



City of Toronto-imposed waste levy offsets rent reductions: Greater Toronto Apartment Association cautions

December 15, 2009 – TORONTO – Any savings for tenants through the rent reductions announced by the City of Toronto will be offset by the unreasonable fees imposed by the City on building owners resulting from the waste levy, according to the Greater Toronto Apartment Association (GTAA).

The City of Toronto yesterday issued notification letters to nearly 130,000 apartment rental tenants advising them of a reduction in their rent effective December 31, 2009, as a result of a decrease of multi-residential property taxes. The GTAA worked with City staff to make the tenant notices as clear as possible and to advise tenants that some apartment owners may apply to vary the rent decrease, as a result of the significant impact of the City's waste levy program.

"Tenants are entitled to have the property tax reduction passed on to them, but the City's waste levy fees will inevitably nullify the rent decrease," said Brad Butt, President & CEO, The Greater Toronto Apartment Association. "The GTAA brought the fact that that the waste levy costs would offset any rent reductions to the attention of the City in April 2009; however, our ongoing efforts to address this issue have been dismissed. Unfortunately building owners are simply not in a position to absorb the significant costs associated with the waste levy."

Under the waste levy, as of July 1, 2008, property owners of multi-unit residential buildings pay a fee based on how much garbage the building generates during the billing period and the number of units in the building. They also receive a per unit rebate of municipal property taxes to offset the waste levy.

Yet most buildings operated by GTAA members are incurring costs in excess of the rebate - many paying more than *double* the City's estimated per unit cost - despite concerted efforts by GTAA member building owners to promote the City's goal of diversion.

The GTAA announced in September 2009 that on behalf of more than 240 apartment building owners across the city, it has filed an application with the Ontario Superior Court of Justice to quash portions of the by-law pertaining to the City of Toronto's waste levy, by-law No. 506-2008.

"We would prefer to reach a solution with the City without having to pursue this application further, but to date we have not been successful in our efforts," said Mr. Butt.

Apartment building owners are in a legal position to avoid the waste levy by opting out of the City's garbage and recycling collection service by paying private collectors. However, the effect of by-law 506 is that an owner who opts out not only pays the full cost of its garbage collection service, but receives no rebate and is still required to pay its property tax bill as if the City was collecting its waste. This is discriminatory. It is also an additional cost amounting to a penalty imposed on an owner who relieves the City from the cost of waste collection from the owner's property.

The GTAA shares the City of Toronto's commitment to reduce Toronto's waste and minimize its impact on the environment, and collaborates with the City on programs that reap environmental benefits. However, the GTAA does not support the way in which the City has chosen to meet this goal - specifically the waste collection levy.

"Our member buildings have adopted stringent recycling practices and conduct awareness campaigns to encourage residents to participate in the available recycling programs. At the end of the day, we can only influence the actions of residents to a certain extent and it is ultimately their decision whether or not they choose to participate in recycling programs. The municipal charges for waste pick up based on volume will ultimately be passed on to residents counteracting the City's announced rent reductions. This is a situation that is costly both to the City of Toronto and apartment owners."

About the Greater Toronto Apartment Association

The GTAA is a municipal association that represents close to 240 companies that own and operate more than 160,000 private apartment units in the Greater Toronto Area. The Association advocates for residential property owners and managers and provides a source of information, representation and leadership in the rental housing industry.

For more information or to obtain a copy of the Ontario Superior Court of Justice application, please contact:

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