

## Market

# Why Toronto real estate magnate Brad Lamb says house-flipping taxes are “stupid”

Josh Sherman Mar 27, 2017



*Photo: Marco Bellucci/Flickr*

One major Canadian bank recently floated a house-flipping tax for Toronto as a way of cooling the city’s blazing real estate market, but prominent broker and developer Brad Lamb tells BuzzBuzzNews that’s a “stupid” idea.

Such a home-flipping levy, which Scotiabank recommended this month, would see Toronto homeowners pay an extra tax if they resell their residential property within a certain period of time from the purchase date.

But Lamb brings up what he sees as a problem with a house-flipping tax.

“What about people who are small builders that buy houses, knock them down, and build another house or two houses — don’t we want people to do that?” asks Lamb, who recently spoke out against a possible foreign-buyer tax for the region.

Home-flipping improves the quality of houses in a neighbourhood, Lamb suggests. Investors who flip houses fix leaky roofs, and fix sinking foundations.

“We want our housing stock to be brought up to 2017 standards in safety... in terms of greenhouse gas emissions [and] insulation,” he explains.

A house-flipping tax would be “equally [as] stupid” as a foreign-buyer tax in the Greater Toronto Area, Lamb argues.

“This idea of speculators, it’s a complete — it’s bogus. There’s not hordes of people going around neighbourhoods, buying up houses, keeping them empty, and selling them a year later for an insane profit — it’s not happening. So it’s a stupid tax,” he adds.

Measures focusing on quelling demand ignore what Lamb says is the real issue: supply. “Let’s create more houses,” he says. “That’s the solution.”

He recommends municipalities start allowing taller buildings, creating less-restrictive land-use policies for downtown Toronto and improving infrastructure to support new developments in the surrounding 905 region.

There’s land in the 905 that can be developed right now if only there was basic infrastructure, such as roadways and sewage systems, for developers to build off of.

“Everyone’s focusing on what they think is easy to fix: let’s stop people from buying houses,” says Lamb. “That’s not the problem.”