

news release

FOR IMMEDIATE RELEASE

Toronto Real Estate Board Tells City to Keep Property Taxes Down

TORONTO, January 6, 2004 – While rising property assessments mean that homeowners are seeing their lifetime investments appreciate in value, Toronto Realtors are urging City Council to protect homeowners from unsustainable property tax increases resulting from these escalating assessments.

“Over the last few years, we’ve seen many homeowners hit with a double-whammy – rising property assessments and rising property tax rates. Realtors are concerned about this trend,” said Cynthia Lai, President of the Toronto Real Estate Board (TREB).

Property assessments were recently updated by the Municipal Property Assessment Corporation (MPAC) from their values on June 30, 2001, to reflect values as of June 30, 2003. These values are multiplied by the tax rate set by the municipality to determine property taxes. On average, Toronto homeowners saw their property assessments increase by 14% between 2001 and 2003, but some properties increased by as much as 30%.

With assessments increasing, City Council, and the Provincial Government, which sets the education portion of the property tax rate, can reduce property tax rates to offset assessment related increases, and still generate the same revenue. However, even if this action is taken, properties that have seen their values increase by more than the city-wide average would still see their property taxes rise as a result of assessment increases.

“We hope City Council understands that property tax increases make a difference for home ownership affordability, especially to first-time buyers and senior citizens or early retirees on fixed incomes who are very sensitive to any increase in the carrying costs of a home,” said Lai.

TREB is also concerned that this trend will continue for the foreseeable future.

“Our recently released numbers for 2003 indicate that last year turned out to be the best year ever for the local re-sale market, and we expect this hot market to continue, which means that assessments will likely rise again when they are updated by MPAC for next year,” Lai added.

“TREB will be working hard to ensure that City Council and the Provincial Government fully appreciate the impact that property tax increases can have on affordability,” Lai promised.

Toronto City Council will officially launch its 2004 Budget process, which will determine property tax rates, later this month.

Serving the Greater Toronto Area with more than 19,500 Realtors, the Toronto Real Estate Board is North America’s largest real estate board.

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