



MUNICIPAL
PROPERTY
ASSESSMENT
CORPORATION

2016 ASSESSMENT UPDATE - REVIEW

Mayor and Council
Town of Kingsville
January 23, 2017

Tracy Pringle
Account Manager
Municipal and Stakeholder Relations

ONTARIO'S ASSESSMENT CYCLE



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 municipal services.* These services may include:



Police and fire protection



Roads, sidewalks and public transit

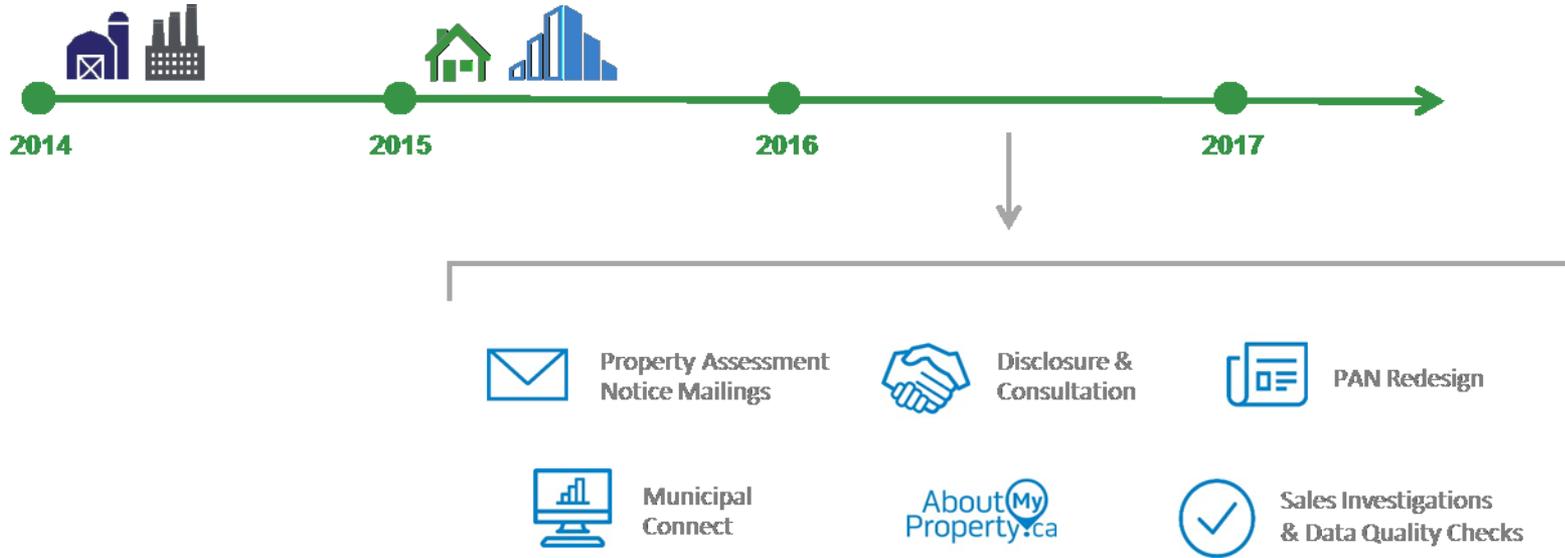


Waste management

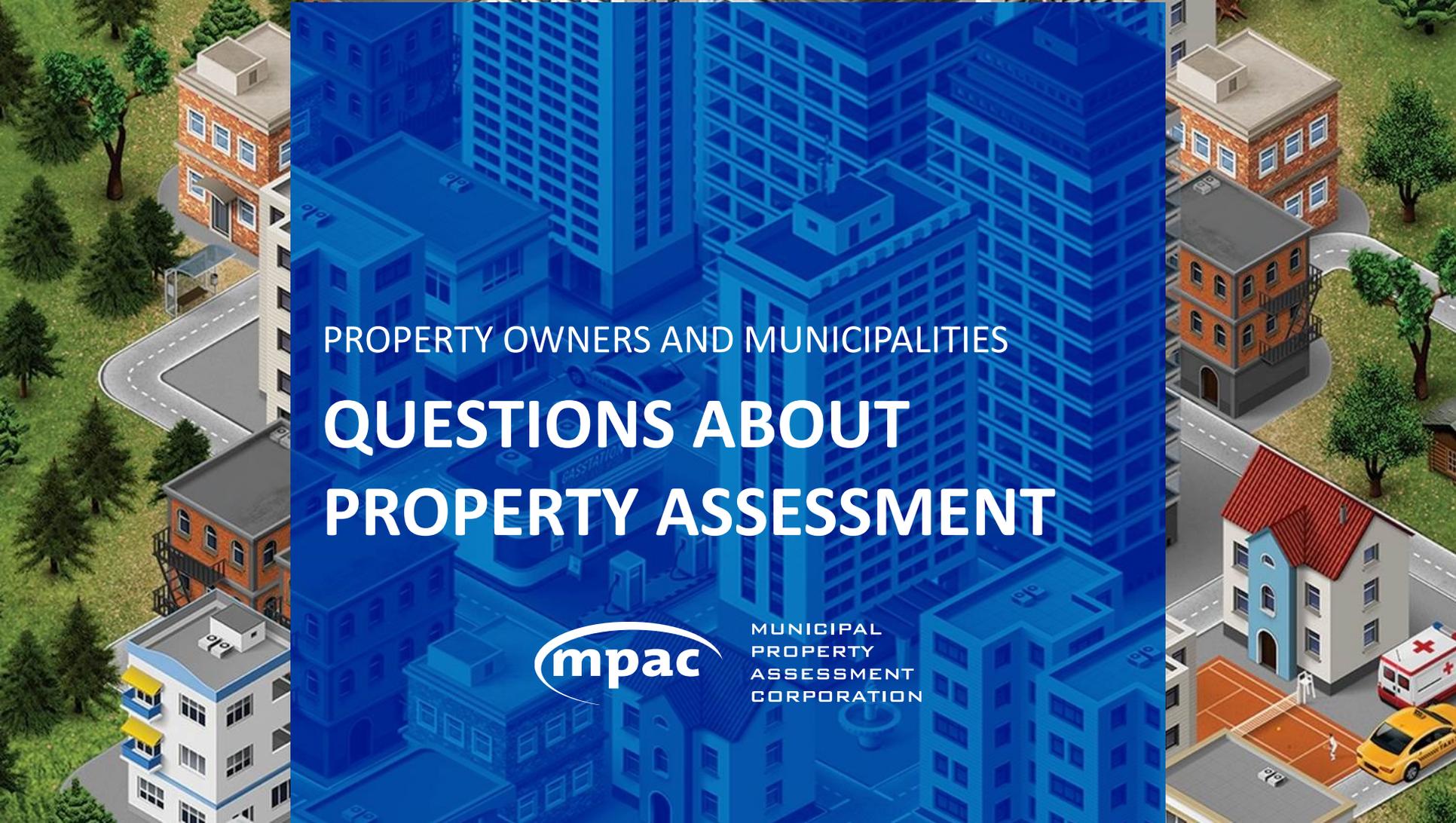


Parks and leisure facilities

2016 ASSESSMENT UPDATE



MPAC prepared the 2016 assessment update since early in 2014 — two years earlier than previous assessment updates.



PROPERTY OWNERS AND MUNICIPALITIES

QUESTIONS ABOUT PROPERTY ASSESSMENT



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NOTICE MAILING SCHEDULE

Property Type	Notice Mailing Date	Request for Reconsideration Deadline
Farm Properties	October 11, 2016	February 8, 2017
Business Properties	October 18, 2016	February 15, 2017
Multi-Partition Residential Properties	October 24, 2016	February 21, 2017
Business and Special Purpose Properties, Landfills, Managed Forests	November 28, 2016	March 28, 2017

*Deadline for multi-residential and business property owners to file an appeal with the Assessment Review Board is **March 31, 2017***

ABOUT MY PROPERTY



Your Property.
Our Assessment.
Know More About It.

[Home](#) | [Market Trends](#) | [Tutorials](#) | [How Assessment Works](#) | [Contact Us](#)

ASSESSMENT UPDATE

2016

[VIEW THE MAILING SCHEDULE](#)

Welcome to AboutMyProperty™

User ID [?](#)

[Forgot User ID](#)

Password

[Forgot Your Password](#)

Login

or
[New to the site? Register Now](#)

You will need your Property Assessment Notice for the 2017 to 2020 property taxation years to register.

MARKET TRENDS

Learn about market trends across Ontario.

2% 1% 10%

HOW ASSESSMENT WORKS

Interested in learning about how your property was assessed? Want to learn more about Ontario's property assessment system?



HOW ASSESSMENT WORKS



Your Property.
Our Assessment.
Know More About It.

[Home](#) | [Market Trends](#) | [Tutorials](#) | [How Assessment Works](#) | [Contact Us](#)

How Assessment Works

MPAC is the Municipal Property Assessment Corporation, responsible for assessing and classifying all properties in Ontario in compliance with the *Assessment Act* and regulations set by the Government of Ontario. We are the largest assessment jurisdiction in North America, assessing and classifying more than five million properties with an estimated total value of \$2.3 trillion.

Select a property type to learn more:

- [Residential Properties](#)
- [Commercial/Industrial Properties and Land](#)
- [Farm Properties](#)
- [Hospitality Properties](#)
- [Managed Forest Properties](#)
- [Multi-Residential Properties](#)
- [Large and Special Purpose Business Properties](#)
- [Special/Exempt and Linear Properties](#)



Did you know financial institutions, the insurance industry and real estate boards **USE MPAC'S DATA?**

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MARKET TRENDS



Your Property.
Our Assessment.
Know More About It.

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Market Trends

Learn more about market trends in neighbourhoods and municipalities across Ontario. Market trend reports will be available for the following property types:

- [Residential Properties](#)
- [Farm Properties](#)
- [Multi-Residential Properties](#)
- [Industrial Properties](#)
- [Commercial Properties](#)
 - [Office Class A, Class AA, and Class AAA](#)
 - [Office Class B, Class C, and Class D](#)
 - [Neighbourhood Shopping Centres](#)

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RESOLVING ASSESSMENT CONCERNS

STEP 1: Review

Review and validate your Property Assessment Notice carefully to make sure the information is correct. If a factual error has been made, we will correct it.



STEP 2: Compare

Visit aboutmyproperty.ca to review the information MPAC has on file for your property.



Online: aboutmyproperty.ca

OR

STEP 3: Contact us

We're here to help. Contact us and one of our property assessment experts will help guide you through your Property Assessment Notice.



mpac.ca/ContactUs



Fax: 1-866-297-6703



Mail:
MPAC, PO Box 9808
Toronto ON M1S 5T9

STEP 4: Request a Reconsideration or Appeal

Farms, Managed Forest and Conservation Land – File a Request for Reconsideration with MPAC before the deadline shown on the Notice (120 days from the Notice date).

Business – File a Request for Reconsideration with MPAC before the deadline shown on the Notice or an appeal with the Assessment Review Board before March 31.

MUNICIPAL CONNECT



3 LEVELS

1 Our Method Methodology Guides

These comprehensive guides explain assessment methodology.



Our assessors are trained experts in the field of valuation and apply appraisal industry standards and best practices.

2 Our Analytics Market Valuation Reports

These comprehensive reports explain how assessment methodology is applied to value properties, at the sector level, including reports for each of MPAC's 128 residential market areas.



3 Your Property Property Specific Valuation Information

Detailed information for Ontario's more than 5 million properties including 600,000+ business properties.



200+ sets of detailed documentation

An aerial, isometric view of a city with various buildings, streets, and green spaces. A large, semi-transparent blue rectangular overlay covers the center of the image. The text 'PROPERTY PORTFOLIO UPDATES' is centered within this blue area in white, bold, sans-serif font. Below the text is the 'mpac' logo, which consists of the lowercase letters 'mpac' in a white, rounded font, enclosed within a white, curved line that suggests a stylized 'm' or a swoosh. To the right of the logo, the full name 'MUNICIPAL PROPERTY ASSESSMENT CORPORATION' is written in a smaller, white, all-caps, sans-serif font, stacked in three lines. The background city includes a gas station, a tennis court, a yellow taxi, and a white ambulance with a red cross, all rendered in a clean, blocky style.

PROPERTY PORTFOLIO UPDATES



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RESIDENTIAL



Comparing the 2016 Residential Experience to 2012

- 2016 Residential Notices were mailed from April to August
- Improved Notice provides a clear and simple explanation of the property assessment process, phase-in and five key factors that affect value
- Expanded AboutMyProperty.ca with Residential Market Trends for each municipality and easy to understand videos and materials explaining the assessment process
- 120 day Request for Reconsideration deadline to help ensure property assessment concerns are resolved ahead of roll return

- All Residential Request for Reconsideration (RfR) deadlines have passed; 33,714 RfRs have been received for the 2017 tax year with **68** from residential owners in Kingsville

- Following the 2012 Assessment Update, MPAC received 93,460 residential RfRs for the 2013 tax year and **229** were received in Kingsville
 - *all properties were subject to a standard March 31, 2013 deadline*

REDESIGNED COMMUNICATIONS = INCREASED AWARENESS

The redesigned Property Assessment Notice has increased residential property owners' awareness of MPAC's role.

The Property Assessment Notice is easy to read.



It was easy to understand what my assessed value is.



It was easy to understand how my assessed value will be used by my municipality



The Notice does a good job of explaining MPAC's role in Ontario's Property Assessment System.



FARMS

- MPAC has strengthened the accuracy and equity of farm valuations for the 2016 Assessment Update.
- After consulting with the Ontario Federation of Agriculture, the Ministry of Agriculture Food and Rural Affairs, farmers and municipalities, we:
 - improved the farm sale verification process
 - completed a comprehensive review of vacant farm land sales back to January 2008
 - reduced the number of farm neighbourhoods from 228 to 167
 - Implemented a new Agricultural Cost Guide



2016 FARM VALUES EXPLAINED

1 Upward trends continue

Farmland property sales indicate that farm values have continued to increase provincially.

2 Interest rates are low

Historic low interest rates have allowed farmers to expand farming operations.

3 Demand outweighs supply

Over the last several years, the demand for farmland has significantly outweighed the supply, creating competition.

4 Not all buyers are farmers

Non-agricultural buyers in Ontario continue to purchase farmland.*

5 More land is needed

Many sectors, including large intensive livestock enterprises, need land for nutrient management and cropping requirements.

6 Soil type is a factor

The availability of soil types that support high-value crops is driving up demand.

7 Farmland sales expand east

Producers continue to expand by purchasing land in Eastern Ontario and in neighbouring communities.

8 Lower priced land available in northeast

Buyers from Southern Ontario who are in search of lower priced land are finding it in the Northern and Eastern regions of Ontario.

MULTI-RESIDENTIAL

- Consultations with provincial, municipal and industry representatives to discuss multi-residential methodology, including:
 - Federation of Rental-Housing Providers of Ontario,
 - Co-operative Housing Federation of Canada (Ontario) and
 - Ontario Non-Profit Housing Association.
- As a result of feedback, MPAC valued multi-residential properties using the Direct Capitalization approach for the 2016 Assessment Update.
- MPAC has received broad support from stakeholders about the change.
- Launched a Property Income and Expense Return application in aboutmyproperty.ca to collect property rental, income and expense information.



2016 MULTI-RESIDENTIAL VALUES EXPLAINED

- 1 Upward trends continue**

Multi-residential property sales indicate that values have continued to increase provincially.
- 2 Interest rates are low**

Historic low interest rates have fueled an active sales market for multi-residential properties.
- 3 Demand outweighs supply**

Competition for apartment investment properties in large urban centres has resulted in premium pricing.
- 4 REITs and large portfolio holders invest**

Real estate investment trusts and large institutional investors continue to invest in this stable asset class.
- 5 Rent vs. buy**

Many young professionals are choosing to rent instead of buy due to strong home prices.
- 6 Province-wide effect**

Sale prices have continued to climb across the province. Sault Ste. Marie, Thunder Bay, Barrie, Hamilton, Windsor and the Greater Toronto Area all show strengthening apartment markets.

COMMERCIAL AND INDUSTRIAL

- MPAC investigated more than 69,000 sales commercial/industrial properties province-wide, representing almost 90% of all sales for the Province.
- Implemented a consistent valuation approach for big box store that reflects, where appropriate, valuation methodologies used in recent appeal settlements.
- Data collection, review, pre-Roll consultations and/or information sessions with:
 - Large Special Purpose Property Owners
 - Ontario Stone Sand and Gravel Association and industry members
 - Mining Owners
 - Ontario Business Improvement Area Association and member associations across Ontario
 - Municipalities
 - Ministry of Finance



2016 STANDARD INDUSTRIAL VALUES EXPLAINED

1 Upward trends continue

Standard Industrial property sales indicate the industrial market remains strong in the Greater Toronto Area.

2 Rebounding market in Southwestern Ontario

The market in Southwestern Ontario remains stable with industrial sales rebounding in Windsor/Chatham.

3 Logistics a key driver for this segment

Access to main transportation routes along the 400 series highways and large distribution centres continues to stimulate industrial markets.

4 Steady growth province-wide

Central, east and northern areas of the province continue to experience stable industrial markets.

5 Interest rates are low

Historic low interest rates have fueled growth in industrial property sales.

2016 COMMERCIAL VALUES EXPLAINED

1

Retail development in an expanding housing market

Retail development remains strong in areas with growing residential communities to support the demand for retail services from new residents.

4

Big box vs. standard retail properties

Province-wide, big box properties are experiencing marginally lower increases in assessment when compared to standard retail properties due to the limited utility beyond their existing use and limited market demand within this sector.

2

Capitalization rates and office buildings

Capitalization rates continue to compress in most parts of Ontario. New supply continues to be added in several major markets, including Toronto, Richmond Hill, Mississauga and Oakville.

5

Commercial in the Northwest

The main urban centres of Thunder Bay, Kenora, Dryden and Fort Frances are experiencing the most consistent assessment increases in the region. Affordable housing market conditions along with stability in the mining and forestry sector have contributed to steady market conditions in the commercial sector.

3

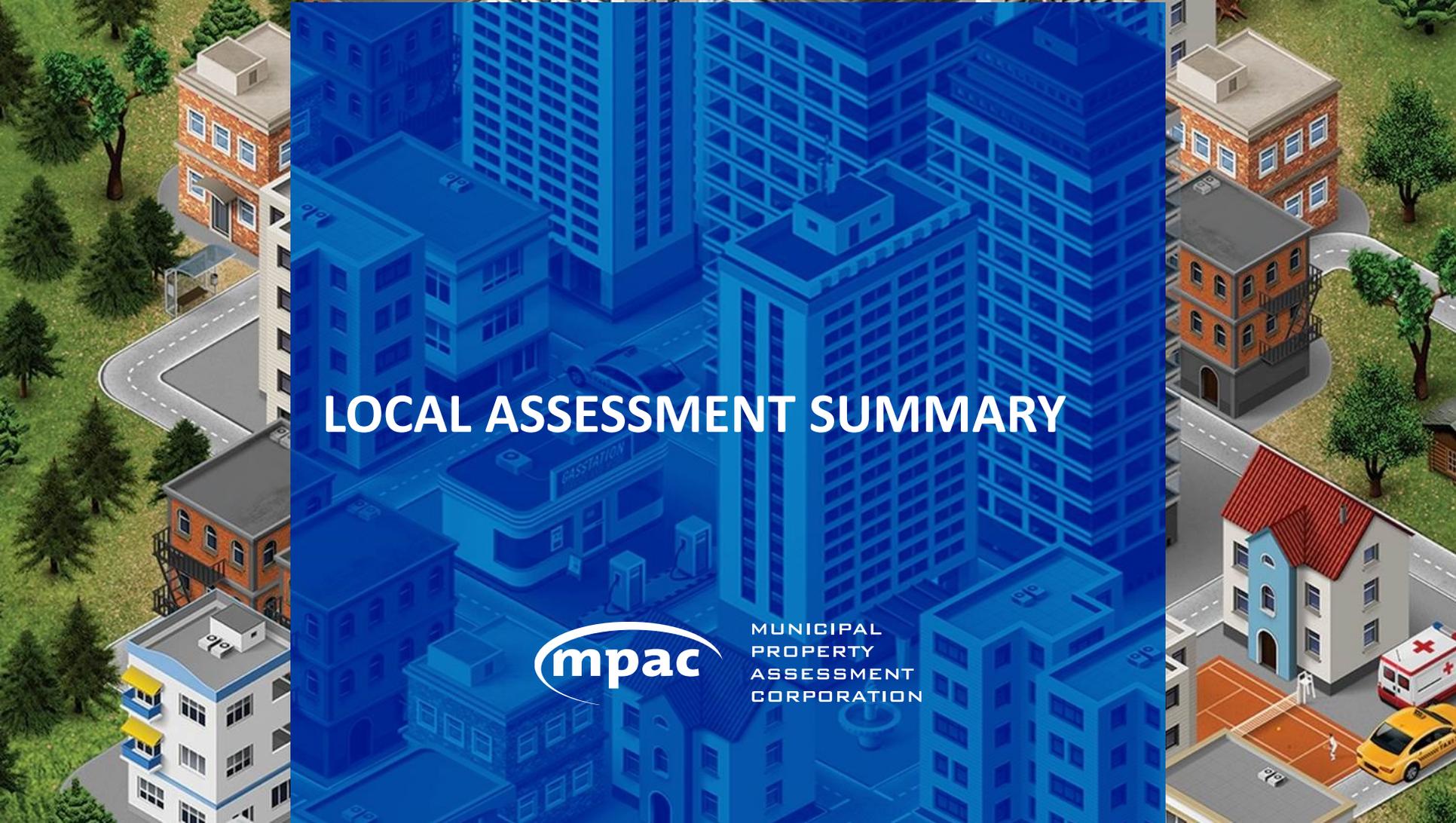
Ottawa faces decline in office building values

Ottawa continues to see a decline in rents and an increase in vacancy as the federal government continues to relinquish office space back to the market.

6

Commercial in Northeastern Ontario

Northeastern Ontario is seeing the lowest average change in commercial properties in the region. Increases to small retail properties are tempered in part due to the continued development of big box centres in these communities which have drawn consumers from traditional retail markets. Office buildings and large shopping centre values have outperformed small retail as sectors and investors outside of Northern Ontario see value in investing in the North due to low interest rates.

An aerial, isometric view of a city with various buildings, streets, and green spaces. A large, semi-transparent blue rectangle is overlaid on the center of the image. The text 'LOCAL ASSESSMENT SUMMARY' is centered within this blue area in white, bold, sans-serif font. Below the title, the 'mpac' logo is displayed, consisting of the lowercase letters 'mpac' in a white, sans-serif font with a white swoosh underneath. To the right of the logo, the text 'MUNICIPAL PROPERTY ASSESSMENT CORPORATION' is written in a smaller, white, sans-serif font, stacked in three lines. The background city includes a gas station with a car, a tennis court with a yellow taxi and a white ambulance, and several multi-story buildings in various colors like brick, white, and blue.

LOCAL ASSESSMENT SUMMARY



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REASSESSMENT RELATED IMPACT STUDY

The following chart provides a comparison of the total assessment for the 2012 and 2016 base years, as well as a comparison of the assessment change for year one of the four year phase in (2017 property tax year), by property class.

Property Class/Realty Tax Class	2012 Full CVA	2016 Full CVA	Percent Change 2012 to 2016	2017 Phased-in CVA	Percent Change 2012 to 2017
R Residential	1,754,698,731	1,908,417,700	8.8%	1,768,128,831	0.8%
M Multi-Residential	20,117,570	26,111,900	29.8%	21,613,903	7.4%
C Commercial	121,191,009	124,738,205	2.9%	117,718,509	-2.9%
S Shopping Centre	1,548,200	1,629,400	5.2%	1,568,500	1.3%
X Commercial (New Construction)	28,055,800	29,579,300	5.4%	27,705,845	-1.2%
Z Shopping Centre (New Construction)	3,721,800	3,707,100	-0.4%	3,695,190	-0.7%
I Industrial	18,704,796	20,366,200	8.9%	18,875,441	0.9%
L Large Industrial	5,195,500	5,301,800	2.0%	5,222,075	0.5%
J Industrial (New Construction)	8,692,300	11,345,400	30.5%	9,351,000	7.6%
K Large Industrial (New Construction)	6,163,400	6,956,600	12.9%	6,361,700	3.2%
P Pipeline	13,225,000	14,406,000	8.9%	13,520,250	2.2%
F Farm	681,213,400	680,016,000	-0.2%	599,168,550	-12.0%
T Managed Forests	751,900	784,400	4.3%	691,550	-8.0%
(PIL) R Residential	52,300	75,800	44.9%	58,175	11.2%
(PIL) C Commercial	12,235,500	16,027,300	31.0%	13,183,450	7.7%
(PIL) F Farm	214,500	305,000	42.2%	237,125	10.5%
E Exempt	63,268,295	65,821,800	4.0%	61,562,625	-2.7%
TOTAL	2,739,050,001	2,915,589,905	6.45%	2,668,662,719	-2.57%

REASSESSMENT RELATED IMPACT SUMMARY

The following chart provides a comparison of the distribution of the total assessment for the 2012 and 2016 base years, which includes the percentage of the total assessment base by property class.

Property Class/Realty Tax Class	2012 Full CVA	Percentage of Total 2012 CVA	2016 Full CVA	Percentage of Total 2016 CVA	2017 Phased-in CVA	Percentage of Total 2017 CVA
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An aerial view of a city with various buildings, trees, and streets. A large, semi-transparent blue rectangular overlay covers the center of the image. The word "QUESTIONS?" is written in white, bold, sans-serif font across the middle of the blue overlay. Below the text, the logo for "mpac" is visible, consisting of the lowercase letters "mpac" in a white, rounded font with a white swoosh underneath. To the right of the logo, the text "MUNICIPAL PROPERTY ASSESSMENT CORPORATION" is written in a smaller, white, sans-serif font, stacked in three lines.

QUESTIONS?



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