IPTI Xtracts

Property Tax and Assessment News from Around the World

CANADA – February 2022

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HOW CURRENT ARE YOUR CITY'S PROPERTY ASSESSMENTS?

"To best reflect the changes inherent in a dynamic economy and to maximize fairness and ease of understanding, assessments should be based on the current market value of property. Values in one area may increase, whereas those in another may decrease or stabilize. Property taxes then shift to areas with increasing wealth as measured by property value. Only a system requiring current market value acknowledges these changes in local economies and the distribution of property-related wealth."

Source: International Association of Assessing Officers (IAAO) Standard on Property Tax Policy – 2020

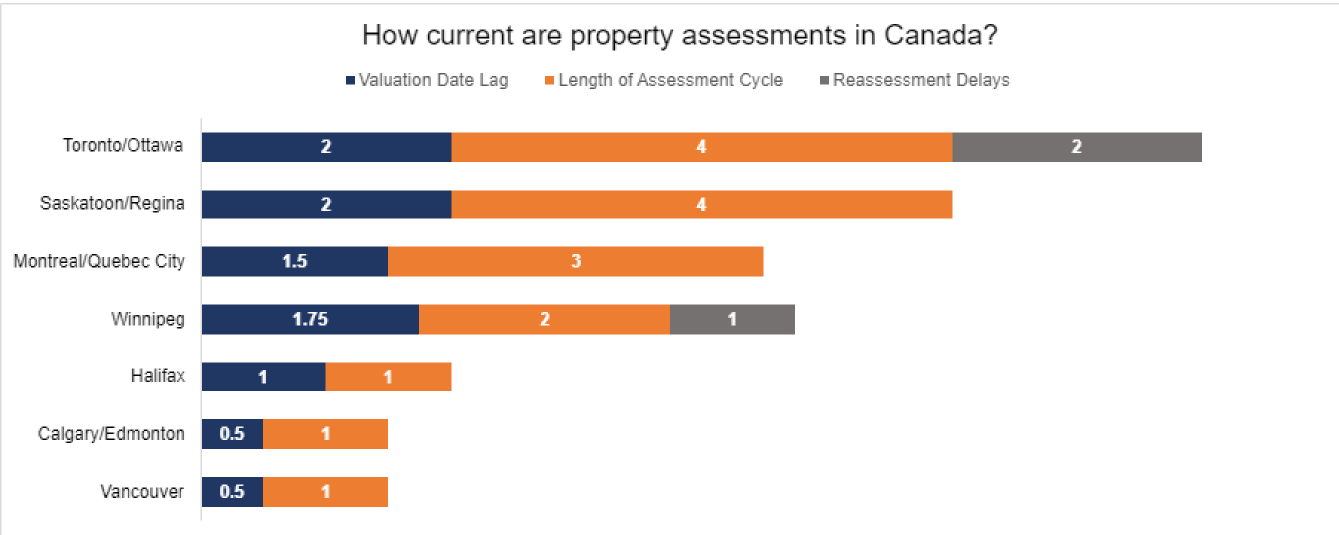
Determining the fair distribution of property taxes

When property assessments reflect the actual current market value of all properties in a jurisdiction, then it is generally accepted that the property taxes are fairly distributed among property owners, subject only to variances in the tax ratios determined by local taxing authorities.

There are two key variables that determine the fair distribution of property taxes: the tax ratio and how current the assessments of properties are kept. In Canada, the frequency of assessment updates and currency of assessed values is governed by the Provincial Governments.

How current are property assessments in Canada?

The graphic below illustrates both the frequency of assessment updates and the currency of assessed values for each of the 11 major urban centres covered in this report.



The blue bar / Valuation date lag shows how current the assessments are in each city. The currency of the assessment is measured by the time lag from the base valuation date of the assessments to January 1 of the first taxation year for which the assessments apply. Assessments are the most current in Vancouver, Calgary and Edmonton where the assessment valuation date is only six months prior to the first taxation year. Assessments are the least current in Toronto, Ottawa, Saskatoon and Regina where the assessment valuation date precedes the first taxation year by two years.

The orange bar / Length of assessment cycle shows the frequency of assessment updates measured by the number of years between assessment updates. Assessment updates are the most frequent in Vancouver, Calgary, Edmonton and Halifax where assessments are updated annually. Assessment updates are the least frequent in Toronto, Ottawa, Saskatoon and Regina where assessments are only updated every four years.

The combined blue and orange bars indicate how many years outdated the market value assessment is by the end of an assessment cycle. As market values change over time, at differing rates, outdated assessments create inequities, or unfairness, in how property taxes are distributed among classes of properties and between property owners within the same tax class.

The grey bar / Reassessment delays represents the number of years a scheduled update of assessments has been postponed. Winnipeg was scheduled to update assessments to reflect market values as at April 1st 2020 for the 2022 taxation year. That reassessment has been postponed by one year. Toronto and Ottawa were scheduled to update assessments to reflect market values as at January 1st 2019 for the 2021 taxation year. The

Province of Ontario has delayed that reassessment for 2 consecutive years and, at the time of writing this report, has yet to confirm whether an assessment update will occur for the 2023 taxation year.

Combining the lag in valuation dates and the length of the assessment cycle shows that Vancouver, Calgary and Edmonton are the Canadian poster children, having assessments that are never more than a year and a half out of date. These factors combined foster a fair system for the distribution of taxes most in line with the IAAO standard.

At the other end of the spectrum Saskatoon, Regina, Toronto and Ottawa have the least current systems of assessment, where assessed values are 6 years behind by the end of an assessment cycle. With the Provincial delay in assessment updates, Toronto and Ottawa's assessments would now be 8 years outdated, under current legislation, by the end of 2022.

Winners: the most current property assessments in Canada

Full marks to British Columbia, Alberta and Nova Scotia for keeping their assessments current.

Want to know where your city stands?

Access the complete 2021 Canadian property tax rate benchmark report for property tax rates in major urban centres across Canada.

What are the consequences of outdated property assessments?

When assessments are allowed to become more outdated, inequities, or unfairness, in the distribution of taxes creeps into the system. The result is typically large shifts in relative assessments, between property tax classes and amongst properties within a tax class, when the next reassessment does occur. This shifting of tax burdens normally leads to outcries from those groups of taxpayers who had previously been under taxed and are now facing the largest tax increases. The political reaction to this is normally the implementation of tools to mitigate the tax shifts such as the phase-in of assessment changes, capping of tax increases, or changing tax ratios. All these measures only entrench the inequities of assessment, caused by outdated assessments, into inequities of taxation. Those properties that weren't paying their fair share continue to be undertaxed while those properties that were overtaxed continue to be overtaxed.

The Province of Ontario went through a period from 1969 to 1998 where assessments were "frozen", no reassessments occurred. At the time the Residential Tax Rate was 85% of the Commercial Tax Rate in both Toronto and Ottawa, representing a Tax Ratio of 1.18. When the Province moved to market value-based assessments in 1998 the shifting in tax burdens, that would have resulted from correcting the inequities in assessment which developed over the preceding 29 years, forced the Province to introduce numerous tax classes, sub-classes and optional classes on top of capping tax increases and clawing back tax decreases, introducing graduated tax rates and later the phase-in of assessment increases.

The hangover from this unprecedented delay in updating assessments remains in Toronto and Ottawa to this date, having the greatest inequities in taxation and the least transparent tax system of all the cities covered in this survey. Consequently, their tax ratios have moved from 1.18 to 3.44 and 2.37 respectively. And it could only get worse for these cities with the pending introduction of a Small Business Tax Class and/or if further reassessment delays occur.

BRITISH COLUMBIA

Provincial Property Tax Bills Delayed By A Month

New Brunswick homeowners will have more time to pay their property tax bills this year.

As government continues to examine the provincial property framework, 2022 property tax notices will be issued on April 1st, four weeks later than planned.

“In light of recent developments in the real estate market, we are taking a closer look at the provincial property tax system which is resulting in a short delay for property tax bills this year,” said Finance and Treasury Board Minister Ernie Steeves. “Any changes to provincial property taxes and potential relief to renters will be communicated to New Brunswickers once a decision has been made.”

A delayed bill will also mean more to time to pay – property owners will have until the end of June to pay their property tax without penalty.

Anyone taking part in the equalized payment plan will get a letter telling them how their 12-month equalized payment cycle will be maintained.

Albreda property owner shocked at 230 per cent assessment hike

An Albreda property owner couldn’t believe his eyes when he opened his assessment notice this year. His 20-acre parcel in Albreda south of Valemount was assessed at $288,000, a 230 per cent increase from the previous year.

Ryan Allen bought the land for $65,000 12 years ago, and it went up $1000/year on average prior to this year.

He plans to build a house on the land, but with assessments this high, he’s worried about the tax impacts if he builds.

“(For the land alone) I’m going to end up paying $1,400 a year (in taxes) for a piece of raw land you can’t really do anything with,” he said.

Other properties have skyrocketed too, due to a spike in the value of land (no similar increase for the buildings): for example, one property jumped from $235,100 to $637,600 for a trailer on 132 acres (the land alone increased from $175,000 to $580,000). Another parcel jumped from $172,000 to $571,000 for 146 bare acres.

BC Assessment uses recent property sales to determine assessments for similar properties. Allen said one property that sold last year for 350,000 had been on the market for 13 years before it sold to an out-of-town buyer.

“I don’t know where else these properties are selling that are driving ours up so bad.”

Beau Rossel, Deputy Assessor for the Northern BC Region for BC Assessment said Albreda properties went up disproportionately this year as a result of their being undervalued in previous years, he said.

“Some values in the Albreda area have increased more than the average rural property near Valemount,” he said. “These increases are due to a recent reassessment of land values in that pocket area.”

He said they typically have not seen many sales south of Valemount, but recent market activity “indicated that assessed values had been quite low and, after market analysis, we determined new values for the 2022 assessments.” He said the 2022 assessments are similar to other rural properties in the larger rural Valemount area, and much more in line with current market conditions.

The Goat asked if there were any “checks and balances” to shield property owners from dramatic one-year increases. Rossel said the Assessment Act directs them to assign market value to a property based on its likely sale price on July 1st the previous year “to ensure the basis of equitable taxation for all owners.”

“A large change in the assessed value from year to year does not necessarily indicate that the value is incorrect,” he said.

But Allen points to the fact that Albreda lacks the services that are available to similar properties further north, like cell service.

“What is going on here? It’s one thing to have an increase but in a place with no services, these kinds of increases are going to push anyone local out.”

Allen said they owned a house in town and sold it so they could move to their Albreda property, but they’ve run into myriad problems in developing their property, including delays with BC Hydro.

He said he will file a complaint with BC Assessment but he worries about the future too.

“What’s going to happen around here when all the pipeliner guys are gone? With all these super overpriced properties?”

“There’s not enough work, not enough living wages, for people around here to survive on, if they think jacking up the property values around here 300% is going to help, it’s not when it finally crumbles down.”

NEW BRUNSWICK

New Brunswick landlords concerned by record high property assessments

New Brunswick landlords are sounding the alarm over what they say are skyrocketing property assessment increases from the province.

“The latest increases we received are averaging around 42 per cent, an increase that’s extreme in our minds” says president of the New Brunswick Apartment Owners Association (NBAOA) Willie Scholten.

“We’ve never seen increases like this ever in New Brunswick.”

The NBAOA, which represents about 70 per cent of the rental units in New Brunswick, estimates it will result in over $50-million more in taxes every year.

“The landlords that have been calling me have seen anywhere from 20 per cent to 120 per cent [increases],” says Scholten. “The result is taxes that are probably going to result in over $100 [rent] increases in a lot of cases.”

The provincial opposition is calling for action on the issue from the Higgs government, in particular, a cap on assessment increases.

"We have a temporary infusion of investments where outside investors are buying these apartment buildings, and it's adding to a temporary increase in the value of these properties," says Opposition Leader Roger Melanson.

The NBAOA also cites what's been dubbed the 'double tax' in New Brunswick as another issue facing its members, but Acorn New Brunswick says eliminating that could make the situation worse for renters.

"In fact, what we have heard from other experts within the province, is that if you were to axe these taxes, what could happen is it could incentivize real estate investment trusts and financialized landlords to come into the province and buy up more housing," says chair of Acorn NB Sarah Lunney.

Lunney says what's needed in New Brunswick is rent control.

NOVA SCOTIA

New Property Tax Could Penalize Out-Of-Province Home Owners

The Nova Scotia Association of REALTORS (NSAR) has some concerns over a proposed out-of-province homeownership tax.

If passed, the tax would triple property taxes for those who own a home in Nova Scotia but reside elsewhere.

Roger Boutilier, the CEO of the NSAR, says the organization's approximately 1,900 partners have been getting a lot of questions about how the tax would impact people who own second homes here; questions they can't answer.

"It's kind of frustrating, embarrassing that experts in the industry can't answer their clients intelligently at this point," Boutilier says.

"Creating policy without consulting experts"

The proposed tax comes out of a fall mandate letter from the recently formed Houston government.

The NSAR has sent multiple requests for a meeting to discuss the proposed tax to the government, only to be told that staff will consult with industry stakeholders after a draft is done.

"That scares me, quite frankly, because [the staff] are not experts in any way shape or form on the real estate industry and on the unintended consequences or the impacts of any policy they may propose," Boutilier says.

He's worried that by the time the government is ready to include stakeholders in the process, it may be too late to make changes.

"It's disappointing that our new provincial government is creating policy without consulting experts and the people impacted by it."

Unintended Consequences

While the NSAR isn't sure what the intent of the proposed tax is, Boutilier says, he thinks it's an attempt to increase the housing supply in Nova Scotia – one that members feel will have unintended consequences.

“There will be less construction, less renovation, less purchasing at local restaurants and shops,” John Duckworth, Broker of Duckworth Realty says. “It will result in Nova Scotia getting the reputation that you will be penalized if you want to have a second home here. We’re telling these people to go somewhere else; we don’t want you here.”

The impact on Nova Scotia’s economy will be most felt in rural communities, where vacation homes are often located, Boutilier says.

To increase housing stock, Boutilier says we need to make homes more affordable.

The answer may lie in smaller building lots, he says, so builders spend less – and can charge buyers less.

Boutilier proposes several solutions to the current housing crisis, such as legislative changes around the required road frontage for new builds, more density building and constructing semi-detached and link homes, which are more affordable.

Looking ahead

As of Feb. 11, the NSAR has not been invited to meet with the government.

“We just want to be part of the criteria,” Boutilier says. “We’re not saying we’re totally against this, but we need to understand what the intent is and what the criteria is going to be.”

The association heard from the Minister of Finance last week that they’re assessing policy and implementation options and will be in touch to schedule a meeting, says Paige Hoveling, spokesperson for the NSAR.

She’s optimistic they will hear more soon.

The Minister’s office hasn’t responded to a request for comment.

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 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 council passes 'COVID-19-era budget' with average property tax hike of $141

City seeking $1.4B from province, feds to cover budget shortfall

Homeowners in Toronto can expect an average increase of $141 on their tax bills after city council passed what Mayor John Tory described as a "COVID-19 era budget" Thursday — one that will increase property taxes by about 4.4 per cent.

But the city says it still needs more cash from higher levels of government to avoid dipping into an "emergency backstop" of funds this year to maintain services in face of budget shortfalls brought on by the pandemic. The city went into the budget meeting with a gap of about $1.4 billion in COVID-19 costs it expects the federal and provincial governments to cover.

Some of that gap will be covered by a funding boost from the Trudeau government, which announced Thursday an extra $750 million for transit services across Canada that saw ridership dip during the pandemic.

Speaking to council Thursday, Mayor John Tory welcomed the news.

"It brings us some distance along on the transit part of this," he said.

"As members will know, the transit part is a significant part, but by no means all of the shortfall that we have."

Budget breakdown

The total 2022 operating budget, which pays for day-to-day expenses like transit, police and parks, is $14.99 billion. The 10-year capital budget, which funds infrastructure projects, is $46.61 billion.

The average cost of $141 to homeowners comes from two areas: $93 from a residential property tax increase of 2.9 per cent, plus $48 from a 1.5 per cent increase to the "city building" levy that pays for housing and transportation. The average home in Toronto is pegged at around $697,000.

Small business owners, on the other hand, are getting what many say is a much-needed 15 per cent property tax reduction, given the stress the pandemic has put on their bottom lines.

"For council to have taken this on at a time, quite frankly, where they had their own financial challenges, it is something that is a move in the right direction," said John Kiru, who heads the Toronto Association of Business Improvement Areas.

Budget 'good and responsible,' Tory says

Ahead of Thursday's meeting, Tory said council was voting on a "COVID-19-era budget," saying the pandemic has put considerable pressure on critical services and delivery costs.

"I strongly believe this is a good and responsible budget for the city," said Tory during a news conference.

Tory's critics, however, said the city should spend more to deal with serious issues, including affordable housing, public transit infrastructure and climate change.

Wednesday, 59 Toronto-based organizations made an urgent call to Tory and councillors to re-evaluate some of the spending in this year's budget. The organizations, including the Toronto & York Region Labour Council and TTCriders, said the budget limits potential revenues and increases spending on police while underfunding critical programs and services.

The groups also said the city is moving too slowly on strategies and frameworks that council has already endorsed.

"Of the many things missing from the budget, the most glaring is a sense of urgency and a commitment by the city to do everything within its powers to build the Toronto we need and deserve," the organizations wrote in a statement.

'Wartime budget'

The budget also faced some pushback from Deputy Mayor Denzil Minnan-Wong, one of the more conservative voices on council. He said some residents will have concerns over the size of property tax increase, even though COVID-19 has starved the city of revenue and Toronto has one of the lower property tax rates in the GTA.

"This is like a wartime budget," he said. "But I think as we move forward we have to move toward peacetime spending."

Coun. Gord Perks, who represents Ward 4, Parkdale-High Park, was another critic. He tried to get council to divert $10 million from the $1.1-billion police budget, which is rising by two per cent, and spend it on initiatives to help people experiencing homelessness.

Coun. Gord Perks pushed to divert $10 million from the $1.1-billion police budget and spend it to house more people experiencing homelessness. His motion failed. (CBC News)
"Specifically, I think it is more important to give the police 99 per cent of what they asked for and to house an additional 1,000 people," said Perks. His motion did not succeed.

Some motions that did pass garnered funding for:

- Expanded violence intervention in hospitals.
- More bylaw officers.
- Menstrual supplies at shelters.
- An end to fines at the Toronto Public Library.
- A seniors' digital literacy project in Toronto Community Housing.
- Lighting at the Christie Pits skateboard park.

Other successful motions involved advocacy, such as:

- Calling on the provincial and federal governments to hammer out a deal on child care.
- Calling on the province to change the legislation that requires police officers under criminal investigation to be suspended with pay.

The budget also included $135 million in new investments, including money to hire new 62 front-line paramedics, expand sidewalk snow clearing across the city and restore TTC service to pre-pandemic levels.

A reversal of fortunes for Toronto's office market

Investment activity in the sector surged during Q4 2021, new report says

The Toronto office market saw a significant rebound in its valuation in the fourth quarter of 2021 after spending seven consecutive quarters as the region’s least-traded asset class, according to Avison Young.

Total investment activity in the sector reached $1.4 billion in Q4, increasing by 106% on a quarterly basis and accounting for 18% of the GTA's total for that period. The Toronto office market's full 2021 total reached nearly $2.8 billion, up by 99% annually.

"Suburban assets continued to predominate among the quarter's largest transactions, accounting for four of the top five," Avison Young said. "Downtown activity will likely receive a boost in the first quarter of 2022 with the pending sale of Royal Bank Plaza by Oxford Properties and CPP."

Data from CBRE indicated similar trends, registering a Q3-Q4 decrease in downtown Toronto's office vacancy rate from 9.9% to 9.7%.

"We have seen a huge pickup in demand for Toronto and Vancouver," said Jon Ramscar, CBRE's managing director for downtown Toronto. "We are not seeing it slow down."

CBRE is anticipating the tech sector to spearhead the resurgence of the office market in Canada's largest cities.

"The pandemic has accelerated the digital transformation of our businesses and economy," said Juana Ross, Toronto research director at Cushman & Wakefield. "We are looking at tech leading the recovery and becoming one of the biggest demand drivers in office space in Toronto for the foreseeable future."

A new home speculation tax would harm, not help the real estate market

Home prices would plummet, as they did with the new levy in '74. I vividly recall that the housing market crashed overnight, writes Bob Aaron

My award for the worst real estate idea of the year — possibly the decade — goes to Toronto city council for approving a motion to push for a provincial tax to stop home speculation and home flipping.

Coun. Mike Colle introduced the motion and it was approved by a 21-4 vote at council last month.

The motion claims that "out-of-control housing prices are fuelled by real estate speculators and home flippers ('investors') who are buying multiple properties other than their principal residence."

Colle's motion completely ignores record-low interest rates and demographics, which are the prime factors driving market price increases.

With the record low rates, and more "real" buyers entering the market, the demand for real estate increases — investors or no investors.

Colle's motion fails to make the necessary connection between the rise in home prices and the involvement of investors in perhaps 25 per cent of the market.

The motion also does not consider the inevitable effect of a speculation tax on the residential real estate market.

Colle is a former economics teacher who was in his twenties when the Bill Davis government introduced a 50 per cent land speculation tax on April 9, 1974.

In the motion's preamble, Colle says that tax is credited with "slowing the extreme increase in property values."

That's a wild understatement. The Davis government's land speculation tax caused what was probably the worst market crash since the Great Depression of 1929.

I was a young lawyer when the “spec tax” was introduced, and I vividly recall that the housing market crashed overnight. I spent days fielding call after call from panicked buyer clients who wanted me to do anything at all to get them out of pending deals after the values of the properties had crashed. And numerous calls from worried sellers who wanted to make sure their deals closed as written.

Lawsuits between buyers and sellers dragged on for years and the tax turned out to be a bonanza for litigation lawyers. Figuratively, there was blood in the streets as homeowners saw their equity wiped out overnight.

A new provincial land speculation tax would cause home prices to drop sharply as they did in 1974. It would also result in years of litigation, foreclosures, powers of sale and bankruptcies as millions of Ontario homeowners would see their home equity wiped out. The damage to our society would be incalculable.

Government intervention in the real estate market rarely produces positive results. A sharp market crash followed the Ontario government’s introduction of the 15 per cent Non-Resident Speculation Tax on April 21, 2017. Litigation in the wake of that crash is still ongoing.

In my own practice, a number of clients walked away from hundreds of thousands of dollars in deposits when they could not sell their existing homes for enough money to finance a signed purchase agreement for a second home. At the same time, their lenders cut back on the amount they were willing to advance in the face of a significant drop in market value.

My message to Premier Ford is this: please do not interfere in the Ontario real estate market. No good things would result from a new speculation tax.

Bob Aaron is a Toronto real estate lawyer and a contributing columnist for the Star.

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.

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

Regina city council seeks more info before voting on proposed COVID-19 tax relief

Regina city council says it needs more information before voting on whether to deny three COVID-19 property tax relief requests and instead approve a payment plan program for those experiencing pandemic hardship.

At an executive committee meeting Wednesday, city administration recommended members deny requests from the Regina Downtown Business Improvement District, the Regina Warehouse Business Improvement District as well as the Regina Hotel Association (RHA) made in the spring of 2021.

In an attempt at fairness and fiscal responsibility, it asked council to instead approve a payment plan that would reduce the penalty rate for all property owners, both commercial and residential, who are in tax arrears. To administration's knowledge, the City of Regina would be the first major Canadian city to implement such a program.

"I do sincerely appreciate the juggle in terms of the importance of collecting property taxes to … support city operations as well as just the equality and fairness you've highlighted in the report," Mayor Sandra Masters said during the meeting.

Citing a devastating impact on the hotel industry due to the pandemic, the RHA requested a 25 per cent reduction in municipal property taxes for 2021, which would result in a loss in revenue for the city totalling $954,540.

Both RDBID and RWBID asked for a one-time tax credit for all member properties equal to the levies paid for 2021, which would require a withdrawal from the General Reserve Fund of $1.16 million.

"Hotels have and continue to suffer devastating revenue losses during the COVID-19 pandemic and continue to struggle with overwhelming fixed costs with little revenue generation ability. Property tax represents the largest of these fixed costs for hotels."

In a letter dated March 2, 2021, RDBID stated members' customer base dropped from 30,000 to 4,500.

"Many of our downtown businesses have accessed the Regina Economic Recovery Grant to assist with their transition to the post-pandemic landscape," the letter said. "While this Grant has been helpful to many, there are still many others who continue to struggle. For Downtown Regina to truly recover from the pandemic additional supports are urgently needed."

In its own letter to the city, RWBID supported RDBID's request, stating it provided insights into the challenges also faced by the Warehouse District.

In March 2021, council referred these requests to the city's Recovery and Efficiency Task force for consideration. It recommended they be denied.

"The Task Force recognizes that the impacts of the COVID-19 pandemic are widespread in the community and are not limited to specific areas or locations within the City," said administration's report. "They provided that all properties should pay their taxes and if additional support is to be provided, it should be in the form of a property tax deferral with flexible payment options."

The "arrears payment plan program" recommended by administration would establish a reduced penalty rate of 0.75 per cent on outstanding property taxes. The current penalty rate is 1.5 per cent from July to December. That rate increases to 1.75 per cent past Dec. 31 of the year owing.

While Masters agreed with the recommended denial of RDBID and RWBID's requests, she had concerns about the proposed payment plan program and wanted more information before making a decision on the RHA's application.

She sought information on whether or not RHA members qualify for recent federal aid announced for hotels, and worried about unique impacts to hotels as the pandemic drags on including a property tax reassessment due in a few years that is based on income.

"I think there's probably something that needs to weigh in here in terms of council's decision," Masters said.

She also echoed a desire voiced by Coun. Bob Hawkins (Ward 2) to have more data on potential uptake of the payment plan program, adding a request for information on penalty rates in other jurisdictions as a reference point.

In the end, council agreed in a 9-1 vote, with Coun. Landon Mohl (Ward 10) against and Coun. Daniel LeBlanc (Ward 6) absent, to table the report until March 9, at which point administration will provide a supplemental report for further consideration.

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.

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.