



CITY OF MARKHAM

2016 Reassessment Market Update -
Ward-by-Ward Analysis

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ASSESSMENT IN ONTARIO

The Municipal Property Assessment Corporation (MPAC) is responsible for the valuation of all property in the Province of Ontario. Current Value Assessment (CVA) is based on the market value of property at a fixed point in time, which is defined as the valuation date. Market value is determined as the amount an arm's length transaction (between a willing buyer and a willing seller) would produce for a property, as of the valuation date.

As of 2007, the Province of Ontario introduced a four-year property assessment cycle, which included a mandatory phase-in of assessment increases for residential properties. For the 2009 through 2012 tax years all properties were assessed and taxed based on their Current Value Assessment (CVA) as of the valuation date of January 1st, 2008. The Province has chosen to repeat the four-year assessment cycle for the 2013 through 2016 tax years. Current value assessment for the four-year cycle is assessed and taxed based in the value as of January 1st, 2012.

1. Reassessment – Four Year Market Update (2013 – 2016):

Properties that experienced a CVA increase, between the 2008 and the 2012 valuation date, will be taxed in accordance with a phase-adjusted value, meaning property assessment values would increase by one-quarter of the overall reassessment change in each of the four years of the cycle. Properties that experienced a decrease in assessment value realized the reassessment change immediately in the first year of the cycle. The current reassessment is based on a valuation date of January 1st, 2012 and applies to the 2013 through 2016 tax years. The 2013 tax year marked the first year in the phase-in cycle of this reassessment. In 2013, every property owner in the City of Markham received a property assessment notice from MPAC, which included all assessment values applicable over the four year period. The 2016 tax year marks the fourth and final year in this current phase-in cycle.

It is important to note that the next Provincial update in assessment will be based on a valuation date of January 1st, 2016; and assessment notices will be delivered to all property owners in the Province of Ontario later this year. The Province has chosen again to repeat the four-year assessment cycle. This means that properties that experience a CVA increase, between 2012 and 2016, will have that increase phased-in over the 2017 through 2020 tax years (by one-quarter or 25% increments). Decreases in assessment will be reflected immediately in the first year of the cycle (2017). This new four-year phase-in cycle will commence in 2017.

Figure 1 illustrates of the mechanics of the four-year assessment phase-in program.

Figure 1
Assessment Phase-In Example

Property Type	2012 Full Assessment (As of January 1 st , 2008)	2013 Full Assessment (As of January 1 st , 2012)	Market Increase	Phased-In Assessment (Tax Year)			
				2013	2014	2015	2016
Increasing Property	\$500,000	\$600,000	\$100,000	\$525,000	\$550,000	\$575,000	\$600,000
Decreasing Property	\$500,000	\$400,000	\$0	\$400,000	\$400,000	\$400,000	\$400,000

The City of Markham annually recalculates and decreases the municipal tax rate by equivalent of the average increase in assessment, to ensure the City collects the same taxes as the prior year. The average assessment increase is weighted by both increasing and decreasing properties, meaning that in the first

year the decreasing properties are balanced by the increasing properties in the municipal tax rate recalculation. Therefore, the municipality does not lose tax dollars from the decreasing assessment.

In Year 1 of the phase-in cycle there are three types of properties:

1. Properties with an assessment increase;
2. Status quo properties (no change in assessment); and
3. Properties with an assessment decrease.

2. Annual Assessment Changes:

The assessment roll undergoes changes during the reassessment cycle, as a result newly added properties or properties that have undergone a change. On this basis, in years 2, 3 and 4 of the phase-in cycle MPAC will issue updated assessment notices only to property owners based on the following reasons:

1. Change in ownership or legal description;
2. Change in value as a result of a Request for Reconsideration (RfR) or Appeal;
3. Change in all/part of the classification of the property; and/or
4. Property value increase/decrease, reflecting a change to the property's state, use and/or condition.

This results in the roll being updated to include these changes on a yearly basis, which changes the overall rate of increases in CVA due to reassessment on an annual basis. For any property that experiences one of the four change events noted above, the result will be the same as in Year 1 of the reassessment phase-in cycle, i.e. three types of properties:

1. Properties with an assessment increase;
2. Status quo properties (no change in assessment); and
3. Properties with an assessment decrease.

3. 2016 Market Update- City Wide Impact Summary

The combination of the reassessment (section #1) as well as the annual assessment changes (section #2) that occur during the reassessment cycle, equates to an annual market update. The 2016 tax year marks the fourth and final year in the current four-year assessment cycle, and the following summary has been prepared to illustrate the effects of the market update. The results have been demonstrated based on the following analysis.

City Wide Analysis:

- Class Summary;
- Residential Summary
- Ward Analysis – City Wide; and
- Ward Analysis - Residential Homes

CLASS SUMMARY

Figure Two provides a summary of the market update in phased CVA between the 2015 and 2016 tax years. If a City of Markham property experiences a CVA increase at a rate higher than 5.87% between the 2015 and 2016 tax years, it will experience a tax increase due to the fourth year market update and, alternatively, a property with CVA increase of less than 5.87% will result in a tax decrease due to the fourth year market update.

Based on the market update in phased-in assessment between the 2015 and 2016 tax years, residential homes will realize a 6.38% increase in CVA. Residential properties increasing at a greater rate than the average City increase of 5.87% will realize an increase in tax due to the fourth year market update, and those below the City average will experience a decrease. It is important to note that impacts due to reassessment are independent of the municipal budgetary process.

Figure 2
2016 CVA Changes in the City of Markham by Class

Property Tax Class	2016 Market Value Update- Phased CVA (2015 - 2016)
Residential (Excluding Other)	6.38%
Farm	5.87%
Managed Forest	5.68%
Multi-Residential	3.89%
Commercial	3.39%
Industrial	3.76%
Pipeline	1.64%
Total Taxable	5.87%

The residential class includes homes, as well other residential property types, such as; vacant land, group homes and golf course greens. In this analysis noted above, the other residential property types are excluded.

RESIDENTIAL SUMMARY

The residential class represents 83% of the overall taxable assessment base in the City of Markham. 66.67% of all residential assessment is attributable to single detached homes. Figure 3 details the market update illustrated by property type, and the percentage of each property type to the total assessment in the residential class. Residential homes have realized an average market update in assessment of 6.38% between the 2015 and 2016 tax years. This will result in a tax increase for all residential homes with an increase in assessment greater than the average City increase of 5.87%.

Figure 3
Summary of Market Value Update by Residential Property Type

Property Type	Average Change in Phased CVA (2015 - 2016)	Percent of the Total 2016 Residential Assessment
Single Detached	6.54%	66.67%
Link Home	6.66%	11.22%
Freehold Townhouse	6.46%	6.54%
Semi-Detached	6.49%	5.01%
Residential Condominium	4.96%	10.55%
Residential Homes	6.38%	100.00%

Figure 4 illustrates that the average residential property, except for residential condominium, will experience an increase in taxation due to the market update, as they are above the average City increase of 5.87%. This does not result in every property experiencing an increase, however, on average these property types as a whole have increased at a greater rate than the average for the City. The

residential property class as a whole includes not only residential homes, but also; vacant residential land, co-op housing, group homes, golf course greens and fairways. These properties have been excluded in this analysis.

Figure 4
Summary of Average Residential Class by Property Type

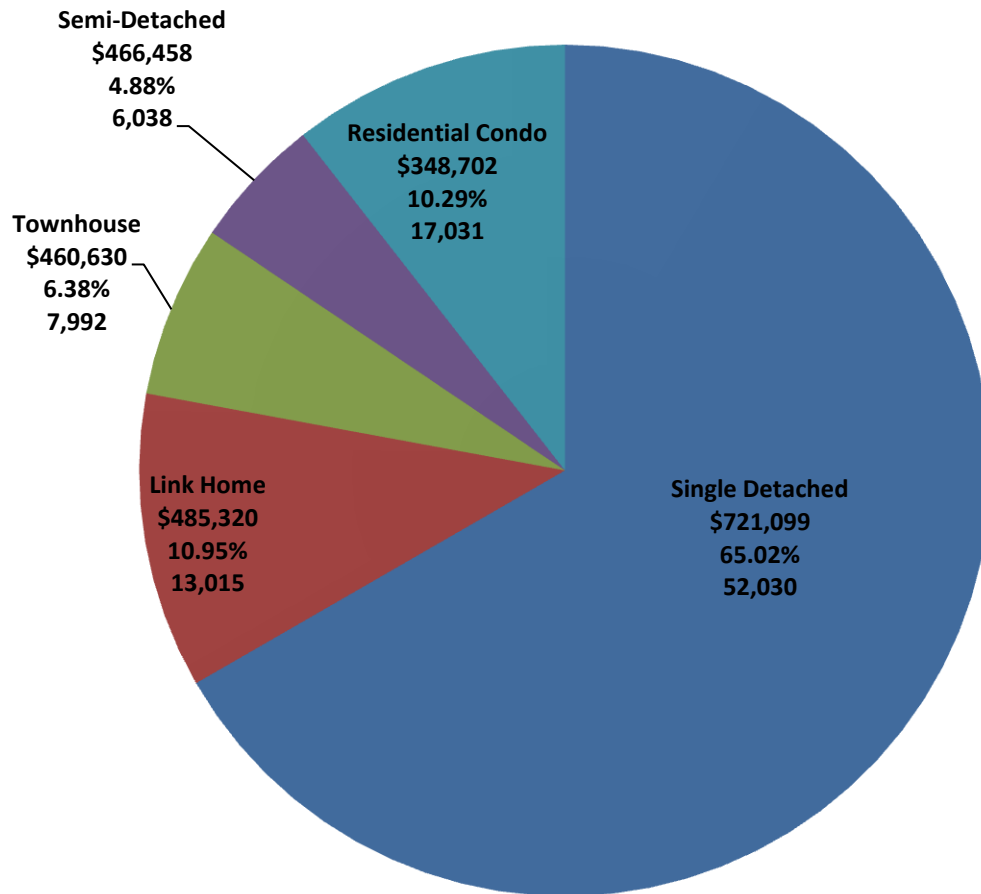
Property Type	Property Count	2015 Average CVA	2016 Average CVA	Average Change in Phased CVA (2015 - 2016)	
				\$	%
Single Detached	52,030	\$676,802	\$721,099	\$44,297	6.54%
Link Home	13,015	\$455,019	\$485,320	\$30,301	6.66%
Freehold Townhouse	7,992	\$432,675	\$460,630	\$27,955	6.46%
Semi-Detached	6,038	\$438,018	\$466,458	\$28,440	6.49%
Residential Condominium	17,031	\$332,209	\$348,702	\$16,493	4.96%
Residential Homes	96,106	\$550,399	\$585,518	\$35,119	6.38%

Figure 5 provides a graphical summary of the residential property class, including the following:

1. Average assessment values for each property type;
2. Percentage of the property type CVA to the total residential class; and
3. Property counts.

Figure 5

Residential Homes Summary
(Average CVA, Percentage of Total Residential Class and Property Counts)
Total Residential Properties - 96,106



WARD ANALYSIS - CITY WIDE

Figure 6 summarizes the total market value update for all property classes between the 2015 and 2016 phased assessment values summarized for each ward. Based on a 5.87% increase in taxable assessment for all classes, wards 1, 2, 3, 4 and 6 have increases above the total City market change and wards 5, 7 and 8 are below.

Figure 6
Summary of Market Value Update Impact for all Classes by Ward

Ward	Change in Phased CVA (2015 - 2016)	Below or Above Average
1	5.98%	↑
2	6.35%	↑
3	6.15%	↑
4	5.99%	↑
5	5.69%	↓
6	6.76%	↑
7	5.66%	↓
8	4.82%	↓
Total Taxable	5.87%	

WARD ANALYSIS - RESIDENTIAL HOMES

Figure 7 illustrates the average residential home values by ward. With an average increase of 6.38%, homes in wards 2, 3, 6 and 8 are above the City's average residential home and homes in wards 1, 4, 5, and 7 are below the City's average.

Figure 7
Summary of Average Residential Home Value by Ward

Ward	2015 Average CVA	2016 Average CVA	Year-Over-Year Change		Below or Above Average
			\$	%	
1	\$595,628	\$633,100	\$37,472	6.29%	↓
2	\$673,293	\$719,637	\$46,344	6.88%	↑
3	\$580,367	\$618,629	\$38,262	6.59%	↑
4	\$512,261	\$543,723	\$31,462	6.14%	↓
5	\$484,061	\$511,845	\$27,784	5.74%	↓
6	\$592,476	\$633,490	\$41,014	6.92%	↑
7	\$526,352	\$557,059	\$30,707	5.83%	↓
8	\$448,351	\$477,027	\$28,676	6.40%	↑
Average Res. Home	\$550,399	\$585,518	\$35,119	6.38%	

4. Property Tax Impacts

Figure 8 displays a property with a 2016 market update in phased CVA that is equivalent to the City average for all classes of 5.87%. The 2015 tax rate is decreased to produce the same 2015 property tax using the increased 2016 assessment. As illustrated in the calculation, properties that increase in CVA at the City average of 5.87% will not realize an increase in property tax due to reassessment.

Figure 8
Tax Impact Due To Market Value Update

Tax Year	Phased CVA	Tax Rate	Tax
2015	\$586,000	0.204311%	\$1,197
2016	\$620,398	0.192974%	\$1,197
Change %	5.87%	-5.87%	0.00%
Tax Change			\$0

Figure 9 demonstrates the tax impacts associated with the market value impact for properties above, below or at the average increase in assessment for the 2016 tax year. Based on the 2016 market update in phased-in CVA, the City will realize a 5.87% increase in CVA for all classes. Those classes (and properties) increasing at a greater rate than the City average increase of 5.87% will realize an increase in their tax levy due to reassessment, and those below the City average increase will experience a tax levy decrease due to reassessment.

Figure 9
Illustration of Tax Impact Due To Market Value Update

2015 Phased CVA Value	2016 Phased CVA Value	Change in Phased CVA % (Markham Average 5.87%)	Property Tax Impact - As a result of the Change in Phased CVA (2015 vs. 2016 Phased CVA)	Tax Impact (City share) (2015 to 2016)
\$586,000	\$644,600	10.00%	10% is greater than the average; therefore this property will experience an increase in property tax due to reassessment. (10.00% - 5.87% = 4.13%)	+\$47
\$586,000	\$620,398	5.87%	5.87% is the same as the average increase; therefore this property will not experience a change in property tax due to reassessment. (5.87% - 5.87% = 0.00%)	\$0
\$586,000	\$615,300	5.00%	5% is lower than the average increase; therefore this property experienced a decrease in property tax due to reassessment. (5.00% - 5.87% = -0.87%)	-\$10

Note:

The example above illustrates the tax impacts related to reassessment, which are independent of the municipal budgetary process.

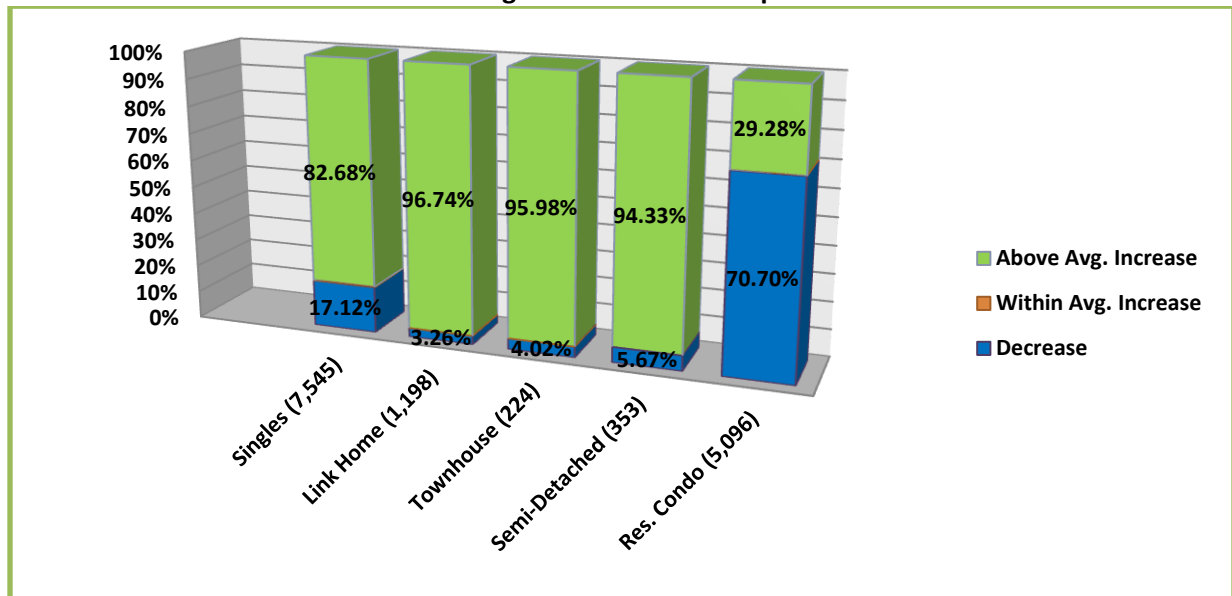
Ward 1- Summary

Residential Summary

Summary of 2016 Market Value Update Impact by Residential Home

Property Type	Property Count	2015 Average CVA	2016 Average CVA	Average Change in Phased CVA (2015 - 2016)	
				\$	%
Single Detached	7,545	\$789,635	\$841,531	\$51,897	6.57%
Link Home	1,198	\$514,676	\$549,555	\$34,879	6.78%
Freehold Townhouse	224	\$449,510	\$479,652	\$30,142	6.71%
Semi-Detached	353	\$486,031	\$519,170	\$33,139	6.82%
Residential Condominium	5,096	\$341,433	\$358,780	\$17,347	5.08%
Total	14,416				

Average Residential Tax Impact



Ward 1 - Residential Summary

- At least 82% of all single detached, link, townhouse and semi-detached homes will experience a tax increase due to the market update.
- Over 70% of residential condominium homes will realize a tax decrease.

Ward 1- Summary

All Property Classes

Summary 2016 Market Update Impact by Class

Realty Tax Class	Property Count	Change in Phased CVA (2015 - 2016)
Residential	14,568	6.29%
Managed Forest	2	5.68%
Multi-Residential	22	2.67%
Commercial	2,530	3.64%
Industrial	45	4.46%
Pipeline	1	1.81%
Total Taxable	17,168	5.98%

Ward 1 - Class Summary

- The multi-residential changes in phased CVA are below the City average of 3.89%.
- The total change in assessment for all classes in Ward 1 is above the City average of 5.87%.

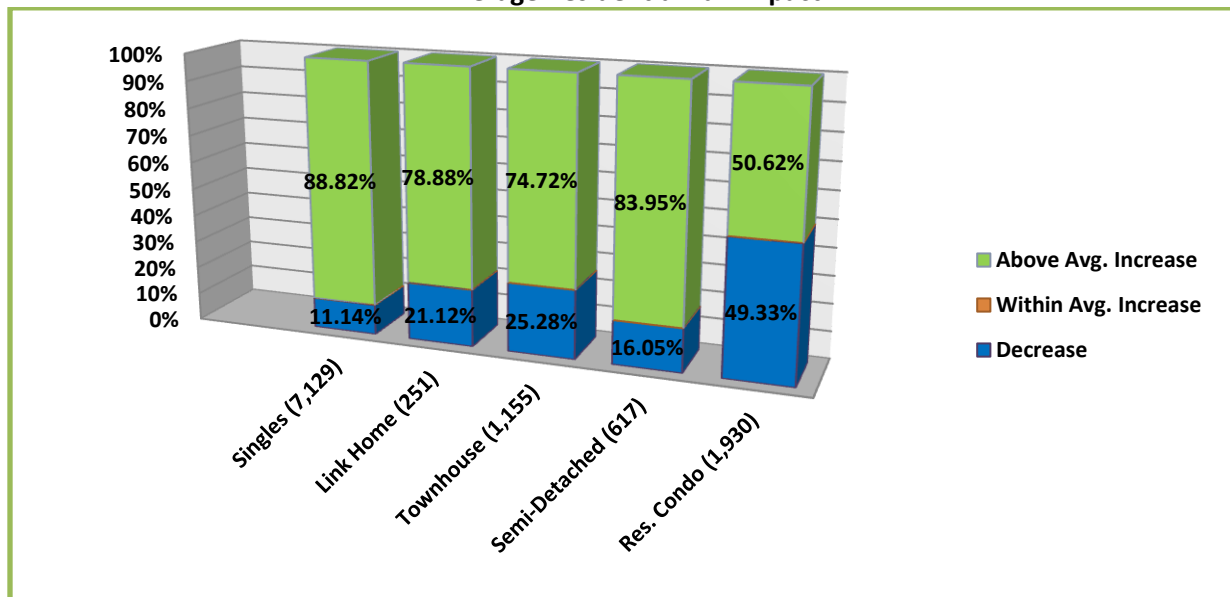
Ward 2- Summary

Residential Summary

Summary of 2016 Market Value Update Impact by Residential Home

Property Type	Property Count	2015 Average CVA	2016 Average CVA	Average Change in Phased CVA (2015 - 2016)	
				\$	%
Single Detached	7,129	\$800,317	\$857,689	\$57,372	7.17%
Link Home	251	\$506,903	\$537,765	\$30,862	6.09%
Freehold Townhouse	1,155	\$488,571	\$517,877	\$29,306	6.00%
Semi-Detached	617	\$512,033	\$543,347	\$31,314	6.12%
Residential Condominium	1,930	\$387,829	\$410,454	\$22,625	5.83%
Total	11,082				

Average Residential Tax Impact



Ward 2 Residential Summary

- Over 74% of all single detached, link, townhouse and semi-detached homes and over 50% of all residential condominiums will experience a tax increase due to the market update.

Ward 2- Summary

All Property Classes

Summary 2016 Market Update Impact by Class

Realty Tax Class	Property Count	Change in Phased CVA (2015 - 2016)
Residential	11,284	6.88%
Farm	32	5.85%
Multi-Residential	3	2.96%
Commercial	362	3.90%
Industrial	56	3.74%
Total Taxable	11,737	6.35%

Ward 2 - Class Summary

- The multi-residential changes in phased CVA are below the City average of 3.89%.
- The total change in assessment for all classes in Ward 2 is above the City average of 5.87%.

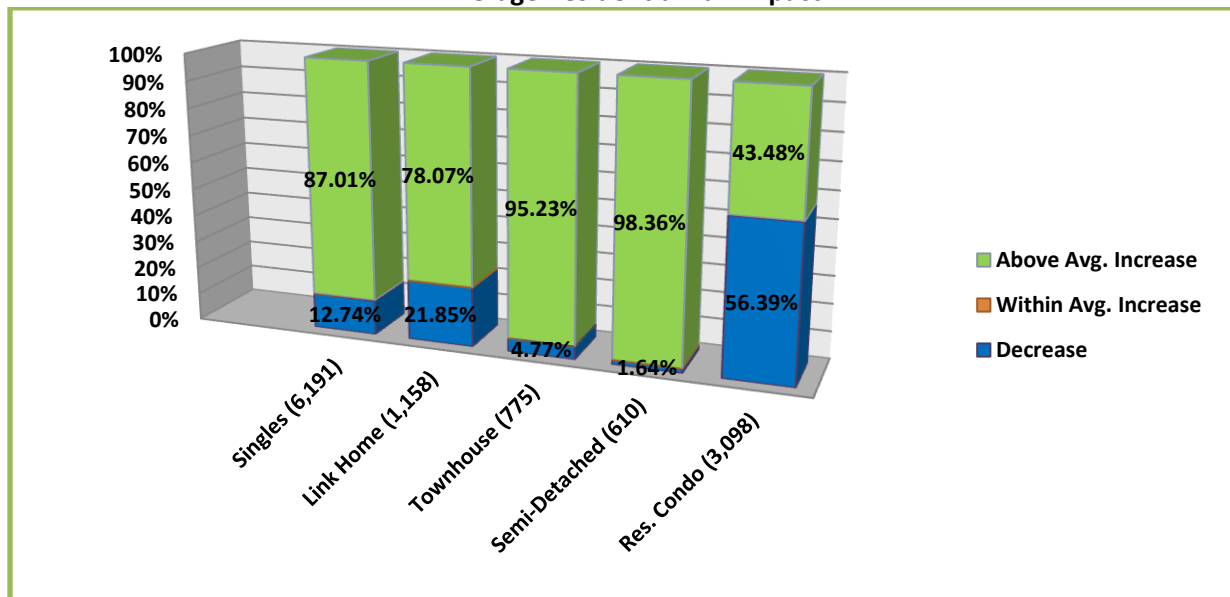
Ward 3- Summary

Residential Summary

Summary of 2016 Market Value Update Impact by Residential Home

Property Type	Property Count	2015 Average CVA	2016 Average CVA	Average Change in Phased CVA (2015 - 2016)	
				\$	%
Single Detached	6,191	\$746,034	\$797,513	\$51,479	6.90%
Link Home	1,158	\$495,561	\$529,465	\$33,905	6.84%
Freehold Townhouse	775	\$480,261	\$513,754	\$33,493	6.97%
Semi-Detached	610	\$441,665	\$474,066	\$32,400	7.34%
Residential Condominium	3,098	\$333,353	\$349,176	\$15,823	4.75%
Total	11,832				

Average Residential Tax Impact



Ward 3 Residential Summary

- At least 78% of all single detached, link, townhouse and semi-detached homes will experience a tax increase due to the market update.
- 56.39% of residential condominium homes will realize a tax decrease.

Ward 3- Summary

All Property Classes

Summary 2016 Market Update Impact by Class

Realty Tax Class	Property Count	Change in Phased CVA (2015 - 2016)
Residential	12,028	6.56%
Farm	1	6.39%
Multi-Residential	14	4.35%
Commercial	1,113	3.81%
Industrial	1	9.04%
Total Taxable	13,157	6.15%

Ward 3 - Class Summary

- The multi-residential change in phased CVA is below the City average of 3.89%.
- The industrial change in phased CVA is more than double the City average of 3.76%.
- The total change in assessment for all classes in Ward 2 is above the City average of 5.87%.

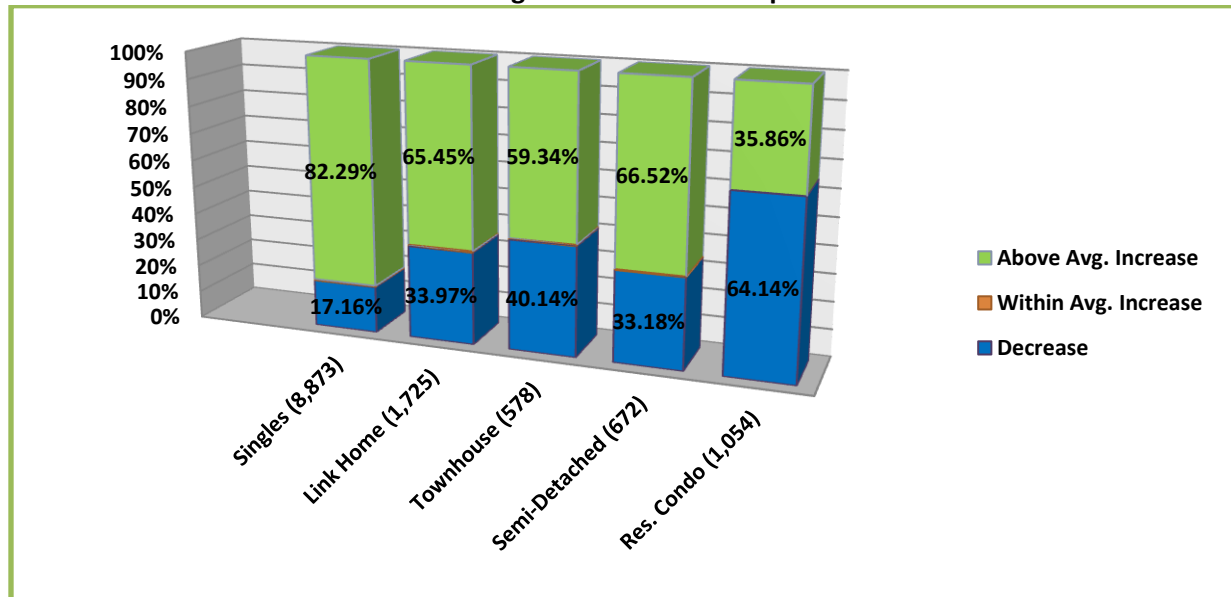
Ward 4- Summary

Residential Summary

Summary of 2016 Market Value Update Impact by Residential Home

Property Type	Property Count	2015 Average CVA	2016 Average CVA	Average Change in Phased CVA (2015 - 2016)	
				\$	%
Single Detached	8,873	\$567,499	\$602,840	\$35,340	6.23%
Link Home	1,725	\$438,854	\$465,056	\$26,202	5.97%
Freehold Townhouse	578	\$393,018	\$417,043	\$24,025	6.11%
Semi-Detached	672	\$403,495	\$428,089	\$24,594	6.10%
Residential Condominium	1,054	\$302,113	\$317,992	\$15,879	5.26%
Total	12,902				

Average Residential Tax Impact



Ward 4 Residential Summary

- Over 59% of all single, links, towns, and semi-detached homes will experience a tax increase due to the market update.
- At least 64% of all residential condominiums will realize a tax decrease.

Ward 4- Summary

All Property Classes

Summary 2016 Market Update Impact by Class

Realty Tax Class	Property Count	Change in Phased CVA (2015 - 2016)
Residential	13,091	6.16%
Multi-Residential	14	2.92%
Commercial	443	4.36%
Industrial	14	3.84%
Total Taxable	13,562	5.99%

Ward 4 - Class Summary

- The total change in assessment for all classes in Ward 4 is above the City average of 5.87%.

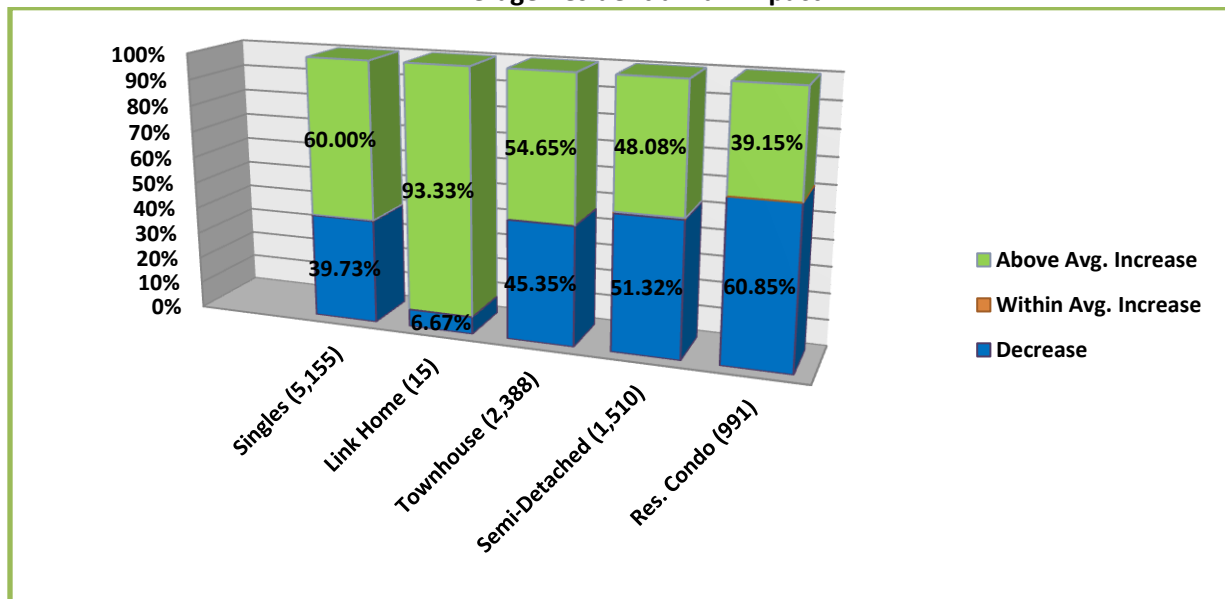
Ward 5- Summary

Residential Summary

Summary of 2016 Market Value Update Impact by Residential Home

Property Type	Property Count	2015 Average CVA	2016 Average CVA	Average Change in Phased CVA (2015 - 2016)	
				\$	%
Single Detached	5,155	\$563,413	\$596,326	\$32,913	5.84%
Link Home	15	\$532,779	\$566,600	\$33,821	6.35%
Freehold Townhouse	2,388	\$390,473	\$413,415	\$22,942	5.88%
Semi-Detached	1,510	\$417,960	\$442,291	\$24,332	5.82%
Residential Condominium	991	\$396,788	\$414,731	\$17,943	4.52%
Total	10,059				

Average Residential Tax Impact



Ward 5 Residential Summary

- At least 54% of all single detached, links, and towns will realize a tax increase due to the market update.
- Over 51% of semi-detached and residential condominiums will realize a tax decrease.

Ward 5- Summary

All Property Classes

Summary 2016 Market Update Impact by Class

Realty Tax Class	Property Count	Change in Phased CVA (2015 - 2016)
Residential	10,990	5.79%
Farm	41	5.74%
Multi-Residential	5	7.52%
Commercial	193	2.91%
Industrial	17	3.60%
Pipeline	1	0.00%
Total Taxable	11,247	5.69%

Ward 5 - Class Summary

- The multi-residential change in phased CVA is more than double the City average of 3.89%.

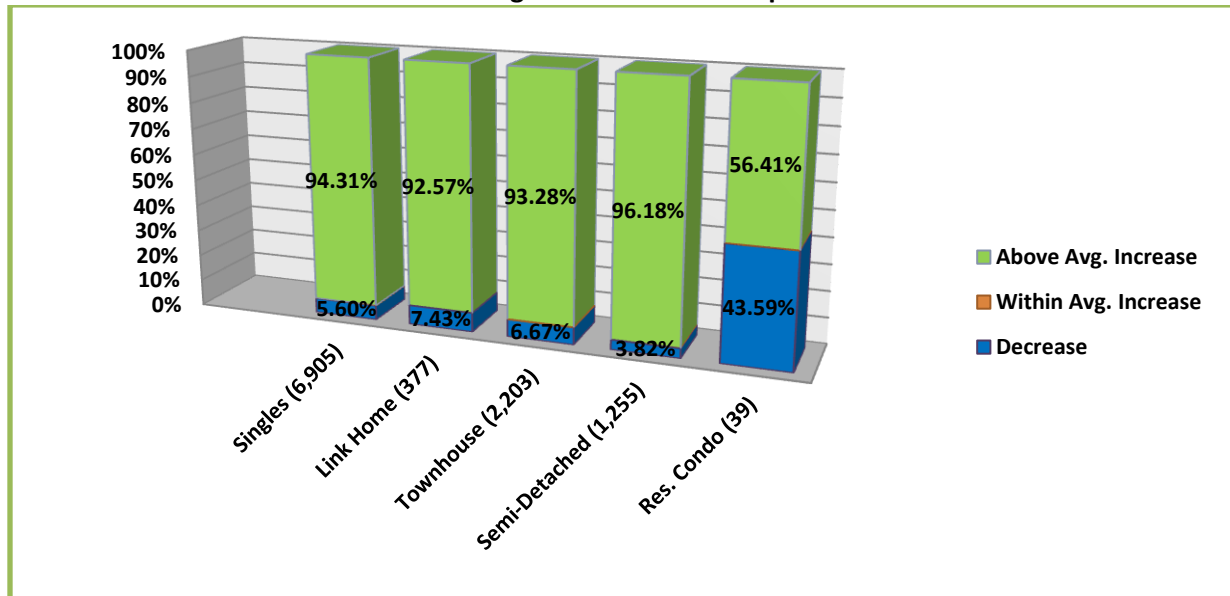
Ward 6- Summary

Residential Summary

Summary of 2016 Market Value Update Impact by Residential Home

Property Type	Property Count	2015 Average CVA	2016 Average CVA	Average Change in Phased CVA (2015 - 2016)	
				\$	%
Single Detached	6,905	\$672,265	\$718,856	\$46,591	6.93%
Link Home	377	\$474,586	\$506,156	\$31,571	6.65%
Freehold Townhouse	2,203	\$441,361	\$472,238	\$30,877	7.00%
Semi-Detached	1,255	\$448,418	\$479,528	\$31,110	6.94%
Residential Condominium	39	\$776,944	\$813,179	\$36,236	4.66%
Total	10,779				

Average Residential Tax Impact



Ward 6 Residential Summary

- Over 92% of all single detached, links, townhouse and semi-detached homes and over 56% of all residential condominiums will experience a tax increase due to the market update.

Ward 6- Summary

All Property Classes

Summary 2016 Market Update Impact by Class

Realty Tax Class	Property Count	Change in Phased CVA (2015 - 2016)
Residential	11,159	6.87%
Farm	106	6.05%
Multi-Residential	2	5.75%
Commercial	81	3.82%
Industrial	1	6.95%
Total Taxable	11,349	6.76%

Ward 6 - Class Summary

- The residential class change in phased CVA is above City residential average of 6.38%.
- The industrial class change in phased CVA is more than double the City average 3.76%.
- The total change in assessment for all classes in Ward 6 is above the City average of 5.87%.

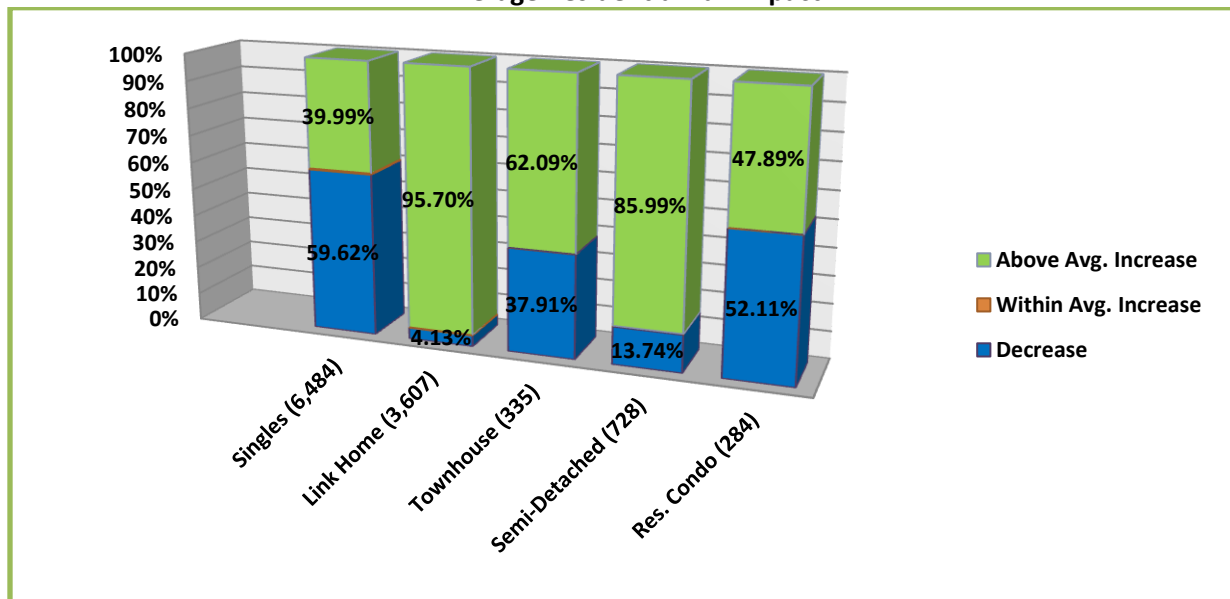
Ward 7- Summary

Residential Summary

Summary of 2016 Market Value Update Impact by Residential Home

Property Type	Property Count	2015 Average CVA	2016 Average CVA	Average Change in Phased CVA (2015 - 2016)	
				\$	%
Single Detached	6,484	\$603,869	\$637,484	\$33,615	5.57%
Link Home	3,607	\$441,908	\$470,251	\$28,343	6.41%
Freehold Townhouse	335	\$396,027	\$420,830	\$24,803	6.26%
Semi-Detached	728	\$417,209	\$444,070	\$26,861	6.44%
Residential Condominium	284	\$262,585	\$273,746	\$11,162	4.25%
Total	11,438				

Average Residential Tax Impact



Ward 7 Residential Summary

- At least 62% of all link, townhouse and semi-detached homes will experience a tax increase due to the market update.
- Over 52% of all single detached and residential condominium homes will realize a tax decrease.

Ward 7- Summary

All Property Classes

Summary 2016 Market Update Impact by Class

Realty Tax Class	Property Count	Change in Phased CVA (2015 - 2016)
Residential	11,566	5.81%
Farm	32	5.50%
Multi-Residential	2	7.42%
Commercial	325	3.62%
Industrial	13	4.66%
Total Taxable	11,938	5.66%

Ward 7 - Class Summary

- The multi-residential class change in phased CVA is significantly above the City average of 3.89%.

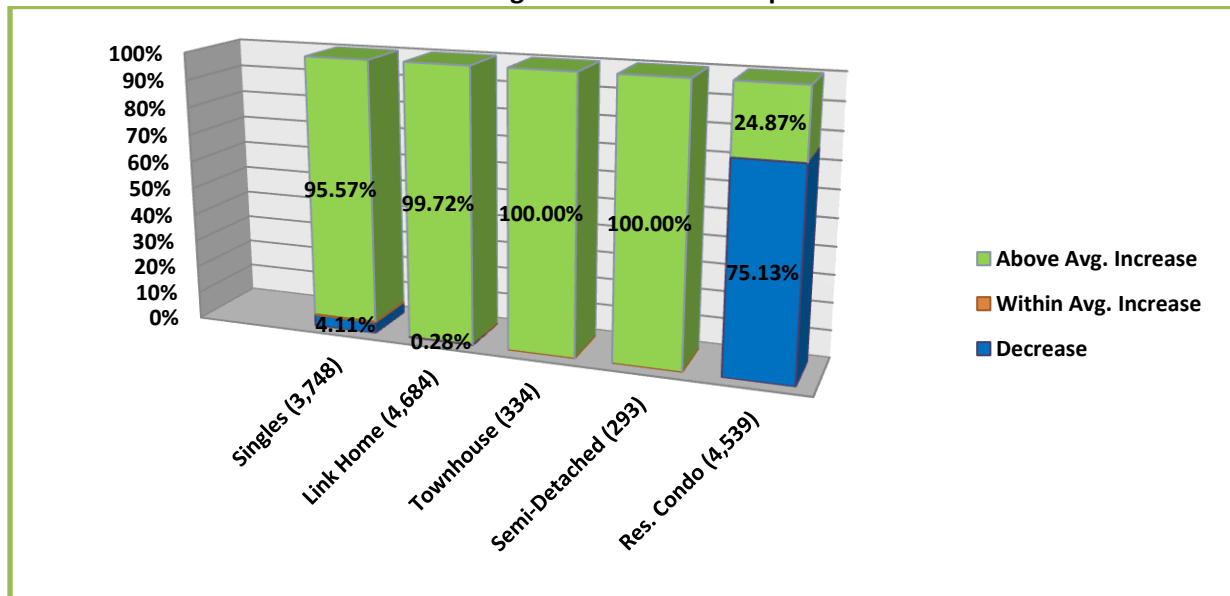
Ward 8 - Summary

Residential Summary

Summary of 2016 Market Value Update Impact by Residential Home

Property Type	Property Count	2015 Average CVA	2016 Average CVA	Average Change in Phased CVA (2015 - 2016)	
				\$	%
Single Detached	3,748	\$649,621	\$692,997	\$43,375	6.68%
Link Home	4,684	\$441,184	\$472,297	\$31,113	7.05%
Freehold Townhouse	334	\$467,505	\$503,009	\$35,504	7.59%
Semi-Detached	293	\$406,430	\$437,382	\$30,952	7.62%
Residential Condominium	4,539	\$290,848	\$304,221	\$13,373	4.60%
Total	13,598				

Average Residential Tax Impact



Ward 8 Residential Summary

- All townhouse and semi-detached homes will experience a tax increase due to the market update.
- At least 95% of all single detached and links will experience a tax increase due to the market update.
- Over 75% of all residential condominium homes will realize a tax decrease.

Ward 8 - Summary

All Property Classes

Summary 2016 Market Update Impact by Class

Realty Tax Class	Property Count	Change in Phased CVA (201 - 2016)
Residential	13,754	6.40%
Farm	1	6.29%
Multi-Residential	12	4.78%
Commercial	4,827	2.99%
Industrial	380	3.67%
Total Taxable	18,974	4.82%

Ward 8 - Class Summary

- The residential class change in phased CVA is above City residential average of 6.38%.
- Ward 8 contains the most commercial properties in the City.