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October 17, 2005

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## **BRIEFING NOTE:**

### **Property Assessment Notice 2005 – for the 2006 Taxation Year**

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#### **Issue:**

Further to my Briefing Note of September 22, 2005 titled “Property Reassessment for 2006 Taxation”, the Municipal Property Assessment Corporation (MPAC) began mailing Property Assessment Notices to all property owners in the City of Toronto on October 17, 2005. The notice, which is titled “Property Assessment Notice 2005 – for the 2006 Taxation Year”, advises property owners of the current assessed value of their property based on a January 1, 2005 valuation date.

MPAC recently forwarded an information kit to each of the Councillors’ offices regarding the assessment process. The kit provides a sample Property Assessment Notice, a copy of the information insert included with every Notice, a fact sheet and a brochure entitled “Understanding Your Property Assessment”. Additional brochures and information kits are available through MPAC by calling, toll free, 1-877-635-6722 ext. 6152.

MPAC will be hosting an information session for Councillors and their staff on **Thursday, October 20, 2005 at City Hall, Committee Room 2, from 1:30 to 2:30 p.m.**

#### **Background:**

In 1998, the Province of Ontario reformed the property assessment and taxation system in Ontario with the implementation of Current Value Assessment (CVA). The CVA of a property represents an estimated market value, or the amount the property would sell for in an open market – an arm’s length sale between a willing buyer and a willing seller.

For 1998, 1999 and 2000 taxation years, properties were taxed on their CVA based on a June 30, 1996 valuation date. For 2001 and 2002, property assessments in Ontario were updated to reflect current values as at June 30, 1999; and for the 2003 taxation year, property assessments were updated to a June 30, 2001 valuation date. Property taxation for 2004 and 2005 was based upon CVA determinations as at June 30, 2003.

Commencing with the 2006 taxation year, assessments will be updated on an annual basis based on a valuation date of January 1<sup>st</sup> of the previous year.

**Table 1: Reassessment Cycle**

<b>Taxation Years</b>	<b>Assessment Valuation Date</b>
1998, 1999, 2000	June 30, 1996
2001, 2002	June 30, 1999
2003	June 30, 2001
2004, 2005	June 30, 2003
2006	January 1, 2005
2007 and forward	January 1 <sup>st</sup> of the previous year

To respond to enquiries about Property Assessment Notices and assessment in general, MPAC has extended their Customer Contact Centre hours from 8:00 a.m. to 6:00 p.m., Monday through Friday and from 9:00 a.m. to 12 noon on Saturdays, until December 22, 2005. After December 22, the hours for the Customer Contact Centre will be 8:00 a.m. to 5:00 p.m. Monday through Friday. The Customer Contact Centre toll free phone number is 1-866-296-6722.

Additionally, property owners who prefer to review their assessment in person with an MPAC representative can visit the local Assessment Office located at 5255 Yonge Street, Suite 400. The local Assessment Office will be providing extended hours from October 24<sup>th</sup> to November 4<sup>th</sup>, Monday to Friday, 8:00 a.m. to 7:00 p.m.

Property owners who feel that their property has been valued incorrectly or that other information identified on the Property Assessment Notice 2005 ( e.g. assessed owner or location and property description) is inaccurate, can contact MPAC any time before December 31, 2006 to ask them to review the assessment. There is no fee for this review (known as a Request for Reconsideration). There are three ways to request a review: i) Complete a Request for Reconsideration form on-line at [www.mpac.ca](http://www.mpac.ca); ii) call MPAC toll free at 1-866-296-6722; or, iii) write to MPAC requesting a review of the assessment.

Alternatively, property owners can file a Notice of Complaint (often referred to as an appeal) with the Assessment Review Board (ARB), an independent tribunal of the Province of Ontario. The ARB appeal deadline is March 31, 2006. The fee for this appeal is \$75.00 for a residential property and \$150.00 for a Commercial, Industrial or Multi-Residential property. To find out more about assessment appeals, property owners are invited to visit the ARB's website, [www.arb.gov.on.ca](http://www.arb.gov.on.ca), or to telephone 416-314-6900 (toll free at 1-800-263-3237).

Beginning Monday, October 17, 2005, property owners can access Notice-based assessment information for their property and up to 12 comparable properties of their choice, free of charge, through MPAC's AboutMyProperty website at [www.mpac.ca](http://www.mpac.ca). Starting January 2006, the assessment information available on the AboutMyProperty website will be updated to reflect assessment information as contained on the Returned Assessment Roll.

### **Key Points:**

- Valuation of all properties in Ontario is the responsibility of the Municipal Property Assessment Corporation (MPAC) and therefore queries in this regard should be directed to MPAC. An increase in assessment/CVA means only that the market value of a property has increased from 2003 to 2005, as would be expected in any growing economy.

- In general, properties in Toronto have experienced an increase in value between the June 30<sup>th</sup>, 2003 and January 1<sup>st</sup>, 2005 valuation dates. The following table presents the average increase in assessment values for each of the property classes from the 2001 to the 2006 taxation years:

**Table 2: Average CVA Changes – 2001 to 2006 Reassessments**

	% CVA Change 2001 Tax Year Reassessment (*96 to *99 Valuation Date)	% CVA Change 2003 Tax Year Reassessment (*99 to *01 Valuation Date)	% CVA Change 2004 Tax Year Reassessment (*01 to *03 Valuation Date)	% CVA Change 2006 Tax Year Reassessment (*03 to *05 Valuation Date)
Residential	20 %	15 %	14%	<b>12%</b>
Multi- residential	45 %	15 %	15%	<b>9%</b>
Commercial	41 %	15 %	4%	<b>12%</b>
Industrial	33 %	37 %	10%	<b>13%</b>
All Classes	26 %	15 %	12%	<b>10%</b>

- An increase in assessed value does not necessarily translate to an increase in taxes. Generally, those properties which appreciate in value at a rate greater than the average will experience an increase in tax burden, while those that appreciate at a rate less than the average may experience a decrease in tax burden.
- For ease of reference, MPAC has included the percentage increase for residential properties since the last reassessment on the Property Assessment Notice, as well as the average percentage increase for the municipality.
- While Current Value Assessments are determined by MPAC, the amount of taxes paid by property owners will be determined by the tax rates that are set by City Council (municipal tax rate) and the Province (education tax rate). Council and the Province have not made any decisions regarding tax rates for 2006. Council will not set final tax rates for the 2006 taxation year until the City's 2006 budget is approved in March 2006. Education tax rates are regulated by the Province and are anticipated to be announced in the spring of 2006.
- City staff are undertaking a preliminary analysis of Current Value Assessment changes for the 2006 taxation year, the results of which will be released in the near future.

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**Circulated to:** Mayor and Members of Council, City Manager, Deputy City Managers, Treasurer, Division Heads

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October 17, 2005