

Analysis and Illustrative Examples

Municipal Tax

On 2023 November 7 (C2023-1148), Council approved a municipal property tax budget of \$2,306.2 million or an overall tax rate increase of 5.8 per cent (7.8 per cent residential/farmland and 3.6 per cent non-residential). In the same report, council directed to account for differential in physical growth which resulted to more growth allocated to existing base for residential than non-residential base. As growth was higher than anticipated during the November report, it further reduced the overall tax rate increase to 5.2 per cent (7.2 per cent residential/farm land and 3.0 per cent non-residential).

Council also approved a 1 per cent tax share shift from non-residential to residential for 2024-2026 resulting to a revenue split of 53.2 per cent residential/farmland or \$1,226.5 million and 46.8 per cent non-residential or \$1,079.6 million. Including the 2024 bylaw adjustment of \$12.8 million, the total 2024 municipal property tax revenue to be raised from bylaw is \$2,319.0 million.

The tax ratio, tax rates, tax levy and tax share are summarized in Table 1 below:

Table 1: 2024 Municipal Tax Rates, Tax Levy and Tax Ratio Changes			
	2023	2024	Year-over-Year Change
Residential Tax Rate	0.0043319	0.0042036	-2.96%
Non-Residential Tax Rate	0.0184334	0.0183629	-0.38%
Tax Ratio (Non-res/Res)	4.26	4.37	
Tax Revenue raised through the bylaw (\$M) ¹	\$2,170.6	\$2,319.0	6.84%
Residential Tax Share	\$1,120.7	\$1,221.8	9.02%
Non-Residential Tax Share	\$1,048.5	\$1,095.8	4.51%
Farm land Tax Share	\$1.4	\$1.4	2.18%
Tax Share Ratio (Res:Non-res)	52:48	53.2:46.8	

Note 1.

Property Tax Revenue Budget (\$M)	2023	% Change	2024	% Change
Base	\$2,026.6		\$2,146.8	
Physical Growth (Development & Redevelopment)	\$46.0	2.3%	\$46.2	2.2%
Rate increase/(decrease)	\$74.2	3.7%	\$113.2	5.3%
Tax Revenue Budget per 2023-2026 SPB	\$2,146.8	5.9%	\$2,306.2	7.4%
Bylaw Adjustment	\$23.8	1.2%	\$12.8	(46.1%)
Tax Revenue raised through the bylaw	\$2,170.6	7.1%	\$2,319.0	6.8%

A summary of the required municipal tax levy is shown in Attachment 5.

Provincial Property Tax Requisition

On 2024 February 29, the province released Budget 2024. The provincial education property tax requisition is forecasted at \$2.7 billion province-wide in 2024-25. While education property tax rates will be frozen in 2024-

25, revenue will increase by \$229 million from the 2023-24 budget, reflecting the growth in the assessment tax base.

Although the total provincial requisition was frozen, The City’s requisition increased by 12 per cent due to growth in residential/farmland (14.4 per cent) and non-residential (5.7 per cent) assessment. As a result, The City’s share of the 2024 provincial property tax requisition increased by \$95.5 million to \$881.7 million. Net impacts of prior year adjustments and amounts that are not required to be raised by the 2024 Property Tax Bylaw bring the total adjusted amount for bylaw calculation up to \$875.7 million.

Table 2: 2024 Provincial Tax Rates & Tax Levy			
	2023	2024	Year-over-Year Change
Residential Tax Rate	0.0022399	0.0022825	1.9%
Non-Residential Tax Rate	0.0036414	0.0036293	(0.3%)
Tax Revenue raised through the bylaw (\$M)	\$782.4	\$875.7	11.9%
Residential Tax Share	\$578.7	\$662.8	14.5%
Non-Residential Tax Share	\$203.5	\$212.8	4.6%
Farm land Tax Share	\$0.2	\$0.1	(-50.0%)

A summary of the requisitions and the resulting provincial tax levy to be raised from the 2024 Property Tax Bylaw is provided in Attachment 6.

Total Provincial & Municipal Combined Changes for Typical Properties

Individual tax bill changes from year to year due to factors such as changes in assessed value, changes in the municipal tax rates and changes in provincial tax rates. The following summarizes changes for all factors:

For the typical single residential homeowner with a 2024 median assessment of \$610,000 with a change less than the typical residential assessment increase of 10 per cent, the combination of the municipal and provincial changes results in a combined increase of \$309.19 per year (\$25.77 per month).

For the typical single residential condominium owner with a 2024 median assessment of \$295,000 with a change greater than the typical residential assessment change of 10 per cent, the combination of the municipal and provincial changes results in a combined increase of \$237.60 per year (\$19.80 per month).

The non-residential property owner of a hypothetical \$5 million property experiencing the typical non-residential assessment increase of 3.3 per cent will see a combined increase of \$3,317.41 per year (\$276.45 per month).

Table 3: Total Estimated Municipal & Provincial Combined Changes from 2023 to 2024

Estimated Year-over-Year Change	Single Residential Home	Single Residential Condominium	Non-residential \$5M property
Assessment Change (A) ¹	-\$11	\$53	-\$49
Budget Change (B) ²	\$171	\$83	\$2,811
Municipal Change (C = A+B) ³	\$160	\$136	\$2,762
Provincial Change (D) ⁴	\$149	\$102	\$555
Total Annual Change (C+D) ⁵	\$309	\$238	\$3,317
Total Monthly Change	\$26	\$20	\$276

1. Relative assessment impact
2. Council approved budget changes
3. Estimated Municipal Taxes based on the summary table below
4. Based on the Provincial numbers in the summary table below
5. Totals may not add due to rounding

Additional examples of property types are provided in the summary tables below. The illustrative examples also include the monthly Tax Instalment Payment Plan (TIPP) payments for the first six months and last six months of the year for the typical single residential homeowner. Council approved bylaw 50M2022 on report C2022-1120 which amended the Tax Instalment Payment Plan (TIPP) Bylaw 9M2002. This reduced the notice period from 30 to 10 days and enabled greater stability in TIPP payments by spreading them more evenly over the course of a year.

Typical Single Residential Home	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$555,000	\$610,000	9.91%	\$610,000	9.91%
Municipal Tax Rate	0.0043319	0.0039226	-9.45%	0.0042036	-2.96%
Estimated Municipal Taxes	\$2,404	\$2,393	-0.47%	\$2,564	6.66%
Provincial Tax Rate	0.0022399	0.0020477	-8.58%	0.0022825	1.90%
Estimated Provincial Taxes	\$1,243	\$1,249	0.48%	\$1,392	12.00%
Monthly TIPP Payments Jan to Jun	\$298			\$328	
Monthly TIPP Payments Jul to Dec	\$310			\$332	
Total Taxes	\$3,647	\$3,642	-0.15%	\$3,957	8.48%

Typical Single Residential Condo	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$255,000	\$295,000	15.69%	\$295,000	15.69%
Municipal Tax Rate	0.0043319	0.0039226	-9.45%	0.0042036	-2.96%
Estimated Municipal Taxes	\$1,105	\$1,157	4.76%	\$1,240	12.26%
Provincial Tax Rate	0.0022399	0.0020477	-8.58%	0.0022825	1.90%
Estimated Provincial Taxes	\$571	\$604	5.76%	\$673	17.89%
Total Taxes	\$1,676	\$1,761	5.10%	\$1,913	14.18%

<i>Multi-Residential - Low-Rise Apartment</i>	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$4,180,000	\$4,380,000	4.78%	\$4,380,000	4.78%
Municipal Tax Rate	0.0043319	0.0039226	-9.45%	0.0042036	-2.96%
Estimated Municipal Taxes	\$18,107	\$17,181	-5.12%	\$18,412	1.68%
Provincial Tax Rate	0.0022399	0.0020477	-8.58%	0.0022825	1.90%
Estimated Provincial Taxes	\$9,363	\$8,969	-4.21%	\$9,997	6.78%
Total Taxes	\$27,470	\$26,150	-4.81%	\$28,409	3.42%

<i>Multi-Residential - High-Rise Apartment</i>	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$7,350,000	\$8,040,000	9.39%	\$8,040,000	9.39%
Municipal Tax Rate	0.0043319	0.0039226	-9.45%	0.0042036	-2.96%
Estimated Municipal Taxes	\$31,839	\$31,538	-0.95%	\$33,797	6.15%
Provincial Tax Rate	0.0022399	0.0020477	-8.58%	0.0022825	1.90%
Estimated Provincial Taxes	\$16,463	\$16,464	0.00%	\$18,351	11.47%
Total Taxes	\$48,303	\$48,001	-0.62%	\$52,148	7.96%

<i>Non-Residential \$5M Property</i>	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$5,100,000	\$5,270,000	3.33%	\$5,270,000	3.33%
Municipal Tax Rate	0.0184334	0.0178295	-3.28%	0.0183629	-0.38%
Estimated Municipal Taxes	\$94,010	\$93,961	-0.05%	\$96,772	2.94%
Provincial Tax Rate	0.0036414	0.0032226	-11.50%	0.0036293	-0.33%
Estimated Provincial Taxes	\$18,571	\$16,983	-8.55%	\$19,126	2.99%
Total Taxes	\$112,581	\$110,945	-1.45%	\$115,899	2.95%

<i>Retail - Strip Mall</i>	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$2,860,000	\$3,100,000	8.39%	\$3,100,000	8.39%
Municipal Tax Rate	0.0184334	0.0178295	-3.28%	0.0183629	-0.38%
Estimated Municipal Taxes	\$52,720	\$55,271	4.84%	\$56,925	7.98%
Provincial Tax Rate	0.0036414	0.0032226	-11.50%	0.0036293	-0.33%
Estimated Provincial Taxes	\$10,414	\$9,990	-4.07%	\$11,251	8.03%
Total Taxes	\$63,134	\$65,262	3.37%	\$68,176	7.99%

<i>Retail - 17th Avenue SW</i>	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$2,200,000	\$2,230,000	1.36%	\$2,230,000	1.36%
Municipal Tax Rate	0.0184334	0.0178295	-3.28%	0.0183629	-0.38%
Estimated Municipal Taxes	\$40,553	\$39,760	-1.96%	\$40,949	0.98%
Provincial Tax Rate	0.0036414	0.0032226	-11.50%	0.0036293	-0.33%
Estimated Provincial Taxes	\$8,011	\$7,186	-10.29%	\$8,093	1.03%
Total Taxes	\$48,565	\$46,946	-3.33%	\$49,043	0.98%

<i>Retail - Neighbourhood Shopping Centre</i>	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$16,950,000	\$18,650,000	10.03%	\$18,650,000	10.03%
Municipal Tax Rate	0.0184334	0.0178295	-3.28%	0.0183629	-0.38%
Estimated Municipal Taxes	\$312,446	\$332,520	6.42%	\$342,468	9.61%
Provincial Tax Rate	0.0036414	0.0032226	-11.50%	0.0036293	-0.33%
Estimated Provincial Taxes	\$61,722	\$60,101	-2.63%	\$67,686	9.66%
Total Taxes	\$374,168	\$392,622	4.93%	\$410,155	9.62%

<i>Typical Industrial - Warehouse</i>	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$4,260,000	\$4,750,000	11.50%	\$4,750,000	11.50%
Municipal Tax Rate	0.0184334	0.0178295	-3.28%	0.0183629	-0.38%
Estimated Municipal Taxes	\$78,526	\$84,690	7.85%	\$87,224	11.08%
Provincial Tax Rate	0.0036414	0.0032226	-11.50%	0.0036293	-0.33%
Estimated Provincial Taxes	\$15,512	\$15,307	-1.32%	\$17,239	11.13%
Total Taxes	\$94,039	\$99,997	6.34%	\$104,463	11.09%

<i>Large Format Industrial - Warehouse</i>	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$24,920,000	\$29,640,000	18.94%	\$29,640,000	18.94%
Municipal Tax Rate	0.0184334	0.0178295	-3.28%	0.0183629	-0.38%
Estimated Municipal Taxes	\$459,360	\$528,466	15.04%	\$544,276	18.49%
Provincial Tax Rate	0.0036414	0.0032226	-11.50%	0.0036293	-0.33%
Estimated Provincial Taxes	\$90,744	\$95,518	5.26%	\$107,572	18.55%
Total Taxes	\$550,104	\$623,984	13.43%	\$651,849	18.50%

<i>Suburban Office</i>	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$6,200,000	\$6,520,000	5.16%	\$6,520,000	5.16%
Municipal Tax Rate	0.0184334	0.0178295	-3.28%	0.0183629	-0.38%
Estimated Municipal Taxes	\$114,287	\$116,248	1.72%	\$119,726	4.76%
Provincial Tax Rate	0.0036414	0.0032226	-11.50%	0.0036293	-0.33%
Estimated Provincial Taxes	\$22,577	\$21,011	-6.93%	\$23,663	4.81%
Total Taxes	\$136,864	\$137,260	0.29%	\$143,389	4.77%

<i>Office - Downtown AA Class</i>	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$259,900,000	\$246,500,000	-5.16%	\$246,500,000	-5.16%
Municipal Tax Rate	0.0184334	0.0178295	-3.28%	0.0183629	-0.38%
Estimated Municipal Taxes	\$4,790,841	\$4,394,972	-8.26%	\$4,526,455	-5.52%
Provincial Tax Rate	0.0036414	0.0032226	-11.50%	0.0036293	-0.33%
Estimated Provincial Taxes	\$946,400	\$794,371	-16.06%	\$894,622	-5.47%
Total Taxes	\$5,737,241	\$5,189,343	-9.55%	\$5,421,077	-5.51%

<i>Hotel/Accommodation</i>	2023	2024 Prior to Budget Adjustments	Year-over-Year Change	2024 Including 2023-2026 Service Plans & Budgets*	Year-over-Year Change
Assessment	\$64,710,000	\$70,870,000	9.52%	\$70,870,000	9.52%
Municipal Tax Rate	0.0184334	0.0178295	-3.28%	0.0183629	-0.38%
Estimated Municipal Taxes	\$1,192,825	\$1,263,577	5.93%	\$1,301,379	9.10%
Provincial Tax Rate	0.0036414	0.0032226	-11.50%	0.0036293	-0.33%
Estimated Provincial Taxes	\$235,635	\$228,386	-3.08%	\$257,208	9.16%
Total Taxes	\$1,428,460	\$1,491,962	4.45%	\$1,558,587	9.11%