



Queen's Park Report

BRACE YOURSELF: NEW ASSESSMENTS WILL MEAN DRAMATICALLY HIGHER PROPERTY TAXES FOR COUNTLESS ONTARIO HOMES AND COTTAGES (CAPTR Press Release)

Government's solution to spread increases over four years does not solve fundamental problem

A new round of property value assessments, scheduled for release beginning this Fall, may have thousands of homeowners reeling from the shock of seeing how much their homes and cottages are now – allegedly – worth.

But with the increases – in some cases, more than 100%, according to a report released today -- will come significantly higher property taxes... taxes that are unfair. That's the opinion of the Coalition After Property Tax Reform (CAPTR) and Waterfront Ratepayers After Fair Taxation (WRAFT). The two pressure groups held a news conference at Queen's Park today, to urge the Ontario Government to reassess the property tax system, to consider a cap on assessment increases, and to invite homeowners to sign an online petition.

"To put it in simple terms," said Bob Topp, Chair of CAPTR, "the real estate market in Ontario is haywre, the assessment system is faulty, and if you're one of the unlucky homeowners, you're getting wounded in the crossfire.

"Even if you've done nothing to improve your property, you may be paying hundreds of dollars in unfair and increased taxes."

Recognizing that there is a problem, the Ontario Government moved to lessen the punishment in 2007, by agreeing to spread property assessment increases over four years. But CAPTR and WRAFT both state that this is a "bandaid on the wound, not a cure", as homeowners will still be paying for circumstances beyond their control.

Mr. Topp, along with WRAFT Chair Cliff Hatch and WRAFT Director Terry Rees, explained that in cities, many homeowners who happen to live in "hot" real estate areas are seeing their property values go up artificially, as newer, bigger homes are built nearby. People who own homes or cottages on waterfront shorelines are also being victimized as these locations are commanding huge prices when they go on the market.

While on the one hand, higher property values may be a bonus, Mr. Rees said most affected homeowners aren't happy.

"The reality is, most people are not real estate speculators," he said. "They are simply residents, many of whom have owned their properties for generations. They have no intention of selling, or of reaping the profits that market value may have accrued.

"They simply want to continue living where they are, and perhaps pass it on to their children – especially in the case of cottage properties. Higher values and higher taxes are making that objective harder and harder to achieve."

The latest round of property value assessments – undertaken for the province by the arm's-length Municipal Property Assessment Corporation – was completed in early 2008. Results will not be communicated to homeowners until this Fall.

However, an independent study undertaken for CAPTR and WRAFT by real estate firm Cushman Wakefield Lepage, based on available assessment and property sale data, indicates that coming assessments will be drastically higher in certain urban and rural areas. It also indicates that there are vast differences between a property's assessed market value, and what a property ultimately may sell for – throwing further confusion into the issue.

"For Toronto, sales prices exceed 2005 assessments by percentages ranging from 102% to -5%, according to our consultants' report," said Mr. Topp. "They also vary widely from the average increases for their respective Districts, which highlights the disparity between individual price increases and District average increases.

"In Muskoka/Haliburton, there is an even wider disparity between individual sales prices and assessments, with excesses ranging from 154% to -1%."

CAPTR and WRAFT are urging on the Government to take another look at the system.

They also call on all Ontarians to sign an online petition through their websites – www.captr.org and www.wraft.com – to add their voices to the demand for fairness.

"It's not a good system, but it's probably the best system that could be applied," said Mr. Hatch. "But the way it's being applied is not fair, and the Government can do something about it."

"Fair and stable property tax. That's all we're asking for," Mr. Hatch concluded.

The Federation of Urban Neighbourhoods of Ontario is one of the founding members of CAPTR and calls on the Provincial Government to reform the present unfair property tax system.

Please e-mail a copy of this Report to anyone that you think might be interested.

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21 Dale Avenue, Suite 621
Toronto Ontario M4W 1K3
416-969-8994
funontario@rogers.com