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Rent Control Changes Aren't Enough

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Proposed rent control changes are unlikely to produce much new construction.

AVA and property tax reform

by Gerry I.G. Divaris

The existing assessment system in the Province of Ontario is unfair and outdated. With values in some jurisdictions established as far back as 1940, it has created inequities between assessed values of similar properties. It has also been seen as the contributing force behind businesses fleeing the Metro Toronto area for lower taxed jurisdictions.

This problem has been brewing for more than 25 years. In 1967, the Ontario Committee on Taxation (OCT) urged that all property assessments be updated to current market values. In 1970, recognizing that the system was in need of rescue, the Province took over the assessment function from municipalities. Its intention was to introduce market value assessments as recommended by OCT — but this was not completed.

The recent Golden Commission and the work of the Who Does What panel, chaired by David Crombie, support the concept of Actual Value Assessment (AVA) as the response to the reform of Ontario's property tax system.

However, some of the other recommendations would act to shift provincial tax policy responsibilities back to municipalities. If these tax policies are not thoughtfully introduced and carefully administered, we will be facing another failed system that will have to be rescued by the Province.

Crombie panel recommendations

Some of the proposed tax reforms are as follows:

- Introduce AVA as the basis of valuation for all property assessments.
- Introduce variable mill rates or tax rates. These are to be determined by each municipality, following provincial guidelines.
- Allow municipalities the option of introducing a special tax class for small retail properties.
- Phase in the new tax reforms over a period from 1998 to 2004.

The imposition of Actual Assessed Value is not a new concept to assessment in Ontario. Prior to the 1970 Provincial Take Over, the Ontario Assessment Act mandated that actual assessed value would be the provincial standard. Subsequent court decisions found the terms "Actual Value" and "Market Value" to be synonymous.

The model that is being suggested for Ontario will be similar to that system currently in place in British Columbia. A recent British Columbia court of appeal decision, Bramalea Ltd. & Assessor for Area 9 (Vancouver), held that in an AVA assessment regime, there are two principles that must be adhered to:

- "The courts have held that "Actual Value" means the price which property would fetch if sold in the market on the statutory valuation date in a cash transaction between informed parties both free from duress and influenced neither by speculative considerations nor by any "special value" which the property might have to a particular purchaser, which it would not otherwise have. "Actual Value" lies somewhere in the middle of the range within which such parties would settle, neither "unduly high" nor "unduly low": Sun Life Assurance Co. of Canada v. City of Montreal, [1950] 2 D.L.R. 785, [1950] S.C.R. 220; Stock Exchange Building v. City of Vancouver, [1945] 2 D.L.R. 663, 2 W.W.R. 248, 61 B.C.R. 205 (C.A.).
- "The second principle on which the system rests, that there be "equity" as between assessed values of similar lands, is likewise found partly in the statue and partly in the common law, the common law being reflected in rules applied by the courts in the interpretation of taxing statues."

AVA addresses value issues

These principles are not new to the existing assessment system. However with updated values introduced and kept current, the proposed AVA should solve the value related problems, or at least provide a logical framework that can be followed by the average tax payer.

The AVA system, with certain adjustments, should quell any concerns that may abound regarding spiked values due to speculative markets (the biggest problem that faced the proposed 1993 reassessment to a 1988 market value base of Metropolitan Toronto). Under AVA, values would be estimated on the basis of current sales and rents. Thus, a greater reliance would be placed on generally accepted valuation principles. The AVA reform should therefore introduce market values and assessments without the systemic favouritism and penalties that currently exist on specific categories of real estate.

A further safeguard proposed to ensure against spiked values would also see the adoption of a Province-wide three year rolling average. This could even out the actual values over a three year period, with the resulting average being used as the actual assessed value.

Variable rates are a concern

Despite its attempt to solve the value related problems, some of the Who Does What panel's recommendations could sow the seeds of future problems.

For example, it has recommended that certain tax policy options should be made available to the municipalities. For the first time municipalities would be able to use "variable mill rates" or, as recommended, "variable tax rates" to control the degree of tax shift between property classes, i.e. multi-residential, commercial and industrial.

The Province has always been opposed to Bonusing (a system where municipalities could use tax rates to compete against one another to attract new business). Prohibition of this insidious policy has been ensured by the Province allowing only two mill rates - commercial and residential, with the residential mill rate being 15% less than the commercial mill rate. Under the proposal to allow variable tax rates, a transfer of power is offered to the municipalities. This power could be used to promote or discourage development of certain classes of real estate. It also could see existing legal non conforming properties being heavily taxed. This does run the risk of creating a situation of expropriation without due consideration.

Despite the yet to be announced Provincial guidelines, variable rates could determine the continued existence of some municipalities or the demise of others who would be unable to compete with municipalities which have a broader assessment base.

This tax policy, in conjunction with the added option of municipalities to introduce a special property tax class for small retail properties (and possibly other classes), could result in lobbyists urging municipal politicians to favour certain classes of real estate over others. This could potentially create areas or zones of preferred taxed oasis within municipal boundaries to the detriment of other areas or neighbourhoods.

This tax policy may be limited, inasmuch as the Province will be setting the parameters within which municipalities can set different tax rates for different property classes. However, it is still a dramatic departure from the existing tax policy and could herald the "Wild West" in tax grabs and economic development schemes hatched by the municipalities.

Upcoming Issues

There is no doubt that the existing assessment system is in dire need of rescue. The recommendation to move to AVA and the provisions to ensure against spiked values and the continued updating of current values will certainly help solve our present value related problems. It should be noted, however, that the Committee making the recommendations have to address a number of other assessment and tax issues. They will be turning their attention to some of the following issues this fall:

- Governance questions regarding responsibility for variable tax rates and phase in policy
- Business occupancy tax
- Exempt properties
- Creation of additional property classes, such as linear properties, multi-residential, farms, managed forests, farmlands under development, hotels and recreations properties
- Telecommunications tax and
- Provincial land tax.

These policies will have to be scrutinized carefully, to avoid another failed system and the need for a "rescue", as the Province did once before in 1970 under Provincial Take Over.

Gerry I. G. Divaris is president of Divaris Corporation, Toronto.

Incentive for new rental construction still limited

Little if any new rental construction would take place in larger metropolitan areas solely as a result of Ontario's proposed changes to rent control, says an Association of Ontario Land Economists paper.

The paper was submitted to Al Leach, Minister of Municipal Affairs and Housing, in response to the government's "Tenant Protection Legislation — New Directions for Discussion".

"Consideration has to be given to the real concern of investors over the reintroduction of rent control on buildings," the paper says. "New buildings were originally exempt from rent control legislation, only to have it imposed at a later date."

With all the uncertainties, developers are unlikely to invest in many new rental buildings. "Low cost, low rise development could take place in some of the smaller communities, which have a lower land cost — especially those with fairly strong employment prospects," the paper says. However, for-sale housing is a viable and attractive alternative. "Condominium apartments are likely to remain the preferred model for developers ... since a condominium unit is always more valuable than a similar rental unit."

As a result, the paper says, "it may be necessary to offer some incentives" if the government wants to meet its objective of creating new rental units. These could take the form of higher permitted densities or various tax incentives for rental units — but not rent supplements to landlords. Supplements "are likely to become an open invitation (to landlords) to raise rents and simply rely on the supplement. This leaves the taxpayer with an open-ended liability and no assurance of new units being built."

Property taxes on rental buildings have been identified as one area where reform could help reduce landlords' costs. Leach has referred that issue to David Crombie's "Who Does What?" panel.

The province's proposed capital expenditure allowance system could penalize landlords who have not made an application for above-guidelines increases over the past 20 years, the OLE paper says. "We would recommend a two-level system, based upon a higher capital cost allowance for landlords who have not increased rents above guidelines, but a low or zero cap for landlords who have." Capital expenditures should be calculated by applying the current five year cost of money to the capital cost and adding a sinking fund for recapture.

It should be possible to reduce rent for withdrawn services, but not for decreases in operating costs or taxes, the paper continues. In general, "it is better to fine landlords for poor maintenance rather than attempt rent reductions. Municipal response to complaints must be swift and fines made onerous to ensure that repairs are made". Current provincial proposals call for fines of up to $100,000.

The Association welcomes the proposal to create a new dispute resolution system, with a tribunal to hear both occupancy problems and rental problems. It suggests tenants pay a fee based on 25 per cent of their monthly rent. This "would deter frivolous cases ... and would be progressive in terms of a tenant's ability to pay." Appeals from tribunal decisions should not be referred to the courts except on long leases, the paper continues.

It expresses support for the right of a landlord to prevent a sublet, the proposals to counter tenant harassment, the concept of interest on the last month's rent deposit, and the landlord's right to give a tenant 60 days notice of termination on sale of a single family dwelling.

Landlords should be permitted to require security deposits, as long as they are held in a designated trust account, and bear interest, the paper says. It also recommends that a form a trustee system be used, where tenants who have applied for mediation could pay rents to the trustee instead of the landlord, until the dispute is settled. Any other form of withholding of rent "could be deemed forfeiture of a lease and the landlord could ask for eviction."

Finally, the paper welcomes the changes to permit owners to demolish, renovate or convert their rental buildings. However, it recommends that tenant approval should not be required — as that could be almost impossible to achieve, and could give rise to financial inducements.

OLE Rents Committee
Keith Hobcraft, Chair

Bramalea “Gateway” redevelopme

by
Julius Gorys MCIP PLE
David Waters MCIP PLE

A 600-hectare (1,500 acre) industrial area in the City of Brampton gives a preview of decline and redevelopment issues in the life cycle of newer suburbs.

The City of Brampton is a Toronto suburb with a present population of some 200,000. Like most North American suburbs established in the 1970’s and 1980’s, the pattern of development was one of low densities and separated land uses, heavily dependent on the automobile. Today, this development form is no longer considered desirable or sustainable. However, redevelopment of these areas can offer real advantages over greenfields development.

In 1994, the City was faced with several applications for redevelopment of an industrial area suffering from plant closures and high vacancy rates. Those applications would have added more than 600,000 square feet of office space and 2,000 residential units. Rather than deal with them individually, Brampton decided to develop a strategic concept for intensive mixed-use redevelopment of this area, based on transit opportunities and possible changes to the road network.

The consulting team of McCormick Rankin, Weinstein Leeming Hind, Markson Borooah Hodgson Architects, and Royal LePage Consultants was commissioned to:

- examine land use/density relationships, network and urban design standards to facilitate transit access
- propose policy changes to support the derived vision, including transit and staging strategies

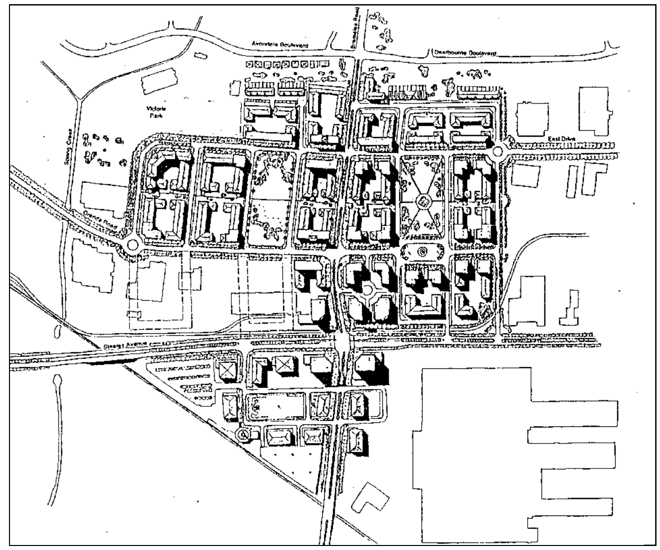
That study was completed in April of 1995. With some modifications to open space areas and the recommended local road network, the concept plan it described is expected to go before Council later this year.

Existing Conditions

The industrial component of the study area was designed as a buffer around Toronto’s Pearson International Airport. It contained in excess of 7 million square feet of industrial space, including several large distribution centres — mostly one and two-storey buildings set back from the street. Retail commercial uses predominated along the principal east-west access (Steeles Avenue). However, at seven per cent, the vacancy rate was below the city’s industrial average — reflecting a few dysfunctional buildings, and a relatively young inventory of space.

To the north, the area was bounded by established residential subdivisions, while to the south the tolled Highway 407 expressway was under construction.

Commensurate with the area it served, there was considerable vehicular traffic (trucks as well as cars), particularly during the peak hour. The busiest intersection accommodated about 4,500 vehicles in the peak hour. Turning movements were problematic at several intersections, although all intersections were operating at a reasonable level of service. Transit service was limited, and patronage light.



Proposed urban design plan

A commuter rail station offered four inbound morning trips and four outbound trips from downtown Toronto. About 60% of the 1,000 or so passengers used the park ‘n ride at the station, 25% used local transit, and 15% were dropped off/picked up, while only 1% were walk-ins.[1]

Gateway is Key

The commuter rail station was seen as key to the revitalization of this area — since it could become a “gateway” to Brampton[2]. Gateways are transportation interchange points, where people can move from cars to transit or from buses to high speed transit or commuter rail. Gateways can serve intercity buses, car pools and special transit services (e.g. those for the disabled), as well as intraurban transit uses.

If designed and supported appropriately, gateways can substantially increase the use of transit in areas of traffic congestion, and function as urban development nodes. They can also encourage reverse commuting, and support fare and service co-ordination between various transit operators.[3]

Analysis

One of the transportation challenges was to introduce sufficient transit service in an area where there was conflict with considerable truck traffic, the imminent introduction of a new tolled highway, and ultimately, a transitway parallel to that highway. The study evaluated the scale and impact of redevelopment, the degree of mixed use potential, level of service envisioned for different trips in and through the study area, the capital cost of any infrastructure improvements, local service compatibility, and environmental and traffic impacts.

It also evaluated numerous land use/transportation alternatives. One key question was: how much of the industrial area could reasonably be expected to evolve into a successful mixed use node tied to existing adjacent residential areas? Generally, it was found that other supportable main streets in the GTA such as Bloor West Village or “The Beach” were between 0.5 km and 1.5 km in length.

There were several “reality checks”, including cursory investigations of the market potential for various land uses, and their implications. For example, with only 1.2 million square feet of office space, principally Class B, Brampton also suffered from a the blue collar image. If this image could not be overcome, then the success of the study area in attracting office development could affect how successful other designated areas in the Official Plan would be in obtaining their share of the market for such space.

ent plan holds lessons

Preferred Concept

Steeles Avenue experiences so much traffic that the main focus of future development is proposed along the north/south axis (Bramalea Road). This would also permit better integration with existing residential communities to the north.

The urban design plan illustrated a possible configuration of low- to mid-rise structures of human scale that created a street wall condition. Densities would be structured to decrease northward from the principal intersection where office development in "signature" buildings of 15 stories on podiums were to be located. A protected access environment would link the office node with the Bramalea GO facility, which will likely be the terminus for all day service for commuters on the Georgetown line.

New residential development is envisioned as a mix of dwelling types, from 10-storey apartments to walk up apartment buildings and street townhouses. An open space network consisting of major parks and connecting linear parks was integrated into the plan, while street-related retail uses were intended to be located along the principal north/south axis. The road pattern and development sites were formulated to enhance existing industrial and evolving employment uses in the remainder of the study area.

Today, the area has no residential component. The projected residential population for the plan is 14,800 people, in 5,276 units. The projected employment is 5,700. The total gross floor area permitted for proposed new development would amount to some 640,300 square metres, of which 74% would be residential, 23% office and the remaining 7% retail. There would continue to be 97,200 square metres of industrial development. The net densities would range from 1.0 to 2.5 FSI.

In order to attain higher modal splits, provide a superior level of transit service to the Gateway and GO facilities, and safer pedestrian crossings of major arterial roads, a centre median transitway for local and regional transit along Steeles Avenue was advocated. This would be integrated with inter-regional busway services envisioned in the long term along Highway 407.

In total, the proposed mixed use centre and the increased prominence of the GO rail commuter facilities is anticipated to generate about 3,600 vehicle trips and 1,250 transit trips in the p.m. peak hour. The introduction of the centre median transitway and the tolled expressway permit the accommodation of this additional traffic. All intersections save one would continue to operate at an acceptable level of service.

This area is currently the subject of some controversy. Decisions made today could shape how it enters the next stage of its life cycle — and provide useful insights into the future for similar suburban industrial areas.

Julius Gorys is senior planner with the urban and regional planning office of Ontario's ministry of transportation. David Waters is senior planner in the City of Brampton's planning and building department.

1 Ontario Ministry of Transportation, The 1993 GO-Rail Passenger Survey

2 The Transportation Gateway concept was a key component of the Ontario Ministry of Transportation's 1988 "Transportation Directions for the Greater Toronto Area".

3 Ontario Ministry of Transportation, Transportation Gateways Report, March 1990

Canada Needs to Compete in the Global Economy

There are some positive signs that Canada is becoming more competitive in the international market, says David Crane, economics editor of the Toronto Star.

Crane told delegates to the OLE Annual General Meeting and Dinner that next year, the federal government's cash requirements will approach zero, federal and provincial governments can roll their debts over at lower interest rates, and the current account deficit will be close to zero. All of this makes the country "less vulnerable to bond market traders in red suspenders, and the risk of interest rate spikes", he said.

In addition, companies "have been closing old plants and investing fairly heavily in new production technologies." And with the dollar hovering in the 73-cent range, Canadian export and tourism industries are very price competitive.

But, Crane warned, Canada "is still trailing in the areas that contribute to long-term growth and competitiveness."

These include:

* spending on research and development, science and education
* the status of engineering as a profession
* the quality of technical training
* reinvestment in infrastructure
* the length of time it takes a company to bring a new product to market
* work days lost to labour disputes
* the low level of training in industry
* labour-management relations
* financial resources for technology and development

A recent Industry Canada analysis found that only five corporations account for 24 per cent of Canada's exports, he said. More than half of the exports are generated by only 50 companies — "which is much too narrow an exporting base". Also, Canadian businesses are too slow to adopt new technologies and are poor developers of their own innovations.

There is a key role for government in helping to develop knowledge assets and manage them effectively — "but in our rush to balance budgets and pay for tax cuts, we may impede our future capacity for wealth creation".

Crane identified population growth in the developing countries — and their desire to boost their living standards — as "the greatest economic, technological, social and political challenge we will face in the 21st century".

It has major implications for food production, use of natural resources, impacts on the environment, peace and security. It also holds out great opportunities.

What Canada needs, Crane said, is "a culture of innovation — one that recognizes and prizes new knowledge and ideas, that is keen to participate in the global economy, that recognizes that partnership is essential and that the investments we make in ideas, infrastructure, education and outreach will be crucial to our future."

Members' Affairs

The following new members have been accepted into the Association:

Allan Scully, senior marketing consultant with Malone Given Parsons Ltd. With responsibility for day-to-day management of project operations and research, Scully's has conducted market research and feasibility analysis for various retail, commercial, residential and recreational/tourism projects, including demographic analysis and projects, municipal financial impact analysis, development charges review, site selection and land valuation analysis, and economic forecasting. Voting member.

Mimi Ward, project analyst with Malone Given Parsons. With responsibility for commercial development, market opportunity and impact studies, Ward has carried out research for small convenience plazas to large regional shopping centres, supermarkets, general merchandisers, new format retailers and warehouse membership clubs. Voting member.

Dan Hayes, investment properties analyst with CB Commercial Group. A recent graduate from Seneca College's Real Property Administration Program, Hayes is currently applying to the Institute of Municipal Assessors for the A.I.M.A. designation. Associate Member.

Immediate Past President **Ed Sajecki**, P.Eng, MCIP, PLE, has become general manager of the Development and Infrastructure Division in the City of Burlington. The division includes the Planning, Engineering, Environment and Building Departments, as well as the Office of Business Development (OBD). In this new position, he is expected to look at broader stategic issues and corporate directions.

One of his first major projects will be to re-engineer the development application process. "We're ready to move into a one-stop shopping approval process," Sajecki says.

Another major project is to develop future economic objectives with the OBD. "Burlington tis in a position o be the environmental technology centre of Canada," he says. With such companies as Zenon Environmental, Laidlaw Waste Systems Inc., and Water Technology International (formerly the Canada Centre for Inland Waters), it already has a solid reputation in this sector. It is also one of the fastest growing areas for high technology, with companies such as Gennum Corp. and CRS Robotics

Prior to moving to Burlington, Sajecki was Commissioner of Planning and Economic Development for the City of York. He was previously Commissioner of Planning for the City of Etobicoke.

Andy Morpurgo

Andy Morpurgo has resigned from his Council responsibilities. Born in Trieste, Italy, Andy spent a number of years in India, Australia and New Guinea on heavy construction projects, before coming to Canada just in time to supervise development of the Don Mills subdivision with Marshall Macklin Monaghan Ltd.

Since then, he worked with the Department of Planning and Development in Toronto, and the Department of Municipal Affairs in Port Arthur (where he actively promoted the amalgamation of Port Arthur and Fort William as the City of Thunder Bay). Back in Toronto in 1972, Morpurgo created the Regional Priority Budget for the Department of Treasury, Economics and Inter-Governmental Affairs (TEIGA). He retired from the position of director of strategic planning in 1984 (regional priorities had been moved to the Department of Northern Affairs by then), but continued to work on various projects, including a peat fuel process.

He joined OLE in the late 1960's, when member Eric Hardy was writing the report that led to the Thunder Bay amalgamation. A Council member for many years, Morpurgo served as president in 1981-82, organized the annual seminars and prepared the "Around Queen's Park" column for the Journal. He has been spending a lot of time in Italy, but visits Toronto occasionally. Council offers its thanks for his outstanding efforts over the years, and wishes him a long and happy retirement.

Andy Manahan, director of industry relations for the Ontario Home Builders' Association, has taken on the job of preparing the "Around Queen's Park" column for the Journal. Manahan brings a wealth of expertise and contacts to this column. Welcome aboard!

Please keep us informed of appointments, interesting projects, etc. Call Jim Appleyard at (416) 447-3949 or Rowena Moyes at (416) 466-9829, fax) 466-6829.

UPCOMING DINNER MEETINGS!

Thursday, October 24

Elizabeth Patterson

Assistant Deputy Minister,
Property Assessment
Ontario Ministry of Finance

Thursday, November 28

Tom McCormack

President, Strategic Directions Inc.
economic/demographic forecasts
Member: Golden Task Force
and Who does What panel

Call (416) 340-7818 for more information

President's Message

It is indeed a great honour and privilege to have been elected to this position. I would like to thank Council for the confidence they have expressed in me.

Over the nine years I have been a member of this Association, I have been interested to see Council actively encouraging the involvement of younger members, new membership and support of student membership. This is an important initiative and I fully intend to support it into the future.

The achievements of our Association are directly attributable to the commitment and efforts of our membership. It was with regret that we accepted the resignation of Andy Morpurgo from his Council responsibilities. Andy has been responsible for the Association's seminars that we have all enjoyed. He also has been an active contributor to our Journal. He will be sorely missed and on behalf of our membership I would like to thank him for his efforts over the years and wish him good health and success for the future.

Your Council encourages your involvement and ideas. As a result of Andy's resignation, Council needs assistance with the Association's seminar. If you are interested in being involved with this, or other programs, please do not hesitate to contact us.

Our membership has taken an active interest in current issues, notably proposed changes to assessment in Ontario, as well as proposed changes to rent control. I would like to recognize and thank Keith Hobcraft, Steve Mullins and John Lang for their submission to the Minister of Municipal Affairs and Housing on rent control, and Gerald Young, Ron Mason and Eric Hardy for their submission on assessment issues to David Crombie and the Who Does What? secretariat.

Finally, I would like to note briefly some of the issues which will be of interest in the coming months. Besides the issues of changes to assessment and rent control mentioned above, I think that debate on valuation issues in investment real estate for institutional owners will come to the forefront again. In addition, I think we can expect to see major changes in the way that public sector real estate is managed, as a result of the fiscal pressures faced by all three tiers of government.

Federally, we see organizations like the Department of National Defence outsourcing management of real estate to the private sector. The Ontario Realty Corporation has announced a major restructuring and downsizing. This trend represents opportunities for greater private sector involvement in the management of the Crown's real estate assets.

We will continue to monitor these and other issues, as they form the basis of our various programs.

Judith Amoils

1996-97 Council

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Around Queen's Park

by Andy Manahan

Proposed Tenant Protection System

On June 25th, Minister of Municipal Affairs and Housing Al Leach announced proposals to reform Ontario's rent control system. The Standing Committee on General Government heard presentations in Toronto and in eight other cities up to September 5.

Under the proposals, rent guidelines would not apply to new construction, but would apply to sitting tenants. There is a "decontrol/recontrol" twist, in that, once a unit became vacant, it also would not be subject to rent controls: the new rent would be based on negotiation between the landlord and tenant. However, once the new rent had been set, rent guidelines would apply.

It seems the Province did not contemplate that turnover might be problematic during soft markets when rents on vacant units might actually decrease. When the rental housing market recovered, landlords of these units would be limited to the guidelines because of recontrol, not to what the market would then bear. Among other things, this would make planning for capital expenditures more difficult.

Industry groups have called for Ontario to completely phase out rent controls, to rebuild private sector confidence. In addition, in order to bridge the gap between economic and market rents, other measures called for in the Lampert report must be implemented: fairer GST treatment, more equitable property taxes and removal of capital taxes. The Government intends to repeal the Rental Housing Protection Act. (See the report on OLE's position paper, on page 2.)

Crombie Panel

The Who Does What panel, set up May 30 under chair David Crombie, has an enormous mandate: to begin a complete overhaul of the delivery and funding of government services at the provincial and municipal levels. Goals are to reduce waste, duplication and the overall cost of government. Some recommendations have already been made. Lots more are coming.

(See the article on page 2 of this issue for property tax and assessment issues.)

Consultation on Reforming Environmental Protection

The Ministry of Environment and Energy has released a consultation paper on reforming 80 regulations, to streamline operations, reduce red tape and remove barriers to job creation. The document, entitled Responsive Environmental Protection, is available on the Internet (www.ene.gov.on.ca). Among the proposals are:

* removing the requirements for Certificates of Approval for environmentally insignificant activities and implementing a Standardized Approval Regulation instead
* improving the Environmental Assessment process
* streamlining the process for delivery of training, certification, licensing and accreditation

Regulations concerning air quality, energy, pesticides, spills, waste management and water quality are also under review.

Environmental groups say the Environmental Bill of Rights registry has had too many notices, which obscures matters of environmental significance: a new classification system will be developed, so low-impact proposals won't have to be posted.

The consultation period ended in mid-September. Now, MoEE is developing draft regulations and non-regulatory approaches.

Land Transfer Tax Rebate

The rules for Land Transfer Tax rebates for first time home buyers have been changed to accommodate the longer closing periods for condominium purchasers. The refund is available to purchasers who occupy their new homes (principal residence only) up until the end of December 31, 1997. The deadline for application for the refund has been extended by one year to December 31, 1988. Maximum LTT rebate remains at $1,725.

Building Code Changes

The requirements introduced in 1993 by the previous Housing Minister for full height basement insulation and drainage layers in new houses will no longer apply. This returns Ontario to the standard of construction used in the rest of Canada. A Ministry press release estimated these changes will save new home buyers approximately $1,000.

Contaminated Sites

The new Guideline for Use at Contaminated Sites in Ontario contains generic clean up criteria for many more organic and inorganic elements. Requirements differ, depending on whether the land is to be used for agricultural, residential/parkland or commercial/industrial uses, and whether ground water is potable or not. Proponents may use background levels (defined) or site specific risk assessment instead.

More flexibility is allowed through such new concepts as stratified clean up (more stringent criteria met in the top 1.5 m below grade), and risk management measures undertaken with the agreement of the municipality. If either of those is used, notice must be registered on title to advise future owners.

Much more of the onus for compliance is placed on owners and their consultants: an accreditation program for consultants will be developed to ensure consistency, but there will be no sign off by MoEE. While industry has cautiously welcomed the new guideline, concerns about ongoing liabilities and difficulties in meeting financing requirements continue.