TORONTO

REPORT FOR ACTION

2021 Updated Assessment of Revenue Options

Date: June 21, 2021
To: City Council
From: Chief Financial Officer and Treasurer
Wards: All

SUMMARY

Toronto City Council has, over the last four terms of Council since 2006, identified and implemented a number of new revenue tools and measures, in efforts to diversify the City's revenue base, consistent with a fiscally prudent long term financial strategy. These efforts to augment the City's revenue base and to tap new revenue sources included the Municipal Land Transfer Tax and Personal Vehicle Tax implemented in 2008, a dedicated Transit/City Building Levy in 2014 which has been increased annually since 2017, road tolls, a municipal accommodation tax for hotel and short term rental stays in 2018 and 2021 respectively, and most recently, a proposed tax on vacant residential units.

During 2021 Budget deliberations, and through its adoption of Item EX21.1: 2021 Property Tax Rates and Related Matters, City Council directed staff to perform an updated assessment of the revenue potential of certain new taxes permitted under the City of Toronto Act, 2006 (COTA), other new taxes not currently permitted under COTA and potential adjustments and revenue impacts related to the Municipal Land Transfer Tax.

This report provides an update on potential revenue options for Council's consideration, and responds to the information requests identified in EX21.1.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council receive this report for information.

FINANCIAL IMPACT

There is no direct financial impact arising from the recommendation in this report.

DECISION HISTORY

At its meeting on December 13 - 15, 2016, City Council adopted [Item EX20.2 The City of Toronto's Immediate and Longer-Term Revenue Strategy Direction](), which provided a framework for the application of existing and new revenues including principles for the selection of potential revenues, social and economic impacts, and implementation considerations. The report provided detailed analysis on a range of revenue options to address immediate and long-term needs, and recommended a number of revenue options.

More recently, in its adoption of [Item EX21.1: 2021 Property Tax Rates and Related Matters](), City Council directed the City Manager and the Chief Financial Officer and Treasurer to report back to the July 14 and 15, 2021 meeting of City Council on an update of the information included in the Long-Term Financial Direction.

This review was to include:

a) a comparison of residential commercial, and industrial property taxes and water and solid waste rates with the Greater Toronto Area and other large Canadian municipalities;

b) revised estimates on revenue from all revenue tools currently available to the City for implementation, including cost estimates for implementation and the policy implications of each revenue tool;

c) an updated estimate of the revenue that could accrue to the City through a 1 percent municipal sales tax, including all online consumer activity; and

d) a study on an increase of the Municipal Land Transfer Tax for homes valued at or over $2 million, $3 million and $4 million, respectively, including:

   i) the aggregate Municipal Land Transfer Tax and provincial Land Transfer Tax paid on homes of over $2 million across Canada's largest municipalities, and how the land transfer tax for Toronto properties compares to those other municipalities;

   ii) the number of homes in Toronto estimated to be valued at-or-over $2 million, $3 million and $4 million, respectively, in 2026, and the expected breakdown of those homes by Ward;

   iii) the potential impacts that a Municipal Land Transfer Tax increase may have on the housing market, including:

      1. the impact on Toronto's real estate market versus neighbouring Greater Toronto Area municipalities; and

2. the impact on the Toronto's housing supply and affordability, and in particular, on homes valued at under $2 million; and

iv) the potential impacts that a Municipal Land Transfer Tax increase may have on Toronto's post-pandemic economic recovery.

COMMENTS

Comparison of Residential Commercial and Industrial Property Taxes, Water and Solid Waste rates in the GTA and other large Canadian municipalities

For the purpose of comparing the main municipal costs in Toronto with other large Canadian municipalities, staff have selected some of the large GTHA municipalities, Ottawa, Montreal and Vancouver and presented the most comparable information in the charts below. BMA Management Consulting Inc. annually produces a municipal study for participating municipalities comparing different municipal indicators across Ontario, including property tax rates, average property taxes, water /sewer rates and commercial solid waste tipping fees. The most current version is based on 2020 data. In addition, City staff have researched the rates and fees in Vancouver and Montreal and have included them in the comparative charts.

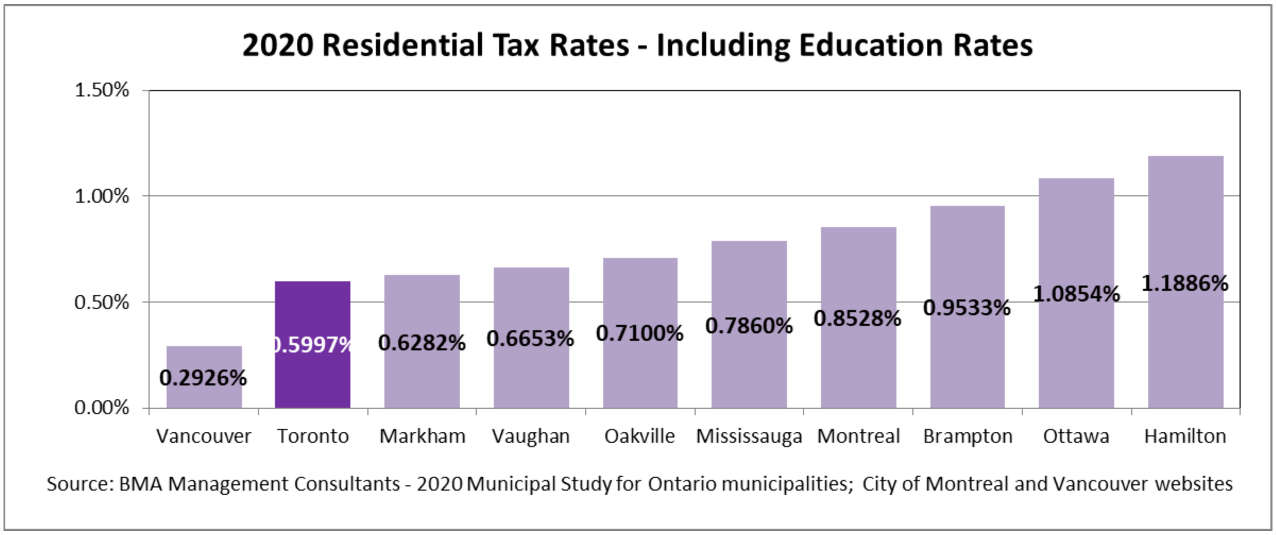
Property Taxes

Property taxes represent the largest single revenue source for the City with a 2021 budget of $4.67 billion in property taxes from residential and business property owners, including the portion collected for the City Building Fund that is incorporated in the figures provided below. Property taxes are calculated by multiplying the tax rates by the property assessment value. Municipalities with high property values like Vancouver and Toronto, in general have lower tax rates. The challenge in comparing property taxes across various municipalities is to compare the taxes of similar properties.

Property Tax Rates

Figure 1 displays the 2020 property tax rates, including the education property tax rate, on residential properties for various large municipalities in the GTHA and Canada. As illustrated in Figure 1, the City of Vancouver has the lowest residential property tax rate among large municipalities in Canada at 0.2926%. This is due to the fact that as land values have increased dramatically in these cities over the years, the property tax rates have continually been lowered to compensate. Toronto's 2020 property tax rate, including education rates at 0.5997%, is the second lowest of the municipalities shown.

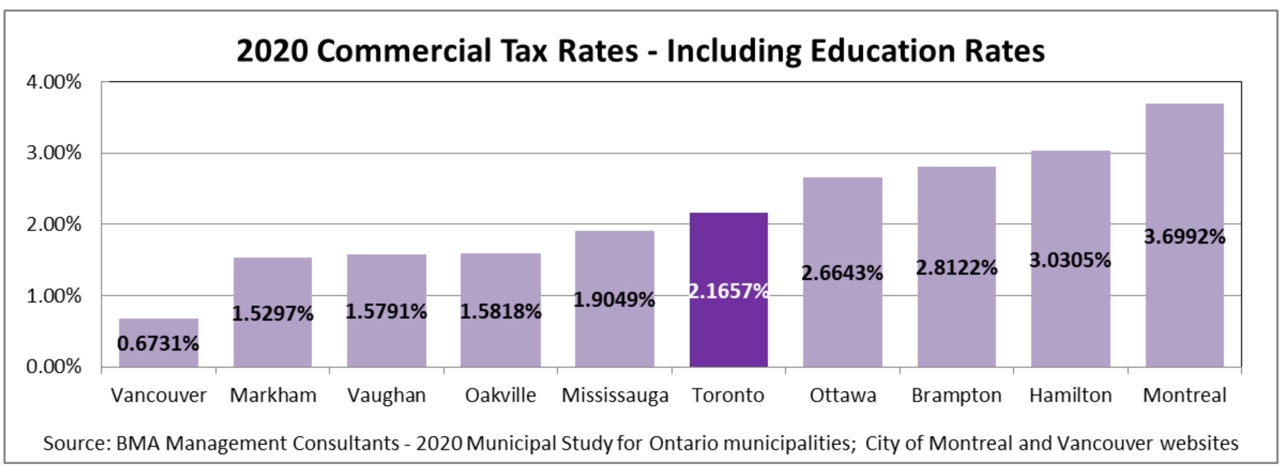
Figure 1 – Comparison of 2020 Residential Property Tax Rates



The City of Vancouver also has the lowest commercial property tax rate among large municipalities in Canada at 0.6731%, as shown in Figure 2. The City of Toronto's commercial property tax rate is 2.1657%.

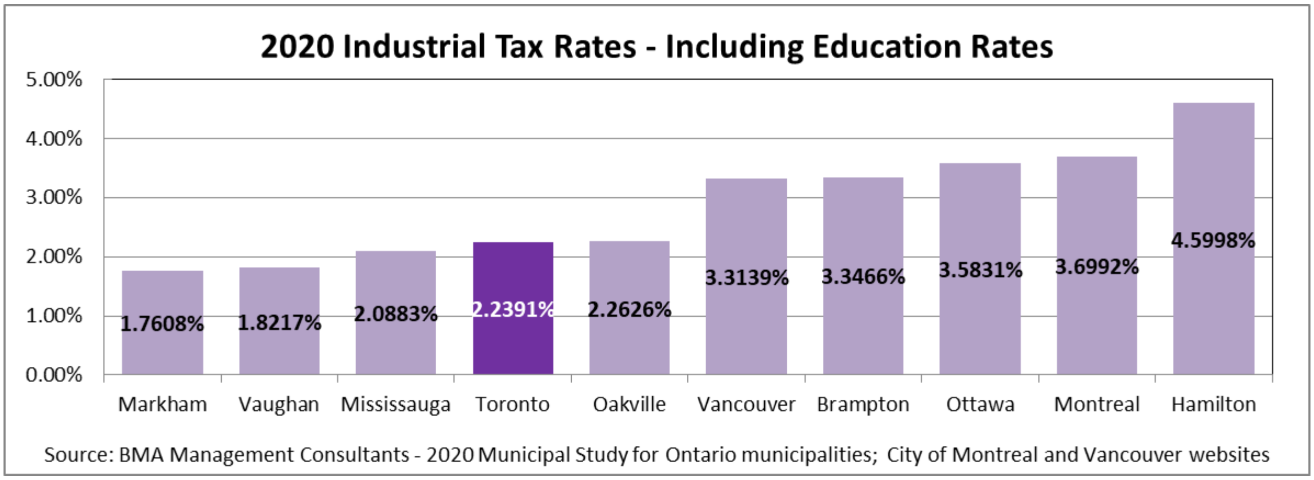
Prior to 2005, Toronto's commercial, industrial and multi-residential tax rates were much higher than other municipalities in the GTA. Toronto has since maintained a policy of reducing the property tax levy within the non-residential property tax classes by shifting a portion of this levy each year to the residential property tax class. This has resulted in Toronto's non-residential tax ratios moving closer to the residential tax ratio, and reducing commercial tax rates in comparison to nearby municipalities. The City of Toronto continues to reduce non-residential tax ratios through its ratio reduction policies.

Figure 2 - Comparison of 2020 Commercial Property Tax Rates



The City of Markham has the lowest industrial property tax rate among the comparable municipalities in Figure 3 at 1.7608% followed by the City of Vaughan at 1.8217%, while the City of Toronto is 2.2391%.

Figure 3 - Comparison of 2020 Industrial Property Tax Rates

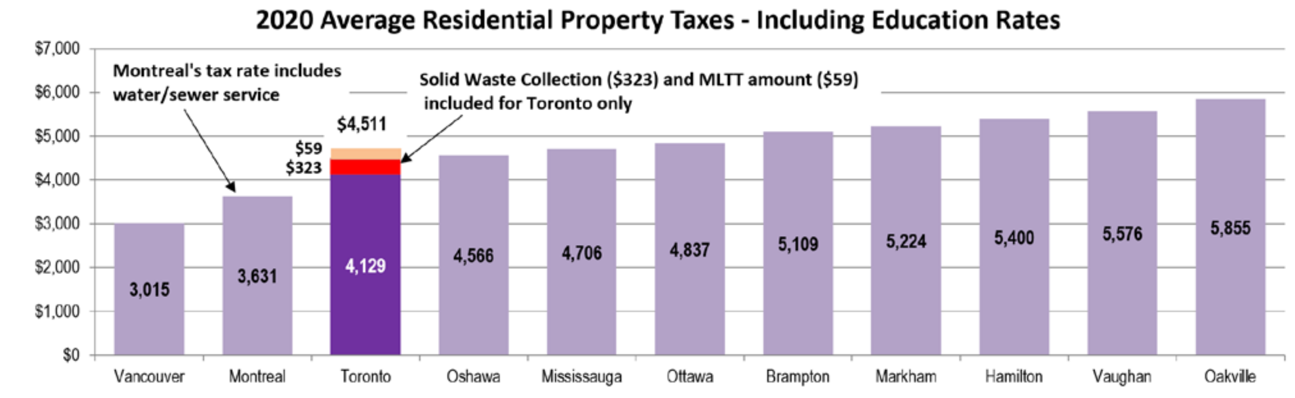


Comparison of residential property taxes

The BMA municipal study compares residential property taxes in Ontario on the weighted average median residential assessment of seven residential property types presented in Figure 4. For illustration purposes, average property tax estimates were added for Vancouver and Montreal, based on World of Web Advertising (WOWA) 2020 housing market reports. While the City of Vancouver has the highest average home prices, its lower property tax rates translate into the lowest average residential property taxes at $3,015 among the comparable municipalities in Figure 4, based on all residential property types. Montreal, with lower average home prices than those in the GTHA and moderately higher property taxes, had the second lowest average property taxes at $3,631.

The City of Toronto has average property taxes of $4,511 when solid waste collection fees are added to the property tax amount (to provide an apples-to-apples comparison to other municipalities where solid waste collection is included in the overall property tax rate). The total average taxes of $4,511 also includes an amount of $59, equivalent to the costs of Municipal Land Transfer Tax (MLTT) payable for an average home, as a proportion of the total number of residential sales transactions occurring within a year.

Figure 4 – Comparison of 2020 Residential Property Taxes



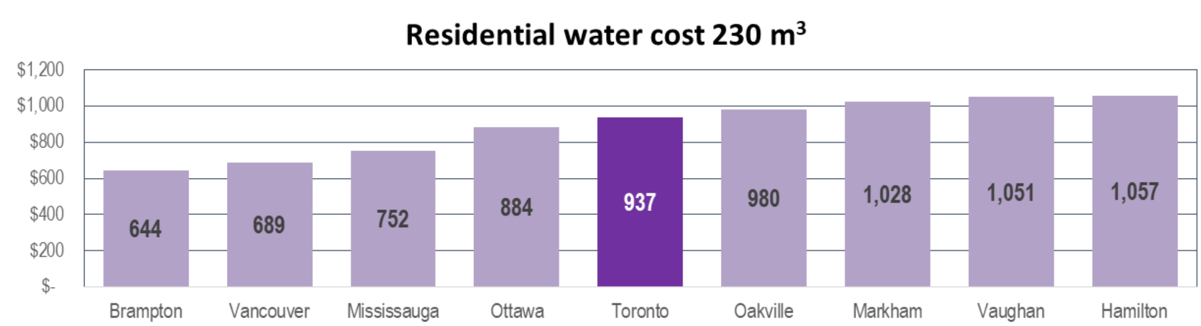
Source: BMA Management Consultants - 2020 Municipal Study for Ontario municipalities; BMA Study comparison is based on the weighted average median residential assessment of seven residential property types per MPAC Municipal Status Report 1st Quarter, 2020; Vancouver & Montreal - WOWA 2020 Vancouver & Montreal Housing Market Reports - Q1 2020 - All Property Types

Comparison of the Cost of Water

The water cost of major GTA and Canadian municipalities are compared for residential, commercial and industrial consumers in Figure 5, 6 and 7 below. It should be noted that there are different water rate structures applied in these municipalities. Some have uniform rate structures for any consumption (Mississauga, Markham), and others have block rates for different thresholds of consumption (Ottawa, Hamilton). Toronto has a separate rate for some eligible industrial consumption, and Vancouver has seasonal rates. In addition, some municipalities have a fixed charge that is not dependent on the water consumption. Therefore the most meaningful comparison is of the water cost for a given consumption for each property type. In Montreal, water consumption is part of the property taxes, and hence Montreal data is not included in the water cost comparison here.

Toronto's 2020 water cost for residential consumers, in comparison to select surrounding and large municipalities, is shown in Figure 5, based on 230 m3/year, which is the average residential consumption in Toronto. As the chart shows, the residential water cost in Toronto is in the middle range amongst the select municipalities.

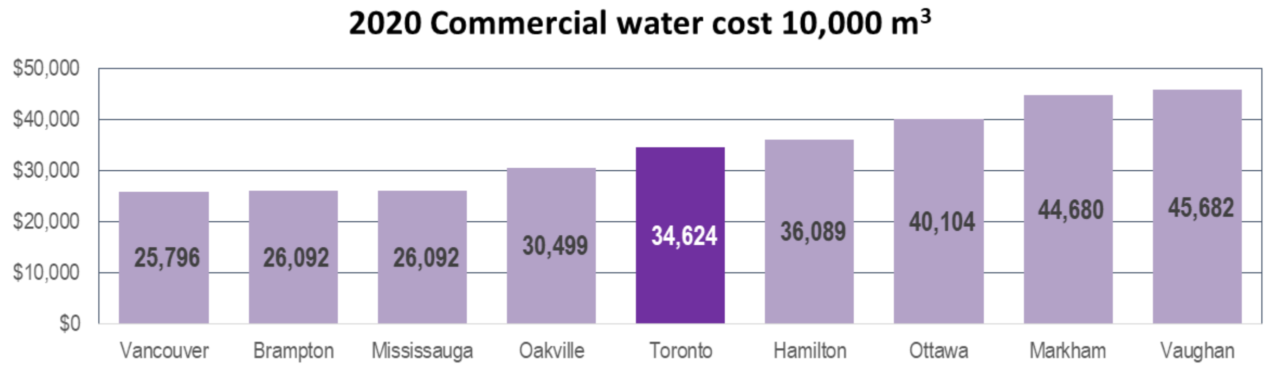
Figure 5 – Comparison of 2020 Residential water cost, 230 m3



Source: BMA Management Consultants - 2020 Municipality Study for Ontario municipalities; City of Montreal and Vancouver

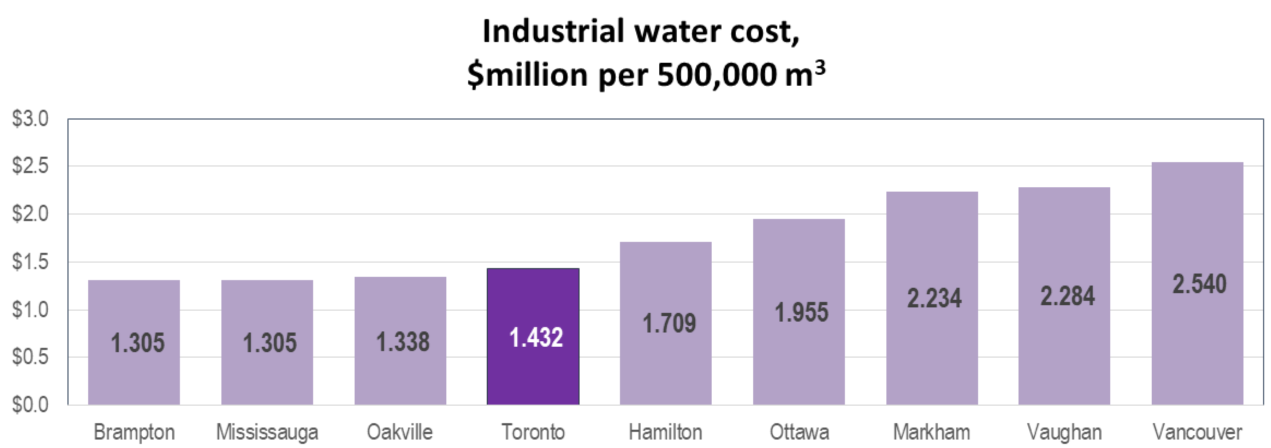
Figures 6 and 7 provide a similar comparison for commercial users with 10,000 m3 annual consumption and large industrial water users with 500,000 m3 annual consumption.

Figure 6 – Comparison of 2020 Commercial water cost, 10,000 m3



Source: BMA Management Consultants - 2020 Municipality Study for Ontario municipalities; City of Montreal and Vancouver websites

Figure 7 – Comparison of 2020 Industrial water cost, 500,000 m3

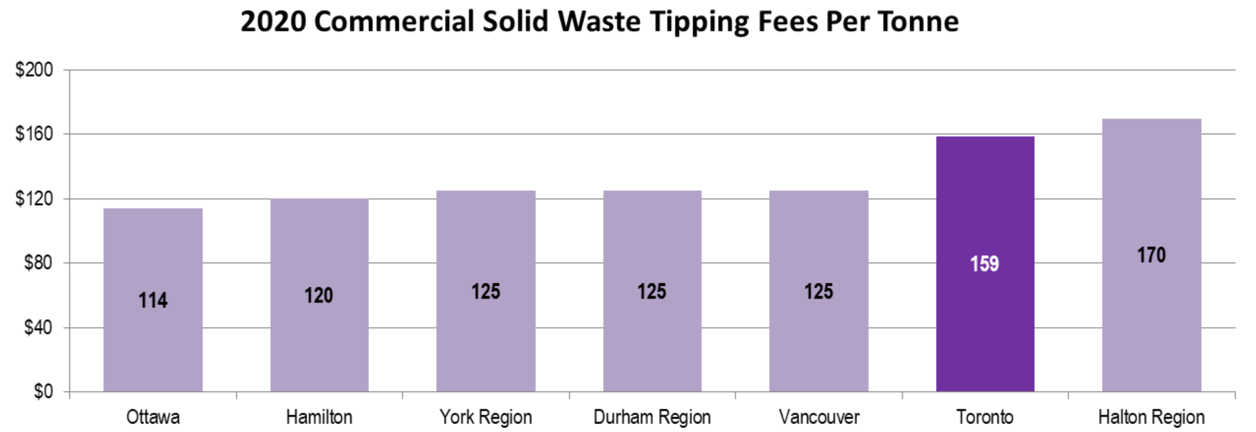


Source: BMA Management Consultants - 2020 Municipality Study for Ontario municipalities; City of Montreal and Vancouver websites

Comparison of 2020 Commercial Solid Waste Tipping Fees

The City of Toronto is the only municipality that has a separate fee for garbage collection. Solid waste collection is included in the property taxes for most other municipalities. Most Canadian municipalities collect fees at municipal transfer stations from citizens and businesses who wish to discard residual solid waste at local landfill sites, shown in Figure 8. The City of Toronto charged tipping fees at $159 per tonne in 2020. In Montreal, landfill sites are operated by the private sector and there are no comparable municipal tipping fees.

Figure 8 – Comparison of 2020 Commercial Solid Waste Tipping Fees



Source: BMA Management Consultants - 2020 Municipal Study; 2020 Solid Waste Bylaw 12597 City of Vancouver
Vancouver Tipping Fee is $125/tonne for 1-8.99 tonnes; $147/tonne for 0 to 0.99 tonnes; $99/tonne for 9 or more tonnes
City of Montreal has an uncomparable process for disposing of Commercial Solid Wastes

Summary of Revenue Options Previously Adopted by Council

City Council has previously diversified its revenue sources through the adoption of various revenue tools. A summary of these previously adopted revenue tools are presented below in chronological order of implementation, and summarized in Table 9a.

Personal Vehicle Tax

Originally introduced as a Personal Vehicle Tax (PVT) in September of 2008, set at $60 per vehicle license renewal per year, the PVT generated revenues of $48M per year. This tax was terminated by Council in Dec. 2010, effective Jan. 1, 2011.

Municipal Land Transfer Tax

Introduced February 1, 2008, the Municipal Land Transfer Tax uses a sliding rate based on the selling price of a property to determine the amount of taxes payable for a sales transaction. Although the amount of revenue generated by the MLTT fluctuates from year to year and is driven by real estate market activity (volumes and sales prices), the MLTT has raised more than $6.4 billion since its inception in 2008 to the end of 2020. (See 2007: EX10.1)

City Building Fund Levy

Council originally approved a dedicated transit levy to fund the Scarborough Rapid Transit line in 2013 (See Item CC39.5). This property tax-based levy was to apply in each year from 2014 to 2016. In February of 2017, Council approved a City Building Fund Levy of a 0.5% residential property tax increase in 2017, with additional 0.5% increases in each year from 2018 to 2021. In December of 2019, Council adopted an increase to the City Building Fund Levy by adding 1% in 2020 and 2021 to the existing 0.5 percent increment, and an additional 1.5 percent annually from 2022-2025, (Item EX11.26). In 2021, the City Building Fund will raise approximately $49.8 million in additional levies.

The Council approved 10-Year Capital Plan includes $7.3 billion in debt funding that is fully supported through the revenues collected from the City Building Levy, based on the additional levies expected to be generated following the full incremental increases planned to 2025. The City Building Fund now represents the single largest funding source in the City's Capital Plan, reflecting 25% of total funding within the Tax Supported Capital Program, supporting transit and housing infrastructure requirements.

Roads Tolls

In December of 2016, Toronto Council endorsed a plan to add road tolls to the Gardiner Expressway and Don Valley Parkway, with expected annual revenues of up to $200 million per year, based on a $2 per-trip highway toll. Subsequently, the Province of Ontario disallowed the prospect of municipally-imposed road tolls.

Municipal Accommodation Tax (Hotel and Short Term Rentals)

in January 2018, Council approved a Municipal Accommodation Tax (Item EX30.4) , consisting of a 4% tax on Hotel accommodation, effective Apr. 1, 2018, with annual net revenues of approximately $24 million, and a 4% tax on Short Term Rental Accommodation, with annual net revenues of $4 million, which became effective January 1, 2021.

Vacant Home Tax

A staff report seeking Council's approval in principle to proceed with a vacant home tax is scheduled for July 2021 Executive Committee. A vacant Home Tax could generate revenues of between $55 and $66 million per year in gross taxation revenue.

Table 9a: Summary of Revenue Options Previously Adopted

Revenue Option	Annual Net Revenue Potential ($ millions)	Permitted Under CoTA	Prov. Reg'n req'd?	Year Implemented
Revenue Options Previously Adopted				
Personal Vehicle Tax ($60 per vehicle/year)	$48	Y	Y	2008-2010
Municipal Land Transfer Tax (Rates range from 1.0% - 2.5%)	$400-$700	Y	Y	2008
City Building Fund levy (1.5% of CVA)	$49.8 (2021)	Y	N	2014
Municipal Accommodation Tax - Hotel (4% on overnight stays)	$24	Y	Y	Apr. 1, 2018
Municipal Accommodation Tax - Short Term Rentals (4% on overnight stays)	$4	Y	Y	Jan. 1, 2021

Revised Estimates from Additional Revenue Tools Available to the City

Figure 9b below provides an updated summary of revenue tools available to the City under existing legislative authorities, including potential revenue projections and estimated implementation timeframes.

Figure 9b: Estimates of Additional Revenue Options

Revenue Option	Annual Net Revenue Potential ($ millions)	Permitted Under CoTA	Prov. Reg'n req'd?	Estimated Time to Implement
Additional Revenue Options				
Motor Vehicle Registration Tax ($20 to $100)	$18 – $94	Y	N	6 months
Alcoholic Beverage Tax (1 – 10% rate)	$21 – $151	Y	Y	12 months
Entertainment and Amusement Tax (1 - 10% rate)	$4 – $35	Y	Y	12 months
Tobacco Tax (1 – 10% rate)	$5 - $6	Y	Y	12 months
Commercial Parking Levy ($0.50 to $1.50 per spot/day)	$191 – $575	Y	N	18 months
Vacant Home Tax 1% of CVA for vacant units	$55 - $66	Y	N	24 months
Road Pricing (Cordon Pricing) ($5 to $20 per day)	$89 – $377	Y	Y	24 months

Municipal Sales Tax

A general municipal sales tax is not permitted under COTA. The implementation of a Retail Sales Tax (RST) would therefore require provincial approval and legislation to be put in place following approval by City Council. Currently there is no precedent in Ontario for a municipal RST.

The City-commissioned 2016 revenue tool study by KPMG assessed the potential revenue of a RST. This study assumed that the implementation of the RST would take the form of a flat rate and apply to a basket of goods and services as defined by the City. The estimated annual revenue potential for a retail sales tax was updated using 2018 retail sales data sourced from Statistics Canada.

The HST is a value-added tax and businesses are therefore able to claim credits for any HST included in their own purchases of goods and services, only being required to remit the net amount to taxing authorities. Because many businesses operate across municipal boundaries, and almost all businesses purchase goods and services from both within and outside Toronto, it would be very difficult to operate a refundable tax system when there are multiple layers of tax being charged. Toronto would likely need to implement a non-refundable municipal sales tax.

Implementation of a non-refundable municipal sales tax, separate from the HST, would require support and administration at either the municipal, provincial or federal level. Costs of implementation, administration and compliance are likely to be significant. For the purposes of calculating annual revenue estimates, the 2016 KPMG study assumed that $18 million in annual administration expenses would be incurred.

Online sales present a challenge to quantify because there is currently no fool-proof method to ensure that the City can capture all tax revenue associated with online sales to Toronto residents. This is mainly because the sales can be construed to occur outside Toronto, e.g. product can easily be shipped to a location outside of Toronto and picked up from there. The implementation would require significant policy design and implementation planning, corresponding IT infrastructure, and administrative and enforcement personnel, in addition to the estimated $18 million in annual administrative expenses. There would also be significant legal efforts required to enforce the tax for online purchases.

A sales tax were implemented only in Toronto it would introduce challenges and business impacts resulting from different sales taxes on either side of the municipal border. The impact of this will vary for different retailers. Retail locations selling high-value items – e.g., motor vehicles, electronics, appliances and furniture, -- could see higher levels of avoidance, as Toronto residents have greater incentive to shop for these items outside Toronto borders given the potential savings realized. Other retailers such as coffee shops, selling lower value products, would likely see little impact in terms of reduced demand.

Consideration of any retail sales tax should take into account the disproportionate impact on lower income individuals and households and mitigate these effects through mechanisms such as tax exemptions on necessities or rebate programs.
The net revenue of a 1% municipal sales tax is estimated to be upwards of $360 million, depending on the economic recovery of the City of Toronto. Based on pre-COVID 2018 retail sales data, it is estimated that the average Torontonian household will see an increase of approximately $231 per year on their total expenditures with the introduction of a 1% sales tax. At the same tax rate, approximately $91.1 million of the potential tax revenue is exported to non-residents.

Municipal Land Transfer Tax Increase on High Value Homes

Staff were directed to study the impact of a MLTT rate increase for homes valued at or over $2 million, $3 million, and $4 million, respectively.

For comparison purposes, two scenarios were examined for increased rates for Municipal Land Transfer Tax, as follows, and as illustrated in Figure 10 below.

Scenario 1 – Current Rates would apply for the first $2 million of the sale price (Value of Consideration). An increased rate of 3% would apply for any portion of the property for which the sale price exceeded $2 million; and

Scenario 2 - for properties where the Value of Consideration is greater than $2 million, a rate of 3% would apply, a rate of 3.5% would apply to amounts over $3 million, and a rate of 4.0% would apply for any amounts where the VoC exceeded $4 million.

Figure 10: Scenarios for Increased Municipal Land Transfer Tax Rates

Value of Consideration	Current	Scenario 1	Scenario 2
$0 - $55,000	0.50%	0.50%	0.50%
$55,000 - $250,000	1.00%	1.00%	1.00%
$250,000 - $400,000	1.50%	1.50%	1.50%
$400,000 - $2,000,000	2.00%	2.00%	2.00%
$2,000,000 - $3,000,000	2.50%	3.00%	3.00%
$3,000,000 - $4,000,000			3.50%
>$4,000,000			4.00%

Figure 11 below provides the associated increases in Municipal Land Transfer Tax revenue from each of scenarios 1 and 2, if increased rates were applied in 2020, and if applied to a three-year and five-year annual average.

Figure 11: Associated Revenue Change for MLTT Rate Increase Scenarios

Scenario	Incremental Revenue ($M)		
	As applied to 2020 levels	As applied to past 3-year annual average	As applied to past 5-year annual average
Scenario 1	$8.52	$12.13	$20.95
Scenario 2	$14.69	$20.40	$30.26

Jurisdictional Scan of LTT on High Value Homes

Staff were further directed to study the aggregate Municipal Land Transfer Tax and provincial Land Transfer Tax paid on homes of over $2 million across Canada's largest municipalities, and how the land transfer tax for Toronto properties compares to those other municipalities.

In February 2008, COTA put in place the authority for the City to levy its own Municipal Land Transfer Tax ("MLTT") in parallel with the Ontario government. The City of Toronto is the only municipality in Ontario to levy a MLTT.

When purchasing property in the city of Toronto, the buyer pays both the provincial land transfer tax ("LTT") and the MLTT currently at matching rates, hence double the rate paid in all other municipalities in Ontario. For example, the combined top marginal land transfer tax in Toronto is 5.0% for the portion of the sale above $2 million for a residential property, whereas all other municipalities would pay only 2.5%.

In 2020, a total of $307 million in land transfer taxes (MLTT + LTT) were paid on homes sales above $2 million in the City.

Prevalence of High Value Homes in Toronto

The fair market value of a home is determined only at the point of sale. There is no dataset that measures the individual market value of housing stock which is not transacting. The market value of all homes in Toronto, and number of homes above certain value thresholds, can therefore only be estimated.

While the current market values for all homes in Toronto are not available, property tax data (based on a January 1, 2016 valuation date) can be used to examine Toronto's residential stock. Toronto's housing market has experienced substantial appreciation, with average sale prices growing by approximately 40% between 2016 and 2020. Further, it is estimated that housing prices will increase by 20% between 2021 and 2026. A total of 95,500 units are projected to come to the Toronto market between 2021 and 2026.

An analysis was performed to adjust current thresholds to 2026 equivalents by the factors noted above in order to estimate the number of properties slated to be at or over $2 million, $3 million and $4 million CVA.

The results of this analysis suggest that in the year 2026, approximately 9,820 additional residential homes will be valued at or above $2 million, while 3,328 residential properties will be valued at or over $3 million, and approximately 1,617 residential properties will be valued at or over $4 million in the City of Toronto.

Breakdown by wards and data assumptions are provided in the Attachment 1 to this report.

Potential impacts from a Municipal Land Transfer Tax increase

Impact on Toronto's real estate market versus neighbouring GTA municipalities

Raising the MLTT rates for homes above $2 million will increase the total transaction cost of purchasing a home in Toronto. This increase, coupled with surging real estate prices, may encourage buyers to look at neighboring markets within the GTHA. Since August of 2020, single-family home prices have dramatically increased, with single-family detached homes becoming more expensive in virtually all of southern Ontario. Buyers have been looking at homes outside of Toronto since the pandemic, and a rate increase may drive more buyers to make purchases outside of Toronto.

Impact on the Toronto's housing supply and affordability

Staff were requested to comment on the potential impact of an increase in MLTT rates on high value homes, and how this might affect the overall housing supply and issue of affordability in Toronto, and in particular on homes valued at/under $2 million.

Current market conditions with low borrowing costs enable people to take on more debt, relative to their incomes, even if it means carrying larger mortgages as a result of increased home prices.

A concern for the real estate market in general is the impact from a potential interest rate increase to manage future inflation. While there has been no clear indication of a rate increase, when it does occur, it will have various effects on the market such as limiting or affecting purchasing decisions of buyers either looking to enter or upgrade in the housing market.

In response to how increasing MLTT rates could impact high value homes (over $2 million), based on data from the Toronto Real Estate Board (TREB) and Teranet, the luxury sales market has softened since its peak in 2017 as a result of several factors, including government policies, buyer preferences, and general affordability, despite the low interest rates. Thus, implementing new upper tiers and rates on values could have negative, yet transitional, impacts on the housing market, particularly homes under the $2 million threshold.

New tiers could discourage current home owners from up-sizing to lower-end luxury homes, which could potentially tighten housing supply for mid-value homes. In addition, a new MLTT tier(s) could result in buyers and sellers seeking to transact below the cut off.

Impact on Toronto's post-pandemic economic recovery

Any potential impact that a MLTT increase may have on Toronto's post-pandemic economic recovery is unknown at this time. As a result of COVID, the desire for more space increased with more people working from home. This need for space witnessed a significant amount of buyers seeking ground based dwellings often outside the City.

In a post pandemic world, working from home full-time or part time may become a permanent option, which would in turn decrease the chances that those who left the City for more space would return post-pandemic.

For instance during 2020, sales of detached homes grew by 4% in Toronto to 9,775, versus a 7% decline to 15,211 for condos. The average price of a detached home in that time frame grew by 11% to $1.5 million, while the average condo price grew by 6% to $671 thousand; with sales of pricier units taking up a larger share of the market, average prices jumped by 13 per cent.

However, forecast trends assume that condo units (which make up the majority of residential sales within Toronto) will capture a larger share of the market this year compared to 2020, and rising sales of these less expensive units should help moderate average price growth. This could improve the affordability situation, paving the way for more market participants, regardless of transaction costs.

In addition this impact could intensify as the year wears on, as Canada's population count is likely to get progressively larger each quarter. With most of this growth accounted for by immigrants and non-permanent residents, demand for rental units and rents should be supported, thereby improving the attractiveness of investor-owned condo units situated around the City. An increase in vaccine distribution should also support rental demand through better labour market for younger workers and more in-class learning at post-secondary institutions.

Post-pandemic projections and behaviours continue to be difficult to predict, given the uncertainty surrounding the COVID-19 pandemic. Staff will continue to monitor market trends, and developments in Toronto's economic recovery, to further inform and evaluate the potential of various revenue options available to the City.

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SIGNATURE

Heather Taylor
Chief Financial Officer and Treasurer

ATTACHMENTS

Attachment 1: Estimates of 2026 Assessed Value of Residential Properties by Ward

Attachment 1

Estimates of 2026 Assessed Value of Residential Properties by Ward

Residential properties with CVA at or above certain values				
		≥ 2 Million CVA Threshold (adjusted to 2026)	≥ 3 Million CVA Threshold (adjusted to 2026)	≥ 4 Million CVA Threshold (adjusted to 2026)
Ward	**Ward Name**	**# Properties**	**# Properties**	**# Properties**
1	Etobicoke North	102	29	17
2	Etobicoke Centre	5,085	1,455	553
3	Etobicoke-Lakeshore	4,111	909	263
4	Parkdale-High Park	5,435	917	282
5	York South-Weston	417	49	25
6	York Centre	2,134	502	142
7	Humber River-Black Creek	69	15	10
8	Eglinton-Lawrence	12,787	5,558	1,760
9	Davenport	1,386	112	20
10	Spadina-Fort York	1,997	435	193
11	University-Rosedale	11,182	5,468	3,076
12	Toronto-St. Paul's	9,542	4,703	2,626
13	Toronto Centre	1,424	288	132
14	Toronto-Danforth	2,401	246	40
15	Don Valley West	15,783	8,095	4,622
16	Don Valley East	1,410	358	102
17	Don Valley North	3,771	751	235
18	Willowdale	8,350	3,513	843
19	Beach-East York	3,430	663	181
20	Scarborough Southwest	1,066	264	104
21	Scarborough Centre	116	13	9
22	Scarborough-Agincourt	319	29	20
23	Scarborough North	136	25	19
24	Scarborough-Guildwood	218	53	26
25	Scarborough-Rouge Park	292	34	23
		92,963	**34,484**	**15,323**

Assumptions

- The number of properties with an adjusted CVA at or above the various thresholds is not directly reflective of the number of properties that would have a fair market value above those limits today.
- Does not accurately reflect the geographic, housing type and housing price variations that are likely to be substantial factors in driving price appreciation.
- Assumes these models are evenly distributed in values and by wards.
- The fraction of new properties in each category would mirror the city-wide figures.
- Housing stock is unaffected by MLTT until point of sale.