

Toronto Moving Forward with Vacant Home Tax, with Exemptions Recommended by TRREB

06 July 2021

The City of Toronto's Executive Committee is recommending that City Council move forward with implementation of a Vacant Home Tax, with a number of important exemptions. **The tax is NOT YET IN EFFECT, and specific tax details still require approval by City Council.**

TRREB has worked closely with City staff in recent months and years, calling for evidence-based decision-making to ensure that the tax meets its policy objectives of improving rental housing supply and ensuring that appropriate exemptions are provided. [View TRREB's input here.](#)

We appreciated the opportunity for input, and we are encouraged that the recommended tax design is consistent with TRREB's views, especially the need for various exemptions. TRREB is generally supportive of the list of exemptions included in the staff recommendations, and we look forward to providing further input as staff continues with the next step of public consultations.

Background

In recent years, City Council has considered implementation of a Vacant Home Tax, with the intention to increase the supply of rental housing on the market.

City Council is currently focused on approving the design details of the tax. One key element is what exemptions from the tax will be allowed. The City's Executive Committee is recommending moving forward with the following key exemptions, which TRREB called for:

- Principal residence;
- Snowbirds;
- Rental restriction or prohibition;
- Death of a registered owner – in year of death and one subsequent year only;
- Residential unit is undergoing redevelopment or major renovation that makes occupation impossible for a period of 6 months or longer – with permits issued and actively being pursued;
- Registered owner is in care, institutionalized or hospitalized – allowable for 2 consecutive years;
- Residential unit is subject to a restriction or prohibition on rental – i.e., a condo building with restrictions on allowing condominium units to be made available for rental;
- Legal ownership of residential unit has been transferred to an arm's length transferee – during year of sale only;
- Occupancy for full-time employment – the residential unit is occupied by a registered owner with a principal residence outside of a defined Greater Toronto Area and the property is required for employment purposes in Toronto for an aggregate of at least 6 months per year; and
- Court order is in place prohibiting occupancy of the residential unit.

Other Tax Details

- The expected implementation date of the tax is January 1, 2022. The recommended rate for the tax is 1% of the property's Current Value Assessment.
- Under the definition being proposed by the City, a residential unit is "vacant" if it has been unoccupied for more than six months during the prior calendar year or it is deemed to be vacant in accordance with a by-law.

Full details are available in the City staff report [here](#).

THE TAX IS NOT YET APPROVED OR IN EFFECT. IT IS EXPECTED THAT FURTHER PUBLIC CONSULTATIONS WILL OCCUR BEFORE THE TAX IS IMPLEMENTED.