purchases by non-resident foreigners in Toronto and the Greater Golden Horseshoe. Wynne said the tax would not apply to new immigrants who plan to live here, but speculators who will "never set foot in Ontario."
- Expanding the province's existing rent control system to cover all tenants, not just those in buildings built before 1991 under the current rule. CBC Toronto first broke the news when Finance Minister Chris Ballard said the government would move to remove the 1991 rule, an issue that was highlighted in a series of stories called "No Fixed Address." The rent increases must come through approved legislation, but will take effect today, April 20.
- A rebate of development cost charges to encourage building of more rental housing.
- A standardized lease document for all tenants.
- A ban on flipping of pre-construction units by speculators.
- A review of the rules governing the conduct of real estate agents.
- New powers for Toronto and other municipalities to introduce a tax on vacant homes to encourage owners to sell or rent unoccupied units.
- A move to identify provincially owned surplus lands that could be used for affordable and rental housing development. In Toronto the areas identified include the West Don Lands and 27 Grosvenor St. and 26 Grenville St.
- A \$125-million, five-year program to encourage the construction of new purpose-built rental apartment buildings by rebating a portion of development charges.

At Thursday's announcement in the fast-growing west Toronto neighbourhood of Liberty Village, Wynne made the announcement at a news conference also involving Finance Minister Charles Sousa and Ballard.

The average price of detached houses in the Greater Toronto Area rose to \$1.21 million last month, up 33.4 per cent from a year ago, but Wynne says the issue extends throughout the Golden Horseshoe area.

Sousa says investing in real estate is not a bad thing, but he wants speculators to pay their fair share.

With files from CBC Toronto's Mike Crawley, The Canadian Press

CBC NEWS: WYNNE'S RENT CONTROL WILL BACKFIRE, SAYS PROPERTY OWNER ASSOCIATION

Tenant rights says rent control should go further, apply to empty units

By: Giacomo Panico, CBC News

Last Updated: Apr 20, 2017 2:01 PM ET

<http://www.cbc.ca/news/canada/ottawa/wynne-s-rent-control-will-backfire-says-property-owner-association-1.4077349>

The Ontario government's effort to cool the housing market in the GTA could backfire in Ottawa, according to a property owner group who fears adding rent control to units built after 1991 will reduce the number of available rental properties.

"I think it's a terribly misguided initiative. It's actually going to hurt the people it's supposed to protect," said Victor Menasce, president of the Ottawa Real Estate Investors Organization.

The group is made up of about 400 investors, many of whom are landlords renting properties in Ottawa.

According to Menasce, most of the rental units added to the Ottawa market in recent years are condos purchased by investors, then put up for rent.

Menasce warns imposing rent control on these newer units will make investors think twice.

"What it will do is it will take rental stock off the market," said Menasce.

'1991 loophole' closed

Each year, the province sets a rent increase guideline based on the consumer price index. In 2017, the guideline was 1.5 per cent.

For units built before 1991, landlords are generally not allowed to increase the rent by more than the guideline, unless they get permission from the Landlord and Tenant Board because of a significant increase to their property tax or utility bill, or if they make significant improvements to the property.

As for units built or first occupied after 1991, the rent increase guideline hasn't applied, meaning landlords were free to increase the rent by as much as they wanted. Until now.

Thursday's announcement means all residential units will be subject to the annual rent increase guideline, regardless of when they were built.

New tenants need protection too: ACORN

Rent control, however, will still only apply to an existing lease, meaning landlords can do what they want to the rent when a tenant moves.

That omission from Thursday's announcement did not sit well with ACORN, an association of community organizations representing low and moderate income families.

"This is good, but we'd really like to see things done for vacancy control," said Stephenie Graham, co-chair of the Vanier chapter of Ottawa ACORN.

According to Graham, some landlords neglect repairing an apartment in the hopes of encouraging the tenant to end their lease.

"People are being pushed out, just so the rents can go up," said Graham.

To fix that, ACORN wants rent control to apply to a rental unit, rather than the lease for the unit.

But Menasce counters that landlords aren't raising rents just for the sake of making more profits.

"The problem she (Wynne) is trying to solve is the problem of rent going up. It's like trying to treat the symptoms of a problem instead of the root cause," said Menasce.

According to Menasce, significant increases in hydro bills, water bills and development charges are some of the reasons why landlords are increasing rent.

"The only way to reduce the rent, is to reduce the cost," said Menasce.

CBC NEWS: FOREIGN BUYERS TAX, EXPANDED RENT CONTROL COMING TO ONTARIO

CBC News has learned new measures will include 15% 'non-resident speculation tax'

By: Mike Crawley

Last Updated: Apr 20, 2017 10:01 AM ET

<http://www.cbc.ca/news/canada/toronto/kathleen-wynne-housing-market-home-prices-rent-control-1.4076283>

Ontario's Liberal government will slap a 15 per cent tax on home purchases by non-resident foreigners and will expand the province's existing rent control system to cover all tenants, CBC News has learned.

The moves come after the price of the average home in the Greater Toronto Area jumped 33 per cent in a year, triggering warnings of a real estate bubble, as well as after reporting by CBC Toronto revealed landlords slapping massive rent increases on tenants.

CBC News has obtained information on several of the measures in the provincial government's strategy to rein in housing costs. The information comes from sources with knowledge of the announcement to be made Thursday morning. In addition to the foreign buyers tax and expanded rent control, the measures also include:

- A rebate of development cost charges to encourage building of more rental housing.
- A standardized lease document for all tenants.
- A ban on flipping of pre-construction units by speculators.
- A review of the rules governing the conduct of real estate agents.

The full details will be unveiled at 9 a.m. today by Premier Kathleen Wynne, in the fast-growing Toronto neighbourhood of Liberty Village, along with Finance Minister Charles Sousa and Housing Minister Chris Ballard.

Non-resident speculation tax

Sources with knowledge of the announcement tell CBC News that Ontario will impose a 15 per cent tax on residential real estate purchases by anyone who is not a citizen or permanent resident, if they are not living in the province. Called the "Non-Resident Speculation Tax," it is similar to the tax imposed in Metro Vancouver last year, but with a rebate for homebuyers who become resident within a limited time period after the purchase.

The tax will apply to purchases in the Greater Golden Horseshoe, an expanse of land that includes the Greater Toronto and Hamilton Area, as well as the surrounding region stretching from Peterborough through Barrie, Waterloo and the Niagara Peninsula to the U.S. border.

Broadening rent control

Sources with knowledge of the announcement tell CBC News the government will bring all tenants under the province's existing rent control system, ending the exemption that currently allows unlimited rent increases in units built after 1991. The change will mean annual rent increases for all tenants who stay in their rental housing will be limited to Ontario's inflation-

based guideline (which this year is set at 1.5 per cent), unless the landlord gets approval from the Landlord and Tenant Board.

In addition, the sources say, the province will introduce reforms making it harder for landlords to get approval for a higher-than-inflation rent hike. For instance, landlords who have yet to repair elevators after being ordered to do so will be unable to apply for such an increase.

The province will also bring in a standardized lease, such as exists in Quebec, to stop landlords from putting illegal clauses in their contracts with tenants.

Ballard first indicated in March he would bring in stricter rent control measures in an interview with CBC Toronto following the series *No Fixed Address*, which has chronicled the struggles of tenants facing high rent increases in buildings constructed after 1991.

Rental housing supply

To make up for the expansion of rent control, sources say the government will announce new incentives to developers for building dedicated rental accommodation targeted at the middle- and lower-income market. The key incentive will be an up-front provincial rebate of development cost charges.

In addition, the government will free up more provincial land for building affordable housing, both for sale and for rental.

Anti-flipping mechanism

The government will ban speculators from "assignment flipping" in the pre-construction housing market, the sources say. The move is targeted at investors who put deposits on multiple units at pre-construction prices — typically in condominiums, but sometimes in new subdivisions — then sell the title for profit before the building is complete, a process known as assignment.

Sousa has previously signaled his intent to target such investors, labelling them "property scalpers" who are driving up prices.

Real estate agent practices

The government will not immediately impose any new measures on real estate agents but will review the regulations governing the industry, together with the body representing agents (the Ontario Real Estate Association) and the provincial regulator (The Real Estate Council of Ontario).

Sources say the review will take a close look at "double ending," where one agent represents the seller and a bidder, a practice that some say fuels bidding wars and drives up prices. Double ending, also called multiple representation, is banned in most other provinces.

CBC Marketplace revealed last year that some Ontario agents working both ends of a deal broke the rules that do exist by promising to give bidders inside information to help them win bidding wars.

Tracking citizenship and residency

Anyone who buys real estate in Ontario will have to reveal their citizenship and place of residence. The measure was promised by Sousa last November, but takes effect on Monday, along with a range of other disclosure requirements.

Buyers will also be required to state whether the property is to be used as a primary residence or investment, whether the buyer is acting as a representative for the eventual owner, and to reveal the names behind any numbered company purchasing real estate.

CP24: A FULL LIST OF HOUSING MEASURES ANNOUNCED BY THE ONTARIO GOVERNMENT

By: The Canadian Press
Thursday, April 20, 2017 10:09AM EDT

<http://www.cp24.com/news/a-full-list-of-housing-measures-announced-by-the-ontario-government-1.3376896>

TORONTO -- The Ontario government has announced what it calls a comprehensive housing package aimed at cooling a red-hot real estate market. Here are the 16 proposed measures:

- A 15-per-cent non-resident speculation tax to be imposed on buyers in the Greater Golden Horseshoe area who are not citizens, permanent residents or Canadian corporations.
- Expanded rent control that will apply to all private rental units in Ontario, including those built after 1991, which are currently excluded.
- Updates to the Residential Tenancies Act to include a standard lease agreement, tighter provisions for "landlord's own use" evictions, and technical changes to the Landlord-Tenant Board meant to make the process fairer, as well as other changes.
- A program to leverage the value of surplus provincial land assets across the province to develop a mix of market-price housing and affordable housing.
- Legislation that would allow Toronto and possibly other municipalities to introduce a vacant homes property tax in an effort to encourage property owners to sell unoccupied units or rent them out.
- A plan to ensure property tax for new apartment buildings is charged at a similar rate as other residential properties.
- A five-year, \$125-million program aimed at encouraging the construction of new rental apartment buildings by rebating a portion of development charges.
- More flexibility for municipalities when it comes to using property tax tools to encourage development.
- The creation of a new Housing Supply Team with dedicated provincial employees to identify barriers to specific housing development projects and work with developers and municipalities to find solutions.
- An effort to understand and tackle practices that may be contributing to tax avoidance and excessive speculation in the housing market.
- A review of the rules real estate agents are required to follow to ensure that consumers are fairly represented in real estate transactions.

- The launch of a housing advisory group which will meet quarterly to provide the government with ongoing advice about the state of the housing market and discuss the impact of the measures and any additional steps that are needed.
- Education for consumers on their rights, particularly on the issue of one real estate professional representing more than one party in a real estate transaction.
- A partnership with the Canada Revenue Agency to explore more comprehensive reporting requirements so that correct federal and provincial taxes, including income and sales taxes, are paid on purchases and sales of real estate in Ontario.
- Set timelines for elevator repairs to be established in consultation with the sector and the Technical Standards & Safety Authority.
- Provisions that would require municipalities to consider the appropriate range of unit sizes in higher density residential buildings to accommodate a diverse range of household sizes and incomes, among other things.

GLOBAL NEWS: WHY CANADA WINS, BUT MANY TORONTONIANS LOSE, FROM ONTARIO'S NEW HOUSING MEASURES

By: Erica Alini

<http://globalnews.ca/news/3391595/why-canada-wins-but-many-torontonians-lose-from-ontarios-new-housing-measures/>

Ontario Premier Kathleen Wynne announced a slew of measures Thursday designed to cool the red-hot housing market in Toronto and the province's Greater Golden Horseshoe area, which stretches from the Niagara region to Peterborough, Ont.

The policies will likely slow down skyrocketing housing prices in southern Ontario, potentially staving off some of the risks associated with having an overheated real estate market in one of Canada's economic centres — risks that have implications for the entire economy, according to some economists and policy experts.

But the measures will probably fall far short of Toronto Mayor John Tory's stated goal of making housing affordable "for all age groups and for all income levels," commentary from several bank analysts suggested.

Here's a look at the winners and losers from some of the proposed policies:

Housing taxes

The province is proposing two new tax measures: A 15 per cent foreign buyer tax, similar to that adopted last summer in Vancouver, and levies on both residential property and land left vacant. Both measures could help cool off the market, at least temporarily, according to economists.

"We have been fully in favour" of a foreign buyer tax, BMO economist Robert Kavcic wrote in a research note shortly after Wynne's announcement.

The new taxes, coupled with measures to increase the supply of new residential units, "should work to moderate house price inflation in the coming years," according to CIBC's Benjamin Tal.

Both analysts, however, expect the impact of the measures to be limited.

Foreign buyers likely make up a smaller share of the Toronto housing market compared to Vancouver, which will likely curtail the effectiveness of a tax that targets only non-resident speculators, the two banks noted.

Also, "any moderation in prices linked to the tax in the Toronto area is likely to take longer to materialize than in Vancouver," wrote RBC economists Craig Wright and Robert Hogue. That's because Vancouver's housing market already showed signs of cooling when the tax was introduced, whereas Toronto's is as hot as ever.

And the tax on vacant homes, which was championed by Tory, won't "make any material difference in the trajectory of the [Greater Toronto Area]'s housing market," according to CIBC.

BMO, which offered a similar assessment, also noted that tax will likely be difficult to enforce.

So who wins and who loses from all of this?

Winners:

- **Canada.** As mentioned, this is overall a good move for the Canadian economy. Speaking before Thursday's announcement, BMO chief economist Doug Porter told Global News that housing taxes can be quite effective at taking some of the "feeding frenzy" out of red-hot housing markets, at least temporarily. Real estate bubbles are dangerous because they can pop, triggering a recession or amplifying its impact. A housing crash in Toronto would likely have ripple effects across Canada.
- **Ontario's domestic speculators.** Despite talk of targeting Ontario's home-grown house flippers, the government stopped short of doing so, for now at least.

Losers:

- **Low- and average-income Torontonians.** Housing taxes will likely trigger only a small dip in prices, if that. It won't be enough to bring the price of Toronto's real estate back within the grasp of middle-income families. Vancouver's example is emblematic: A foreign buyer tax there has driven down sales volumes — as many potential home sellers wait on the sidelines — but prices have edged down only slightly and are already edging up.

Rent control

The second broad measure Ontario adopted today was pegging annual rent increases to the rate of inflation up to 2.5 per cent per year. Landlords would be allowed to raise rent by more than that once a tenant moves out.

The government's move comes after reports of rents doubling overnight in a couple of buildings in west-end Toronto.

The concern, though, is that the new rent control measures will result in fewer rental units being built and lower tenant turnover, as people stay put in underpriced units, according to BMO.

Here's who wins and who loses:

Winners:

- **Ontario's renters.** Many tenants across Toronto will undoubtedly breathe more easily knowing that their rent can no longer suddenly outgrow their budgets. Still, even for renters, this is a bittersweet victory, as the risk of facing steep cost increases when moving might prevent some people from upgrading to better units and force growing families to give up on looking for larger living quarters.

Losers:

- **Ontarians looking to rent.** Those who haven't found their dream rental yet may soon be out of luck. "The concern here is that this fans longer-term excess demand in the rental market, when vacancy rates are already barely more than 1 per cent," wrote

BMO's Kavcic. This could mean trouble for families who are now looking to rent because they couldn't afford home ownership.

- **Builders of rental property.** Developers of rental-only buildings will likely find that construction of more units is no longer financially viable or attractive, CIBC predicted.

CTV NEWS: DON MARTIN: ONTARIO TAKES POLITICALLY SMART, ECONOMICALLY NECESSARY ACTION ON HOUSING

By: Don Martin, Power Play Host

Published Thursday, April 20, 2017 5:55PM EDT

<http://www.ctvnews.ca/politics/don-martin-blog/don-martin-ontario-takes-politically-smart-economically-necessary-action-on-housing-1.3377597>

You have to experience a bust to fear the bubble.

That's why Ontario is taking politically smart and economically necessary steps to open a small leak in what many experts call a hyper-inflated housing bubble in the Toronto area.

You only have to spend an Easter weekend with Toronto relatives to observe all the symptoms of what was going on in Alberta in the mid-1980s, when price escalations were considered normal and buying immediately was essential, even if it meant an unaffordable mortgage payment.

I was living in Calgary when it went . . . *pop*.

My modest townhouse had soared to an unimaginable value on what was then the outskirts of Calgary before it plunged to half its peak value in a year.

It was a devastating reality check.

Granted, Toronto's economy doesn't sway to the whimsical beat of world oil prices.

But there's a rampant jump-on-the-buying-bandwagon psychology behind this artificial bidding frenzy. And that same herd mentality could deliver a hard whack on prices if a soft landing is not gently injected into the market.

While today's anti-speculation tax on foreigners and tight rent controls are more about life-jacketing the sinking Ontario Liberals and less about giving young voters the faint hope of saving for a home, it might actually be the best thing for existing homeowners.

The last thing they want to experience is an interest rate hike or an economic slowdown delivering full reverse thrust to a market flying on unsustainable expectations.

Panic sets in as overextended owners jettison unaffordable homes, speculation stops, foreclosures jump, listings surge as buyers hold off for better prices and the downward ripple radiates out throughout the Golden Horseshoe.

So if today's moves stop a price spiral which has my Toronto friends joking about buying a small village in New Brunswick for the sale price of their one detached home, don't fret.

That million-dollar house you bought ten years ago for \$300,000 has delivered an amazing tax-free return on investment. Holding out for another \$200,000 is just plain greedy.

At the end of the day, people with Toronto jobs have to live somewhere. And, trust me on this, it's better to reside in a housing price balloon with a small leak than a bubble when it bursts.

And that's the Last Word.

CTV NEWS: 'A COOLING EFFECT': REALTORS REACT TO ONTARIO HOUSING PLAN

By: Jeff Lagerquist

Published Thursday, April 20, 2017 2:22PM EDT

<http://www.ctvnews.ca/business/a-cooling-effect-realtors-react-to-ontario-housing-plan-1.3377463>

Real estate experts are cautiously optimistic about Ontario Premier Kathleen Wynne's 16-point plan to tame the Greater Toronto Area's surging real estate market. Some are even breathing a sigh of relief in anticipation of fewer bidding wars and bully offers.

Meanwhile, the expansion of rent controls to include buildings constructed after 1991 has raised concerns that developers will be less inclined to build much-needed inventory.

The 16 measures introduced by the government on Thursday, include a 15 per cent non-resident speculation tax, legislation that would allow Toronto and possibly other municipalities to introduce a vacant homes tax, \$125-million aimed at encouraging construction of new rental apartment buildings, and more protections for renters and people buying and selling homes.

"It will definitely have a cooling effect, and I think bring speculation down dramatically," ReMax Integra CEO Pamela Alexander told CTV News Channel. "I think buyers, sellers, and everybody welcomes some normalcy back to this incredible province that we have with respect to the real estate market."

The average price of detached houses in the Greater Toronto Area rose to \$1.21 million in March, up 33.4 per cent from the year before. While sky-high valuations have been a massive windfall for homeowners and investors, many seeking to enter the market in Canada's largest city have been priced out.

Alexander said she hopes the new suite of policies, dubbed Ontario's Fair Housing Plan, will help reduce some of that distortion.

"Healthy returns are usually between five and 10 per cent," she said. "We like a real estate market where prices increase in those ranges, not double digit. That's what we had for a very long time and it was very positive."

Royal LePage Johnston & Daniel senior vice president Dianne Usher said she is encouraged by the attention housing affordability is garnering from all three levels of government.

"We really, really support the affordability issue," she said. "I really do feel that the rent control policies that are in place needed to be addressed for some time."

However, she warns against building up hope that the new measures will cause things to change quickly.

"If it's a young couple with a modest income, I don't think, in the short term, that this is going to help them buy property today. Maybe in the long term as we increase supply, but not in terms of flipping a switch and making Toronto affordable tomorrow," Usher said.

The real winners, in her view, are Toronto-area renters. The expansion of rent control to buildings built after 1991, eliminates the possibility of monthly payments doubling overnight, as was the case with one downtown building earlier this month.

"It's very, very good news for renters. The only concern that we may have is that it may inhibit developers from developing more rental units with the policy," said Usher.

Many observers have noted that Toronto suffers from a perilously low inventory of affordable rental units. According to Urbanation, the average rent per square foot for new leases in the Greater Toronto Area condo market rose 11 per cent in the last quarter of 2016 compared to a year earlier, the fastest pace of growth since at least 2011.

"We certainly hope that the costs to maintain those properties will not be impacted dramatically by this very low ability to increase rents year-over-year," said Alexander. "Very often costs do exceed inflation. I'm sure there is some sort of balance between what is good for the person renting and what is fair to the individual letting out a condo, for example."

Toronto real estate broker Tony Ma applauds the new measures to tamp down speculative investment. He expects the pace of transactions will slow down in the short term, and hopes the changes lead to fewer of the bidding wars and bully offers that discourage his clients.

"As a real estate broker, we don't like bidding wars either. We want a balanced market. We want the best interest for the sellers and buyers. We don't like the bully offers," he said.

Ma and Usher are less optimistic about the gains to be had from applying a 15 per cent tax on some non-resident investors. The non-resident speculation tax targets individuals who are not citizens or permanent residents of Canada, and transactions by foreign corporations.

"I'm not certain of the percentage of foreign buyers that exist here in Toronto that fit the category they are going after," said Usher.

Ma, a 20-year Toronto real estate veteran who specializes in serving Chinese clientele, says his data shows foreign buyers made up just five to eight per cent of the total transactions over the last three years.

"My company has data about who is a Canadian citizen, who is an immigrant, who is an overseas student, who is using a foreigner's passport to buy," he said. "So foreign buyers are not a major factor for Ontario's (and) for Toronto's real estate market."

CTV NEWS: EXPANDED RENT CONTROL, FOREIGN BUYER TAX AMONG 16 MEASURES AIMED AT COOLING HOUSING MARKET

By: Jessica Smith Cross and Allison Jones, The Canadian Press
Last Updated Thursday, April 20, 2017 6:25PM EDT

<http://kitchener.ctvnews.ca/expanded-rent-control-foreign-buyer-tax-among-16-measures-aimed-at-cooling-housing-market-1.3376594>

Ontario is following British Columbia's lead, promising to introduce a tax on foreign homebuyers that the province hopes will help cool the frantic housing market, easing concerns about a potential bubble in Canada's fastest growing urban region.

The 15-per-cent "non-resident speculation tax" was among 16 housing measures the provincial government announced Thursday, which also included a promise to expand rent control, allow Toronto to impose a tax on vacant homes and use surplus provincial lands for affordable housing.

Premier Kathleen Wynne said the new tax would not target immigrants, and a rebate would be available to foreigners who work in Ontario, those who subsequently get citizenship or permanent resident status and international students.

"With this tax, we are targeting people who aren't looking for a place to raise a family -- they're looking only for a quick profit or a safe place to park their money," Wynne said.

Fears of a potential real estate market collapse as well as diminishing housing affordability have put increasing pressure on Wynne's Liberal government to take action, at a time when the average price of detached houses in the Greater Toronto Area has increased more than 30 per cent since last year.

Wynne said the measures were designed to help people afford to rent or buy a home, brushing off a suggestion that the move was more about boosting her approval rating, which has recently plunged to just over 10 per cent, according to polls.

Some economists were skeptical Thursday about the impact the new tax on foreign speculators would have on soaring house prices, noting that all three levels of governments have admitted they lack housing market data.

CIBC economist Benjamin Tal said he doesn't believe there are enough foreign buyers in the Toronto-area market for the tax to have a lasting effect. However, he predicts a short-term slowdown in the market once the measures are implemented.

Wynne said the Liberals were not interested in controlling the market.

"But we do believe there is a need for interventions right now in order to calm what's going on," she said.

The non-resident speculation tax will be imposed on buyers in Ontario's Greater Golden Horseshoe -- an area stretching from the Niagara Region to Peterborough -- who are not citizens, permanent residents or Canadian corporations.

Once legislation passes, it will be effective retroactively to April 21.

Another housing measure would expand rent control, which currently only applies only to units built before November 1991. The measure would be effective retroactively to April 20 once passed.

Rent control has been one of Toronto Mayor John Tory's main concerns, especially after recent published reports about some tenants in the city receiving notices that their rent would double.

Giorgio Cecatto, one of those tenants, said he is happy that his plight might have helped spur on the change in policy.

"I'm glad that, hopefully, in the future people are not going to be in our situation," he said. "It was something that needed to be discussed in the region."

The forthcoming rent control legislation won't apply to tenants like Cecatto, who received rent hike notices before Thursday's announcement.

The building industry has warned that rent control will discourage the construction of new rental properties. To offset that, the government has also introduced a five-year, \$125-million program to rebate a portion of development charges on new purpose-built rental properties in areas with low vacancy rates.

Ontario is also giving Toronto and other interested municipalities the power to impose a vacant homes tax to encourage owners to sell or rent such spaces.

Rules for real estate agents will also be reviewed, in particular practices such as double ending, where the agent represents both the buyer and the seller.

Tim Hudak, CEO of the Ontario Real Estate Association, welcomed the review.

"Those who abuse the rules, you've got to throw the book at them," he said. "Anybody who is breaking the rules is taking advantage of somebody making the biggest investment of their lives. You don't want that person in the profession."

Ontario will also establish a program to identify provincially owned surplus lands for affordable and rental housing, with an eye to using a few specific sites such as the West Don Lands in Toronto for pilot projects.

The measures announced Thursday appeared similar to those the British Columbia government implemented in Metro Vancouver last August, when foreign homebuyers were slapped with a 15-per-cent tax. The City of Vancouver also imposed a tax on vacant homes.

B.C. Premier Christy Clark announced in January that the tax would be lifted for those who have a work permit in order to encourage more people to move to the province to work.

The number of sales in Metro Vancouver plunged in the months after the new tax, though there are signs that the market may be bouncing back.

Here are the 16 proposed measures:

- A 15-per-cent non-resident speculation tax to be imposed on buyers in the Greater Golden Horseshoe area who are not citizens, permanent residents or Canadian corporations.
- Expanded rent control that will apply to all private rental units in Ontario, including those built after 1991, which are currently excluded.
- Updates to the Residential Tenancies Act to include a standard lease agreement, tighter provisions for "landlord's own use" evictions, and technical changes to the Landlord-Tenant Board meant to make the process fairer, as well as other changes.
- A program to leverage the value of surplus provincial land assets across the province to develop a mix of market-price housing and affordable housing.
- Legislation that would allow Toronto and possibly other municipalities to introduce a vacant homes property tax in an effort to encourage property owners to sell unoccupied units or rent them out.
- A plan to ensure property tax for new apartment buildings is charged at a similar rate as other residential properties.
- A five-year, \$125-million program aimed at encouraging the construction of new rental apartment buildings by rebating a portion of development charges.
- More flexibility for municipalities when it comes to using property tax tools to encourage development.
- The creation of a new Housing Supply Team with dedicated provincial employees to identify barriers to specific housing development projects and work with developers and municipalities to find solutions.
- An effort to understand and tackle practices that may be contributing to tax avoidance and excessive speculation in the housing market.
- A review of the rules real estate agents are required to follow to ensure that consumers are fairly represented in real estate transactions.
- The launch of a housing advisory group which will meet quarterly to provide the government with ongoing advice about the state of the housing market and discuss the impact of the measures and any additional steps that are needed.
- Education for consumers on their rights, particularly on the issue of one real estate professional representing more than one party in a real estate transaction.
- A partnership with the Canada Revenue Agency to explore more comprehensive reporting requirements so that correct federal and provincial taxes, including income and sales taxes, are paid on purchases and sales of real estate in Ontario.
- Set timelines for elevator repairs to be established in consultation with the sector and the Technical Standards & Safety Authority.
- Provisions that would require municipalities to consider the appropriate range of unit sizes in higher density residential buildings to accommodate a diverse range of household sizes and incomes, among other things.

CTV NEWS: THERE ARE PRESSURES ON REAL ESTATE THAT NEED TO BE ALLEVIATED, PM SAYS

By: The Canadian Press

Published Thursday, April 20, 2017 1:37PM EDT

<http://www.ctvnews.ca/politics/there-are-pressures-on-real-estate-that-need-to-be-alleviated-pm-says-1.3377356>

TORONTO -- There are pressures on the real estate market that need to be alleviated, but Ottawa must exercise caution because any measures it implements have a national effect, Prime Minister Justin Trudeau said Thursday.

"There's a recognition that the levers that the federal government has cover the entire country and the housing market in Vancouver or Toronto is somewhat different than that in Halifax or Saskatoon or even Montreal," Trudeau said in an interview with Bloomberg News.

His comments came as the Ontario government unveiled a suite of changes intended to stabilize home prices in the Greater Toronto Area, which have leapt by more than 30 per cent in the last year. The measures include a 15 per cent foreign buyers' tax, expansion of rent controls and granting Toronto the ability to impose a tax on vacant homes.

Trudeau said one of the challenges in crafting policies to rein in soaring house prices is a "dearth of data," as was the case in Vancouver a year ago.

Concerns about a possible bubble have mounted in Toronto in recent months. Trudeau declined to say when asked whether he believes a bubble exists.

"My focus is on making sure that for the medium and long term, people in Toronto and across the country can afford their homes and that means working on the supply side, making sure that we're investing in more rental stock, making sure that we're investing in new construction of affordable housing so that the market can adjust itself without either popping or crashing," he said.

CHCH: ONTARIO TO TAX FOREIGN BUYERS, EXPAND RENT CONTROL TO COOL HOUSING MARKET

Last updated: April 20, 2017 11:33:17 AM

<http://www.chch.com/ontario-place-15-per-cent-tax-foreign-buyers-expand-rent-control/>

The Ontario government has unveiled a new plan to help tackle the red hot housing market in the Greater Golden Horseshoe (GGH).

The province's Fair Housing Plan is comprised of 16 "comprehensive measures" the government says will help bring stability to the real estate market.

Premier Kathleen Wynne announced in Toronto one of the measures will be a 15 per cent Non-Resident Speculation Tax (NRST) on non-Canadian citizens, non-permanent residents and non-Canadian corporations buying residential properties containing one to six units in the GTHA.

Wynne says the tax is not about targeting immigrants and a rebate would be available for people who subsequently become a Canadian citizen or permanent resident within four years of the date of the purchase.

The province will also expand rent control to all private rental units, including those built after 1991.

Rules for real estate agents will also be reviewed, including practices such as double ending, where the agent represents both the buyer and the seller.

Wynne says the plan will make buying or renting a home a fairer and more affordable process for residents in Ontario.

If legislation passes, the tax would be effective retroactively to April 21.

For more details about the 16 measures in Ontario's Fair Housing Plan, [click here](#).

The GGH includes the following geographic areas: Brant, Dufferin, Durham, Haldimand, Halton, Hamilton, Kawartha Lakes, Niagara, Northumberland, Peel, Peterborough, Simcoe, Toronto, Waterloo, Wellington and York.

OTTAWA CITIZEN: MAYOR WATSON WELCOMES RENT CONTROL EXPANSION: 'SHOULD HAVE BEEN DONE SOME TIME AGO'

ottawacitizen.com

Thu Apr 20 2017

Section: Local News

Byline: Matthew Pearson, Ottawa Citizen

Protecting tenants by expanding rent control in Ontario "should have been done some time ago," Mayor Jim Watson said Thursday, in response to the province's new blueprint to stabilize the real estate market and protect homebuyers and renters alike.

Premier Kathleen Wynne's 16-point Fair Housing Plan will slap a new tax on foreign buyers, use surplus provincial land to build affordable housing and review rules for real estate agents.

Much of it was formulated with the Greater Toronto Area in mind, where there is a "significant problem" that needs to be solved, Watson said. The average selling price of a home in Ottawa rose by about 5.4 per cent in 2016, he said, while in Toronto, the year over year increase exceeded 30 per cent.

"We don't have the same level of problems. Our real estate market is generally stable and reliable with not a lot of big peaks and valleys," he said.

The new 15-per-cent non-resident speculation tax on buyers who are not citizens, permanent residents or Canadian corporations, for example, won't apply here and there isn't much vacant provincial land ripe for development within the city's boundaries.

Complaints about astronomical rent hikes aren't something Watson hears about too often from residents, but he's pleased the province will expand rent control to all private rental units, regardless of whether they were built before or after 1991.

"Rent control helps to level the playing field," the mayor said.

But the move has generated some furious debate, with John Dickie of the Eastern Ontario Landlord Organization suggesting the province "isn't interested in our rights."

"The government isn't interested in allowing us to make a return that makes us want to build more rental housing."

Dickie added rent gouging by landlords is a "Toronto issue."

"Those hundred per cent rent increases are rare or caused by something other than the market," he said.

Lawyer Michael Thiele, whose Ottawa practice includes landlord and tenant law, welcomed the change, even if the rationale for capping annual rent increases isn't being explained very well.

Since the mid-1970s, he said, when residential landlord and tenant law became its own specialized law in Ontario, the emphasis has been on security of tenure and stability in housing. Society, he argues, benefits when people have stable housing and can't be forced to move whenever.

But the lack of rent control over new buildings - which allowed landlords to raise rent by any percentage that they want - was a complete disruption of that public policy.

"Tenants through no fault of their own could be economically evicted by landlords who raised the rent by any percentage they wanted," Thiele said. "The landlords weren't being evil - they were being capitalists and trying to make as much money as they could legally with the assets they own."

The new rules would see all private rental units fall under annual rent increase guidelines. Those have averaged two per cent in the last 10 years and this year it is 1.5 per cent.

Thiele said he disagreed with capping annual increases at 2.5 per cent. The province's annual rent increase guideline is based on the Ontario Consumer Price Index (CPI), which is a measure of inflation calculated monthly by Statistics Canada. Since 1991, Ontario's rent increase guideline has exceeded 2.5 per cent 16 times.

"The annual guideline increase amount is supposed to reflect actual increases in costs - by limiting the amount to 2.5 per cent, you are making landlords less profitable," Thiele said. "I think that is bad policy."

Tenants may also benefit from the government's additional move to standardize rental agreements and tighten provisions for "landlord's own use" evictions.

Clarifying "landlord's own use" is a good thing, Thiele said. Currently, it can be used "improperly and the penalty is inconsequential."

Dickie said the province should leave leases alone. "I don't think they need to be mucking around with the lease," he said.

The freeing up of surplus provincial land and earmarking it for affordable housing follows a similar move by the federal government.

Though there isn't a lot of provincial land in Ottawa, Watson said he's already sent a note to several Liberal MPPs to "let them know we'd be very interested in sitting down to talk about some of the surplus lands that they have that could be used for affordable housing (because) that is one way of keeping prices down."

The government has also introduced a five-year, \$125-million program to rebate a portion of development charges on new purpose-built rental properties in areas with low vacancy rates.

Planning committee chairwoman Jan Harder says "it's a welcome measure but will not have any significant impact here as compared to (Greater Toronto Area) where DCs are much higher."

Harder also said added flexibility for municipalities when it comes to using property tax tools to encourage local development would have no "noticeable uptake" in Ottawa.

With files from The Canadian Press

OTTAWA CITIZEN: DOES ANYONE TRUST THE LIBERALS TO FIX HOUSING PRICES?

ottawacitizen.com

Thu Apr 20 2017

Section: Editorials

Byline: Ottawa Citizen Editorial Board

The Ontario government, concerned about bulging housing prices in Toronto, has laid out a massive set of reforms that could affect the entire province. These range from a foreign buyers' tax, to broadening rent control, to setting deadlines for how quickly elevator repairs must be done.

That sounds ambitious. So let's start here: What should a house cost? What should the rent on an apartment be? We don't know. Do you?

The correct price for shelter is no clearer than the correct price for a head of lettuce, or for an NHL hockey player. So what makes Premier Kathleen Wynne so sure she - and her government - have figured it out?

Housing prices in some parts of Canada are, admittedly, soaring. An average house in the Greater Toronto Area is more than \$1 million; countrywide, it's more than \$500,000. Since 2000, home prices across Canada have increased at triple the rate of incomes, compared to the preceding 30 years, when they more or less increased in tandem.

The median price of an Ottawa house is around \$420,000, according to Royal LePage. Ottawa, says Carleton professor emeritus and housing expert Allan Moscovitch, is a fairly flat market. "We're not seeing anything like what's happening in Toronto."

So we're going to be sucked into solutions for a problem we don't appear to have.

Further, the approach to lowering Toronto's housing prices attempts to solve numerous issues without considering whether government measures, such as restrictive zoning or current rent controls, have contributed to these woes in the first place.

The biggest portion of the plan - a 15-per-cent tax on foreign buyers - targets the Toronto corridor. A similar tax in Vancouver brought sky-high prices down initially, but they're creeping back up, suggesting the measure's effect may have been only temporary. In Ontario, even that won't work if the province has misdiagnosed the problem: If prices in Toronto are a matter of scarce apartment supply and high domestic demand, no amount of taxing foreign investors is going to ease pricing.

With its 16-point plan, the government is "hoping they have it right, but they don't really know," says Moscovitch. To its credit, the government plans to collect more data to help guide policy.

Also to its credit, it concedes some basics of supply and demand: If you increase the housing supply, prices will go down. To that end, the Liberals propose turning over some provincial land for development, though how much and how it will work isn't known.

How about this? Instead of worrying unduly about whether people in Toronto can afford downtown houses, focus on helping the poor province-wide find decent housing at all. Ottawa's Alliance to End Homelessness recently issued a report showing how Ottawa families are still stabled in crumbling motels on an emergency basis because there is no other shelter for them.

The government should consider market-based solutions, such as portable housing benefits, which give cash to renters who need it (as opposed to waiting in line for scarce social housing). Yet the Wynne Liberals talk of municipal vacancy taxes and the belief they know how quickly elevators can be repaired.

Meanwhile, Toronto isn't the centre of the universe. The premier would do well to remember that.

- Tyler Dawson, for the Citizen editorial board

OTTAWA CITIZEN: ONTARIO TO TAX FOREIGN BUYERS, EXPAND RENT CONTROL TO COOL HOUSING MARKET

ottawacitizen.com

Thu Apr 20 2017

Section: News

Byline: pdtechintegration

TORONTO Ontario is following British Columbia's lead, promising to introduce a tax on foreign homebuyers that the province hopes will help cool the frantic housing market, easing concerns about a potential bubble in Canada's fastest growing urban region.

The 15-per-cent "non-resident speculation tax" was among 16 housing measures the provincial government announced Thursday, which also included a promise to expand rent control, allow Toronto to impose a tax on vacant homes and use surplus provincial lands for affordable housing.

Premier Kathleen Wynne said the new tax would not target immigrants, and a rebate would be available to foreigners who work in Ontario, those who subsequently get citizenship or permanent resident status and international students.

"With this tax, we are targeting people who aren't looking for a place to raise a family - they're looking only for a quick profit or a safe place to park their money," Wynne said.

Fears of a potential real estate market collapse as well as diminishing housing affordability have put increasing pressure on Wynne's Liberal government to take action, at a time when the average price of detached houses in the Greater Toronto Area has increased more than 30 per cent since last year.

Wynne said the measures were designed to help people afford to rent or buy a home, brushing off a suggestion that the move was more about boosting her approval rating, which has recently plunged to just over 10 per cent, according to polls.

Some economists were skeptical Thursday about the impact the new tax on foreign speculators would have on soaring house prices, noting that all three levels of governments have admitted they lack housing market data.

CIBC economist Benjamin Tal said he doesn't believe there are enough foreign buyers in the Toronto-area market for the tax to have a lasting effect. However, he predicts a short-term slowdown in the market once the measures are implemented.

Wynne said the Liberals were not interested in controlling the market.

"But we do believe there is a need for interventions right now in order to calm what's going on," she said.

The non-resident speculation tax will be imposed on buyers in Ontario's Greater Golden Horseshoe - an area stretching from the Niagara Region to Peterborough - who are not citizens, permanent residents or Canadian corporations.

Once legislation passes, it will be effective retroactively to April 21.

Another housing measure would expand rent control, which currently only applies only to units built before November 1991.

Rent control has been one of Toronto Mayor John Tory's main concerns, especially after recent published reports about some tenants in the city receiving notices that their rent would double.

Giorgio Cecatto, one of those tenants, said he is happy that his plight might have helped spur on the change in policy.

"I'm glad that, hopefully, in the future people are not going to be in our situation," he said. "It was something that needed to be discussed in the region."

The forthcoming rent control legislation won't apply to tenants like Cecatto, who received rent hike notices before Thursday's announcement.

The building industry has warned that rent control will discourage the construction of new rental properties. To offset that, the government has also introduced a five-year, \$125-million program to rebate a portion of development charges on new purpose-built rental properties in areas with low vacancy rates.

Ontario is also giving Toronto and other interested municipalities the power to impose a vacant homes tax to encourage owners to sell or rent such spaces.

Rules for real estate agents will also be reviewed, in particular practices such as double ending, where the agent represents both the buyer and the seller.

Tim Hudak, CEO of the Ontario Real Estate Association, welcomed the review.

"Those who abuse the rules, you've got to throw the book at them," he said. "Anybody who is breaking the rules is taking advantage of somebody making the biggest investment of their lives. You don't want that person in the profession."

Ontario will also establish a program to identify provincially owned surplus lands for affordable and rental housing, with an eye to using a few specific sites such as the West Don Lands in Toronto for pilot projects.

The measures announced Thursday appeared similar to those the British Columbia government implemented in Metro Vancouver last August, when foreign homebuyers were slapped with a 15-per-cent tax. The City of Vancouver also imposed a tax on vacant homes.

B.C. Premier Christy Clark announced in January that the tax would be lifted for those who have a work permit in order to encourage more people to move to the province to work.

The number of sales in Metro Vancouver plunged in the months after the new tax, though there are signs that the market may be bouncing back.

OTTAWA CITIZEN: TRUDEAU SAYS THERE ARE PRESSURES ON REAL ESTATE THAT NEED TO BE ALLEVIATED

ottawacitizen.com

Thu Apr 20 2017

Section: News

Byline: pdtechintegration

TORONTO There are pressures on the real estate market that need to be alleviated, but the federal government must exercise caution because any measures it implements have a national effect, Prime Minister Justin Trudeau said Thursday.

"There's a recognition that the levers that the federal government has cover the entire country and the housing market in Vancouver or Toronto is somewhat different than that in Halifax or Saskatoon or even Montreal," Trudeau said in an interview with Bloomberg News.

His comments came as the Ontario government unveiled a suite of changes intended to stabilize home prices in the Greater Toronto Area, which have leaped by more than 30 per cent in the last year. The measures include a 15 per cent foreign buyers' tax, expansion of rent controls and granting Toronto the ability to impose a tax on vacant homes.

Trudeau said one of the challenges in crafting policies to rein in soaring house prices is a "dearth of data," as was the case in Vancouver a year ago.

Concerns about a possible bubble have mounted in Toronto in recent months. Trudeau declined to say when asked whether he believes a bubble exists.

"My focus is on making sure that for the medium and long term, people in Toronto and across the country can afford their homes and that means working on the supply side, making sure that we're investing in more rental stock, making sure that we're investing in new construction of affordable housing so that the market can adjust itself without either popping or crashing," he said.

OTTAWA CITIZEN: ONTARIO HOUSING MEASURES EXPECTED TO HAVE SHORT-LIVED IMPACT, EXPERTS SAY

ottawacitizen.com

Thu Apr 20 2017

Section: News

Byline: pdtechintegration

Toronto's runaway real estate market could take a breather due to Ontario's new housing measures, but much like what transpired in Vancouver, the impact of the changes is expected to be short-lived, experts say.

Premier Kathleen Wynne announced more than a dozen new initiatives aimed at reining in prices that have soared out of reach for many homebuyers, including a 15 per cent tax on non-resident speculators in the Greater Golden Horseshoe, a fast-growing region that stretches from the Niagara Region to Peterborough, Ont.

The province is also expanding rent controls and giving Toronto and other municipalities the power to impose a tax on vacant homes, something that Toronto Mayor John Tory has been pushing for.

"Ultimately at the end of the day, you probably end up in a situation where the market absorbs the tax and keeps pushing higher," said BMO economist Robert Kavcic.

Benjamin Tal, deputy chief economist with CIBC, said the measures are likely to cool the market over the next six months as many buyers will move to the sidelines to assess the fallout stemming from the changes.

"That's exactly what we've seen in Vancouver," said Tal.

"The slowdown in Vancouver was not entirely due to the tax - it was domestic buyers who were basically sitting on their hands waiting to see the impact of the tax."

Home sales plunged and price growth stalled for months in Vancouver following the B.C. government's introduction of a 15 per cent tax on foreign buyers last August.

But a recent report from realtor Royal LePage suggests the Vancouver market may be starting to bounce back as demand starts to return.

That's what experts are predicting will happen in Toronto.

"A lot of local buyers will sit on the sidelines for a while to watch and see what happens, and then that pent-up demand will re-enter the market down the road once the fear and the unknown has passed," said Blair Mackey, a sales representative with Royal LePage Real Estate Services.

However, Kavcic said the impact in Toronto could be more muted than it was in Vancouver, as the tax is not coming as a surprise and there are more exemptions. For example, international students will not be subject to the tax.

"We've already known for months that this was probably coming down the pipeline, versus Vancouver where you woke up one morning and there was a 15 per cent tax," he said.

Economists said they were somewhat surprised not to see any measures tackling domestic speculators, particularly considering the amount of discussion the topic had drawn.

Such rules could still be coming, said Tal.

"Domestic flippers probably will be the next target," he said.

Tal took issue with the province's plans to expand rent control, which currently applies only to units built before November 1991, to all private rental units. The guidelines cap rental increases and in recent years the cap has averaged at two per cent. This year it is 1.5 per cent.

"It's coming from a good place," said Tal.

"You really want to protect tenants. The issue is that builders will tell you that if you impose rent control that is only as high as inflation, that is not enough for them to start building."

Tal said he suspects that over the next few years, builders who were planning to construct rental buildings will opt for condos instead or cancel the developments altogether, a move that would reduce the supply of rental units.

A better measure would have been to cap rents at inflation plus one or two per cent, said Tal.

"By doing so, you do provide tenants with protection. There is a cap. But at the same time, the number three, three-and-a-half, is actually the magic number for developers."

OTTAWA CITIZEN: WHY OUR SUBURBS ARE NO PLACE TO GROW OLD

ottawacitizen.com

Thu Apr 20 2017

Section: Columnists

Byline: Christina Spencer, Ottawa Citizen

For many of us, Canada's centenary celebrations seem like they happened yesterday. How did 50 years go by so quickly? As we prepare for our 150th anniversary, the demographic reality is that there are now more seniors than school-aged children in our population. Twenty-five years from now, one-quarter of us will be collecting old age security.

Although this has predictable implications for the economy and health care costs, we face another challenge: for decades we have been building car-dependent suburbs where residents have to drive or be driven to work, school or shopping. This worked well for growing families, but as people age and become less mobile, many lose the ability to drive or afford a car. When grocery stores, medical facilities and community centres are too far away to reach on foot, seniors without a car become less active and are at risk of becoming isolated. Forecasts suggest that by 2036, more than 40 per cent of people living in car-dependent suburbs surrounding Toronto will no longer have a driver's licence.

What can be done to solve this problem? The good news is that hundreds of Canadian municipalities have signed on to become "age-friendly," a concept introduced in Canada as a World Health Organization pilot a decade ago. In Ontario, nearly all of the province's largest cities have declared their intention to become age-friendly. Some, such as Ottawa, Toronto, London and Hamilton, with support from the Ontario Seniors Secretariat (now the Ministry of Seniors Affairs), have already earned the WHO's coveted age-friendly designation. But this recognition is renewable every three years and entails more than the relatively minor improvements (such as more park benches, better lighting and signage) we have seen so far. Cities can't rest on their laurels.

One of the critical areas for improvement is to make the connection between "age-friendly" and land-use planning. Research by the Canadian Urban Institute finds that none of the larger Ontario cities pursuing the path to become age friendly has yet taken the basic step of amending its official plans to reflect that commitment.

Research confirms that most of us want to age at home, in familiar surroundings, where we have friends and know our neighbours. But unless there are "push factors" such as ill health, or "pull factors" such as the desire to move to more vibrant surroundings, most of us stay put. This inertia is exacerbated in low-density suburbs filled with single detached housing because these places offer few housing options for anyone looking to move.

In a publication just released((irpp.org»))by the Institute for Research on Public Policy((policyoptions.irpp.org»)), I detail the following opportunities:

. Ontario is already making important changes to how planning and development occurs. Amending provincial policies to make age-friendly planning a municipal priority would provide additional incentives for cities and developers to create compact, walkable development; complement existing commitments to age-friendly communities; and support provincial efforts to help people age at home. "Strong" communities can also be age-friendly communities.

. Municipal official plans have to be updated on a regular basis. Acknowledging the impact of demographic change by integrating the notion of age-friendly design into these plans and the development review process would create a powerful additional incentive for rethinking development patterns. An age-friendly philosophy could also enhance broader goals for improving urban design, neighbourhood walkability and access to essential amenities, including public transit.

. The current generation of seniors has grown up with unprecedented mobility thanks to ubiquitous car-ownership. With people living longer - and for the most part, healthier than in the past - forecasts suggest that most of us will outlive our ability to drive. There is an opportunity for municipalities and developers to collaborate in seeking out redevelopment sites such as suburban strip plazas, failed malls and other brownfields to create mixed use projects that offer easy access to age-appropriate housing and amenities.

A British gerontologist once stated, "Design for the young and you exclude the old; design for the old and you include everybody." There are many reasons to build on the progress being made to create age-friendly communities. Preserving quality of life for seniors living in Canada's suburbs seems like a good place to start.

Glenn Miller is a senior associate with the Canadian Urban Institute in Toronto. In addition to leading the CUI's research on aging issues, he is a member of the City of Toronto's Seniors Accountability Table.

MACLEAN'S: THE WYNNE GOVERNMENT FLIES BLINDLY INTO THE HOUSING BUBBLE

Ontario sat idle while foreign buyers flocked to Toronto. With no reliable data, who knows what the province's new tax will do?

By: Joe Castaldo
April 20, 2017

<http://www.macleans.ca/politics/the-wynne-government-flies-blindly-into-the-housing-bubble/>

The Ontario government introduced a package of 16 measures Thursday designed to tame runaway home prices in Toronto and surrounding cities, and improve affordability for those hoping to own or rent property. Premier Kathleen Wynne confidently declared the plan would bring stability to the market. "It's about helping people buy a home, afford to rent a home or to stay in the rental home they're in," she said. "My objective is to make sure that what we do helps people." As for the underlying data guiding these policy decisions? About that, the government is less confident.

The Ontario Fair Housing Plan includes options to boost housing supply, prevent egregious rent increases and rein in excessive speculation. But it's hard to shake the feeling the government is, in several important ways, flying blind. The lack of data surrounding Canada's housing market has been a problem for years, and it's only grown more pressing as real estate markets in B.C. and Ontario have turned red hot. In the federal Liberal's first budget in 2016, the government allotted a measly \$500,000 to Statistics Canada to monitor foreign investment in real estate. This year, the government announced a much bigger investment geared toward collecting housing data—\$300 million over the next decade, including \$39.9 million to study foreign ownership. Though welcome, such investment should have come long before prices in Vancouver and Toronto flew into the stratosphere. Without reliable numbers, policymakers are left making decisions in the dark—and far too late.

Take the 15 per cent "non-resident speculation tax" the Ontario government announced on Thursday. The levy, effective immediately, targets foreign buyers who are flipping properties or using real estate to park cash. But the government doesn't know how big a factor offshore buyers are. At a news conference, a reporter pressed Sousa to account for the number of foreign and domestic speculators in the market, compared to families who are simply trying to find a place to live. "The data is very clear," Sousa said before sidestepping the question. "Prices are going too high, and demand is extremely high." Eventually, he conceded: "We have to get greater clarity."

When Vancouver implemented a foreign buyer tax last summer, many observers and economists predicted investment would flow to Toronto. Rather than try to get a handle on the issue, Ontario policymakers sat idly by. Wynne maintained a similar tax wasn't the right fit for the province. "I'm not interested in doing something that would have an unintended consequence in Ontario," she said in October.

The government is only now pledging to collect more data on homebuyers. Effective April 24, purchasers will have to declare residency, citizenship and permanent resident status, and whether the home will be occupied by the purchaser or family members as a primary residence. One of the outcomes of the much ballyhooed housing summit earlier this week between Sousa, his federal counterpart Bill Morneau and Toronto mayor John Tory was a commitment to "sharing relevant data more regularly between governments to enhance understanding," a move

that seems comically late after prices in the region have surged double-digits over the past few months.

Sousa's targeting of "property scalpers" is equally devoid of hard facts. The finance minister has asserted that speculators are flipping contracts to purchase pre-construction housing units before closing, a practice he argues is contributing to price increases and crowding out families. Assignment sales, the more benign name for the transaction Sousa is talking about, have occurred in the condo market for years. But the government did not provide any information on the prevalence or frequency of the practice. Instead, the province pledged to "work to understand" the issue. The move to preemptively brand "property scalpers" a problem, however, smacks of an effort to create a villain that the government can then vanquish—a useful tactic for a government headed by a leader with a record-low approval rating facing an election next year.

None of this is to say that the package announced today is not needed. It would simply be reassuring for the public to know that policymakers are guided by research and firm data, instead of reacting to frothiness in a real estate market that's been foaming for years. The housing market is far too important to the economy for that.

"The household sector has been pretty much the only game in town when it comes to driving broad Canadian GDP growth," wrote Scotiabank economist Derek Holt in an unsettling note this week. The real estate market heavily influences consumer spending—when markets boom, homeowners feel wealthier, and spend more money. Holt calculates that housing and consumption amounted to 84 per cent of annual growth in real GDP from 2010 to 2016. Governments, he says, need to be "very careful in not removing what has essentially been the only source of growth in the economy for years now and doing so a) potentially at the peak of the cycle, and b) with cavalier attitudes to the importance of facts and figures."

The good news is that the measures announced today are unlikely to send the market into a tailspin. If anything, the package might be too tepid. "The bark is bigger than the bite," wrote Bank of Montreal senior economist Robert Kavcic this morning. Benjamin Tal, an economist at CIBC, wrote most of the policies are "reasonable and potentially helpful." The foreign buyer tax and a crackdown on assignment sales would both have only a marginal impact on the market. "But margins do add up," Tal wrote.

No one can say for certain how effective the new policies will be, of course. When it comes to the housing market, the future is just as cloudy as the past.

MACLEAN'S: THE 16 MEASURES IN ONTARIO'S NEW HOUSING PLAN

The full suite of measures the Ontario government wishes to implement as it attempts to cool the hot housing market

By: The Canadian Press
April 20, 2017

<http://www.macleans.ca/economy/the-16-measures-in-ontarios-new-housing-plan/>

TORONTO – The Ontario government has announced what it calls a comprehensive housing package aimed at cooling a red-hot real estate market. Here are the 16 proposed measures:

- A 15-per-cent non-resident speculation tax to be imposed on buyers in the Greater Golden Horseshoe area who are not citizens, permanent residents or Canadian corporations.
- Expanded rent control that will apply to all private rental units in Ontario, including those built after 1991, which are currently excluded.
- Updates to the Residential Tenancies Act to include a standard lease agreement, tighter provisions for “landlord’s own use” evictions, and technical changes to the Landlord-Tenant Board meant to make the process fairer, as well as other changes.
- A program to leverage the value of surplus provincial land assets across the province to develop a mix of market-price housing and affordable housing.
- Legislation that would allow Toronto and possibly other municipalities to introduce a vacant homes property tax in an effort to encourage property owners to sell unoccupied units or rent them out.
- A plan to ensure property tax for new apartment buildings is charged at a similar rate as other residential properties.
- A five-year, \$125-million program aimed at encouraging the construction of new rental apartment buildings by rebating a portion of development charges.
- More flexibility for municipalities when it comes to using property tax tools to encourage development.
- The creation of a new Housing Supply Team with dedicated provincial employees to identify barriers to specific housing development projects and work with developers and municipalities to find solutions.
- An effort to understand and tackle practices that may be contributing to tax avoidance and excessive speculation in the housing market.
- A review of the rules real estate agents are required to follow to ensure that consumers are fairly represented in real estate transactions.

- The launch of a housing advisory group which will meet quarterly to provide the government with ongoing advice about the state of the housing market and discuss the impact of the measures and any additional steps that are needed.
- Education for consumers on their rights, particularly on the issue of one real estate professional representing more than one party in a real estate transaction.
- A partnership with the Canada Revenue Agency to explore more comprehensive reporting requirements so that correct federal and provincial taxes, including income and sales taxes, are paid on purchases and sales of real estate in Ontario.
- Set timelines for elevator repairs to be established in consultation with the sector and the Technical Standards & Safety Authority.
- Provisions that would require municipalities to consider the appropriate range of unit sizes in higher density residential buildings to accommodate a diverse range of household sizes and incomes, among other things.

REUTERS: ONTARIO SETS TAX ON FOREIGN BUYERS TO COOL TORONTO HOUSING MARKET

By: Matt Scuffham
Thu Apr 20, 2017 4:06pm

<http://ca.reuters.com/article/topNews/idCAKBN17M1RN-OCATP>

TORONTO (Reuters) - Ontario's provincial government on Thursday introduced a 15 percent tax on property purchases by foreign buyers as part of 16 measures designed to cool Toronto's red-hot housing market.

A rapid acceleration in home prices in Toronto had prompted some economists to voice fears that the real estate market in Canada's most populous city is in a bubble and raised concerns about the ability of first-time buyers to afford a home.

Ontario's Liberal government, trailing the Progressive Conservatives in opinion polls ahead of an election in June 2018, had also come under pressure to respond to growing public frustration about the role foreign buyers are playing in the Toronto market.

"I have three millennials at home, adults in their 20s. They wonder how they are ever going to get their starter home," said Ontario Finance Minister Charles Sousa.

"I think the public is concerned about speculation and speculators crowding out families that want to own a home," he added in an interview.

Sousa said the tax would take effect on Friday.

Toronto prices rose 33 percent in March from a year earlier and the average price of a detached home topped C\$1.2 million (\$903,000) last month. Bank of Canada Governor Stephen Poloz has warned the level of price increases is unsustainable.

Sousa acknowledged the government faced a difficult balancing act finding policies that would stabilize prices without damaging the market.

"Nobody wants to crash the market. I'm very mindful of any unintended consequences from the measures that we take," he said.

A similar tax introduced by British Columbia last July led to a sharp decline in sales activity and a fall in prices. Prices in Vancouver were down 9 percent in March from a year ago, according to the Canadian Real Estate Association.

Sydney, Singapore and Hong Kong have also introduced foreign buyers taxes.

'COMPLEX ISSUE'

Ontario's government also said it would expand rent controls to all private rental units, including those built after 1991, which are exempted under existing rules.

Rent hikes on new buildings will be limited to 1.5 percent above the inflation rate, which was 2 percent in February.

The province will implement a tax on vacant homes in Toronto as part of measures to address a lack of supply of affordable homes. It will also introduce a C\$125 million (\$93 million) five-year program to encourage apartment construction.

"This is a complex issue," Ontario Premier Kathleen Wynne told reporters. "There wasn't one single thing that we could do that would resolve the issues that we're confronting."

CIBC Deputy Chief Economist Benjamin Tal said the measures were "reasonable and potentially helpful."

"We expect the measures to slow down activity in Toronto's housing market in the near term, not only due to their direct impact but also due to the impact of the uncertainty regarding their ultimate impact on potential buyers," he said.

Souza met with his federal counterpart, Bill Morneau, and Toronto Mayor John Tory on Tuesday to discuss potential measures

(\$1 = 1.3486 Canadian dollars)

(Additional reporting by Denny Thomas; Editing by Meredith Mazzilli and Peter Cooney)

BLOOMBERG: CRACKS APPEAR IN TORONTO'S HOUSING MARKET AS HOME CAPITAL DROPS

By: Zeke Faux , Luke Kawa , and Kim Chipman
April 20, 2017, 3:10 PM EDT

<https://www.bloomberg.com/news/articles/2017-04-20/cracks-appear-in-toronto-s-housing-market-as-home-capital-drops>

- Ontario regulators to apply 15% levy on non-Canadian buyers
- Prices will fall, 'people are going to get hurt,' Watsa says

Canadians fretted for years that home prices in the country's largest city are rising at an unsustainable rate. Now they're doing something about it.

Ontario, the country's most populous province, announced on Thursday a set of measures aimed at cooling the Toronto housing market, including a tax on the foreign buyers who've been blamed for speculation. The province's securities regulator on Wednesday also accused an alternative mortgage lender, Home Capital Group Inc., of making misleading disclosures, sending its shares tumbling.

Home prices across Canada have increased unabated even as regulators and investors warn that the market is in a bubble that will end in pain for the banks that financed the growth. Like in the U.S., alternative lenders have offered financing on more aggressive terms, allowing buyers who might not have qualified otherwise to purchase expensive properties.

"It's going to come down, and a lot of people are going to get hurt," Prem Watsa, head of Fairfax Financial Holdings Ltd., said Thursday during the Canadian investment firm's annual general meeting in Toronto. Watsa compared the real estate bubble in Toronto to previous situations in Ireland and Dubai.

Buyers' Levy

Ontario's provincial government said it will apply a 15 percent levy on non-Canadian citizens, non-permanent residents and non-Canadian corporations buying residential properties containing one to six units in the greater Toronto area. A limit on annual rent increases also will be imposed on all buildings constructed since 1991.

When young people cannot afford homes "we know we have a problem and we know we have to act," Ontario Premier Kathleen Wynne said Thursday at a briefing.

See also: Ontario tries to temper rising Toronto prices with new tax

The issues at Home Capital relate to an investigation into loans with faulty income information. The company cut ties with 45 brokers in 2015 after finding falsified borrower income information, the same flaw that sunk many subprime lenders in the U.S. during the housing crisis. The Ontario Securities Commission alleged Wednesday night that the company's former officials didn't satisfy disclosure requirements, made "materially misleading statements" and failed to comply with other securities rules.

"I think a lot of this mortgage fraud in Canada has been covered up and you're now starting to see tips of various icebergs hitting the boat," Marc Cohodes, an investor who's betting against Home Capital's stock, said in a telephone interview.

Shares Tumble

Home Capital "has always carefully considered its disclosure obligations," the company said in a statement Wednesday night. "The company believes that its disclosure satisfied applicable disclosure requirements, and the allegations are without merit."

Home Capital's stock dropped 19 percent to C\$18.10 at 1:56 p.m. in New York, the biggest decline in almost two years. Shares of Equitable Group Inc., another Toronto-based alternative lender, fell 7.2 percent to C\$59.23.

Canada dodged the global housing bust a decade ago, escaping without bank failures. Home prices have soared since then, however, as the country's central bank held down benchmark interest rates to encourage demand amid a global recession. Now with Canada's economy hurt by declining commodity prices, it will be difficult for the Bank of Canada to raise interest rates enough to quell real estate speculation.

Lawmakers have tried in vain to cool prices since 2010 through measures like reducing the amount of time a loan can be amortized and raising the minimum down payment. In October, Finance Minister Bill Morneau announced changes that tightened access to mortgage insurance for commercial banks, required borrowers to be stress-tested at a higher interest rate and closed a loophole that benefited foreign purchasers.

Data 'Dearth'

Still, home prices in Toronto increased 6.2 percent last month alone, the biggest one-month gain on record, according to a benchmark price index by the Canadian Real Estate Association. The average home price surpassed C\$900,000 (\$670,000).

"There's no fundamental story that we could tell to justify that kind of inflation rate in housing prices, and so it's that gap between what fundamentals could manage to explain and what's actually happening which suggests that there is a growing role for speculation," Bank of Canada Governor Stephen Poloz said at an April 12 press conference.

Vancouver, Canada's most expensive real-estate market, has cooled since last year after a 15 percent property-transfer tax was imposed on foreign nationals and overseas corporations buying residential property. Wealthy Chinese buyers had been blamed for the run-up. The luxury condos and fast cars they buy for their children were even the subject of a reality show, "Ultra Rich Asian Girls."

Canadian Prime Minister Justin Trudeau on Thursday sought to dispel any notion that Ontario's proposed homebuyers' tax is a sign the country is shunning foreign investment. The levy aims to differentiate between buyers who are "living to move" or merely betting on the housing market, Trudeau said. But both he and Ontario officials acknowledged that Canada needs better information on who is purchasing property in the country.

Canada faces "a dearth of data on who's doing what," Trudeau said in an interview.

Bloomberg: Ontario Tries to Temper Rising Toronto Home Prices With New Tax

By: Kim Chipman

April 20, 2017, 1:18 PM EDT

<https://www.bloomberg.com/news/articles/2017-04-20/ontario-announces-16-steps-to-cool-runaway-toronto-house-prices>

- Canadian province to impose 15% levy on foreign homebuyers
- Trudeau tries to dispel idea nation shunning outside investors

The Toronto housing market will get a new tax to fend off speculators and expanded rent-hike protection as Ontario attempts to slow record home-price growth.

Ontario officials announced a slew of measures on Thursday for Toronto and surrounding areas meant to control what some economists, investors and policy makers call a price bubble that's putting the broader economy at risk.

The 15 percent levy will apply to non-Canadian citizens, non-permanent residents and non-Canadian corporations buying residential properties containing one to six units in the greater Toronto area, the provincial government said in a statement Thursday. Rent control will be imposed on buildings constructed after 1991 -- effective April 20 -- which limits annual increases.

Canadian Prime Minister Justin Trudeau sought to dispel any notion that Ontario's proposed 15 percent tax on foreign homebuyers is a sign the country is shunning foreign investment.

"We are open to global investment," Trudeau said in Toronto during an interview with Bloomberg Editor-in-Chief John Micklethwait. The levy aims to differentiate between buyers who are "living to move" or merely betting on the housing market, Trudeau said.

Data Dearth

Both Trudeau and the Ontario officials acknowledged that Canada needs better information on who is purchasing property in the country.

Canada faces "a dearth of data on whose doing what," Trudeau said.

Ontario Premier Kathleen Wynne's administration will also take steps to boost supply: the Ontario Fair Housing Plan includes 12 measures, such as a targeted C\$125 million (\$93 million) five-year program to encourage building of new rental apartment buildings by rebating a portion of development charges.

"In some ways, we have to realize that this is a good problem to have," Wynne said Thursday in a briefing. The price increases reflect confidence in Ontario's economy, but when young people cannot afford homes "we know we have a problem and we know we have to act," she said.

'Get Hurt'

Separately, Prem Watsa, head of Canadian investment firm Fairfax Financial Holdings Ltd., said on Thursday the Toronto real estate market is in a bubble that will end with pain for banks that financed the growth.

“Most banks can’t survive a 50 percent drop in real estate values,” Watsa said Thursday during Fairfax’s annual general meeting in Toronto. “It’s going to come down, and a lot of people are going to get hurt.”

The bubble warning and new housing measures came the same day troubled Canadian alternative-mortgage lender Home Capital Group Inc. fell as much as 21 percent, the most intraday in 11 years, after the Ontario financial regulator alleged that executives misled investors and broke securities laws.

The bubble warning and new housing measures came the same day troubled Canadian alternative-mortgage lender Home Capital Group Inc. fell as much as 21 percent, the most intraday in 11 years, after the Ontario financial regulator alleged that executives misled investors and broke securities laws.

<https://assets.bwbx.io/images/users/iqjWHBFdfxIU/iK7UkLVXdS3Q/v1/800x-1.png>

Main Measures Proposed

- The foreign buyers tax won’t apply to refugees and immigrant nominees, and a rebate could be available for those who get citizenship later
- Increase in rents is capped at 2.5 percent, with some exceptions
- Government to amend the Residential Tenancies Act to clarify text of leases and compensate evicted tenants
- Identify surplus provincially owned land that could be used to build affordable housing
- Tax vacant homes to push owners to sell unoccupied units or rent them out
- Align property tax for new multi-residential apartment buildings with other residential properties
- Municipalities could be allowed flexibility to use property tax as a policy tool to influence development

Preventing Correction

The move comes a week before Ontario unveils its budget, due April 27, and two days after the province’s Finance Minister Charles Sousa said the government recognizes that “now” is the time to address the issue. Toronto’s surging real-estate market has triggered debate over whether non-Canadian speculators are bidding up homes and fueling unsustainable record price gains, or if a lack of housing supply and inadequate urban planning is more to blame.

Home prices in the Toronto region rose 6.2 percent in March, the biggest one-month gain on record, according to a benchmark price index by the Canadian Real Estate Association, and jumped almost 30 percent in the past 12 months. Bank of Canada Governor Stephen Poloz last week said there is no justification for such gains and warned of a price correction.

People “should be able to rent or enter the real estate market without making great sacrifices or taking on a huge amount of risk,” Wynne said. “At the same time, we recognize the need to

protect the significant investment homeowners have made. This plan balances those needs to stabilize the market and prevent a sharp correction that would be harmful to everyone.”

BNN: 'A GAME OF WHACK A MOLE': EXPERTS REACT TO ONTARIO'S NEW HOUSING INTERVENTION

By: BNN.ca Staff

<http://www.bnn.ca/a-game-of-whack-a-mole-experts-react-to-ontario-s-new-housing-intervention-1.729451>

After the Ontario government unveiled 16 new housing intervention measures on Thursday, experts weighed in on some of the possible long and short-term effects on the Greater Toronto Area's housing market. Here's what they had to say:

"We'll need time to assess the impact of today's announcement, but based on our initial assessment, the overall revenue implications for the province could be relatively modest, as the extra foreign speculation tax revenue could be offset by reduced regular (i.e., existing) land-transfer tax revenue and/or the development charge rebate to spur new rental units. Other provinces will be watching closely to see if Ontario's new regulations drive foreign capital into their residential property markets, with Montréal having already sparked overseas interest." – Warren Lovely, public sector researcher, and Stéfane Marion, chief economist and strategist, National Bank

"The combination of the foreign buyers' tax, vacant units/land tax and measures to speed up approval processes should work to moderate house price inflation in the coming years. However, we view the move on rent control as one likely to have an impact in the wrong direction." – Benjamin Tal, deputy chief economist, CIBC Economics

"While certainly commendable, it remains to be seen if these measures will bring price growth back down to more fundamental levels." – Robert Kavcic, vice president and senior economist, BMO Economics

"I think that we'll see turbulence. And turbulence means I'm sure we'll get data out of April, and May and June.... that shows some markets across the GTA going down and some going up.... Too many people are chasing too few units. And what we didn't see was anything substantive on how we are going to provide more housing – single-family housing – that people are primarily demanding and higher-density housing as well...

When we sit down in about a year's time to look over this period, we're not going to see that anything that has really changed fundamentally. We are probably going to be looking at double-digit price increases from where we are now." – Peter Norman, vice president and chief economist, Altus Group

"I've said it before and will say it again: foreign home buyers tax are just a game of whack a mole" – Frances Donald, senior economist, Manulife Asset Management.

BNN: ONTARIO UNVEILS 16 NEW HOUSING MEASURES, INCLUDING 15% NON-RESIDENT SPECULATION TAX

By: The Canadian Press

<https://www.bnn.ca/ontario-unveils-16-new-housing-measures-including-15-non-resident-speculation-tax-1.729268>

TORONTO -- Ontario plans to help cool a hot housing market by bringing in a 15-per-cent foreign buyer tax, expanding rent control, allowing Toronto to impose a tax on vacant homes and using surplus lands for affordable housing.

Premier Kathleen Wynne announced Thursday that a non-resident speculation tax will be imposed on buyers in the Greater Golden Horseshoe area -- from the Niagara region to Peterborough, Ont.-- who are not citizens, permanent residents or Canadian corporations. Once legislation passes, the tax would be effective retroactively to April 21.

The tax is not about targeting immigrants, Wynne said, and a rebate would be available to people who subsequently get citizenship or permanent resident status, as well as foreign nationals working in Ontario and international students.

"The non-resident speculation tax has nothing to do with new Canadians and people who want to make Ontario their home," she said. "With this tax, we are targeting people who aren't looking for a place to raise a family -- they're looking only for a quick profit or a safe place to park their money."

The average price of detached houses in the Greater Toronto Area rose to \$1.21 million last month, up 33.4 per cent from a year ago.

Skyrocketing demand and rising cost of housing is the "unwanted consequence" of a growing economy, but the province's new measures will make the process of finding a place to live a little easier, a little less frantic and a lot fairer, Wynne said.

"When young people can't afford their own apartment or can't imagine ever owning their own home, we know we have a problem," she said. "And when the rising cost of housing is making more and more people insecure about their future, and about their quality of life in Ontario, we know we have to act."

The province will also expand rent control, which currently only applies to units built before November 1991, after tenants in newer units complained of dramatic spikes in rent. New rules would see all private rental units fall under annual rent increase guidelines. Those have averaged two per cent in the last 10 years and this year it is 1.5 per cent.

Toronto Mayor John Tory has been calling for a tax on vacant homes, and Wynne says Ontario will give Toronto and other interested municipalities the power to impose such a tax to encourage owners to sell or rent such spaces.

"My goal as Mayor is to ensure housing is affordable in Toronto for all age groups and for all income levels," Tory said in a statement Thursday. "I am pleased that the government will activate surplus provincial land like the West Don Lands to create new affordable housing, something I have been urging the Premier to do for some time. I'm also gratified that the

provincial government will allow the City to move forward with a vacant homes tax, subject to the results of our examination, and other measures to curtail speculation and add new supply into the marketplace right away."

The provincial Liberal government's housing plan contains 16 measures in total. It also includes rebating a portion of development charges to encourage rental construction under a five-year, \$125-million program.

Rules for real estate agents will also be reviewed, in particular practices such as double ending, where the agent represents both the buyer and the seller.

Ontario will also establish a program to identify provincially owned surplus lands for affordable and rental housing, with an eye to using a few specific sites such as the West Don Lands in Toronto for pilot projects.

METRO NEWS: WHAT ONTARIO'S NEW HOUSING PLAN MEANS FOR RENTERS

The plan extends rent control to all buildings and includes other measures to strengthen tenant rights.

By: May Warren Metro
Published on Thu Apr 20 2017

<http://www.metronews.ca/news/toronto/2017/04/20/what-ontarios-new-housing-plan-means-for-renters.html>

Relief is on the way for renters in Toronto and across the province.

Flanked by the provincial finance and housing ministers Premier Kathleen Wynne unveiled her plan to address out-of-control home prices and rents, Thursday morning, in the shadow of Liberty Village condos where there's been no cap on how much landlords could jack up rents.

That's all changed under the new plan, which makes rent control the rule for all of Toronto's private buildings. It's good news for Ranziba Nehrin, profiled by Metro in its recent Code Red series on housing affordability.

The 24-year-old has been worried about rent increases since she started hearing reports of them in her condo building this year.

"It's a great start," she said, but called rent control only "one piece of the pie."

"The fact that people are paying upwards of two grand for their tiny downtown apartment, still doesn't give me that much hope," she said.

The new plan extends rent control to all private rental units in the province. Rental increases for units built before 1991 were already capped by a guidelines set each year by the province. That's 2.5 per cent for 2017. Now all units are covered, ending what was called the "post-1991 exemption."

Landlords who want to raise rent higher than that must apply to the Landlord and Tenant Board for what's known as an "above the guideline increase."

Paul Kershaw, leader of youth advocacy group Generation Squeeze that campaigned to end the exemption, called it "a win for renters."

"Limitless rent increases are now going to be illegal and renters have the protection that rent generally won't increase more than around 2.5 per cent a year," he said.

It's too late for west-end tenants profiled in a Metro/Toronto Star story from earlier this month who were informed their rents would double in July.

A spokesperson for Minister of Housing and Poverty Reduction Chris Ballard said the rules do not apply to rent increase notices given before Thursday April 20.

The plan also offers some relief for tenants in buildings built before 1991, who were already covered under rent control. These new measures include developing a standard lease and tightening regulations around landlords evicting tenants for their own use.

“The landlord’s use thing is going to be very, very important,” said Geordie Dent, executive director of the Federation of Metro Tenants’ Associations.

“The landlord won’t be able to try to push them out.”

Dent called the changes “important and major” but said more supply in the form of a large-scale building program is needed.

Not everyone is happy about expanded rent control. Jim Murphy, president and CEO of the Federation of Rental Housing Providers, said it will have a negative impact on 28,000 new purpose-built rentals in the pipeline in the Toronto area.

“Most of those projects are now on hold pending a review of this announcement and many of them will be cancelled and not proceed,” he said.

Rent control actually won’t help Nehrin because she’s losing her roommate in September, and will be back on the market soon looking for a new one-bedroom apartment. She’d also like to see the province do more on emergency shelters and transitional housing to help people at risk of homelessness.

“Rent controls are in place. That’s great because you’re stopping a future problem, but there’s still a problem at hand,” she said.

What else do you need to know about “Ontario’s Fair Housing Plan?”

New tax on buyers who don’t live here

The plan introduces a new 15 per cent Non-Resident Speculation Tax (NST) on the price of homes in the entire Greater Golden Horseshoe, with the hope of discouraging speculation and cooling home prices.

It would apply to all individuals who are not citizens or permanent residents of Canada and foreign corporations.

Paving the way for a vacant homes tax

The province promises to introduce legislation that would enable Toronto and other cities to introduce a vacant home tax on empty homes.

It’s something Toronto Mayor John Tory has already said the city is exploring to get empty units back on the rental market.

Fixing elevators

The plan also includes establishing timelines for elevator repair so that they aren't broken so often in condos and apartments.

Encouraging rental housing

The province is introducing a five-year \$125 million program to encourage construction of purpose-built rentals, units built especially for renting and not owning.

Land for affordable housing

The province pledges to use surplus provincial land for additional affordable housing. Possible sites include the West Don Lands and 27 Grosvenor/26 Grenville St in Toronto.

Strengthening renters' rights

Along with expanding rent control, the province also pledged to strengthen the Residential Tenancy Act. This includes developing a standard lease in multiple languages, tightening regulations around landlords evicting tenants for their "own use" and offering compensation to tenants facing that situation.

It would also prohibit above the guideline increases where elevator work orders have not been completed and make technical changes at the Landlord and Tenant Board "easier and fairer" for both tenants and landlords.

By the numbers:

\$31 a year.

That's the new limit on how much rent the average Toronto unit can rise per year.

Source: The March 2017 average Toronto rent figure of \$1,233 from the Canadian Mortgage and Housing Corporation.

URBAN TORONTO: ONTARIO'S NEW FAIR HOUSING PLAN AIMS TO STABILIZE HEATED MARKET

By: Jack Landau
April 20, 2017 3:55 PM

<http://urbantoronto.ca/news/2017/04/ontarios-new-fair-housing-plan-aims-stabilize-heated-market>

With public concern and political pressure over the ongoing housing and affordability crisis now boiling over, a much-anticipated response from Ontario's Liberal government was announced this morning. Ontario's Fair Housing Plan consists of sixteen measures that the provincial government hopes will increase affordability while cooling—or alternatively stabilizing—runaway housing markets, including the implementation of new rent control measures and a foreign buyer tax.

Leading up to the announcement, back-to-back years of double-digit gains in Toronto's average home prices, non-resident buyer speculation, lack of affordable housing, ballooning rental rates, and low housing supply, have all been cited as factors in what is being diagnosed as an increasingly unsustainable housing market.

"People work hard to provide for their families," said Premier Kathleen Wynne at this morning's announcement. "They should be able to rent or enter the real estate market without making great sacrifices or taking on a huge amount of risk. At the same time, we recognize the need to protect the significant investment homeowners have made. This plan balances those needs to stabilize the market and prevent a sharp correction that would be harmful to everyone."

Possibly the most far-reaching of these measures is a 15% Non-Resident Speculation Tax (NRST). Better known as a foreign buyer tax, this fee will be implemented on any non-Canadian citizens, non-permanent residents and non-Canadian corporations buying residential properties containing between one and six units in the Greater Golden Horseshoe region (GGH). A similar measure introduced in Vancouver last year had an almost immediate impact on that city's red-hot housing market, significantly cooling demand by speculative buyers from abroad. According to an early 2017 report from real estate giant Royal LePage, Vancouver's housing market had begun to cool, with prices expected to fall by 8.5% this year.

Another major element in the province's plan is the expansion of rent to control to cover all private rental units, closing an existing loophole that limits rent control to buildings constructed before 1991. The decline of purpose-built rental housing—which has recently witnessed a resurgence due to increased demand—has been attributed by some to previous rent control measures, though the extent to which rent controls have impacted new construction starts is disputed.

To mitigate the potential negative impacts that closing the so-called 1991 loophole could have on new rental construction, Ontario's Fair Housing Plan will also introduce a targeted \$125-million, five-year program, offering a rebate on a portion of development charges for rental apartment buildings.

Real estate speculation and tax avoidance remain primary concerns in the region, and the new plan would address the issue, first by exploring paper flipping practices that could be contributing to these problems. Known as 'assignment' in the real estate industry, many

purchasers currently enter into contractual agreements to buy property, then offload their interest in property/units to another buyer before the start of the occupancy period or the official closing/registration of the building. While the Fair Housing Plan's creation of a new Housing Supply Team aims to identify and overcome obstacles pertaining to specific projects, specifics of how this would apply to the development industry remain unclear in the Province's newly-released documents.

The new legislation would also allow Toronto—and possibly other municipalities—to table a tax on vacant homes. This measure would provide some incentive to owners of vacant properties to either sell or rent out their space. Another measure will see the province working with local municipalities to earmark surplus Provincially-owned lands for new affordable and rental housing projects. A few such sites are currently being considered for a pilot project, including the West Don Lands, 27 Grosvenor (parking garage for the former Coroner's building) and 26 Grenville (podium of the former Coroner's building) in Toronto.

New measures are also being introduced by the Canada Mortgage and Housing Corporation (CMHC), set to be implemented on May 15th. CMHC will be expanding its affordable housing flexibilities to existing rental properties such as social housing projects with up to 5 years remaining in the Operating Agreement, which previously only applied to new rental properties. The corporation is revising its technical definition of "affordability" to recognize housing objectives from all levels of government, which will open the door for further incentive to construct affordable housing. Other measures to be implemented by the CMHC next month include the introduction of improved underwriting flexibilities and a revised premium schedule supporting increased affordable housing.

How do you think these new measures will affect Toronto's ongoing housing crisis and real estate industry? Let us know by sharing your comments in the field provided at the bottom of this page.

HAMILTON SPECTATOR: ONTARIO TO TAX FOREIGN BUYERS, EXPAND RENT CONTROL TO COOL HOUSING MARKET

thespec.com

Thu Apr 20 2017

Section: News

TORONTO - Ontario is following British Columbia's lead, promising to introduce a tax on foreign homebuyers that the province hopes will help cool the frantic housing market, easing concerns about a potential bubble in Canada's fastest growing urban region.

The 15-per-cent "non-resident speculation tax" was among 16 housing measures the provincial government announced Thursday, which also included a promise to expand rent control, allow Toronto to impose a tax on vacant homes and use surplus provincial lands for affordable housing.

Premier Kathleen Wynne said the new tax would not target immigrants, and a rebate would be available to foreigners who work in Ontario, those who subsequently get citizenship or permanent resident status and international students.

"With this tax, we are targeting people who aren't looking for a place to raise a family - they're looking only for a quick profit or a safe place to park their money," Wynne said.

Fears of a potential real estate market collapse as well as diminishing housing affordability have put increasing pressure on Wynne's Liberal government to take action, at a time when the average price of detached houses in the Greater Toronto Area has increased more than 30 per cent since last year.

Wynne said the measures were designed to help people afford to rent or buy a home, brushing off a suggestion that the move was more about boosting her approval rating, which has recently plunged to just over 10 per cent, according to polls.

Some economists were skeptical Thursday about the impact the new tax on foreign speculators would have on soaring house prices, noting that all three levels of governments have admitted they lack housing market data.

CIBC economist Benjamin Tal said he doesn't believe there are enough foreign buyers in the Toronto-area market for the tax to have a lasting effect. However, he predicts a short-term slowdown in the market once the measures are implemented.

Wynne said the Liberals were not interested in controlling the market.

"But we do believe there is a need for interventions right now in order to calm what's going on," she said.

The non-resident speculation tax will be imposed on buyers in Ontario's Greater Golden Horseshoe - an area stretching from the Niagara Region to Peterborough - who are not citizens, permanent residents or Canadian corporations.

Once legislation passes, it will be effective retroactively to April 21.

Another housing measure would expand rent control, which currently only applies only to units built before November 1991. The measure would be effective retroactively to April 20 once passed.

Rent control has been one of Toronto Mayor John Tory's main concerns, especially after recent published reports about some tenants in the city receiving notices that their rent would double.

Giorgio Cecatto, one of those tenants, said he is happy that his plight might have helped spur on the change in policy.

"I'm glad that, hopefully, in the future people are not going to be in our situation," he said. "It was something that needed to be discussed in the region."

The forthcoming rent control legislation won't apply to tenants like Cecatto, who received rent hike notices before Thursday's announcement.

The building industry has warned that rent control will discourage the construction of new rental properties. To offset that, the government has also introduced a five-year, \$125-million program to rebate a portion of development charges on new purpose-built rental properties in areas with low vacancy rates.

Ontario is also giving Toronto and other interested municipalities the power to impose a vacant homes tax to encourage owners to sell or rent such spaces.

Rules for real estate agents will also be reviewed, in particular practices such as double ending, where the agent represents both the buyer and the seller.

Tim Hudak, CEO of the Ontario Real Estate Association, welcomed the review.

"Those who abuse the rules, you've got to throw the book at them," he said. "Anybody who is breaking the rules is taking advantage of somebody making the biggest investment of their lives. You don't want that person in the profession."

Ontario will also establish a program to identify provincially owned surplus lands for affordable and rental housing, with an eye to using a few specific sites such as the West Don Lands in Toronto for pilot projects.

The measures announced Thursday appeared similar to those the British Columbia government implemented in Metro Vancouver last August, when foreign homebuyers were slapped with a 15-per-cent tax. The City of Vancouver also imposed a tax on vacant homes.

B.C. Premier Christy Clark announced in January that the tax would be lifted for those who have a work permit in order to encourage more people to move to the province to work.

The number of sales in Metro Vancouver plunged in the months after the new tax, though there are signs that the market may be bouncing back.

HAMILTON SPECTATOR: WYNNE TO SLAP 15 PER CENT TAX ON FOREIGN REAL ESTATE SPECULATORS

thespec.com

Thu Apr 20 2017

Section: News

Premier Kathleen Wynne is slapping a 15 per cent "non-resident speculation" tax on foreign investors to help cool down southern Ontario's scorching real estate market, the Toronto Star has learned.

Wynne will join Finance Minister Charles Sousa and Housing Minister Chris Ballard on Thursday against a backdrop of condo towers in booming Liberty Village to launch a massive plan to improve housing affordability.

A key plank in that would be the 15 per cent surcharge on offshore speculators, who are estimated to make up just 5 per cent of the current market.

Modelled on British Columbia's "foreign buyers' tax" in Vancouver, the levy would apply to home purchasers in the so-called Greater Golden Horseshoe who are not citizens or permanent residents.

It would affect sales in and around the Greater Toronto and Hamilton Area, Niagara, Kitchener-Waterloo, and encompass everywhere north to Barrie and Orillia and east to Peterborough.

Speaking in Ottawa on Wednesday, Wynne indicated there wouldn't be a one-size-fits-all solution for real estate throughout Ontario.

"One of the things that we have talked about within caucus is . . . the interaction between the housing market in the Greater Golden Horseshoe and in Ottawa or London," the premier said.

"The circumstances are different. Just as when this conversation began and we looked at what was happening in Vancouver, it was a different situation than in Toronto."

"Now I think there are maybe some more similarities there than there were but we have to look at the evidence. We have to look at what's actually happening in each of the communities and make a determination," Wynne said.

"Right now in terms of the purchasing of a home, the really hot, frantic market is in the Greater Golden Horseshoe and . . . we have to consistently assess what happens when we bring in the package of initiatives and what happens going forward."

Among more than a dozen measures in the government's housing affordability plan will be some kind of clampdown on domestic housing speculators - though they will not face a 15 per cent tax.

As well , with house prices in Greater Toronto up 33 per cent year over year, the government plans to work with realtors to boost the transparency surrounding bidding wars to protect buyers.

Also, there will be an expansion of rent controls to all buildings. Currently, only those built before 1991 are protected from massive increases.

Under the amendment developed by Ballard, rent hikes on all newer units would be limited to the inflation rate, which was at 2 per cent in February.

There would be some exemptions for landlords doing capital improvements to properties.

That's more palatable for tenants than the doubling of rents that have been seen this year in some Toronto condos just steps from Thursday's announcement.

Sousa, for his part, said he is not worried that capping rent increases will discourage developers from building new housing.

"We need to put mitigations in this system," the treasurer said in Toronto where he announced an investment of almost \$190 million over three years to support the "Career Kick-Start Strategy."

That's a program - part of next Thursday's provincial budget - designed to create 40,000 "work-related learning opportunities" for students of all ages as well as recent graduates.

But the real estate news dominated his pre-budget announcement.

Toronto Mayor John Tory, who met with Sousa and federal Finance Minister Bill Morneau on Tuesday to discuss housing affordability, welcomed an expansion of rent controls.

"There are a lot of tenants who are finding it hard to make ends meet and there are some who have faced these extraordinary increases which are, in my view, kind of ridiculous," said Tory.

"I encourage the landlords to voluntarily come forward and say they would voluntarily comply with the kind of limit . . . around the rate of inflation," he said.

"I hope anything the government of Ontario does will be accompanied by measures that substantially encourage the construction of affordable rental housing. That will mean incentives they will have to provide at the same time as they announce whatever it is they are going to do about rent control to encourage people to build this housing."

HAMILTON SPECTATOR: HOW DOES ONTARIO'S NEW FOREIGN HOMEBUYER TAX WORK?

thespec.com

Thu Apr 20 2017

Section: News

A 15-per-cent nonresident speculation tax proposed by the Ontario government Thursday forms a key plank in the province's plan to cool the hot housing market in its southern cities.

The tax specifically targets foreign speculators who purchase property in the Greater Golden Horseshoe - an area that stretches from the Niagara Region to Peterborough - to turn a quick profit rather than to find a place in which to live. Here's a look at how the new tax would work.

What does a nonresident speculation tax entail?

A 15-per-cent tax will be applied to the purchase of a residential property in the Greater Golden Horseshoe area, in addition to the general land transfer tax. It will be retroactively effective as of Friday, once enabling legislation goes through.

Who does it apply to?

The tax applies to buyers who are not Canadian citizens or permanent residents, non-Canadian corporations and taxable trustees for purchases of residential property in the Greater Golden Horseshoe area. That area includes the Greater Toronto Area, and surrounding regions such as Niagara, Waterloo, the counties of Haldimand, Brant, Wellington, Dufferin, Simcoe, Peterborough, Northumberland and the Kawartha Lakes area.

Non-Canadian corporations are defined as those: not incorporated in Canada; incorporated in the country but controlled by a foreign national or corporation and with no shares listed on a Canadian stock exchange; or controlled directly or indirectly by a foreign entity.

Taxable trustees are defined as either a foreign entity holding a title in trust for beneficiaries or a Canadian citizen, or a permanent resident, or a corporation holding a title in trust for foreign beneficiaries.

What properties does the tax apply to?

The tax applies to purchases of land containing between one and six single-family residences, including detached houses, semi-detached houses, townhouses and condos. It does not apply to multi-residential rental apartment buildings with more than six units, or agricultural, commercial or industrial land.

Who gets an exception?

The tax will not apply to:

- Refugees

- The principal residence for a foreign national under the Ontario Immigrant Nominee Program, which is designed to help employers having trouble finding qualified workers in Ontario.

-A joint purchase by a foreign national if their spouse is a Canadian citizen, permanent resident, refugee or exempt under the Ontario Immigrant Nominee Program.

-Purchases by a trustee of a mutual fund trust, real estate investment trust or specified investment flow-through trust.

Who gets a rebate?

Rebates (with interest) will be granted to the following people if they either exclusively hold the property or hold it jointly with their spouse and it has been used as their principal residence:

-A foreign national who becomes a citizen or permanent resident within four years of the purchase.

-A foreign student who has been enrolled full-time for at least two years after the purchase

-A foreign national who has legally and continuously worked full-time in Ontario for a year from the date of purchase.

How will the tax work?

The tax will apply to the value of the residential property. Land transfer tax affidavits or statements must specify if the nonresident speculation tax either does not apply, or does apply and has been paid to the Ministry of Finance.

MY WEST NIPISSING NOW: NORTHERN ONTARIO PARTY EXPLAINS TORONTO'S HOUSING CRUNCH PROBLEM

By: Rocco Frangione, Staff
Thursday, Apr. 20th, 2017

<http://www.mywestnipissingnow.com/14665/northern-ontario-party-explains-torontos-housing-crunch-problem/>

The Northern Ontario Party says a robust economy is a major reason for Toronto's housing shortage. Party president Trevor Holliday says many people head to Toronto, including northerners, because their communities don't have enough jobs. Holliday says housing in Toronto hasn't caught up to the influx of people but he adds Toronto is about the only city enjoying this rebound. Holliday says many communities helped build Toronto's economy, but they're suffering now and the Premier ignores them. Holliday says Wynne keeps hitting the north with are bad ideas like a carbon tax, gas hikes and the sale of Hydro One. Holliday says the Premier has to start creating job opportunities outside the GTA so everyone gets a piece of the pie. He says northerners need to unite and stop voting for the political parties of Toronto.

THE CHRONICLE HERALD: ONTARIO HOUSING MEASURES EXPECTED TO HAVE SHORT-LIVED IMPACT, EXPERTS SAY

By: The Canadian Press

Last Updated April 20, 2017 - 5:55pm

<http://thechronicleherald.ca/novascotia/1461534-ontario-housing-measures-expected-to-have-short-lived-impact-experts-say>

Toronto's runaway real estate market could take a breather due to Ontario's new housing measures, but much like what transpired in Vancouver, the impact of the changes is expected to be short-lived, experts say.

Premier Kathleen Wynne announced more than a dozen new initiatives aimed at reining in prices that have soared out of reach for many homebuyers, including a 15 per cent tax on non-resident speculators in the Greater Golden Horseshoe, a fast-growing region that stretches from the Niagara Region to Peterborough, Ont.

The province is also expanding rent controls and giving Toronto and other municipalities the power to impose a tax on vacant homes, something that Toronto Mayor John Tory has been pushing for.

"Ultimately at the end of the day, you probably end up in a situation where the market absorbs the tax and keeps pushing higher," said BMO economist Robert Kavcic.

Benjamin Tal, deputy chief economist with CIBC, said the measures are likely to cool the market over the next six months as many buyers will move to the sidelines to assess the fallout stemming from the changes.

"That's exactly what we've seen in Vancouver," said Tal.

"The slowdown in Vancouver was not entirely due to the tax — it was domestic buyers who were basically sitting on their hands waiting to see the impact of the tax."

Home sales plunged and price growth stalled for months in Vancouver following the B.C. government's introduction of a 15 per cent tax on foreign buyers last August.

But a recent report from realtor Royal LePage suggests the Vancouver market may be starting to bounce back as demand starts to return.

That's what experts are predicting will happen in Toronto.

"A lot of local buyers will sit on the sidelines for a while to watch and see what happens, and then that pent-up demand will re-enter the market down the road once the fear and the unknown has passed," said Blair Mackey, a sales representative with Royal LePage Real Estate Services.

However, Kavcic said the impact in Toronto could be more muted than it was in Vancouver, as the tax is not coming as a surprise and there are more exemptions. For example, international students will not be subject to the tax.

"We've already known for months that this was probably coming down the pipeline, versus Vancouver where you woke up one morning and there was a 15 per cent tax," he said.

Economists said they were somewhat surprised not to see any measures tackling domestic speculators, particularly considering the amount of discussion the topic had drawn.

Such rules could still be coming, said Tal.

"Domestic flippers probably will be the next target," he said.

Tal took issue with the province's plans to expand rent control, which currently applies only to units built before November 1991, to all private rental units. The guidelines cap rental increases and in recent years the cap has averaged at two per cent. This year it is 1.5 per cent.

"It's coming from a good place," said Tal.

"You really want to protect tenants. The issue is that builders will tell you that if you impose rent control that is only as high as inflation, that is not enough for them to start building."

Tal said he suspects that over the next few years, builders who were planning to construct rental buildings will opt for condos instead or cancel the developments altogether, a move that would reduce the supply of rental units.

A better measure would have been to cap rents at inflation plus one or two per cent, said Tal.

"By doing so, you do provide tenants with protection. There is a cap. But at the same time, the number three, three-and-a-half, is actually the magic number for developers."

THE CHRONICLE HERALD: THE CANADIAN PRESS EXPLAINS HOW ONTARIO'S NEW FOREIGN HOMEBUYER TAX WOULD WORK

By: Allison Jones, The Canadian Press
Last Updated April 20, 2017 - 3:25pm

<http://thechronicleherald.ca/business/1461547-the-canadian-press-explains-how-ontarios-new-foreign-homebuyer-tax-would-work>

TORONTO — A 15-per-cent non-resident speculation tax proposed by the Ontario government Thursday forms a key plank in the province's plan to cool the hot housing market in its southern cities.

The tax specifically targets foreign speculators who purchase property in the Greater Golden Horseshoe — an area that stretches from the Niagara Region to Peterborough — to turn a quick profit rather than to find a place in which to live. Here's a look at how the new tax would work.

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WATERLOO REGION RECORD: ONTARIO BRINGS IN FOREIGN HOUSING TAX TO COOL TORONTO MARKET

By: Rob Gillies and Charmaine Noronha, The Associated Press

<http://www.therecord.com/news-story/7252703-ontario-brings-in-foreign-housing-tax-to-cool-toronto-market/>

TORONTO — Foreign nationals who don't live in Canada's biggest city and its surrounding communities will pay an additional 15 per cent tax on home purchases under legislation proposed by the government of Ontario province.

Ontario Premier Kathleen Wynne made the announcement Thursday in an effort to cool a hot housing market in Toronto. It would match the 15 per cent tax on foreign home buyers that the Pacific coast city of Vancouver has implemented.

Wynne said the tax is not about targeting immigrants.

"We're targeting those are who aren't looking to raise a family. They are only looking for a quick profit or a safe place to park their money," she said.

The average price of detached houses in the Greater Toronto Area rose to \$1.21 million Canadian (US\$900,000) last month. Wynne said there is a problem when the market jumps 33 per cent in a year.

"There is a need for interventions right now in order to calm what's going on," she said.

The tax would be imposed on buyers in what is known as the Greater Golden Horseshoe area who are not citizens, permanent residents or Canadian corporations. If adopted, as expected, the foreign tax would be effective retroactively to April 21.

Wynne introduced other measures as well. Ontario is also expanding rent control, which currently applies only to units built before November 1991. Tenants in newer units have complained of dramatic spikes in rent. The premier said officials are taking aim at speculators and are tackling affordability.

The government doesn't keep statistics on the number of foreign buyers. Asian investment in Toronto reportedly picked up after Vancouver introduced its foreign buyer tax last summer.

Benjamin Tal, deputy economist at CIBC World Markets, said the foreign tax is a step in the right direction but thinks it could have a minimal impact because the estimated share of foreign buyers in the greater Toronto area is notably lower than in Vancouver.

"But if Vancouver is any guide, we might see a short period in which domestic buyers will sit on the sidelines while assessing the impact of the tax. During that period we might see some slowing in sales," Tal said.

Tim Hudak, CEO of the Ontario Real Estate Association, said the measures could help make homes more affordable for residents.

"You can't go to a barbecue in the province without people talking about real estate and how everyone has a son or daughter who can't buy a home and wants to get into the market," Hudak said.

Real estate agent Sabrina Ataullah-Jansaid that Canadian properties are undervalued and that is why the Toronto area has an influx of foreign investment. She said that poses a challenge for locals bidding for houses that are selling for hundreds of thousands over the asking price.

"Last weekend a house sold for 1 million over asking on a 2 million-dollar home. Things have gotten crazy," she said. "The new tax will slow down the market a bit, as it did in Vancouver. But for those who have the money to invest and see the high growth potential in Toronto, which is repeatedly voted as the best city to live in, I don't think the 15 per cent will be enough of a deterrent."

Yousuf Afridi, a Toronto resident who has been house hunting for two years, said the bidding wars this year have been far more intense.

"Instead of attempting to outbid buyers on semidetached homes, we've had to adjust our strategy to look for pre-build condos. We quickly discovered the pre-build market is very heated, too," he said.

WATERLOO REGION RECORD: SOARING PRICES DRAW INFLUX OF REAL ESTATE AGENTS, BUT THEY FACE STIFF COMPETITION

TheRecord.com

Thu Apr 20 2017

Section: News

TORONTO - Dave Hamilton was looking for a get-rich-quick scheme when he got his realtor's licence in 2010.

"My dad always said, 'If you're going to sell something, sell something expensive,'" said the Torontonians.

"I have a cousin who sells cars and I know what he makes per car. You can make a lot more than that per house."

But Hamilton quickly realized that selling homes was a lot more work than he had anticipated.

After closing about half a dozen deals in his first year, Hamilton took on a part-time job at a bar, where he worked for several years before returning to the real estate industry on a full-time basis last year.

Today, Hamilton is a sales representative at the Condo Store Realty Inc. and he says in just the first months of this year he has closed around 50 deals. But many realtors are not so lucky, he says.

As Toronto house prices have risen, so has the number of people looking to make easy money by selling real estate.

There are just shy of 80,000 realtors licensed to practise in the province, according to the Real Estate Council of Ontario. That's up more than 26 per cent compared to five years ago, when there were nearly 63,000 agents.

In Toronto, there are 48,000 realtors who belong to the city's real estate board - up from 34,000 in 2012, according to data from the Toronto Real Estate Board.

Part of the incentive is the low barrier to entry, says Hamilton. It takes just six months and costs around \$2,500 to get your real estate licence, making it a tempting side hustle.

Realtors caution, however, that newcomers expecting to rake in big bucks without expending much effort are likely to be disappointed.

"It's a very, very tough time to get into the market for a lot of realtors," says Shawn Zigelstein, a sales representative with Royal LePage Your Community Realty.

"Yes, people are trying to capitalize. They say, 'Oh, I'm going to go get my real estate licence, make myself a ton of money and walk away,' but they don't realize that 90 per cent of the business is done by 10 per cent of the agents."

Eugene Mezini, a broker with Royal LePage Real Estate Professionals, said it's typically relationships that give established realtors an edge. For instance, in the pre-construction condo

space where Mezini has worked for the past seven years, developers typically have a roster of agents who they enlist whenever they have properties hitting the market.

"There are a lot more agents than when I joined but it's not really a lot more competition from what I've seen," says Mezini.

"It's still the same people doing all the business and getting bigger and bigger. It's not like their market share is eroding. Their market share is actually growing."

Although a hot market can seem like a blessing for agents, who typically earn a commission of five per cent of a home's price, Hamilton says in some ways it's tougher.

Representing a buyer in today's fiercely competitive market, where bidding wars abound, requires much more work than it did previously, says Hamilton. An agent may have to prepare numerous unsuccessful offers before finally managing to help a client snag a home.

Zigelstein's advice for those considering a career in the real estate industry is to go at it full time. That's what Zigelstein says he did 13 years ago when he got his realtor's licence, quit his job in the restaurant industry and went knocking on doors.

"It is very difficult to break in if you're working a full-time job and then you say, 'I'm going to do real estate on the side,'" says Zigelstein.

"Because at that point, how professional are you going to be? How knowledgeable are you going to be? Especially with market conditions that we're seeing right now."

***WATERLOO REGION RECORD: ONTARIO HOUSING MEASURES TO DEAL WITH
SPECULATORS, SUPPLY, RENTAL ISSUES***

TheRecord.com

Thu Apr 20 2017

Section: News

TORONTO - Ontario's upcoming package of housing measures is set to be announced Thursday and will take aim at speculators, expedite more supply, tackle rental affordability and look at realtor practices.

The provincial Liberal government has been facing increasing pressure to cool the market in the Greater Toronto Area, where the price of detached houses rose to \$1.21 million last month, up 33.4 per cent a year ago.

The intention of the package is to "give everyone some breathing space" in a frenzied market, Premier Kathleen Wynne said Wednesday.

"What we're aiming to do is to bring in some initiatives that will help people in that whole continuum of housing right from rental through to purchasing a home without having unintended consequences," she said in Ottawa.

"If we look at what economists are saying, look at what folks who are trying to buy a home are saying, it's really gotten to the point where it is out of control and we need to do something."

Ontario Finance Minister Charles Sousa has spoken frequently in recent weeks about going after speculators, who buy houses in the hope of turning a profit rather than to live in.

"We want to make sure that whoever is speculating is in fact paying their fair share," he said Wednesday.

"That means those who are trying to take advantage of capital gains exemptions, shouldn't be. They should be paying income on those issues, and I'll have more to say on that in the coming days."

Sousa has been considering a tax on nonresident speculators, but he has declined to clarify what that could look like.

"As you know, there are a number of speculation activities within our market, by domestic and non-resident Canadians, so we're looking at what we should be able to do for the benefit of Ontario and our economy," he said.

Sousa has said families are angry they can't win bidding wars, and suggested such activities will be dealt with in the housing package.

"The realtors themselves have asked for a little more transparency and determination as to how operations are," he said.

"They themselves have said, you know, we want to make sure our sales practices are appropriate, they're transparent, that buyers and sellers understand what's happening in the marketplace."

The package will also deal with how to expedite the availability of housing supply, Sousa said, as the government has heard complaints from builders that the process is too cumbersome.

Sousa discussed vacancy rates that are constraining supply at a meeting this week with the federal finance minister and Toronto Mayor John Tory, who has been talking about a vacant homes tax.

The three agreed at their meeting that in the short term, none of the levels of government will bring in new measures for homebuyers that would further boost demand, suggesting it's unlikely first-time homebuyers will see any incentives in the near future.

Late last year, Ontario announced it would double the rebate on its land transfer tax for first-time homebuyers to \$4,000 in an effort to help them enter the housing market. Under the new rules, which took effect on Jan. 1, first-time homebuyers don't pay any land transfer tax on the first \$368,000 of a purchase price.

At the time that was the really pressing issue, Wynne said.

"The market was not as hot as it is now, but first-time homebuyers were still feeling a real challenge and so had I had a crystal ball, would we have done all of it at once?" she said.

"Maybe, but I didn't have that crystal ball and so we made a decision then and what we're trying to do now is make sure we bring in a robust enough package that we have some checks and balances within it."

Housing Minister Chris Ballard has also said the provincial government has been developing "substantive rent control reform" amid calls to end a rule that sees annual rent increase caps only apply to residential buildings or units constructed before November 1991.

SIMCOE.COM: OTTAWA, PROVINCE MUST ADDRESS SKYROCKETING HOUSING PRICES

OPINION

Apr 20, 2017

<https://www.simcoe.com/opinion-story/7240473-ottawa-province-must-address-skyrocketing-housing-prices/>

Last year, in a bid to stem skyrocketing housing prices in Vancouver, the B.C. government levied a 15 per cent foreign-property transfer tax.

The move was intended not only to maintain some sense of affordability in housing (however 'affordable' is defined in one of the most desirable cities on the planet in which to live), but to also slow a speculative market that some fear was destined to bubble and eventually burst. The result? The benchmark price for residential properties in Vancouver has dropped almost four per cent over the past six months (it's still approaching \$900,000, however).

Closer to home, the Ontario government is looking at measures to ensure that housing affordability doesn't spiral out of control here as well.

While the Wynne Liberals will have to tread carefully here, there's no doubt that steps will have to be taken if home ownership is going to be more than a pipe dream for future generations.

Provincial Finance Minister Charles Sousa has promised measures in the next budget to address the issue and recently hosted a summit of GTA mayors and officials to gather input. (Of course, rumours that the government might soon expand rent controls has prompted some Toronto landlords to raise rents as a precaution).

Ottawa is also concerned about the long-term stability and affordability of housing.

In letters obtained by the Toronto Star, federal Finance Minister Bill Morneau expresses concerns about the ability of middle-class families to buy a house as well as the amount of debt some buyers are taking on as a result of persistent low interest rates.

With GTA prices up by 33 per cent over the past year, surrounding regions are starting to feel the resulting tremors. It's common for houses to be snapped up at over the list price, with some shoppers even forgoing an inspection in fear of losing a property to another buyer. It's a tremendous time for sellers, but for young couples looking to get into home ownership for the first time, the prospects must appear awfully daunting.

Just to reinforce the seriousness of this issue, an international debt-rating service suggests that Canada might be headed for a housing "correction" that could affect our economy.

Whatever the recipe looks like for calming the market, it's important that Ontario take decisive steps to ensure housing remain affordable and available. Queen's Park must also consider following B.C.'s example and make it more difficult for foreign profiteers to skew a market already under tremendous pressure.

MONEYSense: THE EPICENTRE OF TORONTO'S HOUSING BUBBLE

A tiny neighbourhood in the centre of Richmond Hill illustrates the challenges facing the GTA

By: Mark Brown
April 20th, 2017

<http://www.moneysense.ca/spend/real-estate/epicentre-toronto-housing-bubble/>

Harding, a tiny neighbourhood in the heart of Richmond Hill, north of Toronto, is at the epicentre of the boom in home prices in Canada's largest city.

Prices in this neighbourhood are rising at the fastest rate in the Greater Toronto Area, doubling over the past three years. That jump took the value of a typical single-family home to \$1.14 million by the end of 2016. In less than four months in 2017, that gain has likely added on another quarter of a million dollars given the level of activity in Richmond Hill.

The price increases in Harding is hitting Richmond Hill like an earthquake, and the effects are being felt across the GTA. The top 10 biggest price jumps in all of the GTA over the past several years are concentrated in Richmond Hill and neighbouring Markham.

Why Harding?

There is nothing particularly remarkable about this neighbourhood to help explain the \$600,000 jump in price since 2013. It's an older subdivision mostly consisting of small bungalows and back splits. Only the large lots stand out. And Ontario Premier Kathleen Wynne had this kind of froth front of mind Thursday when she announced a mixed bag of measures to cool the market in her Ontario Fair Housing Plan.

Susan Taylor, a realtor in Richmond Hill with Re/Max All-Stars Benczik Team Realty, has never seen this level of intensity in the market before. "The average list price to sale price is 114%. That means homes listed at \$1 million are selling for \$1.14 million. That's crazy."

In MoneySense's recent Where To Buy Now report, which scores neighbourhoods for the attractiveness of buying real estate, Harding came in at No. 16 for the GTA. While the high prices in the area don't scream value, it's still cheaper than some of the surrounding neighbourhoods. Its strong price momentum and high praise by realtors solidified its position near the top of the ranking.

Just as seismic waves dissipate the further you get from the epicentre, the pressure on prices abates as you move further from Harding—albeit only slightly. Even some of the least desirable neighbourhoods in the GTA saw their values climb by a comparatively low 40% over the past three years.

Buyers are willing to pay a premium for new homes

Buyers want new and they're willing to pay a premium to get it, says Taylor. They want to determine the figures, design the home and select the countertops. Aside from the steep cost to get into this area, the large lots in Harding make it well-suited to accommodate that type of demand. Many of the existing homes are being torn down to make way for new larger homes, explains Taylor.

Most of the buyers she's encountered are buying them to live in, although she adds there is also a large number of buyers who are renting out the property while they go through the process of getting building permits to replace the home. She adds that the surge in prices is forcing some owners to shift their attention to condos in the area. Some units are getting multiple offers, which wouldn't have been the case long ago. Taylor recently had 12 offers for a two bedroom and den unit. It sold for more than \$500,000, which is around \$120,000 more than what a larger unit in the same complex sold for just six months earlier. "It blows my mind," she says.

Foreign buyers

But while the focus of local, provincial and federal governments has been on the influx of foreign buyers and new Canadians with deep pockets, Taylor isn't convinced that's the real source of the problem. She adds that the buyers she's encountered in Richmond Hill isn't any different from the diverse mix of buyers she encountered when she became a full-time realtor a decade ago.

Benjamin Tal, deputy chief economist of CIBC World Markets, agrees that foreign buyers in Toronto are less a factor on the GTA housing market than they've been made out to be. In a recent note commenting on new measures introduced by the Ontario government to tame the housing market, he argues "the share of foreign buyers in the GTA is notably lower than in Vancouver." As a result, the impact of a tax on foreign buyers, one of the proposals currently being considered, would be minimal.

"Something does have to change," says Taylor, but she feels it's a supply and demand problem. In her view, the focus should be on expediting development, but only if it can be done in a planned and orderly fashion.

**HUFFINGTON POST CANADA: FOREIGN HOME BUYER TAX COMING TO ONTARIO,
ALONG WITH NEW RENT CONTROLS**

By: The Canadian Press
Posted: 04/20/2017 8:53 AM EDT

http://www.huffingtonpost.ca/2017/04/20/foreign-buyer-tax-ontario_n_16125464.html

TORONTO — Ontario plans to help cool a hot housing market by bringing in a 15-per-cent foreign buyer tax, expanding rent control, allowing Toronto to impose a tax on vacant homes and using surplus lands for affordable housing.

Premier Kathleen Wynne announced today that a non-resident speculation tax will be imposed on buyers in the Greater Golden Horseshoe area who are not citizens, permanent residents or Canadian corporations.

Once legislation passes, the tax would be effective retroactively to April 21.

Wynne says the package of housing measures will make the process of finding a place to live a little easier, a little less frantic and a lot fairer.

The province will also expand rent control, which currently only applies to units built before November 1991, after tenants in newer units complained of dramatic spikes in rent.

Toronto Mayor John Tory has been calling for a tax on vacant homes, and Wynne says Ontario will give Toronto and other interested municipalities the power to impose such a tax to encourage owners to sell or rent such spaces.

The provincial Liberal government's housing plan contains 16 measures in total, including identifying provincially owned surplus lands for affordable or rental housing development, rebating a portion of development charges to encourage rental construction, and reviewing rules for real estate agents.

The measures are aimed at cooling down a hot real estate market in the Greater Toronto Area, where the average price of detached houses rose to \$1.21 million last month, up 33.4 per cent from a year ago.

List of housing measures proposed by Ontario government

- A 15-per-cent non-resident speculation tax to be imposed on buyers in the Greater Golden Horseshoe area who are not citizens, permanent residents or Canadian corporations.
- Expanded rent control that will apply to all private rental units in Ontario, including those built after 1991, which are currently excluded.
- Updates to the Residential Tenancies Act to include a standard lease agreement, tighter provisions for "landlord's own use" evictions, and technical changes to the Landlord-Tenant Board meant to make the process fairer, as well as other changes.

- A program to leverage the value of surplus provincial land assets across the province to develop a mix of market-price housing and affordable housing.
- Legislation that would allow Toronto and possibly other municipalities to introduce a vacant homes property tax in an effort to encourage property owners to sell unoccupied units or rent them out.
- A plan to ensure property tax for new apartment buildings is charged at a similar rate as other residential properties.
- A five-year, \$125-million program aimed at encouraging the construction of new rental apartment buildings by rebating a portion of development charges.
- More flexibility for municipalities when it comes to using property tax tools to encourage development.
- The creation of a new Housing Supply Team with dedicated provincial employees to identify barriers to specific housing development projects and work with developers and municipalities to find solutions.
- An effort to understand and tackle practices that may be contributing to tax avoidance and excessive speculation in the housing market.
- A review of the rules real estate agents are required to follow to ensure that consumers are fairly represented in real estate transactions.
- The launch of a housing advisory group which will meet quarterly to provide the government with ongoing advice about the state of the housing market and discuss the impact of the measures and any additional steps that are needed.
- Education for consumers on their rights, particularly on the issue of one real estate professional representing more than one party in a real estate transaction.
- A partnership with the Canada Revenue Agency to explore more comprehensive reporting requirements so that correct federal and provincial taxes, including income and sales taxes, are paid on purchases and sales of real estate in Ontario.
- Set timelines for elevator repairs to be established in consultation with the sector and the Technical Standards & Safety Authority.
- Provisions that would require municipalities to consider the appropriate range of unit sizes in higher density residential buildings to accommodate a diverse range of household sizes and incomes, among other things.

RADIO CANADA INTERNATIONAL: ONTARIO TO TAX FOREIGN HOME BUYERS, EXPAND RENT CONTROL

By: Levon Sevunts
Thursday 20 April, 2017

<http://www.rcinet.ca/en/2017/04/20/ontario-to-tax-foreign-home-buyers-expand-rent-control/>

The provincial government in Ontario is introducing new measures in a desperate attempt to cool down the red-hot housing market in the greater Toronto area by taxing foreign buyers and expanding rent controls in the province.

The government's 16-point plan unveiled by Premier Kathleen Wynne, Finance Minister Charles Sousa and Housing Minister Chris Ballard on Thursday morning includes a 15-per-cent tax on foreign buyers who don't live in Canada.

The Non-Resident Speculation Tax will apply in the Greater Golden Horseshoe area, stretching from the Niagara region to Peterborough.

"The non-resident speculation tax has nothing to do with new Canadians and people who want to make Ontario their home," Wynne said during the announcement at Toronto's Liberty Village neighbourhood. "With this tax, we are targeting people who aren't looking for a place to raise a family — they're looking only for a quick profit or a safe place to park their money."

After two consecutive years of double-digit gains, average house prices in the Toronto region reached \$916,567 in March 2017, up 33.2 per cent from a year earlier, the provincial government said.

"When young people can't afford their own apartment or can't imagine ever owning their own home, we know we have a problem," Wynne said. "And when the rising cost of housing is making more and more people insecure about their future, and about their quality of life in Ontario, we know we have to act."

The province will also expand rent control to all private rental units, including those built after 1991. The government wants to ensure rents can only rise at the rate posted in the annual provincial rent increase guideline. The increase is capped at a maximum of 2.5 per cent.

The government will introduce legislation that would, if passed, include measures such as developing a standard lease with explanatory information available in multiple languages, tightening provisions for "landlord's own use" evictions, and ensuring that tenants are adequately compensated if asked to vacate under this rule.

With files from The Canadian Press and CBC News

CTVNN: POWER PLAY: FINANCE MINISTER SOUSA ON NEW HOUSING MEASURES IN ONTARIO

Source: CTVNN

Apr 20, 2017 5:06 PM (2)

Don Martin, Host: To the other big news of the day. With the million-dollar average Toronto home becoming an insurmountable barrier to new buyers, the Ontario government has decided enough is enough. The Liberal government of Kathleen Wynne moved against the superheated market today throughout the Golden Horseshoe. The government imposed a 15 per cent foreign buyers' surtax, paved the way for a property tax surcharge on vacant homes, and capped future rent increases to the rate of inflation.

Premier Kathleen Wynne [clip]: Ontario's Fair Housing Plan is not a silver bullet. It's a measured set of responses to ease the enormous pressure people are under right now. It's a balanced plan that aims to increase supply and rein in speculation. It's about creating some stability and addressing affordability in our housing market.

Don: Well, the federal government has also been involved in these talks and they say they will continue to help where they can.

Bill Morneau, Federal Finance Minister: We are doing an enormous amount of work for affordable housing across the country. We made in significant investments in our budget, which we announced, and we will be working together with the CMHC to ensure we are actually creating as much new affordable housing stock across the country through those investments, the renewal of existing housing stock. We know that means working together with provinces and municipalities and we're engaged in that discussion now.

Don: Ontario Finance Minister Charles Sousa is lead Minister on the Fair Housing Plan unveiled today and he joins us today from Toronto. Minister, if you didn't take this step to cool the market, how close is the GTA to a housing bubble bursting?

Charles Sousa, Ontario Finance Minister: Well I mean market forces will prevail. In the end, what we're trying to do is provide some stability to the market, and there's a huge suite of options that are being put forward. Any one of them in isolation wouldn't be enough so we're just trying to take a thoughtful approach in addressing the issue.

Don: Tell me about the 15 per cent foreign buyers' tax. Is foreign speculation actually driving the market up or is it like realtors and domestic – I think you called them 'paper flippers'?

Minister Sousa: Actually I call them 'property scalpers' but it is about flipping paper. But it's more than that, and certainly non-resident Canadians that are speculating into our market, buying residential homes and crowding out families who want to purchase homes and grow their families there, it's part of it. There's also speculation by domestic individuals, that's part of it too. We're trying to address all of that and what we've done is provided a 15 per cent non-Canadian residents tax in the Greater Golden Horseshoe, an area which we've seen have escalation in prices. In Toronto alone it's been 33 per cent over the last year. In the surrounding areas, there's some areas that are at 40 per cent year over year growth. So we're trying to temper the

market by also providing greater supply to the mix. So a number of our programs is to encourage more supply into the market as well.

Don: Right. Just help me through this. You've put this 15 per cent tax in place, and I know you don't do this without saying what's the impact of the tax policy? Is the idea to flat line price growth or bring it back to sort of 5 or 6 per cent a year which I think is normal?

Minister Sousa: Well the idea frankly is to have everyone pay their fair share. If you don't live in Canada or in Ontario, if you don't come to school here, if you don't pay taxes or grow our economy, and if all you're trying to do is buy residential homes and speculate it in that marketplace, then we feel you should pay your fair share of taxes. That's all we're doing. Now of course we're a welcoming jurisdiction. We want foreign direct investment. We want more jobs being created, more businesses being invested. All of that will continue to happen. But if you come to Ontario, and you decide you want to live here, we're going to rebate that NRST, the non-residents speculation tax. But on the most part, what we're trying to do is encourage fair play.

Don: I was talking to some economists about this as the week has gone on and they say it's more a question of supply of housing stock and that's where the cure lies to increase that. How do you unlock construction to boost the supply?

Minister Sousa: Well, part of the measures is to go after vacant properties and units and we're giving the municipalities the option to provide and impose a greater tax on those vacant units to encourage the owners to either sell them or rent them or put them into the markets so people can have access to it. If not, then again you pay your fair share. We're also looking at vacant lots. Those properties that are permitted and are ready for development. We were trying to encourage that supply to come on board and we're giving municipalities that right as well. We're working with a working group with the municipalities and the province and developers to expedite the red tape so we can get these units out in the marketplace quickly. And also we're imposing and supporting reductions in development charges for purpose-built rental properties. And we're encouraging developers to take advantage of it to try to get more supply in the mix there too.

Don: I have no doubt you have heard the howls from rental apartment builders and that sort of stuff, they're not happy about rent controls. Do they actually work or don't they limit and discourage construction of what's much needed accommodation?

Minister Sousa: Well since 1991, when they were exempt from rent controls, we had very little units come on board. So what we are doing is freezing taxes. We've also said that any new multi-residential apartment buildings will not be paying the higher tax that they have in the past. We're lowering them to encourage that supply to the mix. We're also, as I said, deducting and reducing development charges to encourage that supply. So we're mitigating that issue. At the same time, protecting tenants and protecting consumers. I mean, the spike that's been happening in the short while has created a lot of uncertainty and instability as we're just trying to manage that so people are protected.

Don: Okay, people say this goes beyond the GTA and the Golden Horseshoe. It's an important issue for Canada, so thanks for joining us, Finance Minister Charles Sousa.

Minister Sousa: Thank you.

CTVNN: POWER PLAY: PRESS PANEL ON ONTARIO'S FAIR HOUSING PLAN

Source: CTVNN

Apr 20, 2017 5:48 PM (7)

Don Martin, Host: Bill, I want to get your thoughts on this housing move with the Ontario government – there's clearly some political connections in it, they're trying to do something to stop the freefall in the polls. But why should Canadians care? Let's break this out of the Golden Horseshoe. Is there some reason for anyone outside of Toronto to be worried about the fact that Torontonians all are sitting in million dollar houses?

Bill Curry, The Globe and Mail: Yeah definitely. I mean Toronto from population or the economy-wise, it's about a fifth of the population, fifth of the economy. We saw in the United States if you have a downturn in the economy or sharp turn in the housing market it can have a broad effect. People don't think that the Canadian situation is comparable on the housing front but we've also seen with Alberta when they had their oil issues you can have a regional pain in the economy that trickles across the national economy. So it definitely impacts the broader economy and it definitely impacts of course the fifth of the Canadians who live in the GTA and are dealing with these up-and-down housing prices.

Don: Craig, your thoughts?

Craig Oliver, CTV News: Well I think I'm glad to see the return of rent controls. I think there are a lot of people who need that, and greedy landlords can say, 'Thank you, this is what you get.' On the bigger picture, I think the government is trying to answer that oft-asked question by the public, 'somebody has to do something.' I mean, they were certainly in trouble over electricity prices and they were trying to deal with that. But that's nothing compared to the reaction of parents and married children who can't find a place to live in the town where they grew up. That was becoming a major issue, and we'll see whether the changes make a difference. I'm not sure they will. I think this is driven by greed and what they're really trying to do is talk it down without doing very much.

CTVNN: POWER PLAY: HOST DON MARTIN ON ONTARIO'S REAL ESTATE MARKET

Source: CTVNN

Apr 20, 2017 5:52 PM (8)

Don Martin, Host: Now it's time for the last word. You have to experience a bust to fear the bubble. That's why Ontario is taking politically smart and economically necessary steps to open a small leak in what many experts call a hyper inflated housing bubble in the Toronto area. You only have to spend an Easter weekend with Toronto relatives to observe all the symptoms of what was going on in Alberta in the mid-1980s when price escalations were considered normal and buying immediately was essential even if it meant an unaffordable mortgage payment. I was living in Calgary when it went 'pop'. My modest townhouse had soared to an unimaginable value on what was then the outskirts of Calgary before it plunged to half its peak value in a year. It was a devastating reality check. Granted, Toronto's economy doesn't sway to the whimsical beat of world oil prices but there's a rampant jump on the buying bandwagon psychology behind this artificial bidding frenzy and that same herd mentality could deliver a hard whack on prices if a soft landing is not gently injected into the market. Well, today's anti-speculation tax on foreigners and tight rental controls are more about life jacketing the sinking Ontario Liberals, and less about giving young voters the faint hope of saving for a home, it might actually be the best thing for existing homeowners. The last thing they want to experience is an interest rate hike or an economic slowdown delivering full reverse thrust to a market flying on unsustainable expectations. Panic sets in as an overextended owner jettisons unaffordable homes, speculation stops, foreclosures jump, listings surge as buyers hold off for better prices, and the downward ripple radiates throughout the Golden Horseshoe. So if today's move stops a price spiral, which has my Toronto friends joking about buying small villages in New Brunswick for the sales price of one detached home, don't fret. That million dollars house you bought ten years ago for \$300,000 has delivered an amazing tax-free return on investment. Holding out for another \$200,000 is just plain greedy. At the end of the day, people with Toronto jobs have to live somewhere and trust me on this, it's better to reside in a housing price balloon with a small leak than a bubble when it bursts. And that's the last word.

CBCNN: POWER & POLITICS: PANEL DISCUSSES ONTARIO FAIR HOUSING PLAN AND POTENTIAL IMPACTS

Source: CBCNN

Apr 20, 2017 5:52 PM

Charles Sousa, Minister of Finance: Toronto has asked for it, and so we today are allowing Toronto to use the ability to implement a tax on vacant units. Those that have permitted lots ready for development, to encourage that to come on the marketplace as well and every municipality across the province will have that ability.

Rosemary Barton, Host: Finance Minister of Ontario, Charles Sousa. Welcome back to P & P and the Power Panel; Stockwell, Jason, Yolande and Robin. I'm going to start with Stockwell, because he's out on the west coast and lives in Vancouver. So, you've been through some of this before. Now, Ontario put 16 different measures in place, including rent control, which I think is a whole other ball of wax, which Vancouver did not do. But what would be the lesson from Vancouver for Ontario, for Toronto? And will it really stop the housing bubble from bursting?

Stockwell Day, Former Conservative Cabinet Minister: Well, we're in the midst of it right now, as you said. Part of the issue is both Toronto and Vancouver are two of the most popular cities in the entire world. People like the stability that our banking system in Canada has to offer. They like the relative stability of the two provinces and they are both beautiful venues. So first of all, you're popular. That's going to increase demand. Then there's the issue of supply. And I do believe that – I'll just be speaking for Vancouver, and maybe this reflects to Toronto – our city councils being creative enough to make sure that there is enough supply. There's a significant suggestion that more supply could be opened up without blocking, you know, airspace and things like that. Then, the more you intervene, the more you distort the market. So, that's always going to be a problem. For instance, that vacancy tax that the Mayor of Vancouver has put in place, like, I'll tell you what. If you don't think about that, you get in trouble because now what you to have, you have to have some kind of vacancy police, vacancy monitoring, neighbours reporting their friends. Just a quick example: Here's a couple I know. They worked for 30 years in public service. They have a place downtown Vancouver and they want to take some of their retirement while they're in good health and go and work in Africa on some HIV-Aids outreach programs and to leave their condo for six months in Vancouver, the mayor is going to punish them for doing that. There are countless examples of this. The more you intervene, the more problems you create. So, this has to be looked at in a far more creative and careful way than it's being looked at, I believe, either in Vancouver or in Toronto.

Rosemary: Well, and the Minister, you know, when I said to him, "Well, this isn't going to stop the bubble from bursting necessarily." I mean, he knows that it won't. I mean, this thing is – he can only intervene so much in a free market. There's only so much he can control. Robin.

Robin MacLachlan, Summa Strategies: Yeah, and there's actually, surprisingly, much that I agree with Stockwell Day on this. You have to be careful when you intervene because the thing is once you intervene in one measure, you then have to intervene in another to counterbalance it, and then another, and then it becomes this really complicated measure. Now, in Ontario, this problem has been around for a long time. So, to think that now all of a sudden this suite of measures is going to fix the problem would be unrealistic. It's also important to look at the politics here. This is a Liberal government in Ontario that's been around since 2003 that is now one year out from election. You know, terrible approval ratings and now looking to address its core voters. Where are its core voters? They're in the core, core, core of urban Ontario, in Toronto. So this is very important for them to get right from a political standpoint and it's very

important for all of us in Canada for them to get right from an economics standpoint. Stock is also right from an economic standpoint, this is about supply. And you need a supply shock to be able to change the system. But the problem is supply shocks in the housing market take a long time because they involve re-zoning, they involve availability of lands and they involve the private and public sector. The public sector has a huge role to play here in building affordable housing, but they can't do it alone because it's just too expensive to public sector to do that. So you have to look at how the private sector can be incentivized to be able to create more affordable housing. So, like, the rent control and foreign buyers' tax are the two signature items here. Foreign buyers' tax has not really been a success in Vancouver. It did have an immediate price dip -- effect on price downward pressure, but that's recovered. There will be probably a similar effect here. But, again, that's going to recover. So, they also need to look at rolling this out better than Vancouver did. Vancouver just did it like this. You had people in the middle of buying a house who all of a sudden got this 15 percent tax. You had people with work permits, graduate students who got impacted. So, there are lessons to be learned. On the rent control, the only thing I'll say that some of my progressive friends do not love because I do support rent control. You have to realize you're helping people who are currently renting and might be hurting people who want to rent five years from now. There have to be other measures that encourage the building of affordable renting.

Rosemary: Again, I put that to the Minister but didn't really get a response. Rent control helps people who have money. It doesn't help people who have a hard time finding --

MacLachlan: A 16-year-old who might want to rent when they're 20 for university might be challenged.

Rosemary: Yolande, in Montreal there aren't these kinds of problems.

Yolande James, Former PLQ Cabinet Minister: Well, maybe it's coming. In some ways, a lot of Montrealers took the 401 down to Toronto and were hoping to see better solutions. But I mean, I think it all comes down to if you decide to intervene, which the government is clearly in Ontario and British Columbia have decided to do, how much do you intervene? There's no perfect solution to it. That's clear. I was just going to hit on the point of the politics of it all. I think it's at the centre of it. Everybody knows that this is an issue, whether you live in Toronto or Vancouver or not. And for a long time, there's an expectation for politicians to step up and do something all while we know that there is no perfect solution. It will be easy to -- it will be interesting to see after we evaluate -- I would imagine Toronto would be no different than Vancouver with respect to the 50 percent foreign tax. That once there's a little bit of a bubble after everything goes back, what are they going to respond? I understand that the Minister of Finance was saying, "Well, it's in a comprehensive package." I don't know that that will settle everything. But if the situation doesn't change, of course, people will have an expectation given that the election is coming soon, that they respond to it. So, I mean, I understand that I think the entire panel is pretty much saying, "Okay, there's intervention here. But the expectation that it's going to settle everything is really zero." But on some level, from a political perspective, I think citizens do expect their government to -- they're seeing this problem. Toronto is there. I cannot -- most people cannot go there and afford to live there. Do something about it. So they've put forward a plan to respond to that.

Rosemary: And they certainly are doing more than Vancouver. I will give them that. There's more measures there. There's things like, "If we see land, we'll offer it for social housing." There's measures for developers. Jason, it's weird because Calgary never [inaudible].

Jason Markusoff, Maclean's: Sure we did. Last decade when oil boomed, prices, like, doubled in two or three years. It was remarkable that the rents were going through the roof and there was no rent control and the Tory government at the time was under heavy pressure to do things. They started creating a huge affordable housing program. They were really slammed, but they didn't really touch anything on the real estate function. People were really happy that suddenly their home values were doubling, so they didn't want to touch that. But, you know, I would imagine that a lot of people in Alberta are looking at what happened in Vancouver and they put in action things spread like crazy to Toronto. Maybe Calgary with the oil prices starting to pick up again and the realtor market is improving from its recent downturn, that some of the speculation and the foreign money winds up coming to Alberta and does that create the same there? That said, I will give Wynne some good amount of credit -- and this coming from a former Hamiltonian because I know how many -- no, because Hamilton and other cities around there [inaudible]. So, I give Wynne credit for making this not just a City of Toronto thing, but the Greater Golden Horseshoe solution to make sure this doesn't spread to other areas. I think that's really important. I credit her there. Yeah, I agree with the panel. This is sort of a touch all the bases solution. You know, you want to touch on supply. You want to touch on rent controls and satisfy the voters there. [Inaudible] a suite of measures, people like to say a suite of measures, that that will be politically satisfying and maybe, you know, one measure will offset the others.

CBCNN: POWER & POLITICS: OPTION FOR HOUSING GROUP COMMENTS ON THE STATE OF TORONTO'S HOUSING MARKET

Source: CBCNN

Apr 20, 2017 6:46 PM

Rosemary Barton, Host: The Ontario government announced today a 16-point plan to cool the housing market. Among the measures: a tax on foreign buyers, a cap on rent increases. Is it enough? Or will it do more harm than good? Joining me now is Heather Tremain. She's the CEO for non-profit developer Option for Housing. Good to see you, Heather.

Heather Tremain, CEO of Options for Homes: Hi. Good evening.

Rosemary: So what's your reaction to the 16 measures? Is this going to help people who can't get into the market who just need somewhere to live?

Tremain: I think it's going to help the renters in the market who desperately need some protection. I think it's also going to, I hope, cool off the market that kind of – you know, the increase that we're seeing in the single family market that then cascades into the condo market. So, I'm hoping that we're going to see some changes. We did see this kind of cooling-off in Vancouver. When some of these measures were put in place. I think we'll have to wait and see, but I think these are some tools that could do the work.

Rosemary: Your group, it's very interesting because you're a non-profit. You build condos for low and middle income families in the GTA and then you help them buy the houses. Obviously, the need is there. Give me a sense of who you're working with and how it works.

Tremain: So we effectively give purchasers a down-payment. So we ask them to come up with five percent and we typically provide them with between 13 and 15 percent as a down-payment, which is really the profit that we – out of a project. So with that, they then are -- they have about an 80 percent mortgage. So much less of a mortgage than they would typically have if they were buying in the market.

Rosemary: What's the demand like?

Tremain: We have a waiting-list right now of about 7,000 folks who are interested in our properties.

Rosemary: So I – you know, when I saw the measures today, particularly the rent control, you know, I can see how that would work for middle class or upper class people who maybe have money but don't have enough money to buy. It's unclear to me though how rent control would benefit really low -- the low end of the income, the people that, you know, don't -- really don't have anything. So, what about affordable housing, social housing, that kind of stuff? Do you have worries on that front?

Tremain: I think we do. I think the challenge is delivering enough housing. Housing is expensive. I think -- you know, the hope is that as we get more articulation in the federal -- in the national housing strategy and as the federal budget gets more articulated, we're going to see some more money for more vulnerable populations and that was what was promised. The hope is that, you know, as we see it more kind of worked in in a finer grain, we're going to see some more money for those populations.

Rosemary: So, what would the government have talked about? As I said, we talked to Adam Vaughan a couple days ago, and he talked about that national housing strategy. How does that factor into cooling the real estate market? Or is that just another part of it? How would that be important in all of this?

Tremain: I think the national housing strategy is hopefully going to help us deliver more supply into the market, which then, you know, reduces -- you know, it's helping to match the demand a little bit more closely. I mean, that's what I think the national housing strategy is will be about to large measure.

Rosemary: You were in Vancouver before.

Tremain: I was.

Rosemary: So I'm sure you feel like you're seeing this again. Is it different? What are the lessons to be learned here?

Tremain: It feels a bit different. I mean, the Toronto market is bigger. It's more diverse. It seems like the Vancouver market is probably a little bit easier to control. I think the foreign purchasers potentially had a larger impact than they probably have in the Toronto market, from my understanding of the data. So, I think it will be interesting to see -- and I think that's why we're seeing, you know, a number of measures in the Toronto market. It's not just a single measure. We're seeing a 15-part initiative on the part of the province.

Rosemary: You know, I have talked to many people now over the past couple days about that -- what you raise there, data. The fact that we don't have a good picture. What do we need to understand better to be able to come up with better solutions? What's missing for that data, the information part?

Tremain: I think we need to understand the drivers better. So, is it foreign purchasers? You know, you hear the fact that it's, you know, five percent of the purchasers in Toronto are foreign purchasers. So, is that the driver? You know, is it kind of sustained low income or, sorry, low interest? Is it, you know, what are those factors? Is it new immigration? What are the -- is it that we're not delivering enough supply into the market? I think we really need to understand the whole system a lot better. I mean, the CMHC, a number of years ago, stopped being that repository for data. In the federal budget - I think it was 240-odd thousand -- or million dollars that were committed to collecting data on the Canadian housing market. I think that's going to make a big difference, in terms of the effective policy, to kind of manage the markets that we have today.

Rosemary: You know you talked about all the different measures that Toronto put in place. And some of them can be done pretty quickly, and that's fine. But the supply part of this obviously can't be done quickly. How concerned are you that this bubble is going to continue? And, you know, no one can really control the free market. So it is going to pop at some point and people are going to be stuck.

Tremain: I think the idea of -- you know, what they're trying to do is actually manage the market. So, you don't want the bubble to pop. That's what I saw continually in Vancouver. You want to tame it down. You want to kind of take it off the boil and see if you can kind of, you know, reduce the prices and create a bit more of a stable market. I think that's where everybody wants to see this go -- is a more stable, kind of reliable market.

Rosemary: And do you think that can happen?

Tremain: I hope so. I think -- but I think there's going to be -- have to be really careful monitoring of these measures. I hope the government will treat them almost as experimental. Let's try them out, see if they work, and be prepared to change them if they don't.

Rosemary: And adjust them for sure. Heather Tremain, you come from an interesting group. I appreciate your perspective – an important one tonight.

CFTO: PROVINCE INTRODUCES MEASURES AIMED TO HELP COOL HOUSING MARKET

Source: CFTO

Apr 20, 2017 6:02 PM (2)

Anchor 1: Here at home, new housing measures introduced today. Will houses like these now see fewer potential buyers? The plan to decelerate the housing market has been revealed.

Anchor 2: Is it enough and is it the right move? CTV's Paul Bliss begins our housing coverage. This really does effect everyone, Paul.

Reporter: That's right, Michelle. And, you know, we'll see this weekend if the new tax on foreign buyers has any dent on the bidding frenzies because it takes effect immediately. The Minister told me today eight percent of the homes being sold in Toronto right now are being purchased by foreign speculators and they are his prime target. A 15 percent tax on foreign speculators is the government's objective to bring the boiling GTA housing market down to a simmer.

Kathleen Wynne, Premier of Ontario: With this tax, we're targeting people who aren't looking for a place to raise a family. They're looking only for a quick profit or a safe place to park their money.

Reporter: The tax on non-residents is effective immediately. It applies to a huge swatch of land known as the Greater Golden Horseshoe, extending outward from Toronto all the way up into cottage country. But, no new tax yet on domestic speculators. They, however, are in the government's sights.

Charles Sousa, Minister of Finance: There are speculators who enter into agreements to purchase properties with no intention of buying them or living in them, crowding out families looking to buy their own homes. These scalpers may be avoiding tax and we believe they should, as well, pay their fair share.

Reporter: Real estate agents are finally coming under the government's microscope as well. It's going to bring an end to practices like double ending when they represent both sides or fake bids and shady last-minute offers that come in via e-mail. The agents' association is pleased.

Tim Hudak, CEO of the Ontario Real Estate Association: Those who abuse the rules, you got to throw the book at them. I mean, anybody is breaking the rules is taking advantage of somebody making the biggest investment of their lives. You don't want that person in the profession.

Reporter: Queen's Park is also giving the City of Toronto the power to tax thousands of vacant units that are sitting empty to encourage the landlords to rent or sell to families. There's also comforting news for renters. Queen's Park is imposing rent controls for all rental units, not just those built before 1991. Increases will be capped at 2.5 percent; a new standard lease agreement is being introduced; eviction rules will be tightened; and elevators will have to be fixed before rent increases. But, there's concern about a rush to jack up rents before the new regulations area passed.

Peter Tabuns, NDP MPP: I am worried about tenants who are in buildings now that aren't covered, whose landlords will say, "Gee, I got to get in under the wire. I will crank it up really big time right now."

Reporter: The Finance Minister says Queen's Park has done what it can for the real estate market and now it's up to the marketplace to decide where prices go. The big problem in Toronto, of course, is supply. There isn't a lot of room to build detached homes anymore, so in the future, most of what you're looking at will be town homes, semis, and condos. The mayor says whatever comes, speculators are not welcomed.

CFTO: REACTION TO PROVINCE'S RECENTLY ANNOUNCED FAIR HOUSING PLAN

Source: CFTO

Apr 20, 2017 6:05 PM (3)

Anchor: Next, she's live in Trinity Bellwoods with the people's side of the story. What's it mean for renters and landlords, buyers and sellers, Tracy?

Reporter: Well, Ken, as you know there are two sides to every coin. For example, we're here outside of a property that has just been listed and has just opened for showing for open houses. In fact, there are clients who just went inside right now for a viewing of this home right here in Trinity Bellwoods. This may be exciting news for some home buyers, but the listing agent doesn't believe that today's announcement will have much impact on demand. It's been a long struggle for renters trying to break into the homeowner's club. Antoinette Boulangerie has been trying for two years.

Antoinette Boulangerie, Looking to Buy: We've pretty much been knocked out of the market within the last few months. It's become unaffordable.

Reporter: So, the announcement of an immediate four home buyers' tax in the Greater Golden Horseshoe is giving her hope.

Boulangerie: It's cooled in Vancouver. They said they had gone down \$200,000. So, we're hopeful. We're hopeful it will allow us to purchase a home.

Harvey Malinsky, Broker at RE/MAX Hallmark Ltd.: I wish I had a crystal ball.

Reporter: The listing agent for this \$1.2 million detached home near Queen and Bathurst says he doesn't expect the new tax will have a big impact on prices.

Malinsky: I think that those that can afford to buy these investment properties that they're buying can afford the extra tax and will continue to buy.

Reporter: While those who can't afford to buy are renting. It's been a wild west when it comes to raising rental prices for units built after 1991, but today, those same renters are relieved to hear that a cap will also apply to them.

Unidentified: It's nice to know that my rights are protected in the event that I did not have such a great landlord.

Reporter: But a spokesperson for Ontario Rental Providers says sweeping rent control is short-sighted. He fears it will jeopardize 28,000 units now in the pipeline.

Jim Murphy, Federation of Rental Housing Providers: And unfortunately this has come along and really put at risk all of those new units to the detriment of tenants.

Malinsky: If an owner experiences 25 percent hydro and is locked into a two percent increase on his rent control, how is that fair?

Reporter: Critics claim Ontario's Fair Housing Plan would still be unfair to many. The mayor says the goal here is to have a healthy supply. He says he's pleased that the government is

freeing up surplus land for affordable housing, but says he will also press the province for more money to build it.

CFTO: ONTARIO ANNOUNCES 16 MEASURES TO STABILIZE HOUSING MARKET

Source: CFTO

Apr 20, 2017 12:00 PM (1)

Anchor: Swift reaction to the Wynne government's move to cool the housing market by taking aim at foreign investors and landlords. Good afternoon. Anyone buying a house or condo in Ontario who is not residing here will pay a premium. The province imposing a 15 percent tax on the property.

Anchor 2: It is called the "Fair Housing Plan", and it includes measures to protect tenants from skyrocketing rents. CTV's Paul Bliss joins us now. He's live in Liberty Village where the premier made the announcements this morning. Paul, a lot of points to this plan.

Reporter: 16 measures the government is acting on. The big question everybody has is will they be effective? You mention the foreign buyers' tax. That's really the main weapon here that they're employing to try and crack down on these frenzied bids that are driving families out of the housing markets. But beyond that, it is unclear if these measures are going to be effective. However, there are some very strong rent controls coming to protect tenants in this effort by the Wynne government to make housing more affordable in the Greater Golden Horseshoe.

Reporter: The premier's Fair Housing Plan is a 16-point strategy to calm the housing market and protect renters.

Premier Kathleen Wynne: This is a unique challenge. In some ways, we have to realize this is a good problem to have. Our hot housing market is tied to the confidence people have in the Ontario economy. So the skyrocketing cost of renting or buying in Ontario and the Great Golden Horseshoe region in particular is the unwanted consequence of a strong economy with a promising future.

Reporter: Starting tomorrow, a 15 per cent non-resident speculation tax will apply to all residential home transactions in the Greater Golden Horseshoe area. Surplus government land will be freed up for housing projects in the West Don Lands and properties in downtown Toronto. The city of Toronto is getting the power to tax thousands of vacant properties and the government is giving all cities the power to impose higher taxes properties on land that is approved for residential but is sitting vacant. However, the Finance Minister says there's no guarantee these measures will help calm the market.

Charles Sousa, Ontario Finance Minister: The Bank of Canada, Stephen Poloz, has made it clear that he sees speculation as being a problem in the region and those are the points we have taken into consideration in working with stakeholders.

Reporter: The Minister told me 8 per cent of the people winning the bids to buy residential homes in Toronto are foreign investors. But there are no actions in this plan to crack down on domestic speculators. So the bidding frenzies could continue into the weekend.

Reporter: There is comforting news for renters, rent control applies to all rental units including those built after 1991, and Queen's Park is imposing a new standard lease agreement to encourage more people to rent out their units. That's good news. But there are still some concerns

Peter Tabuns, New Democrat MPP: I am worried about tenants who are in buildings now that are not covered, whose landlords would say 'Gee, I got to get in under the wire. I'm going to crank it up really big time right now.'

Geordie Dent, Federation of Metro Tenants' Association: It's going to bring everyone under the same system of rent control. So all of the folks in the towers around here are going to have a minimum standard. They're not going to getting these massive outrageous rent increases.

Reporter: So what do you think of the announcement?

Jim Murphy, President of Federation for Rental-Housing Providers: We are they disappointed. We were on the verge of a major build in terms of new purpose-built rental units in the city of Toronto and across the province. We were on the verge of 28, 000 new purpose-built rentals, which would help tenants.

Reporter: The government is promising to crack down on shady real-estate transactions, practices like double ending and phantom offers, but these changes will take time to draft and implement. In the meantime, the premier says she's done what she can, now it's up to market forces to do the rest.

Reporter: And in case you're wondering, that foreign buyers' tax is not expected to put a lot of money in the bank for Queen's Park because the minister has also set up \$125 million special fund. That money is going to go to developers to help them and encourage them to put up more rental buildings to provide more units for Ontarians.

Anchor: To reaction now from the mayor's office. John Tory says he welcomes many actions of the Wynne government's plan like the sale of provincial lands, including the West Don Lands to build affordable housing. He goes on to say, " I'm also gratified that the provincial government will allow the city to move forward with a vacant homes tax, subject to the results of our examination, and other measures to curtail speculation and add new supply into the marketplace right away."

Anchor 2: CTV's Chief Financial Commenter Pattie Lovett-Reid joins us now live with reaction to the announcement. So Pattie, everyone is wondering if this is going to work. Why don't we take a look at what happened in Vancouver when legislation was brought in there?

Pattie Lovett-Reid, CTV's Chief Financial Commenter: Well I think you raise a really good point. This is almost the new and improved foreign buyers' tax because it will eliminate, and we've already talked about it, foreign students. It excludes foreign workers, those maybe on the path to citizenship, and it is going to be the onus on them to come back and say, 'Okay this should not apply to me.' You know I looked at some numbers, and I crunched them, Ken. If you looked in the month of March, 15 per cent foreign buyers' tax, I used a 5 per cent number, because was used prior to the 8 per cent that we heard – the government would have made about \$83 million on this. So it's one of those things when you look at all of these changes, we're so close to the margin on each one of them. If you only implement one, it probably wouldn't make a difference. But when you implement a lot, then all of a sudden, you can start to see things happen. The problem, Ken, is that it's not going to happen overnight.

Anchor 2: No, of course not. But, yes, Paul did mention 16 different measures in this. Among other things, I thought it was interesting, Pattie, they talked about surplus government land is

going to be made available for low-cost housing, but there is no talk of loosening any restrictions from the Green Belt.

Lovett-Reid: No, there wasn't, and that is an interesting point to be made, because a lot of people thought that exactly was going to happen. Depending on who you speak to in the city, they will all say it's all about a supply issue. We need more supply. The other point that I would throw out there, as well, a lot of push-back on the rent controls. Because those who I guess are in the business say 2, 2.5 per cent, you know what, you got to at least move it to 3, 3.5 per cent, because some of the costs in maintenance are certainly going to outstrip inflation.

Anchor 2: All right, CTV's Chief Financial Commenter Pattie Lovett-Reid. Thanks Pattie.

CFTO: FEDERAL FINANCE MINISTER REACTS TO ONTARIO'S HOUSING MARKET MEASURES

Source: CFTO

Apr 20, 2017 12:57 PM (22)

Anchor: Updating our top story, there has been swift reaction to the Wynne government's move to cool the housing market by taking aim at foreign investments and landlords. Among other things, it would impose a tax on purchases by foreign owners. It would also open the door to a vacant homes tax in Toronto, and this morning, in Toronto, Federal Finance Minister Bill Morneau was here. He spoke about Ottawa's role.

Bill Morneau, Federal Finance Minister: We believe we have an important role in ensuring that there's money laundering going on in the system. We see that there's an important role for the Canada Revenue Agency to ensure that people are engaging in business behaviour that's business behaviour, that might be speculative, but it's business behaviour, are paying their appropriate share of tax. So our goal will be to continue to work together with, in this case, Ontario and Toronto to make sure there is good information and we have coherent policy actions.

Anchor 2: But opposition parties at Queen's Park are not impressed. The New Democrats say it is simply a desperate move by a government trying to boost popularity heading into an election.

Peter Tabuns, NDP MPP: It only became a crisis when it became a crisis for them politically.

Anchor 2: The NDP is, however, in agreement with the Liberal plan to expand rent controls. The 15 per cent foreign buyers' tax, it takes effect immediately. We'll have much more reaction tonight at 6pm.

GLOBAL: PREMIER WYNNE INTRODUCES FAIR HOUSING PLAN TODAY

Source: Global

Apr 20, 2017 5:30 PM (1)

Anchor: A dark and dreary night in the GTA, matching the mood of aspiring home owners. But tonight, there are promises of brighter days ahead.

Anchor 2: This is what it's all about. You can find homes for sale like this one but try finding a home you can afford. It's become almost impossible. And now, the Premier says she's going to do something about it. Thanks for joining us. I'm Farah Nasser.

Anchor: And I'm Alan Carter. Looking to buy a home or rent a condo in the GTA? Well good luck. The dream of home ownership is all but dead for those with just an average family income.

Anchor 2: Enter Kathleen Wynne. The Premier stepped forward today with a 16-point plan, aimed at helping those priced out of the market.

Anchor: I know you have a lot of questions, and we have the answers tonight and our coverage begins with Marianne Dimain.

Reporter: It's hard enough to find an affordable home to buy and rent in this red hot market, one the province hopes to cool.

Premier Kathleen Wynne: We want to bring stability to the market and make the process of buying or renting a home fairer and more affordable.

Reporter: At a news conference in Liberty Village the Premier and Minister of Finance announced 16 measures as part of its fair housing plan to help rein in the market and increase the supply of affordable homes in the city.

Minister Charles Sousa, Minister of Finance: These new policies represent a multifaceted plan to help families find homes.

Reporter: They include effective immediately, a 15 per cent non-resident speculation tax or NRST for non-resident and foreign buyers who purchase one to six units in the Greater Golden Horseshoe; people who live and work here are exempt, identified, provincially owned land that could be used to build affordable and rental housing and introducing a \$125 million five-year program to encourage the construction of rental apartment buildings. A portion of the development charges would be rebated.

Joe Vaccaro, Ontario Homebuilders: Representing an industry that builds 95 per cent new housing in the province, our points has always been that if we can get projects to the market, it will help in the marketplace.

Reporter: Also part of the Fair Housing Plan, rent control for all private units, including those built after 1991. Up until now, there was no cap on massive rent hikes for new units, as was the case here in Liberty Village.

Alejandra Ruiz, ACORN: We think that it is a step forward for one of the housing issues, because of the rent control.

Reporter: Now landlords would only be able to increase rent a maximum of 2.5 per cent, something not everyone thinks is a good idea.

Jim Murphy, Federation of Rental Home Buyers of Ontario: Nobody supports the doubling of rents, that is wrong. But there are other practical solutions that would have worked and would have allowed for the continuation of building purpose-built rental in Toronto.

Reporter: The province says rent controls and new units could also help cities like Toronto introduce a vacant home tax to encourage owners to sell or rent their unoccupied unit. Meanwhile the practices of real estate agents will also be under review to ensure consumers are treated fairly. Marianne Dimain, Global News.

GLOBAL: PREMIER WYNNE TALKS STRATEGY BEHIND FAIR HOUSING PLAN

Source: Global

Apr 20, 2017 5:59 PM (14)

Premier Kathleen Wynne: Yes, we don't have direct levers to pull to change the market, nor would we want to. But we believe that it's our responsibility given the evidence and given the advice that we've gotten, that we need to put in place the measures to calm this frenzy that is going on.

Anchor: Well, a reality check on real estate tonight. That is the Premier there defending her plan to make homes and apartments more affordable in the GTA. How is it going to impact you? The answers are straight ahead. Global News at six begins right now.

Anchor: The Wynne government tabled a 16-point plan today, aimed at slowing the GTA's runaway real estate prices.

Anchor 2: So the hope is those who can't afford to buy or rent will have a better chance. Here's some of the key highlights. Ontario hopes to help cool the red-hot housing market, by imposing a 15 per cent tax on foreign buyers. There is also relief for renters. The province will extend rent control to all units, including the ones built after 1991 and to offset concerns that rent control will discourage development; there is a \$125 million rebate program for builders constructing rental properties in areas with low vacancy rates. Also John Tory gets his wish. The province will grant all municipalities the power to impose a tax on vacant homes; that's to encourage owners to rent or sell those properties.

Anchor: The big headline from Thursday's announcement by the Ontario government would have been unthinkable just six months ago. With Liberty Village behind her, and her ministers, Kathleen Wynne revealed that non-Canadian citizens will now have to pay an extra 15 per cent tax to buy one of those condos you see in the background or any other real estate purchase in the Great Golden Horseshoe. Now this is what the British Columbia government brought in for Vancouver last year. And Kathleen Wynne was asked then if she would follow suit.

Premier Wynne: I would be very cautious in terms of moving forward on any changes or interventions into that market. It is a different market than British Columbia's, in the GTA so we are looking at it.

Anchor: So that of course begs this question, you saw what happened in Vancouver, what is it that changed your mind?

Premier Wynne: And I couldn't have told you six months ago, eight months ago that this is exactly what we were going to bring forward because the conditions have changed.

Anchor: The conditions that have changed according to the Premier are sales figures showing more than a 30 per cent gain in prices in Toronto, but will a foreign buyers' tax cool the market? B.C. introduced a 15 per cent foreign buyers' tax last August. The most recent numbers from the Canadian Real Estate Association show that home prices in Vancouver were down 9.8 per cent year over year in March from well over a million dollars to just under. But home prices in Vancouver are climbing again as domestic buyers who were waiting to see what would happen are getting into the market. Hong Kong also introduced a foreign buyers' tax in 2012; at first 15 per cent then it went up to 30 percent. But home prices there hit a record high in March. A similar outcome in Sydney, Australia which brought in a 9 per cent tax on foreigners in 2015. It

too set a new high for home prices last month. Part of the trouble in the greater Toronto area is the government doesn't have detailed data on how much foreign money is being used to buy up homes. So what is the government basing its decision on?

Anchor: What evidence do you have that the tax in Vancouver is actually bringing down prices?

Minister Charles Sousa, Minister of Finance: So let's be mindful of the fact that the evidence that we have before us, the data we have before us is very clear. In the Toronto region prices year over year prices have spiked by 33 per cent.

Anchor: Even by political standards that is a non-answer. Might it have something to do with recent polling information that shows wide public support for market intervention? You know if you are a cynical member of the opposition you might suggest something like this.

MPP Peter Tabuns, Toronto-Danforth: Their polling numbers are in the basement. They are in a crisis. They want to do something dramatic. They think this will work so they are acting on it.

Anchor: All of this is going to make for a busy spring for Wynne and her ministers who must pass legislation to enact these housing plans plus the Wynne government has yet to even unveil a bill for their much-hyped hydro rate cuts.

GLOBAL: PUBLIC REACTION TO ONTARIO HOUSING ANNOUNCEMENT

Source: Global

Apr 20, 2017 6:03 PM (15)

Anchor: Politics aside for now, let's go back to the plan itself. There's a lot to digest especially for those thinking about selling their home and those desperately trying to buy a home. Lama Nicolas has that part of the story for us. Lama

Reporter: Well Farah, we're about to hear from two women. One has been trying to break into the market for years. The other owns a home but is afraid to sell. Both aren't convinced the government's latest move will make a difference.

Reporter: Judy Zerafa feels if she doesn't get into the market now, she'll miss out. But she's been looking for five years. She's given up many times and like many first time buyers, she can't find anything.

Judy Zerafa: Very frustrating. Things are very, very costly and when you do find something it's gone.

Unidentified: Bully offers coming in, offer with even you know, offer dates, properties being sold even as an exclusive listing, before it even gets on the market, so my buyers are not even getting into the buyers' market.

Reporter: Lourdes McLean has a home, and has equity. She's ready to sell and buy her dream home but fears all the uncertainty.

Lourdes McLean: It's relative. You see your home for a certain price but then you have to spend that much more.

Reporter: Her real estate agent says buyers and sellers are nervous.

Zerafa: It's frustrating. These past couple of weeks I've been to a few, where there's been 20, 22 offers and really it becomes a matter of who can throw the most money at it.

Reporter: Provincial officials admit there's no single answer to cool things down but hope the latest tax on foreign investment will stabilize the marketplace.

Unidentified: We think speculators are causing the problem and to what extent because we don't know the real data, the real percentage of what the really represents. It's more tinkering than good policy as far as I'm concerned.

Reporter: And buyers here just can't see how this will make it any easier.

McLean: I don't know if that's going to make a big difference because eventually people are just going to say it's just another tax.

Zerafa: Hope that the market will sort of settle and I'll be in a position to buy something.

Reporter: It's been a market saturated by buyers with no inventory. But many of the agents we spoke with are telling us for the first time in a long time, they're seeing more listings and they don't see the government's intervention as the big shake-up everyone was looking for.

GLOBAL: FINANCIAL ADVISOR EXPERT ON CURRENT BUYERS CHALLENGES IN HOUSING MARKET

Source: Global

Apr 20, 2017 6:06 PM (16)

Anchor: Even if today's measures hold prices at current levels, financing a home in Toronto is out of reach for many as Lama told us; something the mayor acknowledged this week's after the summit with the province and Ottawa he had.

Mayor John Tory, Mayor of Toronto: We want to make sure that it remains affordable whether they rent or buy their home, but there's a very real and growing divide between those who can afford to live and work here, and those who cannot.

Anchor: So it got us thinking, how much does a family need to make to afford a home in Toronto? I am joined by Roubina (inaudible), personal finance expert. So Roubina this is a family of four, let's imagine, and all they want is to own a detached home in the 416.

Personal Finance Expert: So a detached home in Toronto, right now the average cost is about \$1.2 million. So that family would have to save a 20 per cent down payment to get into that house and then at today's interest rates, their mortgage payments would be \$4400 a month. So they are looking at more than \$50,000 a year just on mortgage payments.

Anchor: And that 20 percent down is the bare minimum. Now you got the house. You obviously now need to like the house. You need hydro, you need gas, and you need water. How much does that all cost?

Personal Finance Expert: And Farah don't forget home insurance, maintenance, all the other costs that go into being a homeowner, so all of a sudden your costs jumped to \$75,000 a year.

Anchor: That is a lot. So let's say now that one parent works in the city, so they need a metro pass, so that is \$134 a month. But then the other parent takes a car, has a job in the burbs' how much would that cost?

Personal Finance Expert: So the parent driving to the job is spending about \$700 a month just to maintain the car, put gas in it, purchase the car to begin with. With the metro pass added in that is more than \$11,000 a year that that family will be spending on transportation costs.

Anchor: Now let's talk about the kids. We all know as parents that day care adds up. Say one kid is in day care, the other one though he or she is in school, the parent won't finish their day when the school does so how much does after school care cost?

Personal Finance Expert: Day care costs in Toronto are pretty high. For a toddler \$1375 a month that family will have to pay to have their child put into a day care. After school care is still more than \$400 a month for that child that goes to full day school. Then you have to think about the summertime when they need full day care. That is another \$1000 for July and for August. Now we are looking at more than \$21,000 that family is spending just to have their children watched while they are away at work.

Anchor: I am just looking at the numbers. They are all adding up very fast. We are still missing some things like food.

Personal Finance Expert: Grocery costs are pretty high, more than \$700 a month for a family of four to buy some groceries. You are looking at more than \$8,600 a year that Statistics Canada says that families spend not just on groceries, but maybe a few take-out meals. That's how much we spend out on food.

Anchor: Okay so connectivity is the next thing. So cell phone, Internet, cable, how much does that add up to?

Personal Finance Expert: The average family spends about \$180 a month on those things. You are looking at again another \$2100 a year just on those communication devices.

Anchor: These are the basics we got here. Is anything else missing?

Personal Finance Expert: We are also missing clothing, other essentials, and last-minute expenses, out-of-pocket health care costs because not everything is covered by our government health care plans. Let's another \$3000 a year to cover those types of costs for an average family living in Toronto.

Anchor: Everything together how much does that cost?

Personal Finance Expert: So over all it is more than \$121,706 a year that that family will have to spend just to have a bare minimum lifestyle in this city.

Anchor: That is out of pocket. So how much do they need to make?

Personal Finance Expert: That would mean a household would have to make about \$200,000 a year in order to afford that type of lifestyle. Just to afford the basics.

Anchor: \$200,000 dollars to have a house in the city. That doesn't include vacations, sports for the kids or extra activities. That is just the basics.

Personal Finance Expert: That is just the bare minimum.

Anchor: Okay Roubina thank you for crunching those numbers for us.

GLOBAL: DISCUSSION ON RENT CONTROL MEASURES IN FAIR HOUSING PLAN

Source: Global

Apr 20, 2017 6:10 PM (17)

Anchor: To the renters now. And it is no coincidence that the Premier made today's announcement outside a condo building in Liberty Village because people there in that neighbourhood recently saw their rents doubled. But that loophole is now closed. Rent controls will be extended to all buildings including those shiny new condos. But is that a good thing for the market? Well when you start to debate rent control you find out quickly the issue is not black and white.

Beata Caranci, TD Bank: I am Beata Caranci, Chief Economist of TD Bank.

Sheila Block, Canadian Centre for Policy Alternatives: My name is Sheila Block and I'm the Senior Economist at the Canadian Centre for Policy Alternatives Ontario office.

Caranci: Landlords need rules as much as tenants do. Everybody does and I think that this is the notion of what the government was getting at today in terms of making sure there are not extraordinary gains happening, which we are hearing more and more about and doing tenant protection as a result of it. At the same time you don't want to discourage future landlords from putting rental stock into the market.

Block: I am absolutely for rent controls. We have really been seeing landlords taking advantage of that very big loophole in rent control legislation that allows them to increase rents by any amount that they choose.

Caranci: This is a region that is more likely going to have to accommodate renters as opposed to buyers. There is a risk that if you put in too many controls you can actually reduce the stock and make it more difficult for people to move into the city.

Block: We have seen landlords really acting with impunity and what they have done is they have been increasing rents at rates that are not sustainable for tenants. And there needs to be some controls on their behaviour.

Caranci: It does provide a disincentive as you go forward to maintain a rental stock especially from an investor perspective. Ultimately they are in it for a reasonable rate of return, and we have to consider profitability as part of the incentive structure.

Block: There are still very big incentives for developers to build and if the only way they will be able to do so is by doubling or tripling rent, that is not the kind of housing that we need or that should be built in the city.

Caranci: There is not a silver bullet on this. It is finding that fine line between increasing supply and making the stock as affordable as you can.

Block: The solution is to impose rent controls on buildings that have been built after 1991.

Anchor: And is exactly what the government announced this morning. That loophole is being closed.

GLOBAL: ONTARIO INTRODUCES FAIR HOUSING PLAN TO STABILIZE MARKET

Source: Global

Apr 20, 2017 6:37 PM (4)

Anchor: Toronto's housing market is showing no signs of cooling off and with the city becoming more unaffordable, the Ontario government is stepping in with bold new measures. The new plan is similar to what B.C. did. Mike Drolet looks at whether it will work.

Reporter: The Pan American Games gave Toronto something to cheer for in 2015: Sport and 1,300 new housing units for a market in desperate need. It wasn't nearly enough.

Reporter: Is there anything you think they can do?

Reporter: Leaving millennials who had hoped for homes rethinking their dreams.

Unidentified 1: I think I'm not going to be settling down in Toronto. I think I'm definitely going to have to go elsewhere.

Reporter: The housing issues in Canada's biggest city are many, and it starts with sticker shock. Since 2006 the average sale price in Toronto has gone from \$351,000 to \$729,000, with the last year alone seeing a 30 per cent increase.

Charles Sousa, Ontario Finance Minister: The data is very clear. Prices are going too high, demand is extremely high.

Reporter: So today the provincial government unveiled sweeping new changes to cool the red-hot market. The plan targets speculators first and foremost by implementing a 15 per cent foreign buyers' tax that won't apply to immigrants and a vacant home tax. It will also implement rent control which will cap annual increases at 2.5 per cent. And while rent control could scare off developers, they've put in rebates for new builds.

Premier Kathleen Wynne: We're not interested in controlling the market. That is not the aim. But we do believe that there's a need for interventions right now in order to calm what's going on.

Reporter: Will it work? Economists point to the Vancouver market which saw a slowdown after it implemented its foreign buyers' tax last summer, but is now seeing a rebound.

Benjamin Tal, CIBC Economist: And this spring is going to be very strong in Vancouver. I suspect that we will see more of the same, a slowdown for the next six months, and then people will wake up.

Reporter: The worry, Benjamin Tal says, is with the aforementioned rental market. Earlier this month the owners of a pair of Toronto apartment buildings doubled the rents for its tenants. With a cap in place, new developments could be affected meaning today's solution could be a bigger problem tomorrow. Mike Drolet, Global News, Toronto.

Anchor: Analysts say while Toronto stands to lose from these new measures, the rest of the country will benefit. We explain why on our web site, globalnews.ca/globalnational.

GLOBAL: ONTARIO ANNOUNCES 16 MEASURES TO STABILIZES HOUSING MARKET

Source: Global

Apr 20, 2017 12:00 PM (1)

Premier Kathleen Wynne: When the rising cost of housing makes people more and make insecure about their future and about their quality of life in Ontario, we know we have a problem.

Anchor: Premier Wynne laying out her plan for cooling Ontario's real estate market. The big changes that coming our way. Marianne Dimain was at the Wynne announcement this morning. Marianne, what measures are they taking, and will they help?

Reporter: Well that is definitely the hope, Jeff. Anybody who has been trying to find a home or rental unit knows this market has just seemed pretty frenzied lately, and the Premier agrees. She says the market has been out of control. So this morning she announced measures she hopes will help people find a place to call home.

Reporter: It's hard enough to find an affordable home to buy and rent in this red hot market, one the province hopes to cool.

Premier Kathleen Wynne: We want to bring stability to the market and make the process of buying or renting a home fairer and more affordable.

Reporter: At a news conference in Liberty Village, the Premier and Minister of Finance announced 16 measures as part of its Fair Housing Plan to help reign in the market and increase the supply of affordable homes in the city.

Charles Sousa, Ontario Finance Minister: These new policies represent a multifaceted plan to help families find homes.

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Alejandra Ruiz, ACORN: We think it is a step forward for one of the housing issues because of the rent control.

Reporter: Now, landlords would only be able to increase rent a maximum of 2.5 per cent, something not everyone thinks is a good idea.

Jim Murphy, Federation of Rental Home Buyers of Ontario: No one supports a doubling of rents. That's wrong, but there are other practical solutions that would have worked and would have allowed for the continuation of building purpose-built rental in Toronto.

Reporter: The province says rent controls in new units could also help cities like Toronto introduce a vacant home tax to encourage owners to sell or rent their unoccupied units. Meanwhile the practices of real estate agents will also be under review to ensure consumers are treated fairly.

Reporter: Now the Canadian Mortgage and Housing Corporation calls the province's action on rental housing historic. And in a statement Toronto Mayor John Tory says he agrees with all of the action listed by the province this morning, which means for the city of Toronto they can start developing the West Don Lands for affordable housing and move forward with that vacant home tax.

GLOBAL: INTERVIEW WITH NDP LEADER ANDREA HORWATH ON HOUSING AND CONVENTION

Source: Global

Apr 20, 2017 12:11 PM (8)

Anchor: Members of the NDP are getting together for a convention this weekend. NDP Leader Andrea Horwath joins me now. Andrea, nice to see you as always.

Andrea Horwath, Ontario NDP Leader: It's my pleasure, Jeff. It's my pleasure.

Anchor: All right, let's start the big news of the day, which of course is the Liberals and Premier Wynne unveiled their big Fair Housing Plan, some 15 points. Your reaction to that?

Horwath: Well I mean first and foremost I'm a little concerned about the fact that we still have a situation where families are worried about being able to stay in the apartments they live in. You know young people are in a position where they can't buy into the neighbourhoods that they were raised in, and that's kind of worrisome. There are some details that are still outstanding. We are going to wait for the legislation because we often see the Liberals, and Kathleen Wynne in particular, say one thing, do a lot of press releases and a lot of press conferences, and then when we get to the actual legislation things are quite different.

Anchor: So what you think about things such as the foreign buyers' tax that they've suggested?

Horwath: Well I mean again, I think a mix of these things is necessary but look, this crisis has been growing for several months now. For actually several years now this crisis has been growing. The Liberals have been slow off the mark. So I'm really hoping it's not too little too late. We actually in fact just on the renters side, that loophole on post-1991 buildings, we asked them to close that loophole weeks and weeks ago. We don't know whether, because they decided not to, whether there's been a number of you know exorbitant increases in the meantime for sitting tenants in those post-1991 buildings. So again, I mean we're going to take a healthy dose of skepticism around what they actually bring into the legislature when it comes to legislation, and the only other worry is that that these measures might not deal with things like affordable housing, for example. So where is the piece on social housing or affordable housing? We know the Toronto stock is falling apart. Other cities have the same situation, so there are really no solutions around affordable housing.

Anchor: Well as we look for solutions, does government have the solution do you think? I mean can they manipulate, control housing prices? Or at the end of the day, is that something that the market needs to do?

Horwath: Well I mean I think there needs to be a bit of balance. I mean I don't think the free hand of the market, if you will, is going to create the kind of society that we are proud of where people actually have a roof over their head, they can afford to put food on their table and make sure that they have a decent standard of life. That's where government comes in. What I am concerned about is that these measures are slow off the mark and a lot of the damage has already been done. So those young people for example that are perhaps in a condo or working really hard to make ends meet, who are maybe sharing accommodations with each other, who are saving up to him possibly buy a home are not going to be in a position to do that, particularly when you see what the future is holding for young people. It is a very, very tough economy out there for young folks and they are having a hard time finding a decent job.

Anchor: Okay, let me ask you about the convention, your first since 2014. You went into the last one facing a lot of criticism of course, and there was some talk that you survived if you will a leadership review last time.

Horwath: Hey I did better than the last time than the time before.

Anchor: 77 per cent right? Your leadership not really up for debate this time around. But how do you feel going into the convention?

Horwath: I am feel great. I mean you know what? Right now I think Ontario is hitting a tipping point, and there are a lot of families that are just at a breaking point in their lives. So we've got a convention that's going to talk about what Ontario could be, what we can do to make Ontario a kind of place we can all be proud of. And so we're going to lay out a kind of bold, progressive vision. It's going to be exciting, there's going to be a lot of debate and discussion, some announcements we're going to be making. I think delegates are excited and I'm extremely excited.

Anchor: Okay one of the criticisms in the last election was maybe you took the party too far right. Are you concerned about that moving forward and into the next election?

Horwath: Well look, I mean the reality is that there are still real concerns around affordability of everyday life. Some people label that as being populist or right, but it's not. It's the reality that people face, and that's what from my perspective we need to look at. Yes, we kind of have our roots in the labour movement, if you will, and in social justice issues, and we're going to be talking a lot about those really important things that people want to see when it comes to government services, things like health care, things like education, but we also have to look at the fact that people can't afford to pay the bills anymore. And so we're going to deal with some of those issues as well. Ontario really is at a turning point I believe, and I think people are looking for some answers. They're looking for a vision that will take us to a province that provides hope for people again, a province where people feel confident that not only they can build a good life but that the next generation can build a good life as well.

Anchor: Okay what is your vision, or where do you think the Liberals are most vulnerable going into the next election, which is just a little over a year away?

Horwath: Well I mean who knows what is going to happen between now and a year from now? But look, it's everything from the sell-off of Hydro One, which people resoundingly despise. I mean 80 per cent of Ontarians don't want to see Hydro One sold off. So it's everything from that ad the massive increases in the electricity bills, to things like the crisis in our hospital system, the fact that we don't have long-term care that's there for people. People are waiting years to get into long-term care, and meanwhile they're stuck at home with subpar home care. We have young people who are leaving university and college with debts that are huge. And again, as I mentioned earlier, not much opportunity in terms of the traditional job market. We have lots of problems with unstable work –

Anchor: Can I ask you – sorry to interrupt but briefly before we run out of time, because these are problems we have been talking about for years and years.

Horwath: Yeah but the Liberals have been in office for 14 years and they have not addressed them, and I believe there are solutions. And that's why our vision – we are actually launching a vision document, it went online yesterday for our delegates but it is going to be made public.

And look, it talks about you know we do have a vision for Ontario that deals with these kinds of issues, that deals with not only public services but the fact that people should be able to get a good job and have a good life, and be able to call in sick and not lose their job. I mean those kinds of issues are fundamental to a society that I think we all would be proud of, and so we're excited. We're excited about our convention and I think it's going to be exciting for the people of Ontario as well.

Anchor: Well enjoy the convention coming up this weekend. Ontario NDP Leader Andrea Horwath. Always a pleasure.

CITYTV: ONTARIO INTRODUCES FAIR HOUSING PLAN TO STABILIZE MARKET

Source: CityTV

Apr 20, 2017 6:05 PM (2)

Reporter: Whether you own a home or condo or rent, today's housing plan released by the provincial government will affect us all. Today they rolled out Ontario's Fair Housing Plan. It includes 16 measures that looks at everything from a foreign buyers' tax to out-of-control rents to even looking at creating more housing inventory. We're currently on Mitchell Street just off of Queen West. This little bungalow -- let's put this down here -- it's a two-bedroom bungalow. It currently has one washroom. It's a nice little room in here. Let's take a quick look around. Hardwood floors. Take a step into the kitchen up here. Bathroom's on your right. Now it is somewhat of a long, wide lot. Ooh. I'm going to slip on the floor. It's a little wet raining outside. But this is currently listed, so you get an idea of where the market's at right now, it's listed at just under \$1.1 million. And today's measures are hoping to create some sort of stability in the housing market.

Premier Kathleen Wynne: Ontario's Fair Housing Plan is not a silver bullet. It's a measured set of responses to ease the enormous pressure that people are under right now.

Reporter: It might not be a silver bullet but the provincial government fired plenty of shots today, including a 15 per cent non-residents speculation tax on the price of homes in the Greater Golden Horseshoe. It will affect people who are not citizens or permanent residents of Canada and foreign corporations. Though when pressed for actual figures on just how many foreign investors are making purchases and driving up market prices, Ontario's Finance Minister is short on specifics.

Charles Sousa, Ontario Finance Minister: Prices are going too high. Demand is extremely high. We note that maybe the degree of non-resident investment in Ontario or in this region hovers around 8 per cent. We have to get greater clarity.

Ernie Hardeman, PC Housing Critic: When my tire goes flat on the car, I can put air in it, but unless I find the hole in the air's going run out again so you've got to have the facts. You've got to be able to identify the problem before you can solve it.

Reporter: As for the impact this could have on the price of housing in the GTHA and surrounding areas, some real estate insiders believe in the short term it could have a sizable impact.

Romana King, Director Content, ZOLO: Areas really popular in the northern aspect of metro Toronto, Markham area. You could see a huge drop. 40 per cent? I don't know. 30 per cent? Quite possible. 20 per cent, I would say realistic.

Reporter: Though experts also warn any correction could be short-lived. Trying to predict the market and the timing of it could be like tossing darts in the dark.

Bob Aaron, Real Estate lawyer: If you look at London, if you look at New York City, if you look at the big world cities, we're cheap compared to those cities, and now we're catching up.

Adrian: Once past Queen's Park, the non-residents speculation tax would take effect as of tomorrow. Other notable measures in the report including freeing up surplus provincial lands for

development to help ease the housing crunch. Toronto and other municipalities would also be granted the power to introduce a vacant home property tax.

King: They're the people who are not buying the real estate because they want to make an income off of it. They're buying it to park money.

Reporter: The plan does outline intentions to also work with real estate agents to ensure consumers are fairly represented during transactions. The province argues it's working towards helping Ontarians trying to buy homes, though there are no direct measures mentioned in the plan when it comes to helping curb bidding wars on properties.

Minister Sousa: We want to have transparency in regards to those bidding wars. We want to make certain that the realtor is making clear to the consumer that they may be double ended, right, that they may be operating on both the buy and the sell side, and we want to ensure with that transparency we avoid fake bids.

Reporter: Ontario's foreign buyers' tax comes after Vancouver did a similar thing which helped cool the market there. Ahead on CityNews we're going to look at some of the lessons we can learn from Vancouver. And if you're longing to buy or sell, we'll tell you of an insider's – their opinion on where or not you should jump in the market at this time or whether you should wait for the dust to settle. First I will send it over to Amanda Ferguson with the other big item on the measures today, which is rent control.

Reporter 2: Adrian, consider this. The average monthly rent for a one-bedroom condo in Toronto right now, \$1,776. Now before today's announcement, renters living in buildings that were newer than being built in 1991 could see their rent increased every year by hundreds of dollars, even doubled. There was no limit. Now under the Liberals' changes, those rent increases are capped at 2.5 per cent annually, or in the previous case, just \$44 a month.

Jennifer, Renter: I'm very happy about it because renting is very, very expensive in this city.

Reporter 2: A rent cap, downright freeing for renters like Jennifer. She no longer to fear an annual increase beyond her means.

Jennifer: Honestly, I think it should be more affordable for people to rent because it shouldn't cost the same as a house to rent an apartment.

Premier Kathleen Wynne: We've all heard the stories of rent gouging going on in today's market.

Reporter 2: The Wynne government announcement comes after months of renters complaining that living in a building constructed after 1991 meant living in fear every year of exorbitant increases. Tenants living in this Parkdale condo recently saw their rent double from \$1,600 to \$3,200 a month. Under today's changes, that would be outlawed. Rent control is now expanded to all units in the province. Annual rent increases for existing tenants can be no higher than the rate of inflation. Rent increase will also be capped at 2.5 per cent, even if the rate of inflation is higher.

Stan Cho, Landlord: As a landlord, it's not anger that's driving me. It's legitimate concern.

Reporter 2: Stan Cho owns 19 condo suites in Toronto, each filled with tenants. He says had the changes will make being a landlord a bad investment.

Cho: 2.5 per cent isn't going to cover your maintenance fee increases. Our hydro bills are through the roof. I have several properties where now I'm being reassessed on my maintenance fees. And if you have, god forbid, a lobby problem or repair to the windows or balconies and you get a special assessment, your maintenance fees can go up \$200, \$300 a month.

Reporter 2: Landlords accusing the government of throwing rocks at their glass houses, units not containing some pretty happy renters.

Jennifer: That actually does make me feel a lot better because it makes me think I will be able to afford maybe a little bit of a nicer place down the road.

Reporter 2: And right now Toronto's vacancy rate sits at just 1 per cent. That is the lowest it's been in seven years. And coming up, why some academic think that today's changes will actually make things worse for renters and homeowners alike.

CITYTV: HOUSING EXPERT BELIEVES NEW REAL ESTATE MEASURES WILL HELP ONTARIO

Source: CityTV

Apr 20, 2017 6:33 PM (9)

Romana King, Director Content, ZOLO: Drastic was single-family homes in metro Vancouver dropped by 40 per cent at the start of this year. That's a huge price drop and that's a one-year price drop. That's a huge price drop but that's the hottest housing market, the hottest demand/supply market in, you know, the hottest market in Canada. So you're going to have that dramatic – a 40 per cent drop on a \$4 million home, that's a huge drop but it doesn't really hit the mark when it comes to someone like you or I trying to get the \$1 million, \$1.5 million-dollar single family detached home. Most places around the lower mainland dropped maybe 10 to 20 per cent.

Reporter: That's housing expert Romana King talking about the foreign buyers' tax put in in Vancouver. Now currently we know Toronto's housing market is red hot. We're standing in a two-bedroom, one bathroom bungalow just off Queen West on Mitchell. In 1940s it sold for about \$1,200. Today it's on the market for just under \$1.1 million. Now a similar foreign buyers' tax was announced today by the provincial government and Romana King believes it will have an effect on the market though not for the reasons you might think.

King: A lot of people on, you know, looking back two, three months after the tax was imposed assumed that what happened was that a lot of foreign buyers left the market. And I think they did. But what it also did is it ground all activity to a halt because people wanted to try and digest what was happening and see what was going to happen in the market. It wasn't just foreign buyers that it impacted. It impacted the entire real estate market. I think the same is going to happen in Toronto.

Reporter: And if you're looking to buy, real estate experts say right now you might want to sit back and let the dust settle for at least the next six months. Send it over to Amanda Ferguson with the other big plan and today's big announcement.

Reporter 2: Adrian, as mentioned at 6:00pm, Toronto's vacancy rate sits at only 1 per cent right now. That's the lowest it's been in seven years. Today's big announcement actually means that there will be rent control for all buildings in the province regardless of age, and that has some landlords and academics warning that it's only going to make Toronto's supply and demand problem worse.

Janet Mason, Professor, School of Public policy and Governance: No, I'm not optimistic that this is going to be effective at all. In fact it could actually backfire, because rent controls traditionally put a real chill on supply, on building new supply. And the challenge that we have in Toronto is we don't have any – very little rental supply, and especially very little at the affordable end of the market. The only new rental that we've been getting is from the condo market. It's been a lot more economic and easier for developers to build in the condo market than purpose-built rental. So I mean something like 30 per cent of condos are rented out. That's where our new supply is coming from. Economists agree it's not actually very effective in achieving lower rents because, you know, it's a supply and demand thing so if you have less rental, then the prices are going to go up.

Reporter 2: Now this legislation still has to be passed. However, the rent control portion takes effect immediately. Now if you want to see all the changes that were announced today, you can go our website and they are all there at citynews.ca.

CBC: PROVINCE ANNOUNCES NEW HOUSING MEASURES

Source: CBC

Apr 20, 2017 6:00 PM (1)

Anchor Okay, so those 16 points announced today, they run the gamut covering both renting and buying, supply and demand, taxes and rebates. Over the next hour, we're going to dig deep for you and explore just what these measures could mean. Here are the highlights. On the buy and sell side, the plan includes a 15 percent tax on non-resident foreign buyers in Ontario. That would not apply to new immigrants who are planning to live here. It would also give Toronto the power to bring in a tax on vacant homes, something John Tory has said he's considering. On the rental side, it would offer developers a partial rebate of development charges if they build new rental apartment buildings and create a standardized lease for all tenants. The plan would also close the 1991 loophole expanding rent control to all private units in the province. Now, that is something we've heard a lot about as part of our "no fixed address" series. We started telling you stories of high rent costs and sudden hikes weeks ago leading to the provincial housing Minister breaking the news on this show that change was coming.

Unidentified: It's one of those things that is kind of always looming over you. Are you ever going to be able to afford a house? Are your rents going to increase?

Unidentified: I just got a notice that my rent was being increased to \$1,700 a month.

Unidentified: 92 percent of my disability cheque goes towards my rent.

Unidentified: I could never afford to live downtown, even if I wanted to. That's my biggest fear in life honestly. What's my future?

Unidentified: It's definitely a possibility I will just literally not be able to afford to live here anymore.

Chris Ballard, Ontario Housing Minister: It's absolutely unacceptable that renters are facing the pressures that they're facing today. So we'll be bringing forward legislation that expands on the rent controls that are currently in place.

Reporter: All right, that's last month and today you saw the result. Chris Glover has been part of this coverage from the beginning and he joins us live now. Chris, all private rents in the city will be capped.

Minister Ballard: Yeah, that's right. They'll all be tied to inflation now. Before, it was just those buildings built prior to 1991. Now it's all of them and there is that cap as well, so if inflation is higher than 2.5 percent, that still means there's a cap of 2.5 percent in Ontario. Landlords would still be able to raise their rents higher than that and apply to the board, but still, this, among several of the other issues, is something that continues to divide our city.

Reporter: After two years in a condo rental downtown, Nicole is out by the end of the month after a roughly 30 percent increase in rent.

Nicole Meredith, Renter: It was pretty shocking, because again I thought I had assumed for all this time that I was protected.

Reporter: New builds in Ontario like her rental will now be covered by a rent control tied to the rate of inflation of about 2 percent.

Meredith: Yeah, it's absolutely too late. And, of course, it would have been nice to have had this in place when everything happened to me that did happen. Like, I would have enjoyed not to have to move but I'm appreciative and grateful it will protect other renters.

Reporter: Along with expanded rent control, the province also announced measures to build more rental supply. Property tax savings for new apartment builds and a \$125 million, five-year provincial fund to build new buildings dedicated to rental apartments.

Adam Vaughan, MP: We'll offer up \$2.5 billion in low-cost loans over the next four years.

Reporter: Across town, the feds also announced a new multi-million-dollar fund to help spur rental construction. Still, the Ontario federation that represents rental providers says limiting rents on new builds will stall constructs, lower supply, and hurt tenants.

Jim Murphy, Federation of Rental-Housing Providers of Ontario: And \$2.7 billion of new investment in purpose-built rental could now be at risk.

Reporter: But what about smaller scale? Landlord Stan Cho rents out 19 new build condo units in Toronto. All now come under rent controls. He says small-time investors like him will be out.

Stan Cho, Landlord: If our domestic investor stops investing because of this issue, which is very likely, the whole house of cards could come crashing down.

Reporter: Even though landlord can still apply for bigger increases, with an across the board cap of \$2.5 per cent, he says that could further limit rental supply.

Stan Cho: If it goes up \$200 a month and I can only charge back the tenant another \$30 a month, well, now I might very well be equity negative and forced to sell that product and that could have a spin-off effect on the market as well. I'm worried, Chris.

Reporter: The province says that it will table this legislation soon and because the Liberals have a majority, it is expected to pass. But a landlord would not be able to increase rent dramatically between now and then, and the reason is because the government says when it does table that legislation, there will be a retroactive date to today.

Anchor: That leads to our next question. We reported on many people whose rents skyrocketed over the past few months. How will today's measures help them?

Reporter: Well, the question is if they were notified over the past couple months and the actual implementation date of that rent increase wouldn't have come until much later, perhaps this summer, for example, it's a question that a lot of people have had for me today. I put that to the government as well several hours ago. They said they'd look into it and get back to me shortly. They still have not been able to come up with an answer on that one yet.

CBC: OPPOSITION PARTIES QUESTION TIMING OF HOUSING ANNOUNCEMENT

Source: CBC

Apr 20, 2017 6:09 PM (2)

Anchor: The opposition was quick to weigh in on the new measures. And while neither party objected to them, they did raise concerns about some of the details like the timing of the announcement.

Ernie Hardeman, PC MPP: A number of the things that we've asked for, they're doing. But I think they're not near focused enough on the red tape that's causing delay in development.

Peter Tabuns, NDP MPP: We won't know really until we see the bill exactly what they're doing. We'll have to do our own analysis, but I think this is driven as much as anything by the fact their numbers are so bad that they're desperate.

Anchor: So let's talk about politics behind this. Mike, Charles Sousa was supposed to have an interview with me today about all of this. They cancelled. They want to do it tomorrow instead. It almost feels like they want to stretch out this announcement, get a little more coverage, so does that speak to the fact of what the opposition is saying, this is about politics and not about helping the situation?

Reporter: Well, everything is about politics! I do think the government is trying to help things. They're also trying to help themselves.

Anchor: With an election looming

Reporter: Absolutely. But part of this is this whole theme of affordability. You've got it in hydro prices, in tuition. The government knows that people are feeling the pinch. Why did they make that decision on tolls that we talked about a few months ago? They need to be seen to be helping to make things more affordable for people.

Anchor: And they've been in power a long time and a lot of people blame them for this mess we're in with some of these issues. Let's talk about this foreign buyers tax. It also speaks to this issue. A lot of people said that's an easy thing to do because foreign buyers don't vote here.

Reporter: There is certainly a lot of popularity for that. There was a poll out last month that said two-thirds of people support it, which is extremely high for any sort of a measure. You've also got polling that says people are actually feeling, especially in the GTA, that the cost of housing is for them the top political issue, so it's replaced hydro even. So the foreign buyers tax, yeah, it's an easy target because foreigners don't vote. It also seems to be widely popular and it doesn't even seem even the opposition, they're not even willing to criticize it.

Anchor: What kind of voter are they now targeting with their rent control measures?

Reporter: So renters tend to be younger people, a lot. They're going after the millennials. I spoke to some younger folks today who said this is the kind of thing they want to see. And I get a sense that one of their elements in their playbook is that they're going to try to replicate what Justin Trudeau did – to appeal to younger voters and making things like tuition more affordable, making things like rent more affordable. Giving them potentially the hope that they could buy one day. That's definitely targeted at the millennial demographic.

Anchor: We know pocketbook politics, always important at election time.

Reporter: Definitely.

Anchor: Thank you, Mike.

CBC: PROVINCE ANNOUNCES NEW MEASURES TO ADDRESS HOUSING AFFORDABILITY

Source: CBC

Apr 20, 2017 6:31 PM (15)

John Tory, Mayor of Toronto: At least the message has been sent that speculators whether they're inside or outside the country, people who are encouraging a lot of frothy behaviour going on in the bidding for houses, they've been sent a message, saying, 'look, enough is enough.'

Anchor: Frothy behaviour. Mayor Tory's response to the new measures the provincial government is introducing today to address housing affordability in Toronto. There are 16 in total. Many of them as we told you earlier, deal with the rental market and rent control. But they also include a new tax on non-resident foreign buyers. Chris, the tax had some people worried.

Reporter: Yeah, some, including the mayor, in fact, who were worried that it would reduce the amount of immigration to this city. Those foreign nationals worried if they were to buy a property in Toronto, they'd have to pay that tax even if they were going to move here. Well, province tried to pre-empt that and so what they've offered is a rebate. So if there's a foreign national who buys a property here in Toronto, they would be able to get that money rebated back to them if they became a Canadian citizen or a permanent resident within four years. Here is Premier Kathleen Wynne.

Premier Kathleen Wynne: The non-resident speculation tax has nothing to do with new Canadians and people who want to make Ontario their home. That is not the point. With this tax, we're targeting people who aren't looking for a place to raise a family. They're looking only for a quick profit or a safe place to park their money.

Anchor: Chris, the other big pillar in today's announcement was supply and how are stakeholders reacting to that tonight?

Reporter: Quite positively, actually. There are a number of different elements here on the supply side. One of them is to pay for more rental apartment buildings to be built. Another is a housing supply team that would be set up at the province. The Finance Minister called that a housing S.W.A.T. team. And he said how it would work is basically it would work with developers and builders here in Ontario to see if there's regulations or red tape standing in their way unnecessarily and try to fix that. The Ontario Home Builders Association says this is a good step.

Joe Vaccaro, CEO, Ontario Homebuilders Association: The more we can bring to the marketplace, more availability for consumers, so that will help stabilize the market and I'm glad to know the supply side got equal attention here and got some new resources.

Reporter: And the other thing mentioned today was a review of the guidelines and practices of Ontario real estate agents. That is many that something have been calling for, fearing that unprofessional behaviour was perhaps leading to some of these bidding wars and the hot housing prices. Well, the Ontario Real Estate Association itself today said this is welcomed news.

Tim Hudak, CEO Ontario Real Estate Association: We want to make sure that people get the best advice from the highest qualified professionals when making the biggest purchase of their

lives, buying a home. The last time the act was touched was 2002. The market has changed a lot. We want to see a new act, and it looks like the government is listening too.

Reporter: And again, that is just a review that would be underway. No specific changes made on that at this point, but even the mayor was weighing in on that today, saying that that could again lower those hot prices that we've been seeing here in Toronto and right across the GTA over the past little while.

CBC: ECONOMIST DISCUSSES IMPACT OF PROPOSED HOUSING MEASURES

Source: CBC

Apr 20, 2017 6:35 PM (16)

Anchor: Let's bring in an economist to talk about the impact these measures could have. Benjamin Tal works for CIBC World Markets and Benjamin, you were one of the first people to talk about this foreign buyers tax. You were saying it was inevitable, that it was coming, but we're getting now that we don't know how big foreign buyers are in this market and there's a lot of local speculators too. So when you think now that this tax is coming?

Benjamin Tal, economist: By the way, many people will not be paying those taxes. If you're a student, a foreign worker, a citizen, you will not be paying this tax – you will get credit. The actual impact of this tax will not be big. It will be at the margin. However, if you look at what's happening in Vancouver, when they introduced the 15 percent tax, the impact was not because of the tax. It's because of people basically waiting on the sidelines. So the sideline will be the most significant issue. It's not really the tax itself.

Anchor: When you look at these measures that are being implemented, what kind of effect do you think they'll have on housing in the GTA?

Tal: I think they will have an impact. Each one of them will impact the market at the margin, but those margins adapt, so you will have a significant impact in the short term. There are 16 measures. I like 15 of them. One of them I'm not so crazy about – and that's rent control.

Anchor: That's a big one.

Tal: And that's a big one. Actually that's the largest. Most of it is actually really good, in the right direction. At the margin, it will help. It will slow down the market maybe on a temporary basis because people will be waiting to see the impact. That will slow down the market, fine. Rent control is more problematic because you are protecting today's renters but not protecting people that will be renting in the future. And that's the issue, because what builders are telling us, if you have rent control at only inflation, that's not good enough for them. They will simply not be building and we all know this city must have more rental units in order to bring some affordability into the system.

Anchor: The problem is with the loophole there, it was supposed to be encouraging building but they weren't building rental units, they were building condos.

Tal: Exactly. But when you have the situation now that purpose builds, namely apartments – 5,000 units already under construction, 28,000 units in the pipeline, so it's starting. For the first time, we are basically at a historic point in time in which Toronto is becoming more rental oriented. Basically where young families are starting to rent. If you're 35 years old, you have two kids and you're renting, nothing is wrong with you. That's the message. We are moving this direction like New York, like Paris, and now we have this rent control issue that will slow it down. I hope we'll see more purpose built, but I think the rent control issue will slow it down.

Anchor: You mention Paris and New York, on the world stage, we're really not that expensive when you look at other major cities across the globe. But the issue we hear from a lot of economists is that this is simple economics. It's supply and demand and there's more demand here than there is supply. Do any of these measures really deal with that aspect?

Tal: Yeah, they're trying to. If you look at the GTA market, the housing market, until 2015, I was able to explain most of it by fundamentals – Supply, demand. Something happened in 2016. We've seen this hockey stick type of situation. Prices went up by 20, 30 percent. I cannot explain that. The only explain is flipping

Anchor: Speculation

Tal: All kinds of things up and they're right to try to slow it down because that's the right thing to do and to an extent, it'll be okay with that. They're actually going to slow it down. However, the big story is really rent. To what extent we will see a rental solution to this affordability crisis, and I think if we provide more rental units, you will see more families renting like in other big cities and you will have a better equilibrium.

Anchor: Because we need that, we do. Thank you, Benjamin.

CBC: PROVINCE INTRODUCES 16 NEW MEASURES TO COOL HOUSING MARKET

Source: CBC

Apr 20, 2017 12:00 PM (1)

Anchor: Ontario's premier is moving to cool Toronto's feverish housing market. Home prices in the city have jumped more than 30 percent in the last year. Kathleen Wynne is under a lot of pressure to get results before next year's provincial election. CBC's Linda Ward is on the story. She joins me live from Liberty Village where the Premier made that announcement. What are the details, Linda?

Reporter: Well, 16 measures under the so-called Fair Housing plan. At the top of that list, a 15 percent foreign buyers' tax, or what's been called NRST, stands for Non-Residents Speculation Tax. Essentially, Wynne says the province welcomes newcomers, anyone who wants to buy something here and live here is more than welcome. But, this really is aimed at non-citizens, non-permanent residents, foreign corporations that want to buy something here, sit on it for a little while until they can turn a profit and this extends to homes all throughout the Greater Golden Horseshoe. Anywhere from, you know, Peterborough out to Niagara. So, a huge swath of land covered by this new tax and this is in effect as of tomorrow. Subject to approval by the legislature. There will be rebates for students, temporary foreign workers and those who become citizens within four years of buying that property. Now, many say this has been a problem for such a long time. Rent and property values here have been skyrocketing. They questioned the Premier today about why it has taken so long to bring something like this into effect.

Premier Kathleen Wynne: If we could go backwards and fix all of those situations, we would. We can't. We have to move forward. And so, we're putting these measures in place today and our intention is that the measures we're putting in place, including rent control, will help people who will not have to see those very high increases in the immediate future.

Anchor: So, what is the province doing to tackle those sharp, red spikes that we know plague so many tenants in Toronto?

Reporter: Yeah. Well, there's rent control now that is going to be extended to all private rental units in Ontario, including those built after 1991 as was not the case up until now. We knew change was coming, thanks to CBC Toronto's no-fixed address series that prompted change by the government. Now, any rent increases will be tied to the rate of inflation. If a land lord wants to go higher, they have to apply to the landlord and tenant board. It is not going to be easy for them to get that, though. They have to make sure those places are in state of good repair and meet some pretty strict criteria. Tenants groups today applauding the plan. But, obviously, the landlords have a bit of a problem with it, calling it politically motivated.

CBC: ONTARIO IMPLEMENTS FOREIGN BUYERS' TAX, HOUSING ORGANIZATIONS REACT

Source: CBC

Apr 20, 2017 12: 30 PM (18)

Anchor: Whether you are looking for a new home or a place to rent, there is no doubt it is a stressful, expensive and challenging experience. If you live in Ontario, some of that stress may be eased. Premier Kathleen Wynne introduced new measures today to try to cool the hot housing market. Natasha Fatah is working on the story. What did Wynne announce?

Reporter: She introduced the Liberal government's new plan. This is the Ontario fair housing plan, and it is a 16-point action plan on how to reduce the challenges for people who want to buy property in this province, who want to rent property. They say these are the necessary steps they have to take. There was a handful of them that really jumped out at us and let's break those down. One of them is a 15 percent tax that will take effect immediately against foreign buyers. This is described as the Non-Resident Speculation Tax. What it essentially says is that if you are not a Canadian citizen or permanent resident and if you are not a Canadian corporation, you don't get to buy Canadian property, at least in Ontario, without having to subsidize a little bit for that. That's where the 15 percent extra tax comes in. Much of that has to do with alleviating public's concerns that foreign buyers are coming in, buying up property and just sort of nesting their money in Canada, but not utilizing the space that is desperately needed by renters and would-be homeowners. Beyond that, they've brought in additional rent control measures that also would affect buildings that have been created post 1991. That is an additional measure there. They say that you can't bring in dramatic increases to people who are already in these spaces, renting the property. Once they vacate, you can raise the rent. But mostly it has to deal with maintaining a degree of increase that is in line with inflation. Then beyond that, they say that if you've got property that is not being used, if you have land that is not being used in Ontario, then you might, in fact, have to pay an additional tax on that. Because there is a shortage of space for people to live and rent. Now, Kathleen Wynne, again, emphasized this is a problem they have to solve, but it is a good problem to solve because this means that Ontario continues to be the economic engine of the country. This is where everybody wants to live and where new immigrants want to come and you have to make sure you're protecting them. Have a listen.

Premier Kathleen Wynne: People are betting that our future is going to be bright. That is why they're coming here. But when those bets, that speculation, drive the average resale price of a home up by 33 percent in just 12 months, then that is when we know we have a problem.

Anchor: Natasha, what reaction are you seeing?

Reporter: It's mixed so far. An organization called the Federation of Rental Housing Providers of Ontario says they're not happy. This organization represents those who would be putting properties up for rent, so not surprisingly they're not happy with how the province is moving forward. They say they weren't consulted. This is actually going to create more problems. They've actually said this is a rash politically motivated decision by the province and they say they're going to fight it. On the other side of this, we're hearing from an organization called ACORN, which represents moderate income families right across the country. They say this is a great decision by the Premier and the Liberal government because there aren't enough spaces for people to rent at adequate levels. They say much more work still has to be done, but this is the right step in the right direction.

CKCO: ONTARIO GOVERNMENT RELEASES PLANS TO TACKLE HOUSING IN GTA

Source: CKCO

Apr 20, 2017 6:02 PM (2)

Anchor: Closer to home now, a major development in a provincial housing strategy.

Premier Kathleen Wynne [clip]: This plan is substantial and it's multifaceted because it is designed to deal with the whole issue. We want to bring stability to the market and make the process of buying or renting a home fairer, and more affordable.

Anchor: It's called the fair housing plan. This morning Premier Kathleen Wynne announced changes aimed at cooling the province's hot real estate market. They include a 15 per cent foreign buyer tax on properties in the Greater Golden Horseshoe which includes Waterloo region. Applying rent control to apartments built after 1991, and giving municipalities the ability to tax vacant residential land aimed at boosting development. Well the plan to cool down the housing market has been revealed, but is it enough? And is it the right move? CTV's Paul Bliss has the details.

Reporter: A 15 per cent tax on foreign speculators is the government's main new weapon to bring the boiling GTA housing market down to a simmer.

Premier Wynne [clip]: With this tax we're targeting people who aren't looking for a place to raise a family. They're looking only for a quick profit or a safe place to park their money.

Reporter: The tax of non-residents is effective immediately. It applies to a huge swath of land known as the Greater Golden Horseshoe extending outward from Toronto all the way up into cottage country. But no new tax yet on domestic speculators, they however are in the government's sights.

Charles Sousa, Minister of Finance: There are speculators who enter into agreements to purchase properties with no intention of buying them or living in them, crowding out families looking to buy their own home. These scalpers may be avoiding tax, and we believe they should as well pay their fair share.

Reporter: Real estate agents are finally coming under the government's microscope as well. It's going to bring an end to practices like double ending when they represent both sides or fake bids and shady last minute offers that come in via e-mail. The agents association is pleased

Tim Hudak, CEO, Ontario Real Estate Association: Those who abuse the rules, you got to throw the book at them. Anyone who is breaking the rules is taking advantage of someone making the biggest investment of their lives. You don't want that person in the profession.

Reporter: Queen's Park is also giving the City of Toronto the power to tax thousands of vacant units that are sitting empty to encourage landlords to rent or sell to families. And there is comforting news for renters; Queen's Park is imposing rent controls for all rental units not just those built before 1991. Increases will be capped at 2.5 per cent. A new standard lease agreement is being introduced, eviction rules will be tightened, and elevators will have to be fixed before rent increases. But there's concern about a rush to jack up rents before the new regulations are passed.

Peter Tabuns, NDP MPP: I am worried about tenants who are in building now that aren't covered whose landlords will say gee I got to get under the wire, I got to crank it up really big time right now.

Reporter: The Finance Minister says Queen's Park has done what it can for the real estate market and now it's up to the marketplace to decide where prices go.

CKCO: SALES AGENT SUGGESTS NEW HOUSING PLAN COULD IMPACT WATERLOO AND GUELPH

Source: CKCO

Apr 20, 2017 6:05 PM (3)

Anchor: CTV's Nicole Lampa joins us now with how this could all impact the housing market in areas like Waterloo region and Guelph. Nicole.

Reporter: Well Alex, one Guelph sales agent that we spoke to says he doesn't expect things to slow down west of the GTA. In fact with these new rules, he expects the opposite. Guelph's housing market is hot and new rules to cool things off in the GTA may do the opposite in the royal city.

Joy Chhina, Real Estate Agent: My opinion is that it might actually speed things up.

Reporter: Joy Chhina is a real estate agent in Guelph. He thinks investors may be turned away from Toronto, but will continue to look elsewhere close by.

Chhina: If they're being put on restrictions or rules and measures for that particular market they might look at the outlining markets and say where's the next best place to invest my money?

Reporter: Guelph recently took Canada's top spot as the city to buy a home because of affordability and increasing home values. Right now the average price of a detached home in Guelph is \$441,000. Over in Kitchener, the average price sits at \$423,000. Kitchener's mayor is pleased with today's new rules and likes that cities will get to decide to impose items like the vacant homes property tax

Berry Vrbancovic, Mayor of Kitchener: The situation in Waterloo region is different than in places like Toronto. And then if it does make sense, perhaps look at making some of those policy decisions.

Reporter: While he admits it's best to let private market sources play out naturally, he thinks the new rules will help those who simply want a home.

Mayor Vrbancovic: You want to make sure that we're providing a wide range of housing choices and affordable housing choices for people.

Reporter: Now the province says while today's new rules are meant to slow things down in Toronto, it will continue to work with other municipalities to come up with an updated growth plan for the Greater Golden Horseshoe. Alex.

Anchor: Alright. CTV's Nicole Lampa reporting. Thanks, Nicole.

CKCO: PROVINCE ANNOUNCES NEW MEASURES AIMED TO COOL HOUSING MARKET

Source: CKCO

Apr 20, 2017 12:00 PM (1)

Premier Kathleen Wynne: This plan is substantial and it's multi-faceted, because is designed to deal with the whole issue. We want to bring stability to the market and make the process of buying or renting the home fairer and more affordable.

Charles Sousa, Minister of Finance: These are just measures. There is no silver bullet, there is no single answer that's going to resolve the problem.

Unidentified: I agree with them to the extent they say there's no silver bullet, but if there was, it would be supply. Getting rid of red tape in order to allow the development industry to build more supply, and as soon as you have sufficient supply, you will see a levelling out of the market.

Anchor: Good afternoon. Anyone buying a house or condo in Ontario who is not a citizen here will pay a premium. The province is imposing a 15 percent tax on that property. It's called the Fair Housing plan. It also includes measures to protect tenants from skyrocketing rent. CTV's Paul Bliss has a breakdown of some new rules.

Reporter: The premier's fair housing plan is a 16-point strategy to calm the housing market and protect renters.

Premier Wynne: This is a unique challenge. In some ways, we have to realize this is a good problem to have. Our hot housing market is tied to the confidence people have in the Ontario economy. So the skyrocketing cost of renting or buying in Ontario and the Greater Golden Horseshoe region in particular, is the unwanted consequence of a strong economy with a promising future.

Reporter: Starting tomorrow, a 15 percent non-resident speculation tax will apply to all residential home transactions in the Greater Golden Horseshoe. Surplus government land will be freed up for new housing projects in the west Don Lands and properties in downtown Toronto. The City of Toronto is getting the power for tax thousands of vacant properties and the government is giving all cities the power to impose higher taxes on land that is approved for residential but is sitting vacant. However, the Finance Minister says there's no guarantee these measures will help calm the market.

Minister Sousa: The Bank of Canada, Stephen Poloz, has made it clear that he sees speculation as being a problem in the region, and those are the points that we've taken into consideration, in working with stakeholders.

Reporter: The Minister told me eight percent of the people winning the bids to buy residential homes in Toronto are foreign investors, but there are no actions in this plan to crack down on domestic speculators. So, the bidding frenzies could continue into this weekend. There is comforting news for renters: rent control will now apply to all rental units including those built after 1991, and Queen's Park is imposing a new standard lease agreement to encourage more people to rent out their units. That's good news, but there are still some concerns.

Peter Tabuns, NDP MPP: I am worried about tenants who are on [inaudible] now that aren't covered whose landlords will say, "Gee, I've got to get in under the wire, I've got to crank it up now."

Unidentified: It's going to bring everyone under the same system of rent control so all the folks in the towers around here are going to have a minimum standard. They're not going to be getting that massive outrageous rent increases.

Reporter: What do you think of the announcement?

Unidentified: We were disappointed. We were on the verge of a major build in Toronto and across the province. We were on the verge of 28,000 new purpose built rental which would help tenants.

Reporter: The government is promising to crack down on shady real estate transactions. Practices like double ending and phantom offers. But, these changes will take time to draft and implement. In the meantime, the Premier says she's done what she can and now it's up to market forces to do the rest.

CJOH: PROVINCE INTRODUCES 16-POINT STRATEGY TO COOL HOT GTA HOUSING MARKET

Source: CJOH

Apr 20, 2017 6:00 PM (1)

Anchor 1: Good evening. We begin tonight with the overheated housing market and the Ontario government's sweeping plan to cool it down.

Anchor 2: The list of new rules is aimed at the Toronto area. But there's evidence tonight soaring prices have spread well beyond the GTA and even into the capital. The Ontario government is targeting the vast area known as the Greater Golden Horseshoe; from Toronto to Niagara to Barrie and Peterborough where home prices have skyrocketed. The region is home to nearly a third of Canada's population – about nine million people.

Anchor 1: Central to the 16-point plan: a 15 percent foreign buyers' tax. There is also, for Toronto, a new tax on homes left vacant and right across Ontario, expanding rent control to include all units and not just those built before 1991. CTV's Megan Shaw starts us off with new information about Ottawa's market bidding wars and rising prices, Megan.

Reporter: Patricia, home buyers watched the rising house prices in Toronto with a sense of panic. The market starting to feel out of reach there, so these rules are there to hopefully help the GTA. It might surprise you what is happening around the corner. The Ontario government's new plan to cool Toronto's hot, hot housing market could boost the price of Ottawa area homes.

Chuck Shields, Sold His Home: Sold in 4 days. There were 13 offers. It actually went into a competitive bidding process, that which I had never thought we would be part of.

Reporter: If you ask Chuck Shields' real estate agent, Ottawa's market is already heating up. This month, his \$1.1 million home on Waverly sold for 20 percent above asking. Foreign buyers looking this way.

Debra Cherry, Royal LePage: I think they're starting to come here, and this spring market, in particular, this year, there's a lot of multiple offers on properties.

Reporter: It's not a single dwelling home, and it's also been renovated, and indication of what is going on locally. The mayor is watching the market and is concerned about the afford ability in the capital.

Jim Watson, Mayor of Ottawa: You get people who are on fixed incomes – like seniors, living in the neighbourhood all of their lives and now being forced out because the prices are so high. That is something to watch for.

Reporter: Meanwhile in Toronto, where prices have certainly skyrocketed, a new 16-point strategy will take effect Friday – designed to calm it.

Kathleen Wynne, Premier of Ontario: We want to bring stability to the market and make the process of buying or renting a home fairer and more affordable.

Reporter: The plan includes a 15 percent foreign buyers' tax on homes in the Greater Golden Horseshoe. It gives the City of Toronto the power to tax vacant properties and provides all cities

the right to boost taxes on lands zoned for residential, but are sitting vacant. It also expands the current rent control to include buildings built after 1991, but not everyone sees the benefits.

Victor Menasce, OTT Real Estate Investors Org. President: If I'm a landlord in a market condition like that and I'm now losing money, what am I going to do? I'm going to sell the unit, and take rental stock out of the market. It's actually going to harm the very people it's designed to protect.

Reporter: If you're still looking to get in the market, realtors say there's no time like the present. At least here in Ottawa.

Cherry: You're still accessible to get in to markets here. It's not like Toronto where it's \$1.5 million for a fixer-upper.

Reporter: The rules are new, and only time will tell if they have the desired effect.

CJOH: CIBC ECONOMIST WARNS AGAINST PROVINCE'S RENT CONTROLS

Source: CJOH

Apr 20, 2017 6:41 PM (25)

Anchor 1: Review from Market Watchers over the government's plan to control housing prices.

Anchor 2: BNN's Michael Hainsworth has more in tonight's business report.

Michael Hainsworth, Business News Network: Hello, one of Canada's most respected economists says Ontario's rent control problem is problematic. CIBC's Benjamin Tal is telling me you peg rate control to the rate of inflation, that'll push developers out of the sector. He says the cost to property managers' face isn't that two percent rate of inflation. It's more. He adds the \$125 million in tax breaks won't be an incentive. Finance Minister Charles Sousa telling me that 15 percent property tax on non-residents may lead to lower tax revenue, but the revenues will be net-neutral. It will not prevent him from balancing the budget. BNN has determined had that foreign tax apply to the sales figure from March, the province would have raked in 80 million additional dollars.

CJOH: PROVINCE INTRODUCES 16 NEW MEASURES TO COOL HOUSING MARKET

Source: CJOH

Apr 20, 2017 12:00 PM (1)

Reporter: The Ontario government has announced a Fair Housing Plan for Toronto and surrounding markets making buying and renting in Canada's largest and hottest real estate market more affordable.

Premier Kathleen Wynne: This plan is substantial and it is multi-faceted because it is designed to deal with the whole issue. We want to bring stability to the market and make the process of buying or renting a home fairer and more affordable.

Reporter: The Premier announced the province's blueprint this morning. Some of the measures including anyone buying a house or condo in the Greater Golden Horseshoe area of southern Ontario who is not Canadian will pay a premium. It also includes measures to protect tenants from skyrocketing rent. The new housing rules do not apply to Ottawa. Later in our broadcast, we will be joined by Ottawa Mayor Jim Watson for his reaction.

CJOH: OTTAWA MAYOR JIM WATSON COMMENTS ON TORONTO'S HOUSING MARKET

Source: CJOH

Apr 20, 2017 12: 22 PM (14)

Anchor: We return now to our top story. Ontario plans to help cool a hot housing market by bringing in new measures, such as a 15 percent foreign buyer's tax and rent control. We are joined now by Ottawa Mayor Jim Watson to talk about what it means to this city. Mr. Mayor, thanks for joining us. Always good to talk to you. These measures, the housing measures meant to cool the housing market in Toronto. Is this a good thing for Ottawa and maybe even push our housing market up a bit more?

Jim Watson, Mayor of Ottawa: The good thing about our market is it is relatively stable. I think the Federal government presence creates that stability. You don't have peaks and valleys in the housing market. If you look at last year's housing numbers, it's a 33 percent average increase in the average house price in Toronto and 5.4 percent in Ottawa. It's good for both buyers and sellers. There are from time to time bidding wars for desirable neighbourhoods or a desirable house, but our market is much more stable here. And that's why quite frankly we are a growing city and people want to move to the city. They can't afford places like Toronto and the Greater Toronto Horseshoe.

Anchor: The marketplace is meant to be a free market-place. Why does the Ontario government have to put measures like this in, in what we know as a free marketplace?

Mayor Watson: knowledge. We have to wait for all of the details. We saw in B.C. and starting to happen in Toronto – a lot of foreign buyers buying properties. Allowing them to stay vacant and speculating. When we have a housing shortage and a housing crisis, having empty houses where the prices are inflated is not good for anyone. Yes, it is a free market but to a degree there are some rules and regulations around that market, so it fair for individuals who want to buy that first home, which is often very elusive for young couples and young people. And these neighbourhoods that become so overheated, as we have seen in Toronto. The value of the houses goes through the roof and people on fixed incomes lived there their whole lives now can't live there because it's not affordable and that's not acceptable.

CHCH: PREMIER WYNNE ANNOUNCES MEASURES TO COOL GTHA HOUSING MARKET

Source: CHCH

Apr 20, 2017 6:04 PM (3)

Anchor: Premier Kathleen Wynne said weeks ago there wasn't just one solution for the GTHA's housing crisis, so today, she revealed 16 measures she believes will help cool the market and allow Ontario a better chance to get in on it.

Reporter: Premier Kathleen Wynne hopes the new plan evens the real estate playing field.

Premier Kathleen Wynne: To encourage more supply of new homes, discourage speculators and protect renters.

Reporter: Wynne's first measure was introducing a 15 percent tax targeting foreign investors who don't plan to live here.

Premier Kathleen Wynne: They're looking only for a quick profit or a safe place to park their money.

Reporter: The impact, however is up in the air, Finance Minister Charles Sousa says that only 8 percent of real estate is purchased from abroad. What could be more impactful, according to experts, are changes to rent control.

Premier Kathleen Wynne: People will be protected against sudden, dramatic rent increases that force them out of their homes.

Reporter: The previous law protected only those living in buildings before 1991. The expanding law, effective today, now instructs all landlords to increase represent no more than 2.5 percent. The average bedroom in condo saw represent jump 7.5 percent from 2015 to 2016. Some opposition members say they've been waiting a long time for this.

Peter Tabuns, NDP MPP: They should have done it years ago. It would have meant a lot of people wouldn't have been hurt the way they've been hurt.

Reporter: This economics professor thinks the extension could create problems in the future for renters.

Unidentified: It's going to be make it less desirable for people to build new buildings. And in the long run, of course, that means there will be less supply and will make it harder to find a place.

Unidentified: \$2.7 billion in new purpose-built rental are at risk if this rule changes.

Reporter: While the foreign buyers' tax has been a talking point for quite some time, this man suggests that the sudden extension of the rent law could be motivated by the upcoming provincial election.

Unidentified: The rent control seem to come forward more quick. I think the reason is probably that rent controls are politically popular. There are more rents than there are owners.

Anchor: Other regulations include a vacancy tax for investors who are stockpiling property, but not renting them out. Charles Sousa, the finance minister, reference Census data last month that are 65,000 empty homes in Toronto alone.

MCTV: PROVINCE INTRODUCES MEASURES AIMED AT COOL HOUSING MARKET

Source: MCTV

Apr 20, 2017 6:09 PM (7)

Anchor: The Wynne Liberals revealed their plans today to decelerate the housing market in Toronto and to protect renters from huge increases. The new plan includes a new tax on foreign buyers and real estate agents will see some rule changes.

Reporter: A 15 percent tax on foreign speculators is the government's objective to bring the boiling GTA housing market down to a simmer.

Premier Kathleen Wynne: With this tax, we're targeting people who aren't looking for a place to raise a family. They're looking only for a quick profit or a safe place to park their money.

Reporter: The tax on non-residents is effective immediately. It applies to a huge swatch of land known as the Greater Golden Horseshoe, extending outward from Toronto all the way up into cottage country. But, no new tax yet on domestic speculators. They, however, are in the government's sights.

Charles Sousa, Minister of Finance: There are speculators who enter into agreements to purchase properties with no intention of buying them or living in them, crowding out families looking to buy their own homes. These scalpers may be avoiding tax and we believe they should, as well, pay their fair share.

Reporter: Real estate agents are finally coming under the government's microscope as well. It's going to bring an end to practices like double ending when they represent both sides or fake bids and shady last-minute offers that come in via e-mail. The agents' association is pleased.

Tim Hudak, CEO of the Ontario Real Estate Association: Those who abuse the rules, you got to throw the book at them. I mean, anybody is breaking the rules is taking advantage of somebody making the biggest investment of their lives. You don't want that person in the profession.

Reporter: Queen's Park is also giving the City of Toronto the power to tax thousands of vacant units that are sitting empty to encourage the landlords to rent or sell to families. There's also comforting news for renters. Queen's Park is imposing rent controls for all rental units, not just those built before 1991. Increases will be capped at 2.5 percent; a new standard lease agreement is being introduced; eviction rules will be tightened; and elevators will have to be fixed before rent increases. But, there's concern about a rush to jack up rents before the new regulations are passed.

Peter Tabuns, NDP MPP: I am worried about tenants who are in buildings now that aren't covered, whose landlords will say, "Gee, I got to get in under the wire. I will crank it up really big time right now."

Reporter: The Finance Minister says Queen's Park has done what it can for the real estate market and now it's up to the marketplace to decide where prices go.

MCTV: CIBC ECONOMIST WARNS AGAINST PROVINCE'S NEW RENT CONTROLS

Source: MCTV

Apr 20, 2017 6:57 PM (29)

Anchor: Bay Street isn't completely on-side with Ontario's attempt to cool Toronto's housing market. Here is Michael Hainsworth from BNN.

Michael Hainsworth, Business News Network: Hello, one of Canada's most respected economists says Ontario's rent control problem is problematic. CIBC's Benjamin Tal is telling me you peg rate control to the rate of inflation, that'll push developers out of the sector. He says the cost to property managers' face isn't that two percent rate of inflation. It's more. He adds the \$125 million in tax breaks won't be an incentive. Finance Minister Charles Sousa telling me that 15 percent property tax on non-residents may lead to lower tax revenue, but the revenues will be net-neutral. It will not prevent him from balancing the budget. BNN has determined had that foreign tax apply to the sales figure from March, the province would have raked in 80 million additional dollars.

MCTV: PROVINCE INTRODUCES 16 NEW MEASURES TO COOL HOUSING MARKET

Source: MCTV

Apr 20, 2017 12:00 PM (1)

Anchor: We begin with news out of Queen's Park. Ontario Premier Kathleen Wynne is taking 16 new measures to try to cool down Canada's largest and hottest real estate market. The province is bringing in a 15 percent foreign buyers' tax and is also tightening rent controls and it will also work with developers to build more affordable housing. The Premier says it's not a fix-all but, rather, it's a way to create stability in the market.

Premier Kathleen Wynne: Ontario's Fair Housing plan is not a silver bullet. It's a measured set of responses to ease the enormous pressure people are under right now. It's a balanced plan that aims to increase supply and reign in speculation. It's about creating some stability and addressing affordability in our housing market.

Anchor: Now in spite of these new measures announced today, the provincial Finance Minister Charles Sousa says Ontario doesn't want to discourage people from moving into the country and settling in this province. In fact, Sousa says there will be several exemptions for those actually looking to make Ontario their new home.

Charles Sousa, Minister of Finance: So the NRST will have certain exemptions: skilled workers in the Ontario Immigrant Nominee program, as well as refugees will be exempt from paying the NRST. Anyone obtaining a permanent residency on Canadian citizenship within four years of purchasing their home would receive a full rebate of the NRST, any international student enrolled for at least two years full-time would receive a full rebate, and anyone who demonstrates that they have worked in Ontario for a full year from the date of purchase would also receive the rebate.

Anchor: And there may be more of this to come as Toronto Mayor John Tory has been talking about imposing a local tax on vacant homes that are bought and never lived in and then flipped. That could be coming in the next few days.

CKVR: PROVINCE INTRODUCES MEASURES TO COOL HOUSING MARKET

Source: CKVR

Apr 20, 2017 6:00 PM (1)

Anchor: Premier Kathleen Wynne has unveiled 16 new measures to cool Canada's largest and hottest real estate market. The province is bringing in a 15 per cent foreign buyers tax and tighter rent controls. It also work with developers to build more affordable housing. CTV's Paul Bliss has our top story.

Reporter: A 15 percent tax on foreign speculators is the government's objective to bring the boiling GTA housing market down to a simmer.

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Reporter: The Finance Minister says Queen's Park has done what it can for the real estate market and now it's up to the marketplace to decide where prices go.

CKVR: HOUSING ANNOUNCEMENT EXPECTED TO BRING RELIEF TO BARRIE

Source: CKVR

Apr 20, 2017 6:02 PM (2)

Anchor: The fair housing plan could bring welcome relief to buyers and renters in our region. With more on that we go live to CTV's Aileen Durham.

Reporter: The plan could bring some relief, but experts I spoke with today say they don't expect that much to change and that more still needs to be done.

Meghan Faria, Homebuyer: Any home we find we like is taken up within hours that it comes to market.

Reporter: Meghan Faria recently had twins. With a bigger family she is looking for a bigger house in Barrie. But the search has been trying.

Faria: We see a home that's for sale, you contact the realtor and find out it's gone.

Reporter: New housing regulations announced by the province today are supposed to help people like Megan. Part of the plan is to impose a 15 percent tax on foreign buyers. The trouble is with foreign buyers only making up 5 percent of the market, local real estate experts are not convinced it's going to make much of a difference.

Lance Chilton, Mortgage Broker: So they have imposed a tax that's not going to have an impact on 95 percent of the markets.

Reporter: Meanwhile the mayor of Barrie says announcements related to rent are good for the city. The province plans to set aside \$125 million over five years to encourage construction of new rental build rebating development charges, something the city of Barrie already does.

Jeff Lehman, Barrie mayor: Well I happen to think that's a great idea because the province does it and Barrie does it, then it will have a compounding effect, and that should assist in seeing more rental apartments built.

Reporter: While measures announced today may make a small difference in Barrie's hot market, some say more needs to be done to increase supply.

Lance Chilton, Mortgage Broker: Perhaps a better idea might have been to ease some of the restrictions of building on vacant land. There's lots of land that you can build on that would absorb that excess demand for housing.

Reporter: Something Megan is eagerly awaiting.

Faria: We have to wait but you know the more of those that become available, the better it will be for people like me, the people who can't compete in this.

Reporter: When the new regulations are come no to place remains to be seen. So far Kathleen Wynne has simply said "very soon."

CKPR: ONTARIO ANNOUNCES 16 MEASURES TO STABILIZE HOUSING MARKET

Source: CKPR

Apr 20, 2017 6:00 PM (1)

Anchor 1: The Wynne government has released details of a sweeping new plan to address concerns over housing affordability in Ontario.

Anchor 2: The 16-point plan is aimed at curbing housing in Toronto and the Golden Horseshoe Area. It also includes provisions that will protect renters from major increases. Paul Bliss has more.

Reporter: The Premier's Fair Housing Plan is a 16-point strategy to calm the housing market and protect renters.

Premier Kathleen Wynne: This is a unique challenge. In some ways, we have to realize this is a good problem to have. Our hot housing market is tied to the confidence people have in the Ontario economy. So the skyrocketing cost of renting or buying in Ontario and the Great Golden Horseshoe region in particular is the unwanted consequence of a strong economy with a promising future.

Reporter: Starting tomorrow, a 15 per cent non-resident speculation tax will apply to all residential home transactions in the Greater Golden Horseshoe area. Surplus government land will be freed up for housing projects in the West Don Lands and properties in downtown Toronto. The city of Toronto is getting the power to tax thousands of vacant properties and the government is giving all cities the power to impose higher taxes properties on land that is approved for residential but is sitting vacant. However, the Finance Minister says there's no guarantee these measures will help calm the market.

Charles Sousa, Ontario Finance Minister: The Bank of Canada, Stephen Poloz, has made it clear that he sees speculation as being a problem in the region and those are the points we have taken into consideration in working with stakeholders.

Reporter: The Minister told me eight per cent of the people winning the bids to buy residential homes in Toronto are foreign investors. But there are no actions in this plan to crack down on domestic speculators. So, the bidding frenzies could continue into the weekend.

Reporter: There is comforting news for renters, rent control applies to all rental units including those built after 1991, and Queen's Park is imposing a new standard lease agreement to encourage more people to rent out their units. That's good news, but there are still some concerns.

Peter Tabuns, New Democrat MPP: I am worried about tenants who are in buildings now that are not covered, whose landlords would say "Gee, I got to get in under the wire. I'm going to crank it up really big time right now."

Geordie Dent, Federation of Metro Tenants' Association: It's going to bring everyone under the same system of rent control. So all of the folks in the towers around here are going to have a minimum standard. They're not going to getting these massive outrageous rent increases.

Reporter: So what do you think of the announcement?

Jim Murphy, President of Federation for Rental-Housing Providers: We are very disappointed. We were on the verge of a major build in terms of new purpose-built rental units in the City of Toronto and across the province. We were on the verge of 28,000 new purpose-built rentals, which would help tenants.

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Reporter: The government is promising to crack down on shady real-estate transactions, practices like double ending and phantom offers, but these changes will take time to draft and implement. In the meantime, the Premier says she's done what she can. Now it's up to market forces to do the rest.

CKWS: PREMIER WYNNE ANNOUNCES NEW MEASURES TO COOL HOUSING MARKET

Source: CKWS

Apr 20, 2017 6:16 PM (11)

Anchor: Premier Kathleen Wynne has brought in a series of new measure to try and cool Ontario's hot housing market, especially in the Toronto area.

Anchor: The measures include a 15 percent foreign buyers tax, a tax on vacant homes, also rent controls for newer residential units.

Reporter: It's hard enough to find an affordable home to buy and rent in this red hot market, one the province hopes to cool.

Premier Kathleen Wynne: We want to bring stability to the market and make the process of buying or renting a home fairer and more affordable.

Reporter: At a news conference in Liberty Village, the Premier and Minister of Finance announced 16 measures as part of its Fair Housing Plan to help reign in the market and increase the supply of affordable homes in the city.

Charles Sousa, Ontario Finance Minister: These new policies represent a multifaceted plan to help families find homes.

Reporter: They include, effective immediately: A 15 percent non-resident speculation tax or NRST for non-resident and foreign buyers who purchase one to six units in the Greater Golden Horseshoe. People who live and work here are exempt; identify provincially-owned land that could be used to build affordable and rental housing; and introducing a 125-million, five-year program to encourage the construction of rental apartment buildings. A portion of the development charges would be rebated.

Joe Vicar, Ontario Homebuilders: Representing an industry that builds 95 per cent of the new housing in the province, our point has always been that if we can get projects to market it will help in the marketplace.

Reporter: Also part of the Fair Housing Plan, rent control for all private rental units including those built after 1991. Up until now there was nothing in place to cap massive rent hikes for new units, as was the case here in Liberty Village.

Alejandra Ruiz, ACORN: We think it is a step forward for one of the housing issues because of the rent control.

Reporter: Now, landlords would only be able to increase rent a maximum of 2.5 per cent, something not everyone thinks is a good idea.

Jim Murphy, Federation of Rental Home Buyers of Ontario: No one supports a doubling of rents. That's wrong, but there are other practical solutions that would have worked and would have allowed for the continuation of building purpose-built rental in Toronto.

Reporter: The province says rent controls in new units could also help cities like Toronto introduce a vacant home tax to encourage owners to sell or rent their unoccupied units.

Meanwhile the practices of real estate agents will also be under review to ensure consumers are treated fairly.