

2017-2020 Assessment Update For Multi-Residential Properties

GTAA Seminar
December 6, 2016
20 Upjohn Road, Toronto, ON

2012 to 2016 Current Value Assessment Impact for the GTA

Region	Municipalities	Class	2012 CVA	2017 CVA	Total Increase	% Change 2016/2017
9	City of Toronto	MT	\$30,554,655,413	\$46,968,968,553	54%	13%
		NT	\$1,464,780,718	\$1,996,275,891	35%	9%
13	Ajax, Brock, Clarington, Oshawa, Pickering, Scugog, Uxbridge, Whitby	MT	\$1,631,980,580	\$2,362,344,509	45%	10%
14	Newmarket, Richmond Hill, Vaughan, Whitchurch-Stouffville	MT	\$2,059,609,049	\$2,655,693,904	29%	7%
15	Brampton, Burlington, Caledon, Halton Hills, Mississauga, Oakville, Milton	MT	\$7,792,710,900	\$12,092,067,600	55%	13%
		NT	\$32,132,000	\$39,975,300	24%	2%

Appeal Dates and Costs

- Appeal deadline for all properties in the multi-residential and new multi-residential tax class is March 31, 2017.
- Dependent on the date the 2017 assessment notice was issued, the Request for Reconsideration value will vary. Your deadline date will be identified on your assessment notice.
- Appeal fees have been increased by the Assessment Review Board (ARB) for 2017 from \$150 per property to \$300 per property.

Reasons to Appeal – Potential Issues

- Change of valuation model by MPAC;
- High increase in assessment year over year in the GTA;
- Some cap rates not representative of the actual market, dependent on property age and location;
- Market expense ratios being applied by MPAC, not reflective of actual expenses for each property;
- Standard vacancy applied; does not account for properties with above average vacancy;
- Potential gross income calculated on “market” rents, does not take into consideration rent control.

Multi-Residential Tax Freeze

- November 14th 2016 Finance Minister Charles Sousa announced a freeze on the property taxes applied to apartment buildings;
- The freeze would apply to the class as a whole, possibly limiting the amount the Municipality can collect from the class (ie: 2017 tax base would be equivalent to what was collected for 2016);
- Freeze is likely to be applied to Municipalities with a multi-residential to residential tax rate ratio over 2.0;
- Freeze would include vacant land in the multi-residential tax class.

Tenant Rent Reductions/Above Guideline Increases

- Depending how tax base is reallocated, property owners may find their year over year taxes decreasing over the 2.49% threshold despite large increases in assessment.
- The freeze may result in more tenant rent decreases year over year than experienced in the past.
- Due to the limitation of the increase in taxes, this will likely have an impact on landlords applying for above guideline increases on rent.

Questions?

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