



CANADA – February 2022

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NOVA SCOTIA

Property assessments rise, tax bills increase

The hot real estate market that has favoured sellers over the past year-and-a-half has come home to roost, resulting in increased property taxes for all residential properties in the province.

The highest increase in property values issued last month can be found in Mahone Bay, with a jump of 20.6 per cent. The increase provincially is 10.8 per cent.

The Municipality of the District of Guysborough's (MODG's) residential assessments for 2022-2023 are up approximately 6.81 per cent over the previous year, which equates to approximately \$132,000 in additional residential taxation, pending any appeals.

MODG CAO Barry Carroll told The Journal via email, "The increase on the capped assessments [as determined by provincial legislation for eligible residential properties] was 5.4 per cent and that was determined by the assessment agency [CPI factored into that]. The additional 1.4 per cent that MODG received was from new construction and on properties that were sold, thus changing the cap value."

Lloyd MacLeod, the acting director of Property Valuation Services Corporation (PVSC), which evaluates properties in the province, spoke to The Journal last week about the rise in property assessments.

MacLeod said the increase, "is a result of property sales transactions that took place in the province between Jan. 1, 2020 and Dec. of 2020 ... If you remember back, COVID started around March of 2020 and probably around July

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we started to see more activity – and that’s carried through even to today. More sales, higher sale prices right across the board.”

Asked if he thought the trend of increased sales and high prices would continue, MacLeod said he thought it was likely.

An increase in taxation due to rising property assessments could be a financial burden for some, especially with the pandemic continuing to impact employment. Property owners can file an appeal of the latest assessment with the PVSC until Thursday, Feb. 10.

The success rate of appeals is approximately 50 per cent, MacLeod told The Journal, noting that, “Appeals have been going down steadily for the last number of years, and we’re actually, at this date, we’re a little lower than we were last year, but they are not all value related. There are different reasons why; some people might appeal because there’s been a name change and the name didn’t get changed, others maybe something happened to the property, like physically happened to it – like a fire or something like that – that we weren’t aware of at the time. And some are just people felt that their value is too high.”

The MODG has a low-income tax exemption that was raised last year from \$25,000 to \$30,000, an exemption that MODG Warden Vernon Pitts told The Journal, “I don’t foresee any change in that formula going forward.”

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NOTE: Eligibility criteria for a capped assessment:

At least 50 per cent owned by a Nova Scotia resident

Residential property with less than four dwelling units or vacant resource.

Annual assessed value greater than the annual capped assessment.

Ownership remained within the family.

Owner occupied condominium.

Manufactured home.

Manufactured home park, co-operative housing, residential or resource portions of commercial farm.

Source: Capped Assessment Program (CAP)

<https://www.pvsc.ca/en/home/howassessmentworks/programsweadminister/cappedassessmentprogramcap.aspx>

ONTARIO

Toronto considers new tax for homeowners to help curb soaring house prices

Toronto City Council will consider asking the provincial government to introduce a home speculation tax during a meeting this week, as it continues to look for new ways to rein in the city's soaring home prices.

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The idea was first proposed by Eglinton-Lawrence Coun. Mike Colle during the December meeting of city council before being referred to Mayor John Tory's executive committee for further consideration.

At a meeting scheduled to begin tomorrow, councillors will have the final say on whether the city will formally ask Queen's Park to implement a "home Speculation and home flipping tax" locally.

It is not immediately clear what form such a tax could take, however in his original motion Colle referenced a 50 per cent land speculation tax that was "credited with slowing the extreme increase in property values in Toronto in the 1970s."

"If you look at the foundation of all the policies we've adopted in terms of trying to improve the availability of housing, including affordable housing, a lot of it has been with a view to placing first the notion that people are to live in homes and homes or for people to live in," Mayor John Tory told reporters during a briefing at city hall on Tuesday.

"Homes are to invest in as well but you can never let the financial aspects of this surpass the obligation that we have to find more homes for more people to live in, hopefully as affordably as possible. So it is something that I think is a worthwhile signal for us to send as a city council given the challenge we face in terms of finding housing for people in our city."

Real estate prices in Toronto have soared since the onset of the pandemic with the average price across all residential property types hitting a peak of \$1.095 million at the end of 2021.

The city's real estate board has in the past spoken of a need to increase supply to bring housing prices under control but in a letter sent to Tory's executive committee last month it warned that a speculation tax "could primarily impact small-scale mom and pop investors who also happen to be a key source of supply."

"TRREB strongly believes that public policy targeted at the housing market should be evidence-based. In this regard, it is not clear that another speculation tax on the sale of non-principal residences will have any sustainable benefit with regard to housing affordability, and in fact, could create numerous unintended consequences that would cause new challenges for homeowners, buyers, and renters," TRREB President Kevin Crigger said in the letter.

Toronto city council does not have the authority to impose a house speculation tax on its own and would need the provincial government to pass legislation putting such a tax in place.

SASKATCHEWAN

Saskatoon - Formal assessment appeal deadline Friday

The city is reminding property owners, residential and commercial, that Friday is the last day to file a formal assessment appeal with the Board of Revision regarding the valuation, classification or content of property assessment.

A property owner does not need to receive an assessment notice in 2022 to file a formal assessment appeal this year. Information on the appeal process and required fees can be found at saskatoon.ca/assessmentappeals.

The 2022 Assessment Notices were mailed only to residential and commercial property owners who since Jan. 1, 2021, had a change to their property's assessment, tax status or ownership.

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To pose questions on property assessment, tax class, or exemption status, call Assessment and Valuation at 306-975-3227.

Most assessment-related questions can be resolved by speaking with an assessor before deciding to proceed with a formal appeal with fees, according to the city. Property owners can also review the detailed assessment and tax information the city has on file about their property by entering the property's address into the Property Assessment and Tax Tool.

To proceed with a formal Notice of Assessment Appeal, mail or deliver your cheque/money order for the fee before Feb. 4, to:

The Secretary, Board of Revision
c/o City Clerk's Office
222 3rd Ave North
Saskatoon, Saskatchewan S7K 0J5

Property owners also have the option to apply for and pay online for property assessment appeals. Information on this new process is available at saskatoon.ca/assessmentappeals.

Assessment appeal hearings are public hearings. All documents filed for an assessment appeal are public records, subject to certain exceptions in The Cities Act or a confidentiality order made by the board, and will be posted on the city of Saskatoon website

The city's 2022 assessment roll, a listing of all property assessments in Saskatoon, has been open for public inspection since Jan. 4, and will remain open until Feb. 4. Due to COVID-19 protocol, public inspection is by appointment only, call 306-975-3227 to book an appointment or to speak with an assessor.

Visit saskatoon.ca/assessment for more assessment information including how to make a change to school tax support, and other important dates in 2022, or call 306-975-3240 for more information on the Board of Revision assessment appeal process.

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