



MEMORANDUM

TO: Mayor and Members of Council

FROM: Shane Manson, Senior Manager, Revenue & Property Taxation

DATE: June 6, 2016

SUBJECT: Property Reassessment for the 2017 – 2020 Taxation Years

This memorandum has been prepared to provide information on the upcoming 2017 Provincial Reassessment, effective January 1st, 2017. The 2017 taxation year will mark the first year of the phase-in cycle for this reassessment. During the week of **June 13th, 2016**, all **residential property owners** in the City of Markham will be issued a property assessment notice from Municipal Property Assessment Corporation (MPAC). These notices will identify the new assessment values that will be used to calculate the property taxes for the years 2017 to 2020. Reassessment Notices for business properties and farms will be mailed in the fall of 2016.

The reassessment values will be based on a valuation date of January 1st, 2016, updated from the previous valuation date of January 1st, 2012, which serve as the basis for calculating property taxes for the 2017 – 2020 taxation years. All properties that experience an assessment increase will be phased-in at twenty-five per cent for each of the four years (2017 - 2020). Properties that decrease in value will realize the reassessment change immediately in the first year (2017) and will not be phased-in.

Reassessment 2017 – 2020

MPAC has provided preliminary reassessment information to the City, based on the residential assessment notice mailing set for the week of June 13th. As the information is currently preliminary, City staff will report back to Council in the fall of 2016 with the final reassessment analysis for all property classes.

Figure 1 provides a summary of the preliminary reassessment impact for the residential property class, single detached homes and residential condominiums. The following table illustrates the overall value change related to reassessment as noted in column B and the 2017 impact utilizing the mitigating effects of the 25% phase-in program as noted in column C. Residential properties in the City of Markham are anticipated to increase by an average of 11.40%, as a result of the market value update between the 2016 and 2017 taxation years.

Figure 1
Preliminary 2017 Reassessment Impact– Residential Properties

A	B	C
Property Type	Overall Reassessment Impact	2017 Impact (Year 1 of 4)
Single Detached Home	47.20%	11.80%
Residential Condominium	16.00%	4.00%
Residential Property Class	45.60%	11.40%

Figure 2
Phase-in Program Example

Figure 2 illustrates an example of the impact of the overall reassessment increase (4 year) for residential properties, and how the mitigating effect of the 25% phase-in program applies.

Property Type	2016 Full Assessment (Jan. 1, 2012)	2017 Full Assessment (Jan. 1, 2016)	Reassessment Change		Phased-In Assessment			
			\$	%	2017	2018	2019	2020
Residential	\$576,910	\$840,000	\$263,090	45.60%	\$642,683	\$708,455	\$774,228	\$840,000

Figure 3 illustrates the preliminary median values for single detached homes and residential condominiums by ward, as well as the median per cent change in value due to reassessment for single detached homes and condominiums is also shown.

Figure 3
Preliminary 2017 Reassessment Values and Per Cent Change by Ward

Ward	2017 Median Assessment Value		*Median Per Cent Change in Value		
	Single Detached Home	Residential Condominium	Residential Property Class	Single Detached Home	Residential Condominium
1	\$1,078,000	\$408,000	10.90%	11.60%	5.10%
2	\$1,181,000	\$519,000	12.70%	13.20%	6.20%
3	\$1,159,000	\$348,000	11.70%	12.90%	3.40%
4	\$840,000	\$394,000	11.20%	11.40%	5.30%
5	\$831,000	\$520,000	10.20%	10.00%	6.80%
6	\$993,000	\$1,149,000	11.90%	12.00%	8.10%
7	\$908,000	\$295,000	11.50%	11.50%	3.40%
8	\$972,000	\$325,000	11.60%	12.30%	2.70%
Residential	\$991,000	\$387,000	11.40%	11.80%	4.00%

*The median value represents the “middle” of a sorted list of numbers.

The preliminary reassessment data indicates that the median residential condominium change in value of 4.00% and is below the median change in value for the total residential class of 11.40%. However, as the median is the middle value, some condominium properties will be above the residential median change and some will be below.

Request for Reconsideration (RfR) Process

If a taxpayer believes their assessment value of their property to be incorrect, they have the option to appeal it through the filing of a Request for Reconsideration (RFR) with MPAC. Effective for the 2016 reassessment, the deadline for property owner to file an RfR with MPAC will be 120 days after the issuance of the notice of assessment. The RfR deadline for the City of Markham is October 11, 2016, rather than the historic universal date of March 31st of the following year. In addition to this change, MPAC will be required to respond to an RfR application within 180 days of the request being made (with a possible 60 day extension where necessary and with notification from MPAC to the property owner). The early delivery of Assessment Notices and a 120-day RfR deadline will allow RfR's to be processed before Assessment Rolls are provided to municipalities in December 2016, which will provide for improved accuracy.

Reassessment Tax Impact

Changes in assessment resulting from the Reassessment Update will not result in an increase in tax revenue for the City. Municipal legislation requires municipalities to annually recalculate and decrease the municipal tax rate by equivalent to the average City-wide assessment increase of all property classes, to ensure the City collects the same tax revenue as the prior year.

As the preliminary reassessment information is only available for residential properties, City Staff will report back to Council in the fall with further information related to the tax implications of all property classes as result of the reassessment. It is important to note that all impacts related to reassessment are independent of the municipal budgetary process.

City of Markham - Communication Strategy

City staff has developed and implemented communication tactics to assist residents to understand the information on the reassessment. This includes an update to the City website, which includes an educational video that explains reassessment and taxation, as well as the provision of pertinent links and resources from MPAC. City of Markham residents will be provided (mailing and online access) with the following information and various communications with respect to the 2017 Provincial Reassessment:

1. City Website;
 - markham.ca homepage; news item running June 1st to 30th
 - markham.ca / property taxes; information on property assessment notices, key dates, educational video, and links to MPAC information.
2. Electronic Information Board (EIBS) Information;
 - Community Centres and Civic Centre (June 1st to 30th);
3. Publication in City Page - Markham Economist and Sun (included as Appendix C);
 - Ads to run June 2nd, 9th & 16th.
4. Social Media Posts;
5. Reassessment Information Bucksip (included as Appendix B);
 - Distributed with the 2016 Final Residential tax bills which will be mailed June 10th;
6. Development of an educational video on “How Property Assessment and Taxation works”; and
7. Property Assessment Notice (PAN) issued from MPAC the week of June 13th.

In addition, staff members from the call centre will be provided with training and information on the reassessment to assist in answering calls and inquires from Markham residents.



JACKSON JASON
ABC IMPORTS LIMITED
200 MAIN STREET
UNIT 3000
11 FLOOR
ANYWHERE ON M4K 1B3

Issue Date:
April 4, 2016

THIS IS NOT A TAX BILL.

The Municipal Property Assessment Corporation (MPAC) is responsible for assessing more than five million properties in Ontario in compliance with the *Assessment Act* and regulations set by the Government of Ontario.

MPAC's 2016 assessed value of your property is \$228,000

Account Information:

Roll Number	12 34 567 899 12345 1234
AboutMyProperty™ Access Key	ABCD EFG1 HJK2
Your property's location and description	9200 Stans Rd. PLAN169 BLK 1 PT LOT4
Municipality	Ottawa City
School support	English-Public

Assessment overview:

MPAC's assessed value of your property as of January 1, 2016	\$228,000
MPAC's assessed value of your property as of January 1, 2012	\$162,000
Between 2012 and 2016, your property's assessed value changed by	\$66,000

If you disagree with MPAC's assessment or classification, you can file a Request for Reconsideration and MPAC will review your assessment.

How will my municipality use MPAC's property assessment?

Under the phase-in provision in the *Assessment Act*, an increase in assessed value is introduced gradually. A decrease in assessed value will be introduced immediately. The assessed value and classification of your property is used as the basis for calculating your property taxes.

Property

Classification:	Residential	
Tax Year	Assessed Value	Request for Reconsideration Deadline
2016	\$162,000	
2017	\$178,500	August 1, 2016
2018	\$195,000	March 31, 2018
2019	\$211,500	March 31, 2019
2020	\$228,000	March 31, 2020

To learn more about how your property was assessed, see the information on page two of this Notice. For more information on the Request for Reconsideration process, market trends in your area, property assessment and taxation, visit www.aboutmyproperty.ca.

Property Assessment Notice

For the 2017 to 2020
property taxation years

This Property Assessment Notice has important information for you as a property owner.

Please review it and file it away for your records.

No action is required
unless you disagree
with your assessment.

CONTACT US

1 866 296-MPAC (6722)
TTY 1 877 889-MPAC (6722)
Monday to Friday
8 a.m. to 5 p.m.

If you have accessibility
needs, please call us
for assistance.

www.aboutmyproperty.ca



Appendix A – MPAC Property Assessment Notice (PAN)

How does MPAC assess my property?

Roll Number: 12 34 567 899 12345 1234

Property summary:

Property type Single Family Dwelling

Property information Frontage: 54.23 feet
Depth: 150.00 feet
Lot area: 8,100.00 square feet

Building – exterior square footage 1,053 square feet

Year of construction 1974

For residential properties, there are five major factors that generally account for 85% of your property value.



Location



Age of the property, adjusted for any major renovations or additions



Lot dimensions



Quality of construction



Living area

To establish your property's assessed value, MPAC analyzes property sales in your area. This method, called Current Value Assessment, is used by most assessment jurisdictions in North America. MPAC's assessments and data are also used by banks, insurance companies and the real estate industry.

Have questions about your assessment?



Log on to **AboutMyProperty™** to learn more...

Visit www.aboutmyproperty.ca to learn more about how your property was assessed, see the information we have on file, as well as compare it to others in your neighbourhood. Still not sure about your property's assessed value? You have the option to file a Request for Reconsideration. Your deadline to file a Request for Reconsideration is on page one of this Notice.

Log on to www.aboutmyproperty.ca with your Roll Number and Access Key. These are found on page one of this Notice.

Still have questions?

We're here to help. Contact us and one of our property assessment experts will help guide you through your Notice. Have a question about your property taxes? Contact your municipality for assistance.

Ontario's property assessment system



The Municipal Property Assessment Corporation
determines Current Value Assessments and classifications for all properties in Ontario.



The Provincial Government passes legislation, sets assessment policies and determines education tax rates. The Province also operates an independent assessment appeal tribunal – the Assessment Review Board (ARB).



The Ontario Property Taxpayer



Municipalities determine revenue requirements, set municipal tax rates and collect property taxes to pay for your municipal services.

These services may include:



Police and fire protection



Roads, sidewalks and public transit



Waste management



Parks and leisure facilities

As a property owner in Markham you will be receiving an updated Property Assessment Notice from the Municipal Property Assessment Corporation (MPAC) in June 2016


- Included within your MPAC Notice are the assessment values that will be used by the City of Markham to calculate your property taxes for the years 2017-2020.
- Please note that an increase in the value of your property will not necessarily result in an increase in your property taxes.

For more information on property assessment, please contact MPAC at MPAC.ca, or aboutmyproperty.ca, or call 1-866-296-MPAC(6722); TTY 1-877 889-MPAC(6722)

MPAC is responsible for assessing and classifying more than five million properties in Ontario in compliance with the Assessment Act and regulations set by the Government of Ontario.



IMPORTANT NOTICE



1234567890
JACKSON JASON
ABC IMPORTS LIMITED
200 AARON STREET
UNIT 5000
11 FLOOR
ANYWHERE ON MARK 183

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April 4, 2016

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MPAC's updated value of your property is \$228,000

Account information:
Roll Number: 12 34 567 899 12345 1234
AboutMyProperty™ Access Key: ABCD EFGH IJKL
Your property's location and description: 900 Dymke Rd.
PLAN189 BLK 1 PT LDT4
Municipality: Ottawa City
School support: English-Public

Assessment overview:
MPAC's assessed value of your property as of January 1, 2016: \$128,000
MPAC's assessed value of your property as of January 1, 2017: \$162,000
Between 2016 and 2017, your property's assessed value changed by: \$34,000

If you disagree with MPAC's assessment or classification, you can file a Request for Reconsideration and MPAC will review your assessment.

How will my municipality use MPAC's property assessment?
Under the phase-in provision in the Assessment Act, an increase in assessed value is introduced gradually. A decrease in assessed value will be introduced immediately. The January 1, 2016 assessed value and classification of your property will be used as the basis for calculating your 2017 to 2020 property taxes as illustrated below.

Property Classification:	Residential	Request for Reconsideration Deadline
Tax Year	Assessed Value	
2016	\$162,000	August 1, 2016
2017	\$178,500	March 31, 2018
2018	\$195,000	March 31, 2019
2019	\$211,500	March 31, 2020
2020	\$228,000	

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Please review it and file it away for your records.

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www.aboutmyproperty.ca

Residential property owners in Markham will be receiving an updated Property Assessment Notice from the Municipal Assessment Corporation (MPAC) the week of June 13, 2016. Notices for business properties and farms will be mailed in the fall of 2016.

The notice will include property assessment values the City of Markham will use to calculate your property taxes for the years 2017-2020.

To learn more, please visit **mpac.ca** or call **1-866-296-MPAC(6722)**