

BudgetTO

Budget Launch

January 8, 2026

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2026 Budget Highlights

2026 Budget:

- Balanced while prioritizing affordability
- Preserves frontline services
- Supported by a combined **2.2%** residential property tax increase
- Investments aligned with public priorities:



**Making
Life More
Affordable**



**Moving
Toronto
Better**



**Delivering
a Safer
Toronto for
Everyone**



**Providing
Excellent
Community
Services**

2026 Operating Budget: \$18.9 billion

- Key investments in **transit, emergency services, and social supports**
- Maintains **multi-year focus** prioritizing affordability, with continued **efficiency and offset** efforts
- Supported by a **0.7%** residential property tax increase

2026-2035 Capital Budget & Plan: \$63.1 billion

- Continues to prioritize investment in **aging infrastructure**
- Key investments in **transit and water infrastructure** and **housing programs**
- Supported by a dedicated **1.5%** increase for the **City Building Fund**

Building a Better Toronto

\$18.7 billion budgeted in 2025 to deliver real results for residents



Keep Toronto Moving

- **55** new subway cars purchased to make Line 2 rides more reliable
- **500,000** more TTC service hours added and fares held flat
- **215,096+** potholes repaired
- **Faster** delivery of construction projects



Invest in People and Neighbourhoods

- **263** new emergency workers (firefighters, police, paramedics) added for faster response
- **Expanded** hours in 70+ libraries & pools +2h/day
- **48.4M** meals served to **257,000** kids through expanded school food programs
- **4%** increase in child care spaces (63,818)



Maintain and Create Housing That's Affordable

- **8,000** affordable homes unlocked and **6,000** rental units fast-tracked by cutting development fees
- **3,800** families kept housing through eviction prevention and Rent Bank support
- **1,660** families housed through housing benefits



A Well-Run City

- **80%** faster development application review timelines enabling faster construction
- **Lean** reviews of key City services and targeted program reviews



Tackle Climate Change and Build Resilience

- **Over 2,000** properties benefited from the basement protection flooding program
- Investments in climate mitigation and adaptation initiatives that are expected to **reduce** approximately **160,725 tonnes of CO2e**

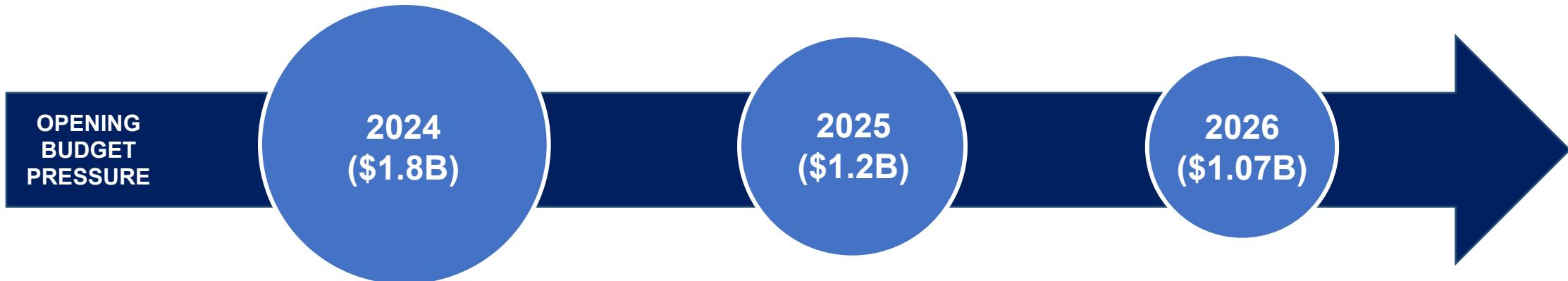


Financial Sustainability

- **2025 budget** developed with multi-year approach towards enhanced fiscal sustainability

Building a Stronger Financial Future

Driving Stability Through Our Multi-Year Focus for Long-Term Impact



Key Wins:

- Strengthened the City's multi-year approach towards financial stability
- Continued actions to identify reductions and offsets:
 - 2024: \$620M total (\$180M reductions and \$440M offsets)
 - 2025: \$680M total (\$134M reductions and \$546M offsets)
 - **2026: \$788M total** (\$135M reductions and \$653M offsets)
- Secured \$1.23 billion in provincial **operating support** under the New Deal (*2026 marks the final year)
- Achieved a credit rating upgrade to AA+ in 2024; first time in over two decades

What's Ahead:

- Protect critical services for residents
- Drive efficiencies and continue to identify budget reductions and offsets
- Secure long-term funding partnerships with federal and provincial governments
 - Complete New Deal 1.0 commitments and shape future agreements

Actions Taken to Enhance Fiscal Sustainability

Adopting the Long-Term Financial Plan (LTFP) & Multi-Year Approach



What the LTFP Identified

\$46.5 billion fiscal gap over 10 years

Limited revenue tools

Escalating operating and capital pressures

Progress Achieved



Completed 35 LTFP actions

Implemented new **revenue** and **policy tools**:



- Graduated Municipal Land Transfer Tax
- Municipal Non-Resident Speculation Tax
- Vacant Home Tax rate to promote housing availability



Identified **billions** in **reductions and offsets** (2024-2026)



Restructured programs to meet needs (e.g. new **EDGE** program)



Limited new spending on intergovernmental responsibilities (e.g. long-term care home expansion, operation of new transit lines)

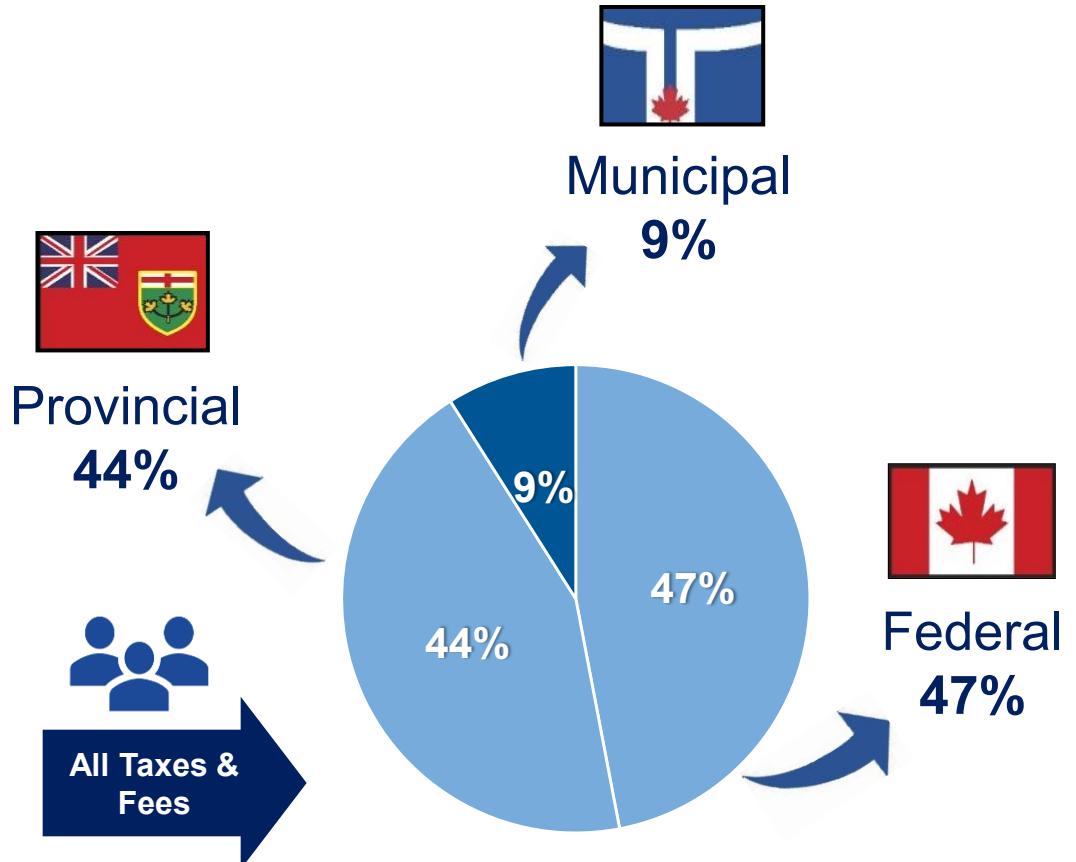


Secured a provincial **New Deal**: \$1.2B operating + \$3.0B capital support (including \$1.9B Gardiner/DVP upload)

Toronto's Big Challenges

- Largest city in Canada, with **over 35% population growth** in past 10 years
- **Fastest-growing** metropolitan area in North America
- **Growing demand** for services
- Needs **sustainable, long-term funding** to address gaps
- **Limited revenue tools**, mostly property tax, largely disconnected from economic growth
- Must operate within **tight municipal constraints**

Municipal governments receive only
9¢ per tax dollar



Key Challenges for Toronto's 2026 Budget

Why Balancing the Budget is Harder Than Ever

Revenue Risks

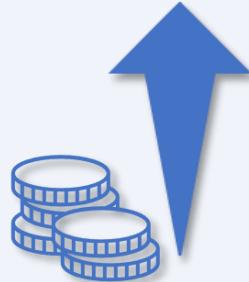


90% of revenue tools do not grow with the economy; generally limited to rate increases

Economy-linked tools under growing strain

Intergovernmental funding uncertainty

Expenditure Pressures

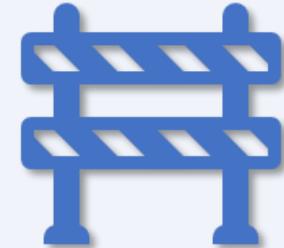


Growth & inflationary cost escalation

Transit & safety pressures

Shelter & emergency service demands

Capital Challenges



State-of-good-repair backlog persists

Growth-enabling needs vs. declining revenues

Competing capital priorities

Why Toronto Matters

Canada's Economic Engine

- Toronto Region alone contributes to **20% of Canada's GDP**
- City of Toronto ranks **8th overall** among all Canadian governments by budget size (larger than many Provinces and all other municipalities)
- Accounts for **1 in every 5 jobs in Ontario**
- Attracts **more than 26 million visitors** annually
- Municipalities deliver **60%** of public infrastructure and the majority of services
- **27% (\$1.6 billion)** of property tax funds extensions of federal and provincial responsibilities including housing, social services and health services



TORONTO IS THE LARGEST CITY IN CANADA WITH OVER 3 MILLION PEOPLE AND GROWING



Operates the biggest transit system – buses, streetcars and subways – in Canada



Oversees the largest social housing portfolio in Canada



Has the largest municipal first responder service in Canada



Delivers the largest municipal childcare system in Canada



Manages ~50% of Ontario's shelter beds and ~20% of Canada's

2026 Operating Budget

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2026 Operating Budget Highlights

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2026 Operating Budget: \$18.9 billion

Annual plan to deliver services to residents, businesses, and communities

Key Focus

- Advancing **affordability** and sustaining **frontline services**
- Supporting **public safety** through emergency services & social supports
- Investing in **mobility** through transit and transportation
- **0.7% levy increase** to support operating pressures

Challenges

- **Growth pressures** on transit, shelters, and emergency services
- Rising **inflation** and **costs** to deliver services
- **Revenue softening** in key areas

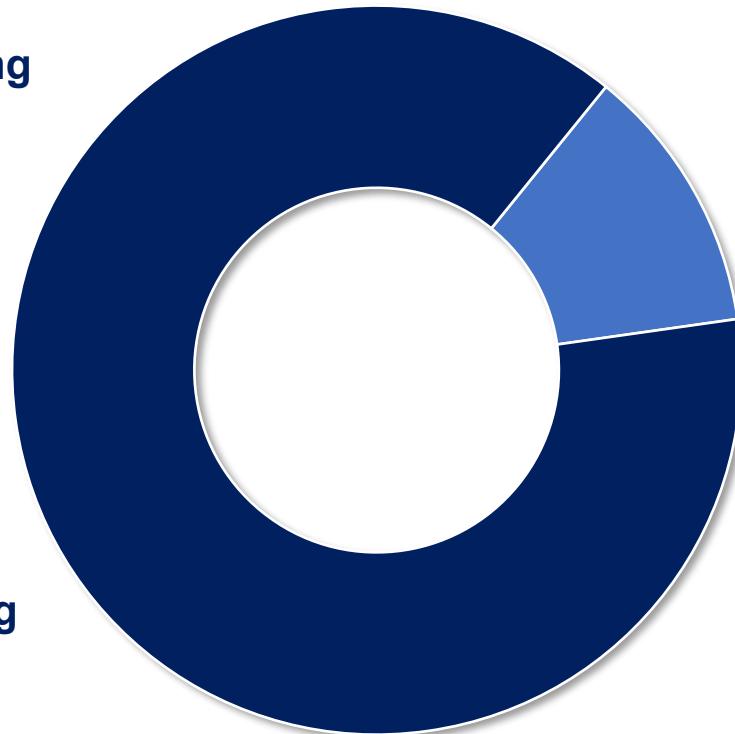
Fiscal Management

- **\$788M in reductions and offsets** identified
- Targeted **efficiencies** and **fiscal management** to support sustainability
- Continued **multi-year approach** to stabilize finances



2026 Tax & Rate Gross Operating Budget: \$18.9 billion

■ Tax-Supported
Gross Operating
Budget:
\$16.61 billion
(88%)



■ Rate-Supported
Gross Operating
Budget:
\$2.25 billion
(12%)

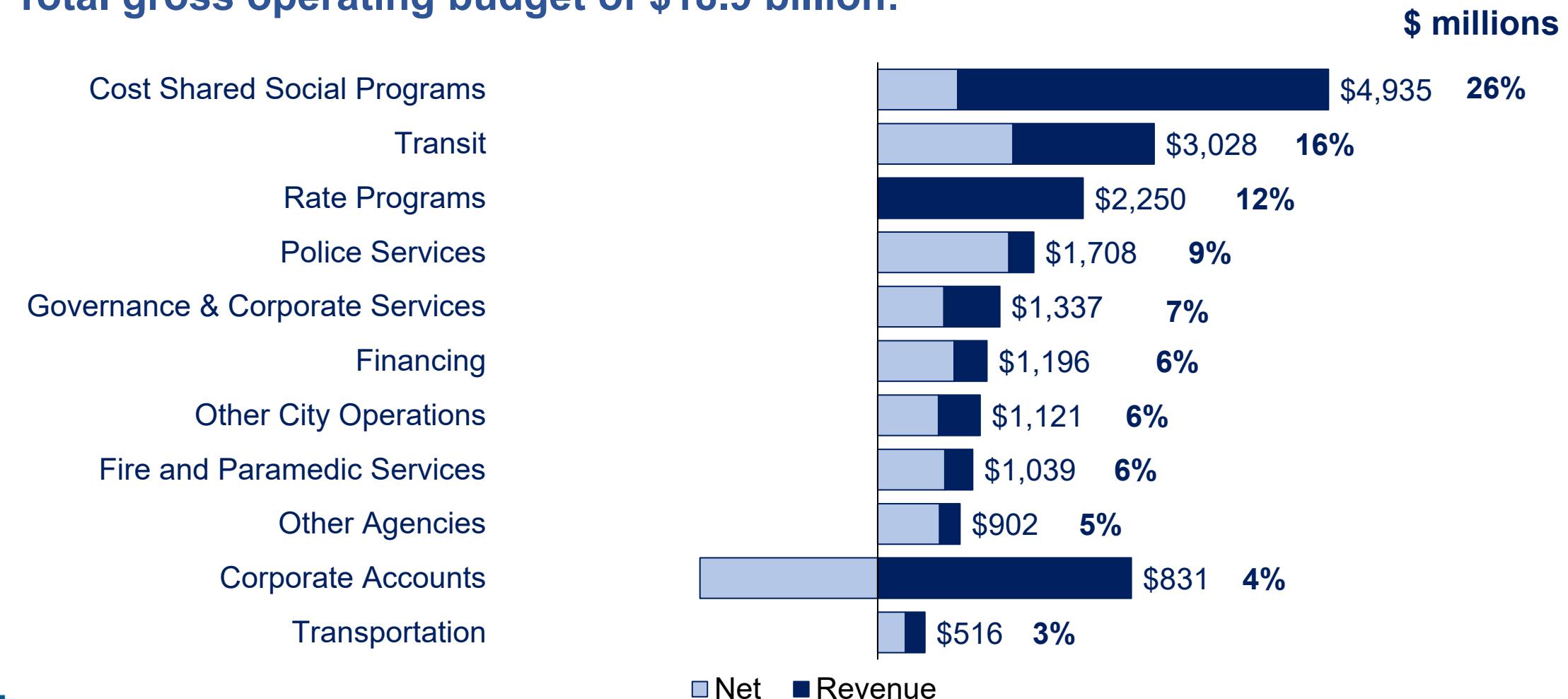
Change from 2025 Gross Operating Budget: \$207 million or 1.1%

Key Drivers

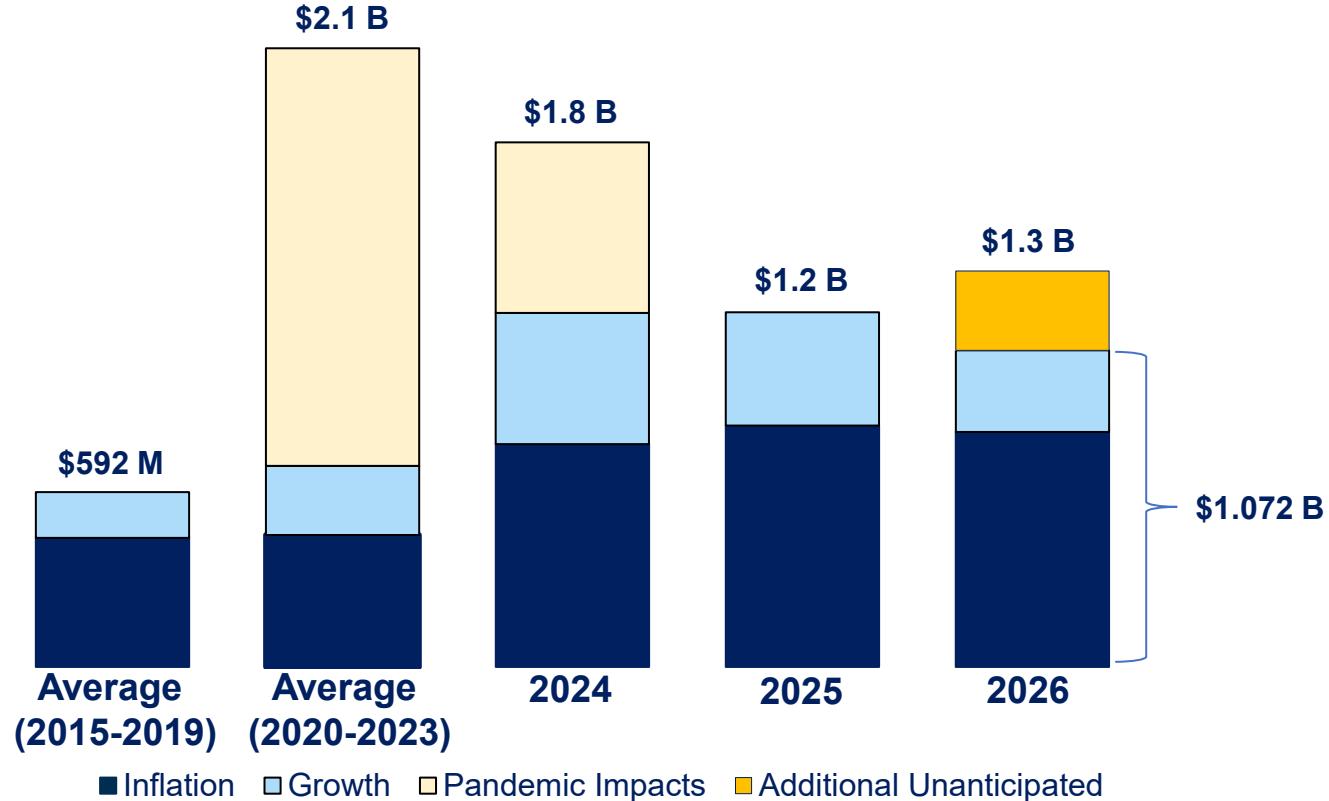
Emergency Services		+\$237 million
Transit		+170 million
Inflationary Labour <i>Less: emergency services and transit</i>		+\$92 million
Key Reductions to Federal/Provincial Flowthrough Funding		-\$276 million
All Other Changes		-\$17 million

2026 Gross & Net Operating Budget

Total gross operating budget of \$18.9 billion:



Historical Opening Pressures



2026 Budget original outlook: \$1.072B

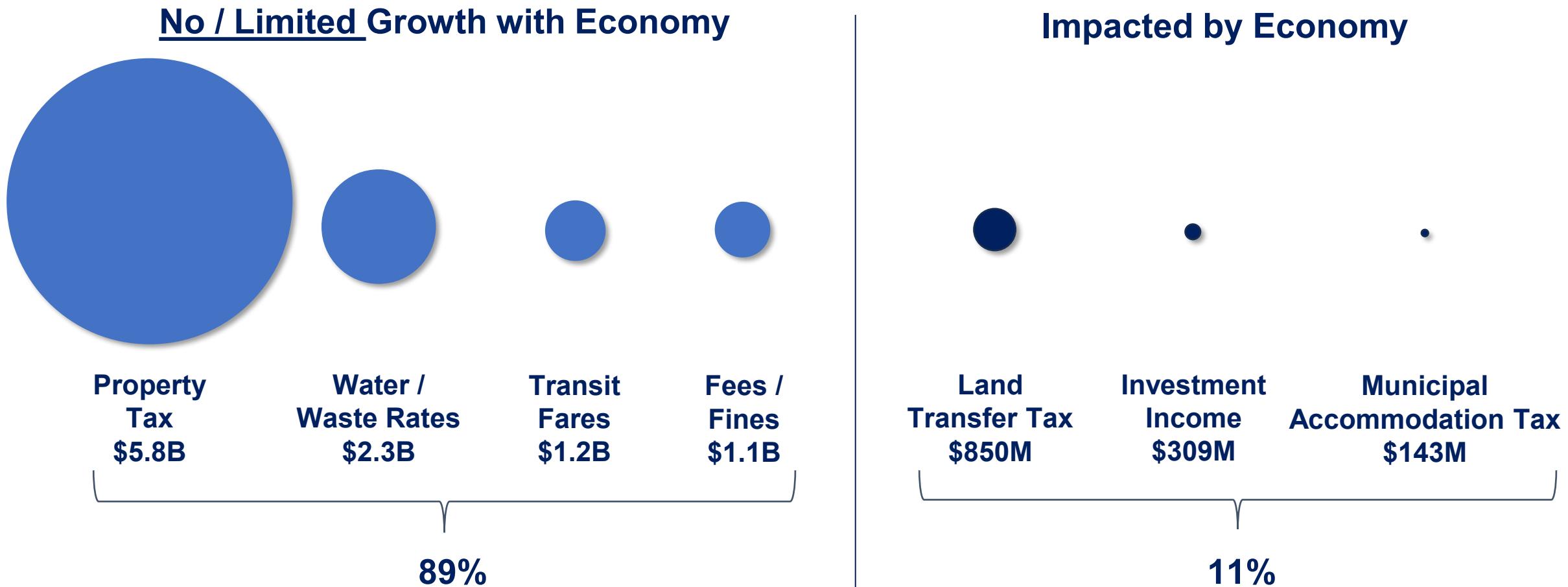
- Emergency and transit services
- Inflationary increases
- Prior year impacts (annualizations)
- 2025 one-time bridging actions

Unanticipated pressures: \$268M

- Provincial change in Automated Speed Enforcement (\$99M)
- Declining transit ridership (\$39M)
- Added refugee and asylum pressure – at time of submission, prior to federal agreement (\$109M)
- Extended paramedics hiring plan (\$7M)

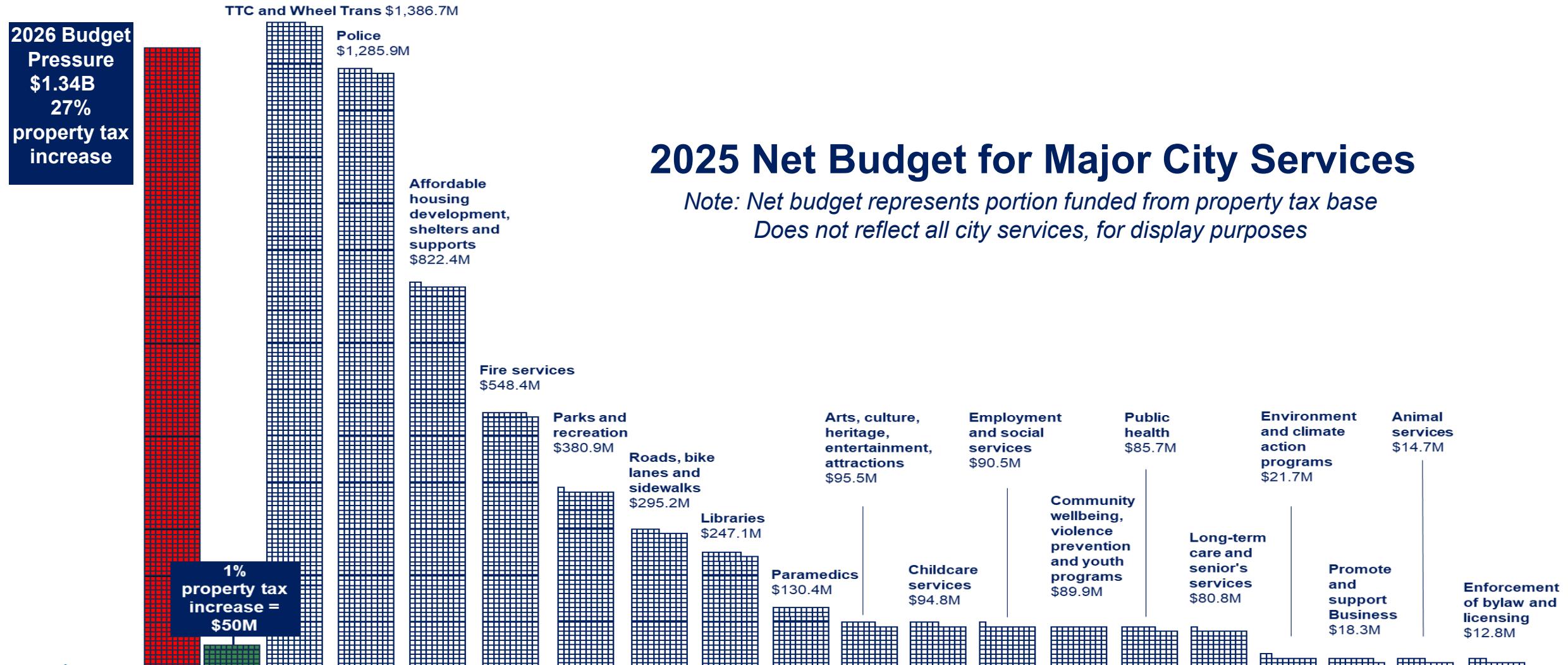
Final 2026 pressure required to balance: \$1.34B

Limited Revenue Tools

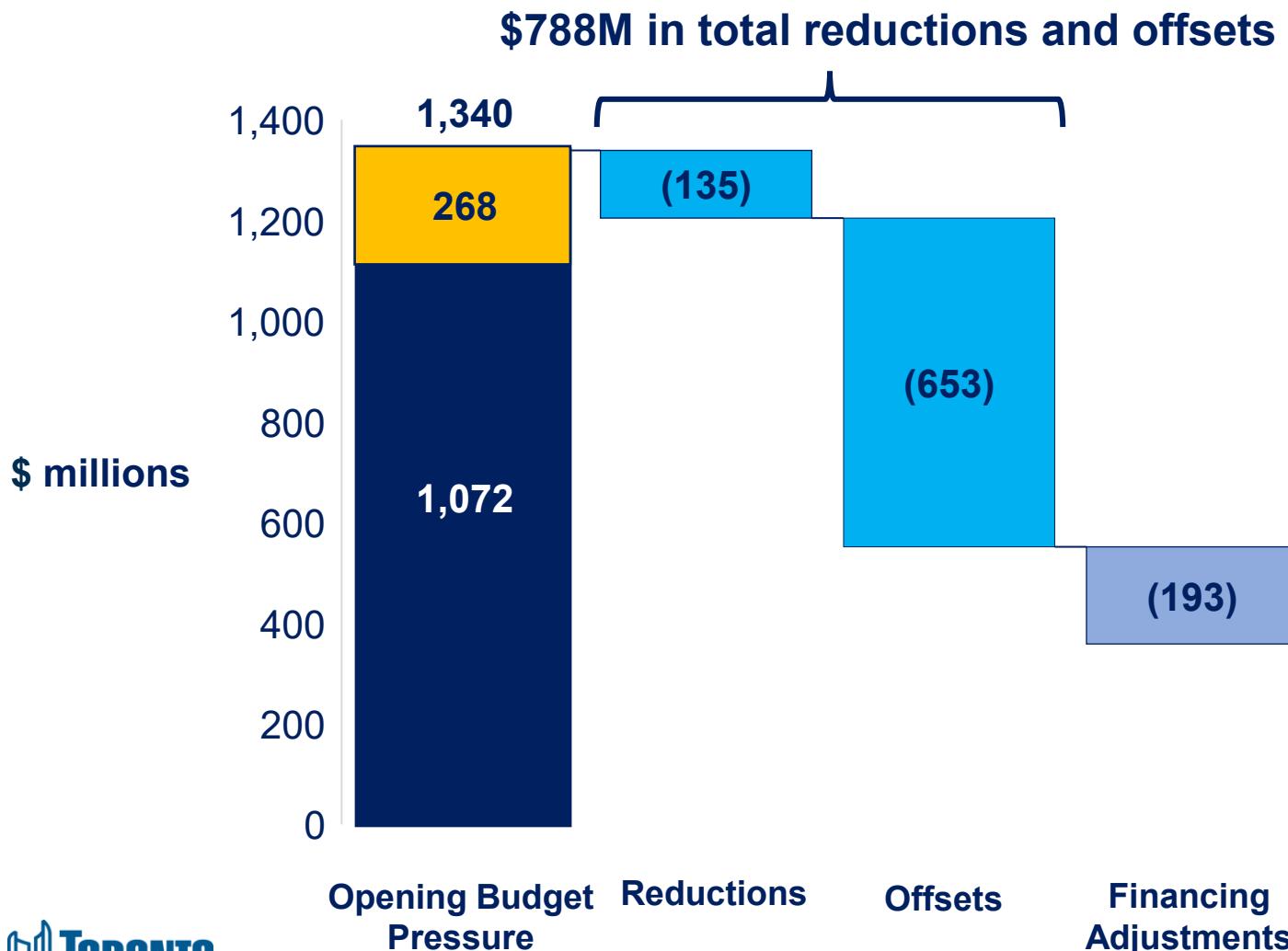


Income taxes paid by Toronto households grew 10x more than municipal property taxes over 2015-2023

2026 Adjusted Opening Pressure: \$1.34 billion



2026 Balancing Actions



Reductions and Offsets by Year			
\$ millions	2024	2025	2026
Efficiencies		41	57
Line-by-Line Reviews	180	93	78
Program Reviews	200	294	264
Revenue Adjustments	50	219	286
Other	190	33	103
Total	620	680	788
3 Year Total	2,088		

Reductions to 2026 Budget

Efficiencies

\$57 million

Permanent savings from process, technology, and resource improvements

- Streamlined service delivery and optimized resources
- Improved purchasing and contracts
- Automation to simplify administration

Key efficiencies examples:

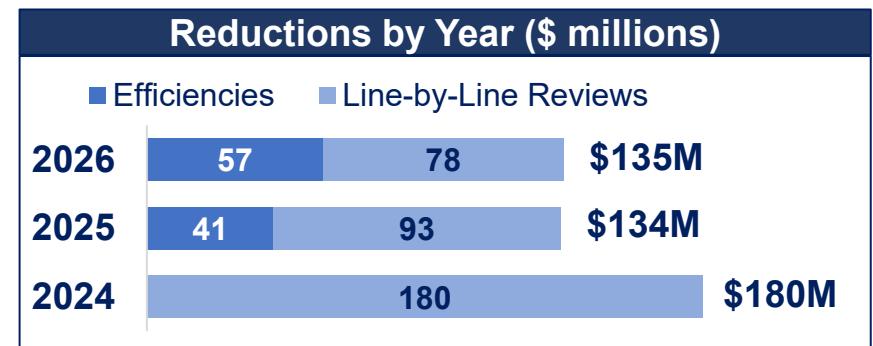
- Rationalization of technology
 - Effective license management
 - Decommissioning of legacy solutions
 - Device management
- Consultants and contracted services review
- Increased EV fleet (reduced fuel consumption)
- Leveraged corporate expertise to eliminate duplication
 - Parking Authority (TPA) insurance and cyber security
 - Library and Zoo technology optimization

Line-by-Line Reviews

\$78 million

Targeted budget reviews to align spending to actual needs

- Reviewed each expenditure category against historical actuals
- Restricted discretionary spending
- Eliminated underutilized funds



Continued commitment to efficiencies through Rolling Program Review

Offsets to Balance 2026 Budget

Program and Agency Reviews \$264 million

Aligning programs and resources with priorities

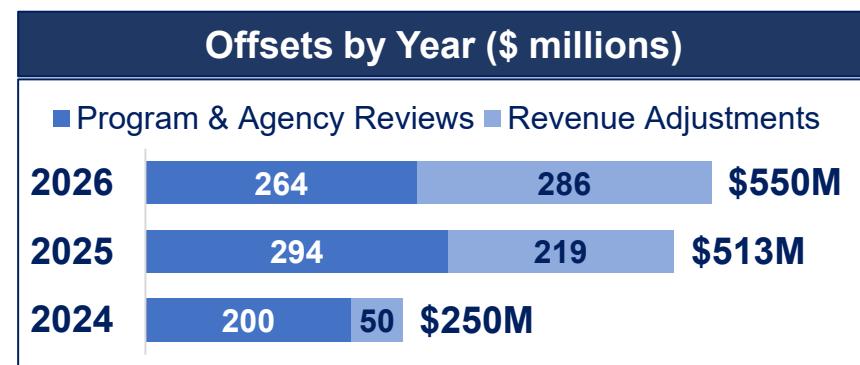
- Proposed continuation of hiring slowdown for non-frontline positions throughout 2026
- Challenge function applied to program and agency submissions
 - Cost, timeline and economic assumption verification
 - Prioritization and cost deferral review
 - Accommodation of cost increases within available budget
- Strategic reserve planning
- Program scope aligned to available external funding

\$103M in other adjustments includes assessment growth revenue and reductions for automated speed enforcement

Revenue Adjustments \$286 million

Updating revenues to reflect costs, inflation & funding agreements

- Inflationary adjustments to user fees (~2%-5%)
- Updated revenue projections based on trends
 - Fees for service (increased demand)
 - Investment earnings
- Federal/provincial funding expectation (i.e. shelters, paramedics)
- Graduated MLTT for higher-value properties



Further Actions to Balance 2026 Budget

Financing Adjustments \$193 million

Optimizing how we fund programs and capital

Align Financing with Life of Assets

- Capital from current adjustments
- TTC and TPA depreciation expenses
- TPA retained earnings
- Streetlighting investments

Capital Financing

- Debt servicing costs (recoverable vs tax-supported)
- Leveraging growth in capital levies
- Borrowing savings - stronger demand for City bonds

Temporary Bridging \$323 million

Short-term actions to balance

- Draw down of the Budget Bridging and Balancing Reserve Fund
- Maximizing use of reserves:
 - Comprehensive review of inactive reserve funds
 - Utilizing available reserve capacity
- Leveraging projected 2025 year-end surplus
- ***Temporary bridging strategies applied in 2026 create an equivalent pressure in the 2027 outlook***

Key Investments in the 2026 Budget



Making Life More Affordable

- 757 school and camp communities provided Food Programs
- 2,700 households supported by Rent Bank



Moving Toronto Better

- 100 Traffic Agents improve intersections and travel times



Delivering a Safer Toronto for Everyone

- 9,459 emergency positions (Police, Paramedics, Fire)
- 12 libraries with Social & Crisis Support available



Providing Excellent Community Services

- 83 libraries with Open Hours
- 489 AC units for low income seniors with health needs

Base Investment

Enhanced Investment - 2026 Budget includes new and enhanced initiatives of \$28.4 million gross:

• 155 new school communities (~62,000+ students)	• 27 additional Traffic Agents	• 258 new emergency positions supporting response time	• 17 more libraries with Open Hours
• 96 new camp nutrition locations with snacks for ~60,000 campers	• TTC fare capping providing 2.1 million net new free rides (also making life more affordable)	• 4 more libraries with Social & Crisis Support	• 1,000+ AC units for low income vulnerable residents
		• RentSafeTO, including roll-out of colour-coded ratings to 3,600 buildings	• New Green Infrastructure Incentives and Rain Barrel Programs
		• Enhanced Crisis Services on transit system	

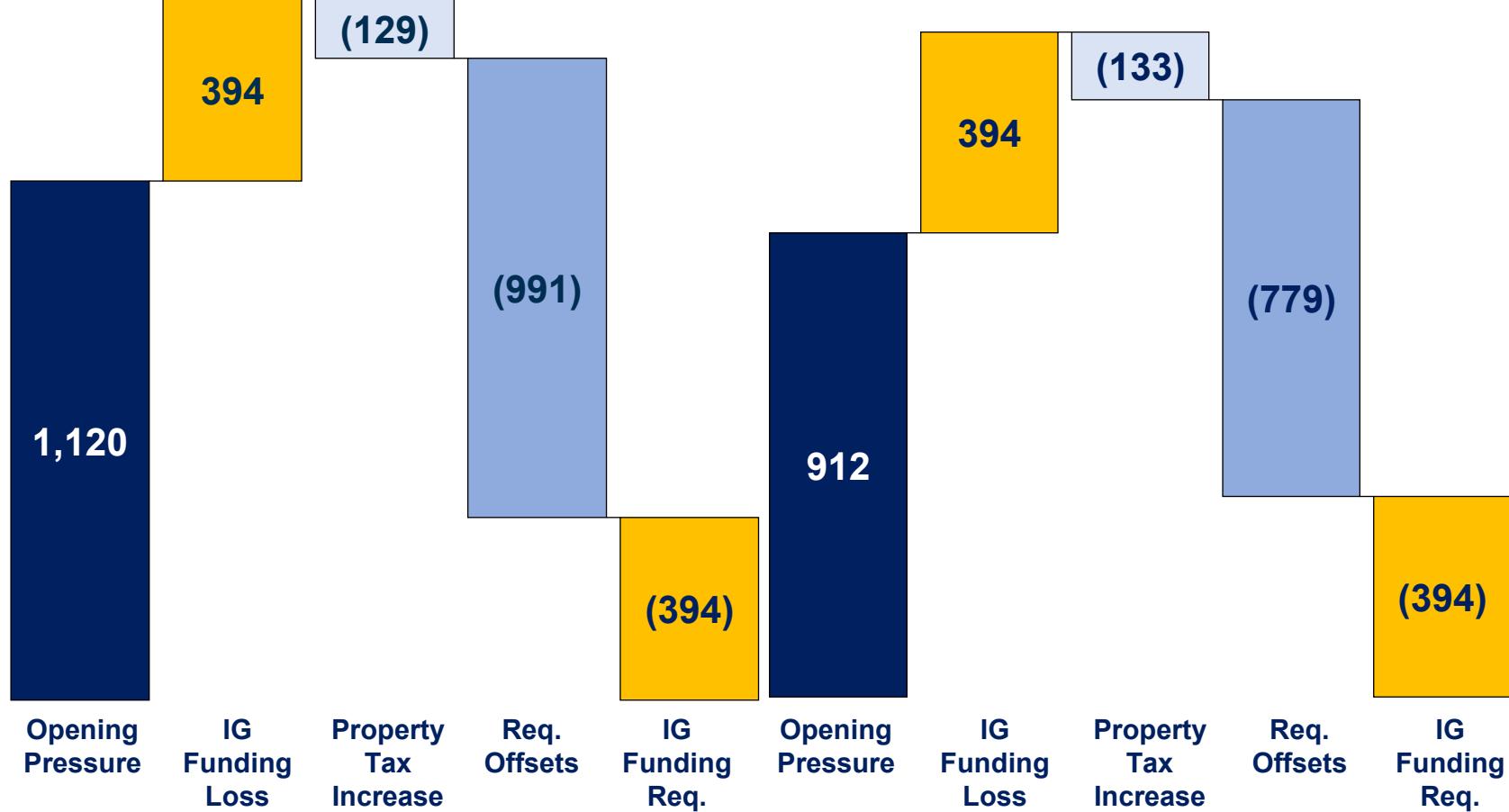
Multi-Year Outlook

2027

2028

Continued multi-year approach

- Reflects estimated incremental operating budget pressures
- Adjusts for reversal of one-time bridging strategies
- Includes estimated multi-year property tax scenario for modelling purposes
- Anticipates intergovernmental support beyond the 2026 New Deal commitments
- Identifies amount of required remaining annual offsets



2026-2035 Capital Budget & Plan

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2026 Capital Budget & Plan Highlights

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2026-2035 Capital Plan: \$63.1 billion

10-year plan to maintain, renew, and grow infrastructure

Key Investments

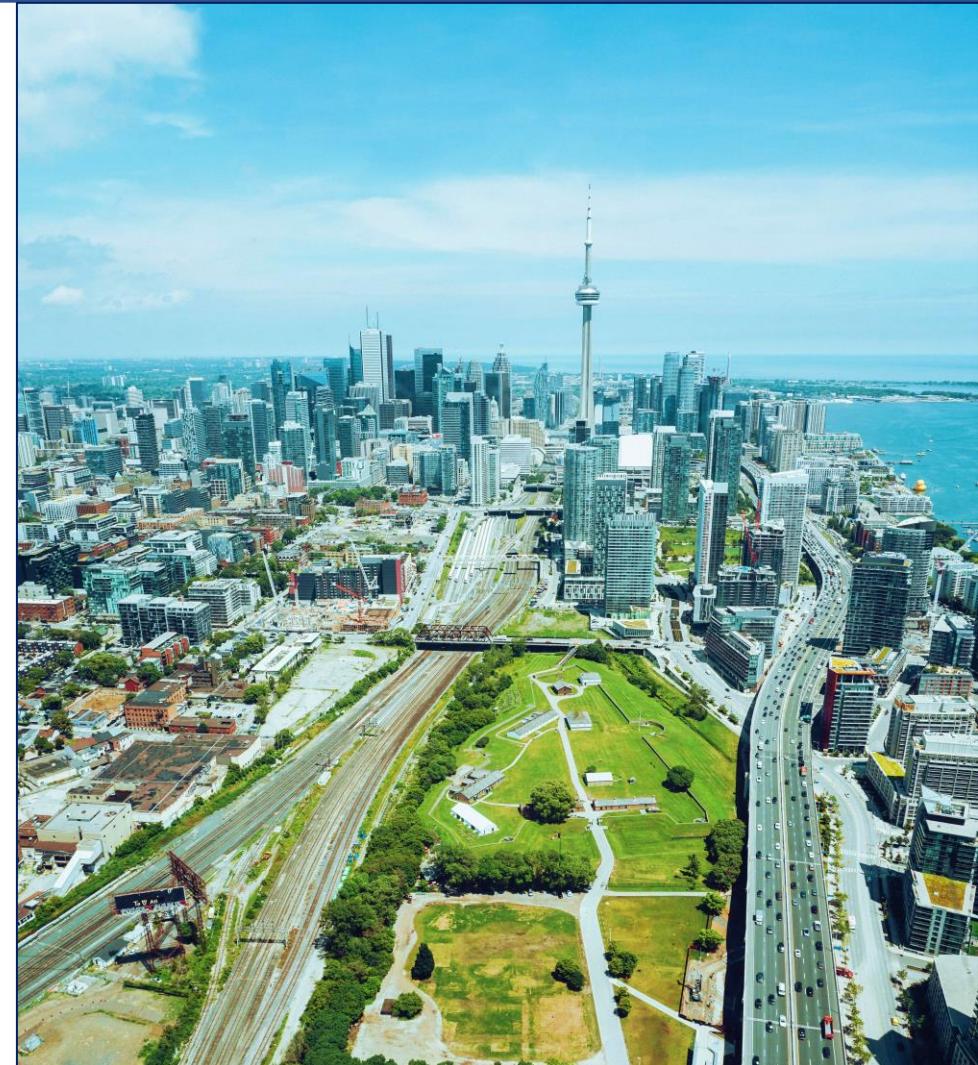
- 53% to **State of Good Repair (SOGR)** to maintain assets
- Targeted **growth investments** in transit, housing, roads, water and parks
- **Public safety** facilities and equipment
- **1.5% increase** for **City Building Fund** dedicated to transit and housing

Challenges

- SOGR **needs outpacing funding** with aging assets and cost escalations
- Declining development charge revenue - market and legislative changes

Intergovernmental Contributions

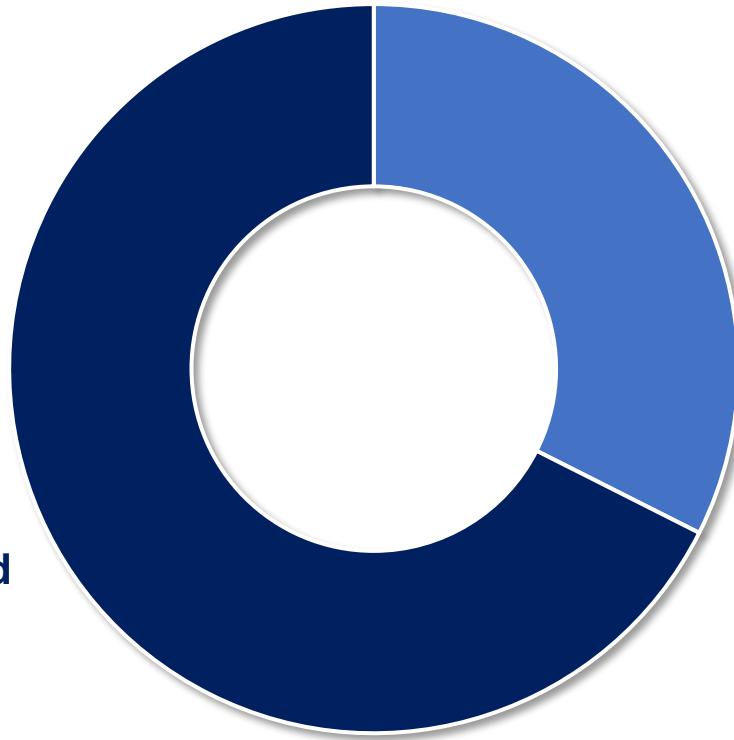
- **\$8.3B in federal and provincial support** to unlock investments
- **Sustained partnership** required to advance housing-enabling infrastructure and SOGR investments



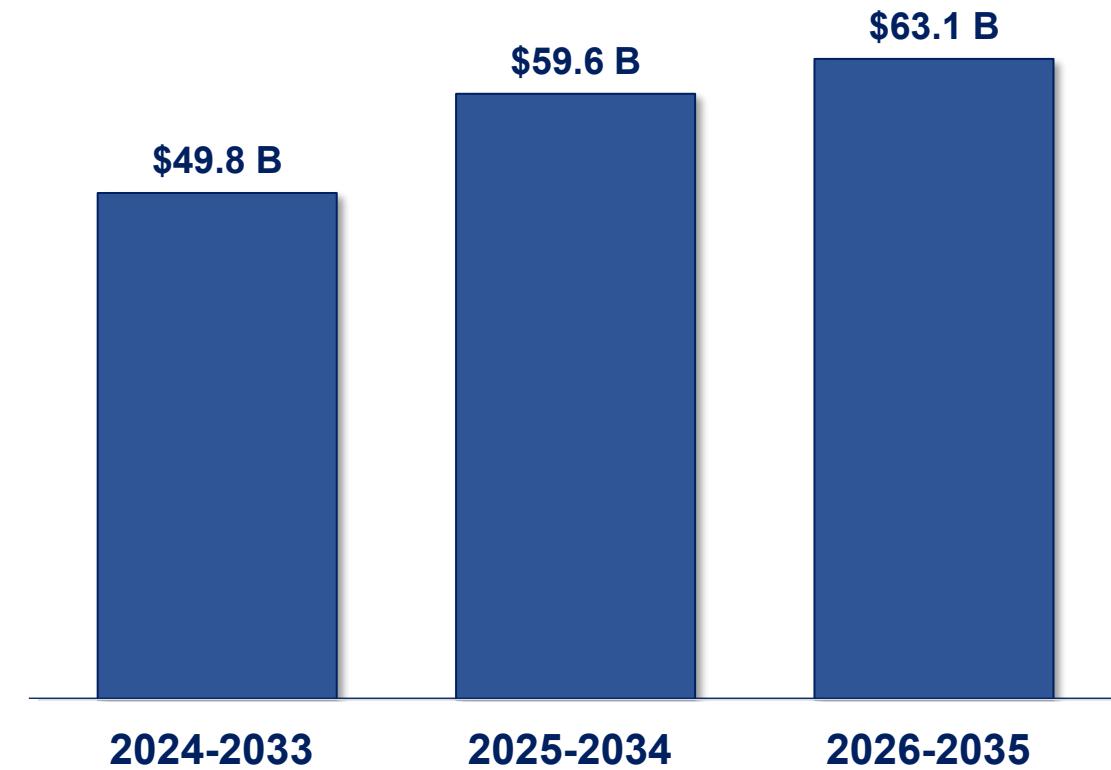
2026-2035 Tax & Rate Capital Plan: \$63.1 billion

■ Tax-Supported Capital Plan:
\$42.6 billion
(68%)

■ Rate-Supported Capital Plan:
\$20.5 billion
(32%)

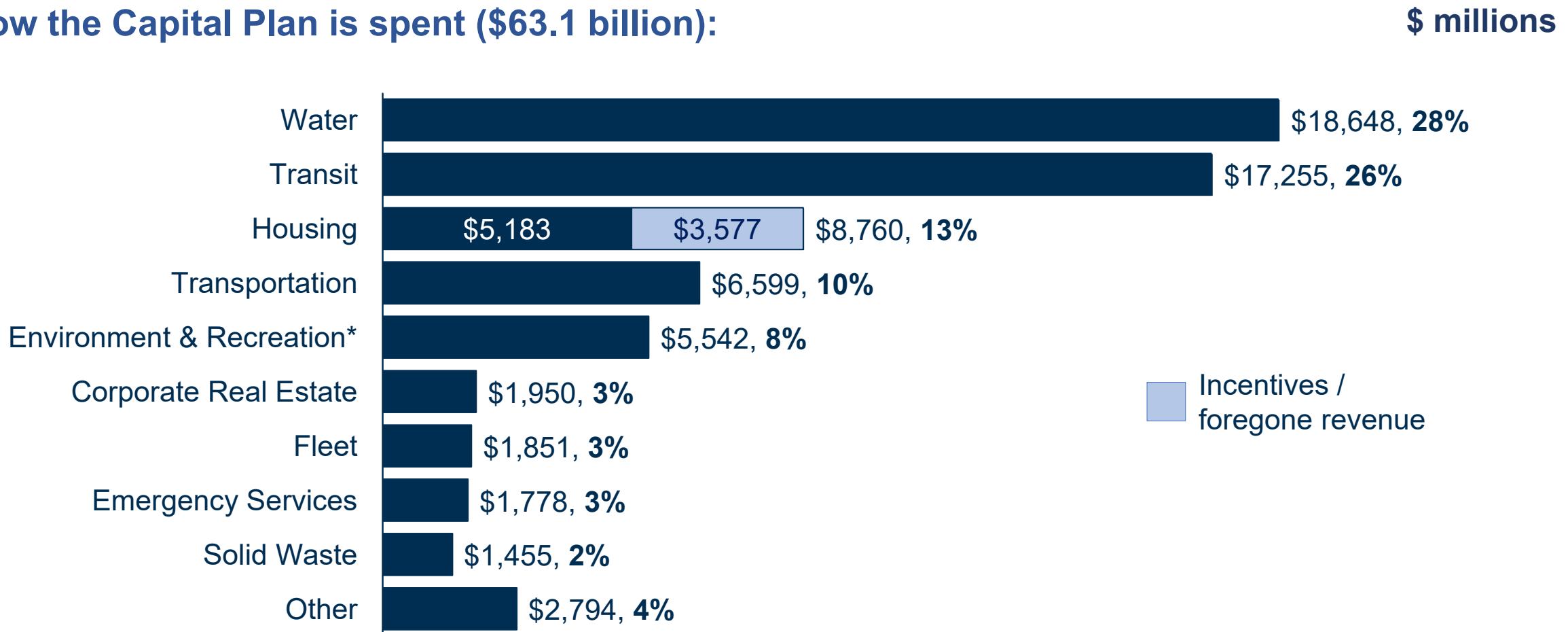


Growing 10-Year Capital Plan



2026-2035 Capital Plan

How the Capital Plan is spent (\$63.1 billion):



*Projects that support Council-approved environmental sustainability outcomes are included in all spending categories

Assets We Manage & Investments We Make

Making Life More Affordable



55,800 public housing units
operated by Toronto Community Housing Corporation (TCHC) and Toronto Seniors Housing Corporation (TSHC)

32 facilities operated by Toronto Shelter and Support Services

39 childcare centres (22 City owned)
operated by Children's Services



\$1.9B for critical repairs and upgrades to TCHC/TSHC buildings



\$1.4B for City-led and City-supported rental projects supporting **65,000 affordable homes**



\$950M for homelessness infrastructure, including integration with long-term care, supportive housing, and community hubs



\$92M towards infrastructure to support childcare services

Additional **\$3.6B** in financial incentives to advance **31,400** new homes

Avg \$114,000 per home, including DCs, property taxes, parkland dedication, CBCs and permit fees

Assets We Manage & Investments We Make

Moving Toronto Better



143 subway trains on **70.1 km** of track

1,890 buses servicing **173+ routes** from **8 bus garages**

258 streetcars operating across **11 routes**

5,600 km of roads, **7,400 km** of sidewalks, and **2,537** traffic control signals

900 bridges and culverts



\$10.4B for subway upgrades, capacity enhancements, and improved signals, including **\$3B** for subway car purchases/overhauls



\$2.7B to modernize bus services through electric and Wheel-Trans fleet purchases, and charging infrastructure



\$1.3B to maintain and upgrade the streetcar fleet and infrastructure for reliable service



\$4.5B dedicated to rehabilitation and maintenance of road network (major and local roads and bridges)



\$1.2B for growth-enabling transportation infrastructure, such as road extensions and widenings

Assets We Manage & Investments We Make

Delivering a Safer Toronto for Everyone



40 police buildings and 1,975 police vehicles

45+ ambulance stations, including a Multi-Function Station, and **243 transport ambulances**

84 fire stations, 8 support facilities and **196 heavy vehicles** (e.g. fire trucks)



\$554M for police facility repairs, long-term plans for 4 divisions, headquarters modernization, and specialized unit upgrades



\$340M for paramedic multi-function stations, ambulance posts, equipment, and garages



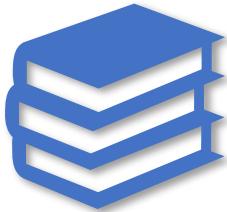
\$41M for ambulances and emergency response vehicles



\$41M for Fire Services equipment, infrastructure repairs and maintenance, and 2 new high-rise trucks

Assets We Manage & Investments We Make

Providing Excellent Community Services



6,100 km of watermains and **10,500 km** of sewers and storm sewers

127 community centres and **126 indoor/outdoor rinks** supporting year-round recreation

200+ aquatics assets, including pools, water facilities, and **10 supervised beaches**

1,500 parks spanning **6,800 hectares** of green space and natural areas



\$8.2B for wastewater including treatment plants and sewer replacement and rehabilitation



\$3.8B for water infrastructure including watermain replacement and rehabilitation



\$5.0B for stormwater management and basement-flooding mitigation



\$2.1B for 12 new and 9 revitalized community facilities, 125 public washroom upgrades, and other building improvements



\$538M for 27 arena upgrades, 31 ice rinks, and improvements to 33 pools



\$748M for parkland acquisition and park/trail development, including wayfinding

City Building Fund

Special levy to support transit and housing in the 10-Year Capital Plan

- City Council endorsed annual 1.5% levy increase until 2035:
 - **\$75 million** - incremental CBF revenue in 2026
 - **\$459 million** - total CBF revenue generated in 2026
 - **\$1.3 billion** - total annual CBF revenue required by 2035 to support existing capital commitments

Capital Commitments

- **To-date:** supported **\$2.3 billion** in prior years' investments and commitments
- **2026 Capital Plan: \$8.7 billion** in capital investments over the next 10 years
- **Future:** includes capacity to advance **Eglinton East LRT** (\$1.2B Council approved City commitment) and City share for **Waterfront East Rapid Transit**

1.5% levy increase

Directed to City Building Fund in 2026



Development Charges

Revenues vs. Commitments

City's DC Reserves Balance vs. 10-Year Plan Commitments



*Includes 10-year capital plan, operating and debt servicing costs

- Critical for growth-enabling infrastructure, including major transit, water, and road systems
- Builds and revitalizes community and recreation spaces, including parks and libraries

Current level of revenue is insufficient to support approved and planned spending

Revenue Trend

- 2014-2024 average annual: **\$520M**
 - **2014-2017: \$236M**
 - **2018-2023: \$732M**
 - **2024: \$383M**

Impact of Provincial Legislation

- Bill 17 defers **\$1.9B** beyond 10-year plan

Impact to 2026 Capital Plan

- Reduced 10-year capital plan for parks and recreation (\$214M), libraries (\$76M), waste (\$6M)
- Further reductions or deferrals in water and roads anticipated for 2027 budget process
- Further review of growth-related projects as part of the ongoing comprehensive DC review

State of Good Repair (SOGR)

\$33.3B (53%) of the 2026-2035 Capital Plan dedicated to SOGR

The City manages & invests in over \$200B in assets

+\$900M (2.8%)

from last year's
10-Y Capital Plan



Key Capital Priority

- Largest investment area in the capital plan
- Infrastructure supports essential services: transit, housing, parks and recreation, facilities
- Updated asset assessments have increased SOGR requirements of key areas (e.g. TCHC, Transportation Services)



Rising Pressures

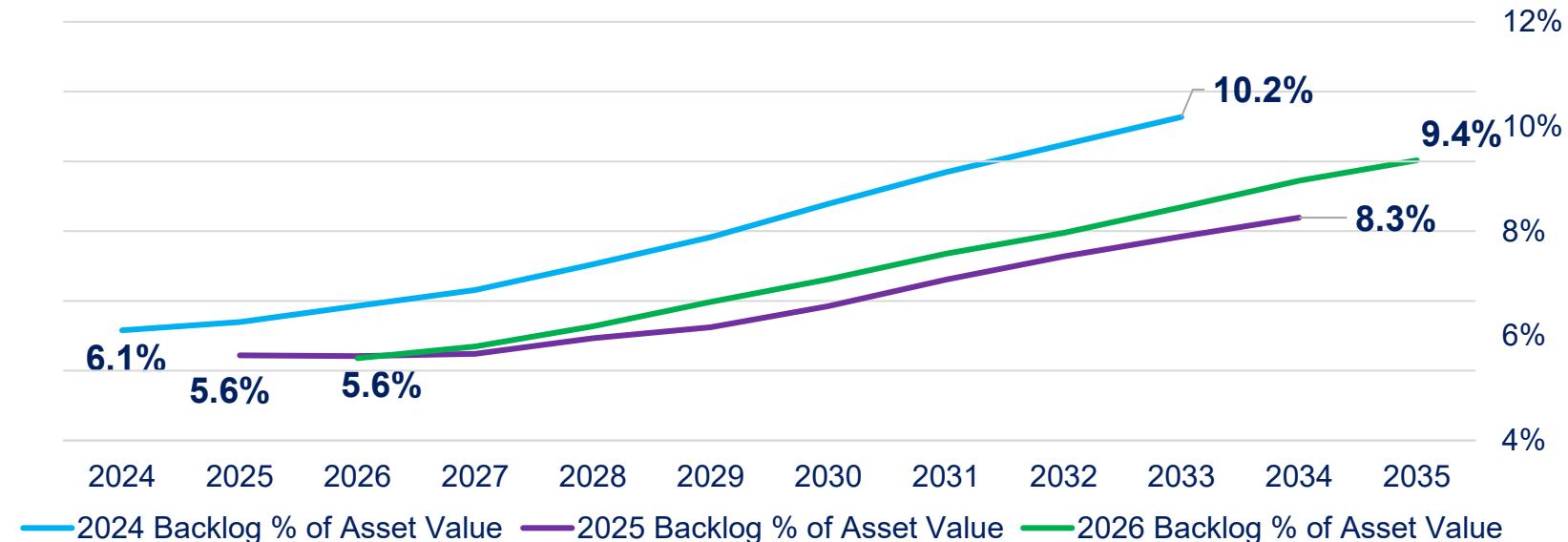
- SOGR backlog continues to increase - aging assets, cost escalations and new assets being developed
- Competing priorities between growth and SOGR needs
- Needs rising faster than funding capacity
- **Limited funding tools** – municipalities responsible for 60% of public infrastructure with only 9% of taxes



How We're Responding

- Major SOGR investments across transit, TCHC, shelters, roads and community facilities
- Key strategies:
 - City Building Fund
 - Corporate Asset Management
 - Capital Prioritization Framework
 - Gardiner upload

SOGR Backlog as % of Assets



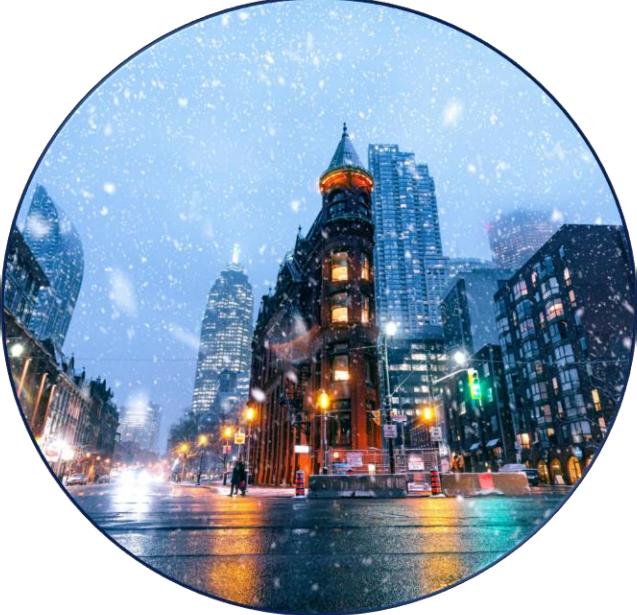
SOGR backlog projected to increase to **\$24.7B** by 2035

Budget Process	2026 Projected SOGR Backlog	2033 Projected SOGR Backlog
2024	\$12.4B	\$22.7B
2025	\$10.3B	\$16.8B
2026	\$11.5B	\$21.1B

2024-2026 Experience

- 2026 budget process projects an increased backlog from 2025 forecast
 - Continues to reflect an improvement from 2024 projections
- 2026 increase driven by reassessments of existing assets, new capital assets and cost escalations

2026 Property Tax & Rate Impacts toronto.ca/budget | #budgetTO



2026 Proposed Property Tax Increases

By Property Class

Combined average residential impact:
\$91.53 annually
(\$7.63/month)

Based on average current assessed value
\$692,140*

	 Residential	 Multi-Residential	 Commercial	 Industrial
Operating Levy	0.70%	0.35%	0.35%	0.70%
City Building Fund	1.50%	0.75%	0.75%	1.50%
Combined Levy	2.20%	1.10%	1.10%	2.20%

Cancellation & Deferral Relief Programs support ~10,500 households (low-income seniors and people with disabilities)

New Multi-Residential Subclass provides 15% rate reduction (over New Multi-Residential rate) to incentivize new housing supply

Small Business Subclass provides a 15% rate reduction, benefiting **over 28,000** small businesses

Deferral Program was provided in 2025 to mitigate cash flow impacts of tariffs

*Property values based on 2016 valuation due to provincial postponement of reassessment - will differ from average home sale price

2026 Rate Increases

On December 17, 2025, City Council approved interim rate increases of 3.75% for Toronto Water and Solid Waste Management Services. These rates are consistent with the final recommended increases for 2026:

3.75%
increase to water and wastewater consumption rates

Average annual household increase based on **230 cubic metres** of water consumed per year: **\$40.00**



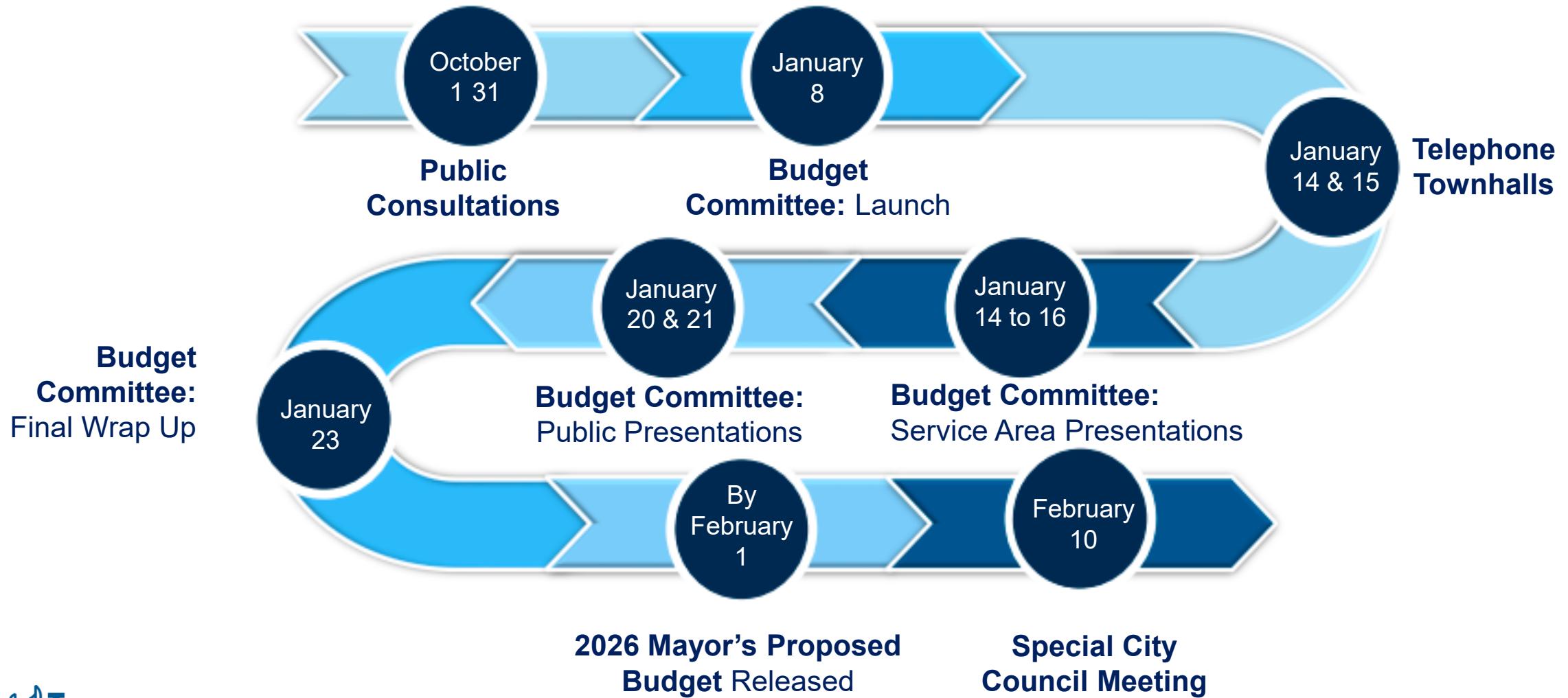
1.25% Block 2 rate increase - Council adopted phased in approach to achieve 35% discount over 3 years for high volume industrial consumers

3.75%
increase to Solid Waste Management Services rates and fees

Average annual single-family residential increase, depending on **size** of garbage bin: **\$11.49 - \$21.97**



The Budget Process: 2026 Budget Schedule



Get involved!

The budget is about setting goals and building a city that works for you.

Residents and businesses are encouraged to get involved in the budget approval process:

- Join a telephone town hall on January 14 and 15
- Speak at a public meeting on January 20 and 21
- Submit written feedback to the Budget Committee
- Contact your local City Councillor

Your feedback is an important part of the process.



Thank you

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APPENDICES

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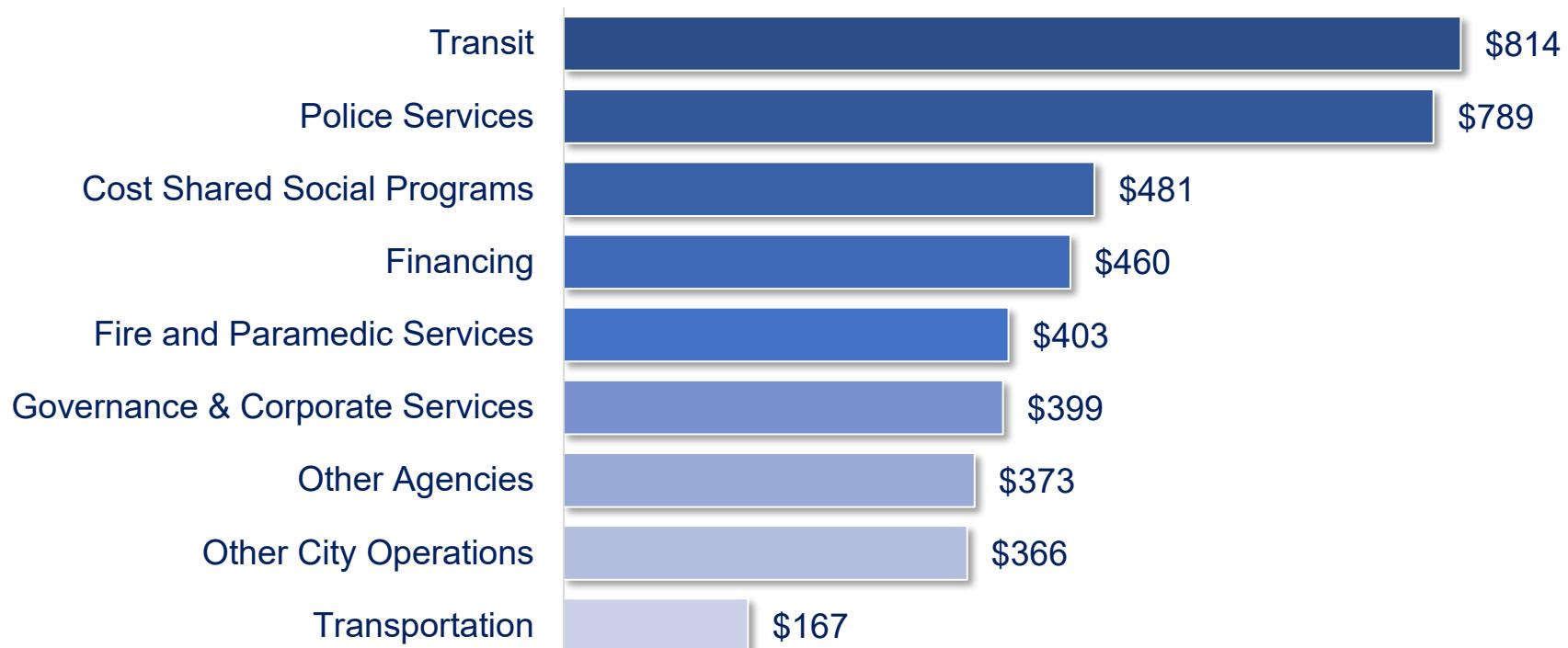


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2026 Property Tax Bill

The average home in Toronto has an assessed value of \$692,140.*

The 2026 municipal property tax bill on this home would be \$4,252.**



Combined
average
residential
increase:
**\$91.53
annually**
(\$7.63/month)

*As the Province postponed the 2021 reassessment, 2026 property values are the same assessed values as 2020 (which uses evaluation dates of January 1, 2016), conducted by the Municipal Property Assessment Corporation (MPAC), unless the property experienced relevant changes such as renovations, improvements or demolitions.

**Excludes provincial education property taxes

Property Tax Ratio Shifts

Tax Class	Actual												Proj.
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Commercial				2.85	2.81	2.74	2.65	2.61	2.58	2.50	2.39	2.31	2.28
Industrial	3.07	3.00	2.90	2.83	2.76	2.71	2.62	2.59	2.51	2.51	2.50	2.50	2.50
Multi-Residential				2.66	2.46	2.28	2.10	2.05	1.96	1.90	1.79	1.74	1.71
Small Business	2.63	2.50	2.50	2.49	2.44	2.43	2.43	2.43	2.19	2.12	2.03	1.97	1.94

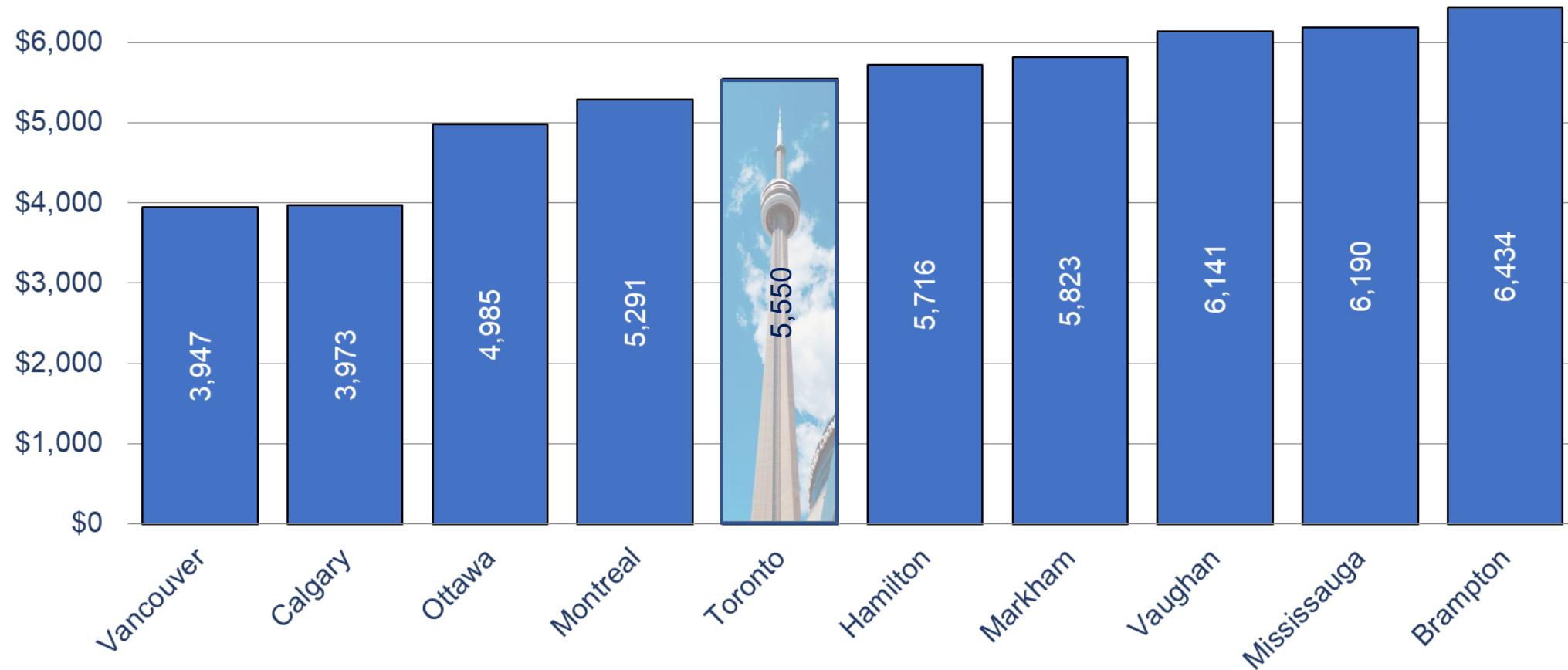
Provincial regulations outline the following tax ratio thresholds:

- 1.98 for Commercial
- 2.63 for Industrial
- 2.00 for Multi-Residential

The City has achieved all tax ratio thresholds except for the commercial class. Provincial regulation limits a tax increase of half of the residential increase where thresholds are not met.

2025 Residential Property Taxes Paid Per Household

Comparison of Large GTHA Municipalities, Vancouver, Ottawa, Montreal & Calgary



Includes Education Property Taxes and excludes land transfer tax values

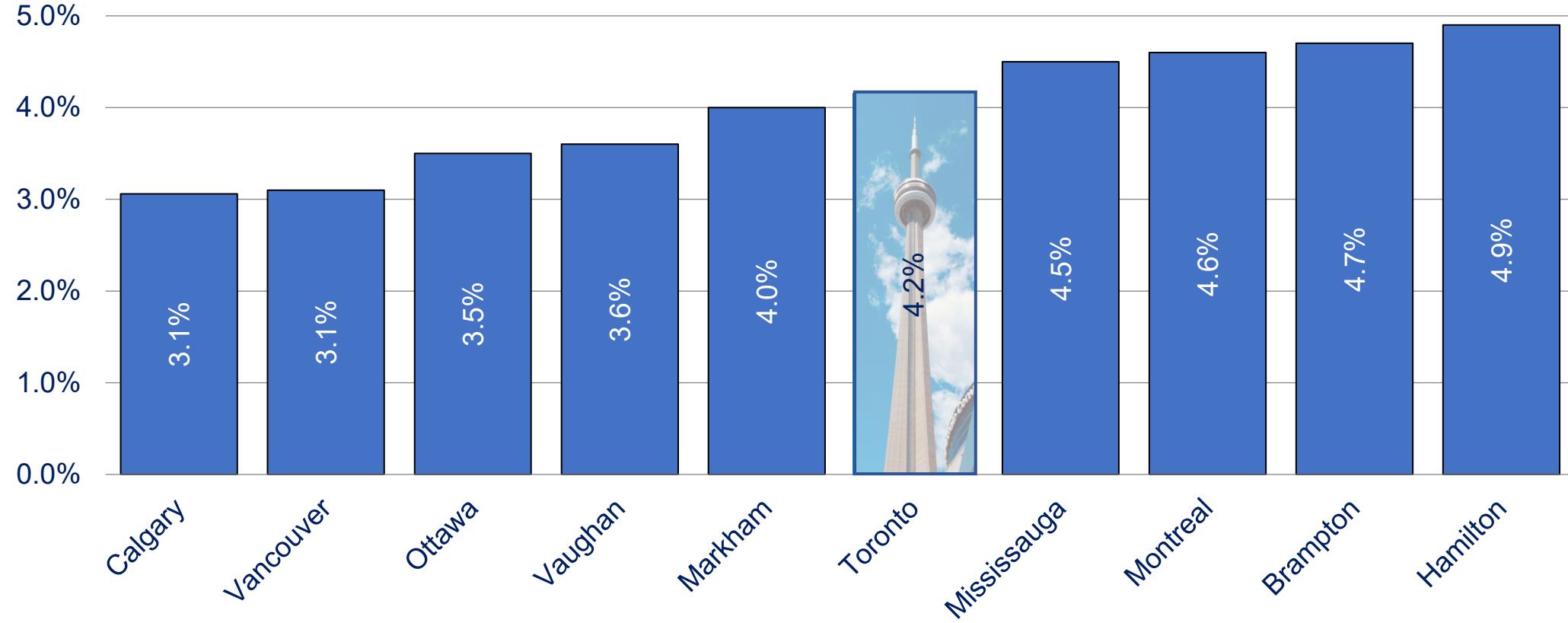
For Toronto, it also includes provision of average solid waste collection and the City Building Fund Levy

Sources: 2025 Municipal Study – BMA Consulting Inc., City of Vancouver, Montreal & Calgary websites, World of Web Advertising (WOWA) 2025 Housing Market Reports (Vancouver, Montreal and Calgary Markets)

Note: BMA Comparison (Ontario municipalities) based on the weighted average median residential assessment of seven residential property types per MPAC Municipal Status Report 1st Quarter, 2025

2025 Residential Property Taxes as % of Household Income

Comparison of Large GTHA Municipalities, Vancouver, Ottawa, Montreal & Calgary



Includes Education Property Taxes and excludes land transfer tax values

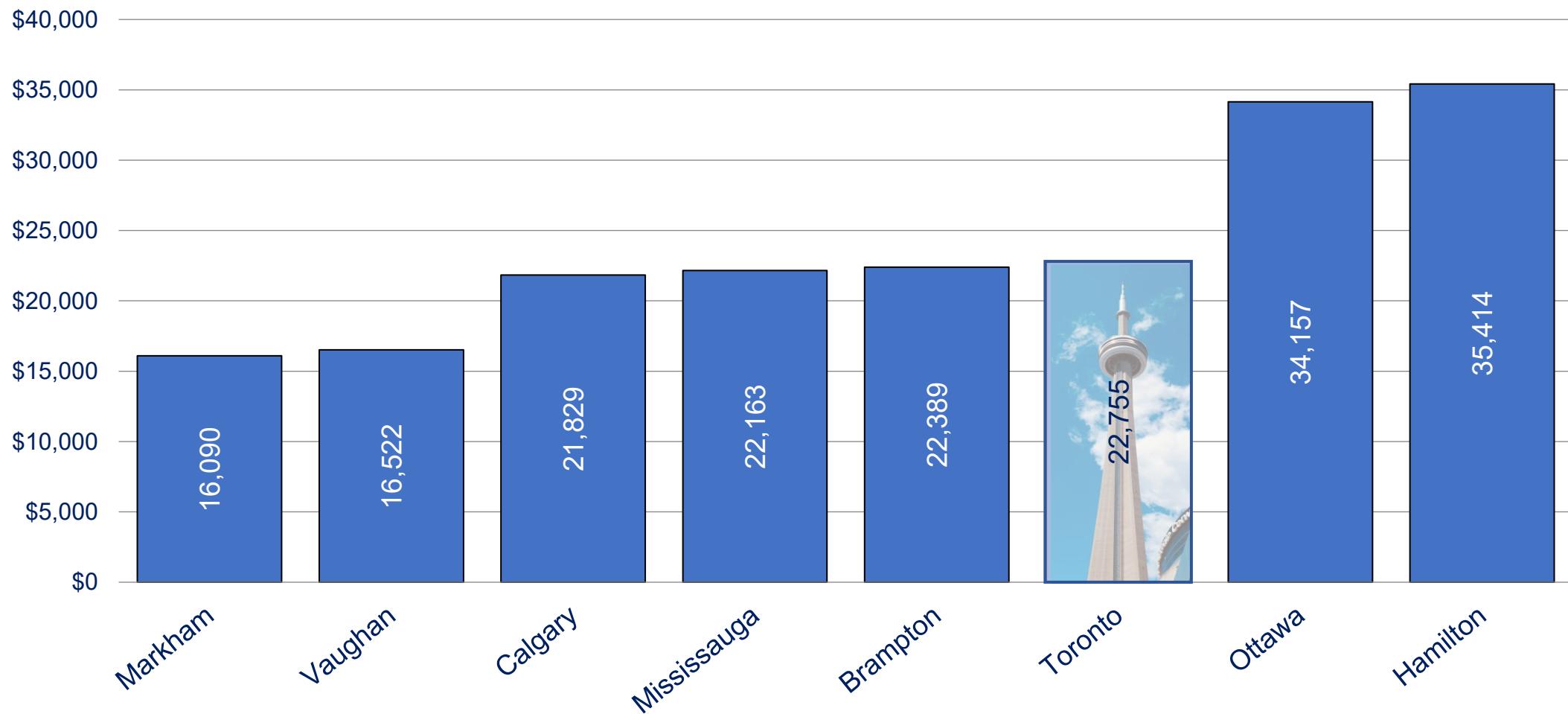
For Toronto, it also includes provision of average solid waste collection and the City Building Fund Levy

Sources: 2025 Municipal Study – BMA Consulting Inc., City of Vancouver, Montreal & Calgary websites, World of Web Advertising (WOWA) 2025 Housing Market Reports (Vancouver, Montreal and Calgary Markets)

Note: BMA Comparison (Ontario municipalities) based on the weighted average median residential assessment of seven residential property types per MPAC Municipal Status Report 1st Quarter, 2025

2025 Commercial Property Taxes Per \$1M Assessed Value

Comparison of Large GTHA Municipalities, Calgary, and Ottawa



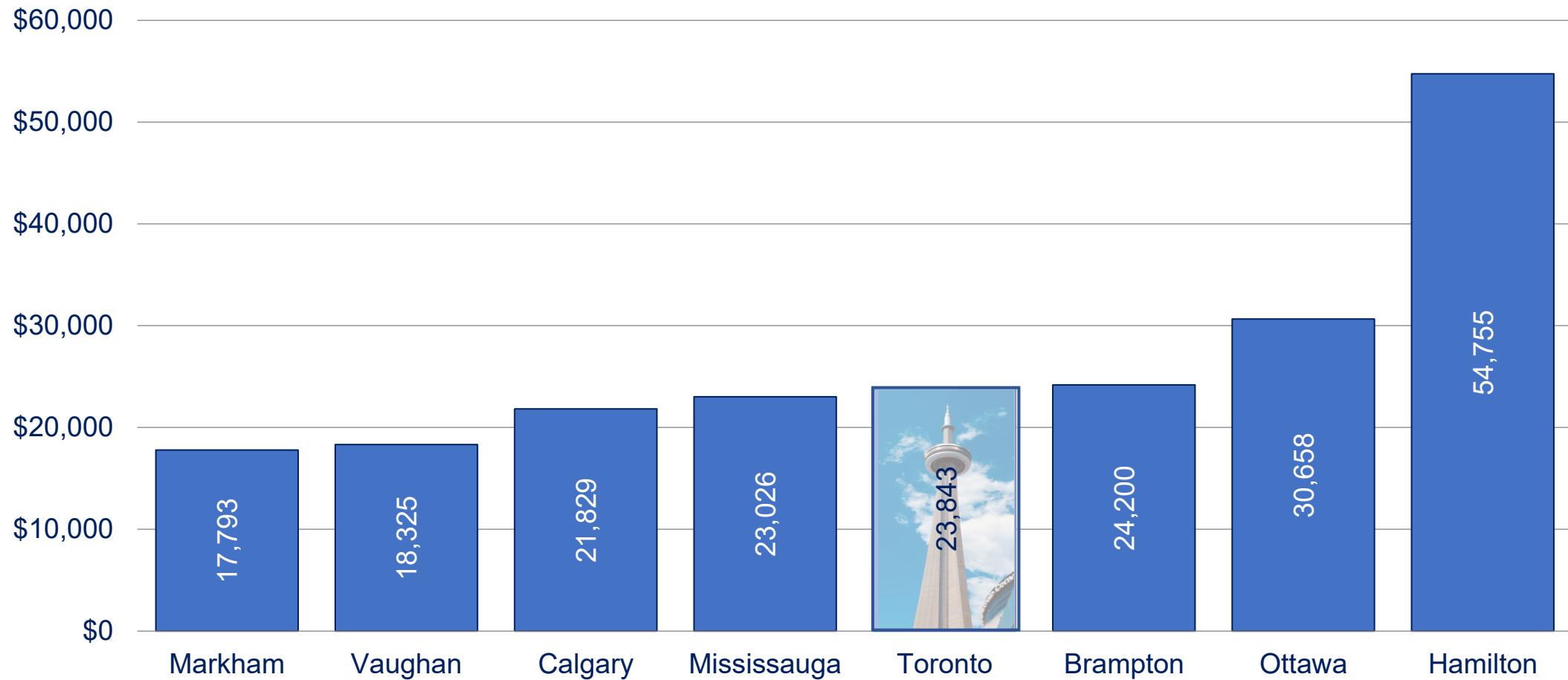
Includes Education Property Taxes and excludes land transfer tax values

Sources: 2025 Municipal Study – BMA Consulting Inc. & Calgary websites,

Note: BMA Comparison (Ontario municipalities) based on Commercial Buildings Property Type

2025 Industrial Property Taxes Per \$1M Assessed Value

Comparison of Large GTHA Municipalities, Calgary, and Ottawa



Includes Education Property Taxes and excludes land transfer tax values

Sources: 2025 Municipal Study – BMA Consulting Inc. & Calgary websites,

Note: BMA Comparison (Ontario municipalities) based on Industrial – Large Property Type

Engagement (October 1-31, 2025)

- **Online survey:** 9,787 responses; available in 12 languages.
- **City-led sessions:** 6 meetings (4 in-person, 2 virtual) with 901 participants.
- **Community-led discussions:** 15 meetings with 341 participants; focused on engagement with Indigenous, Black, and equity-deserving residents.

We are building a city that works for you and creating a stronger financial future for Toronto.

Highlights from Public Input

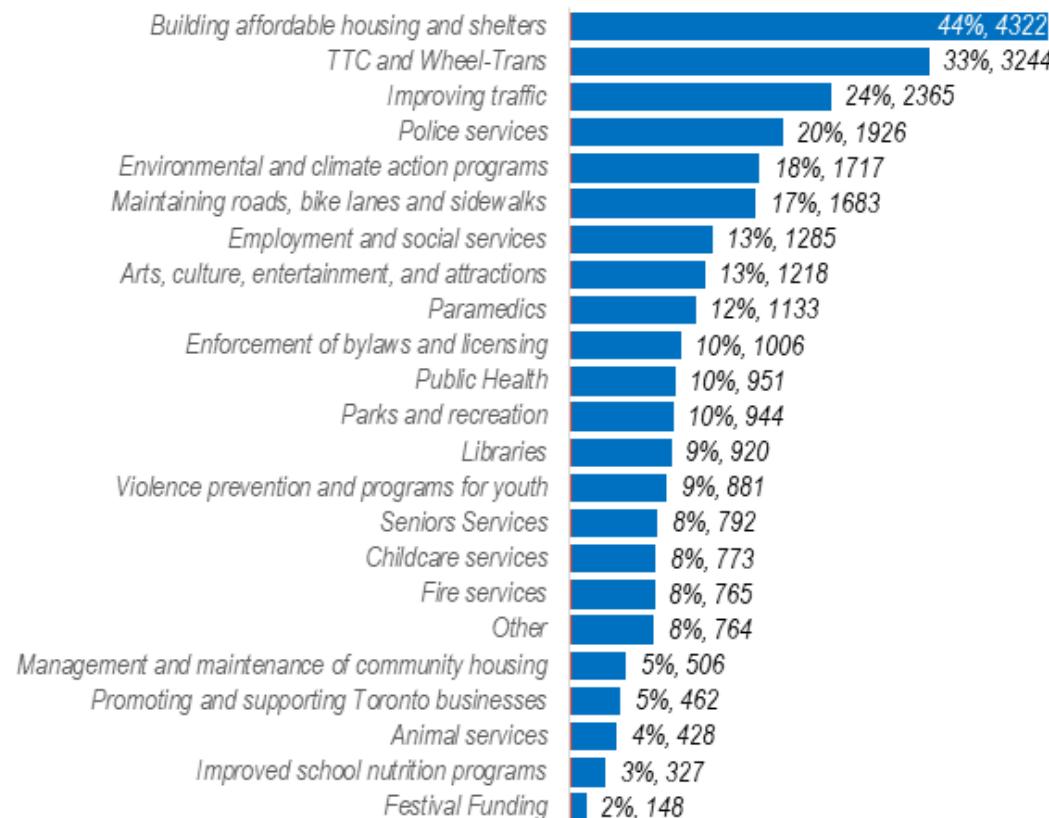
- **Most important** to residents:
 - Provide affordable housing and shelters
 - Improve transit and reduce traffic congestion
 - Invest in community safety
 - Invest in social services and community well-being
- **Least important** to residents:
 - Festival funding
 - Police services
 - Animal services
- **Property taxes:**
 - **45%** favour **keeping property taxes low** while maintaining most services with some reductions.
 - **42%** favour **increasing property taxes** to enhance services and meet growing needs.
- **Intergovernmental Support:**
 - Large majority (88-89%) believe the Province and the Government of Canada should fund services within their responsibilities

Public Consultations

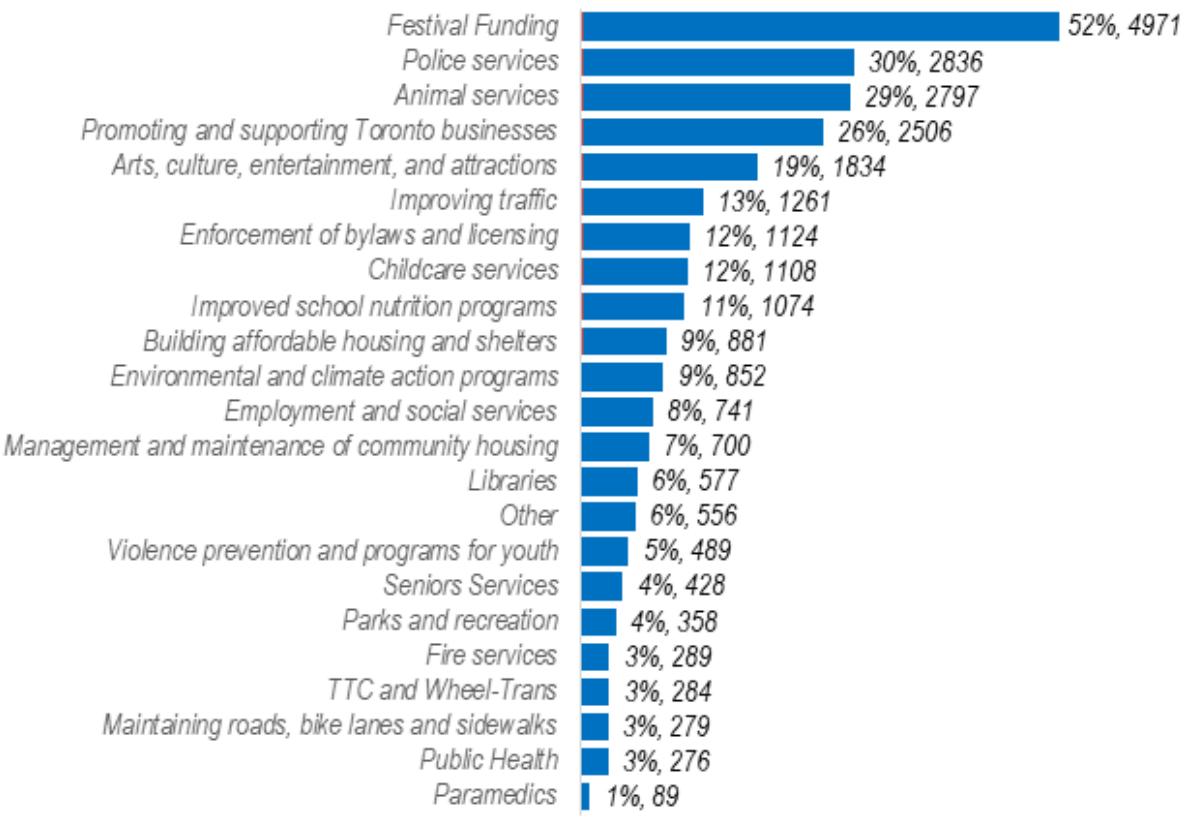
What the City Heard

BudgetTO

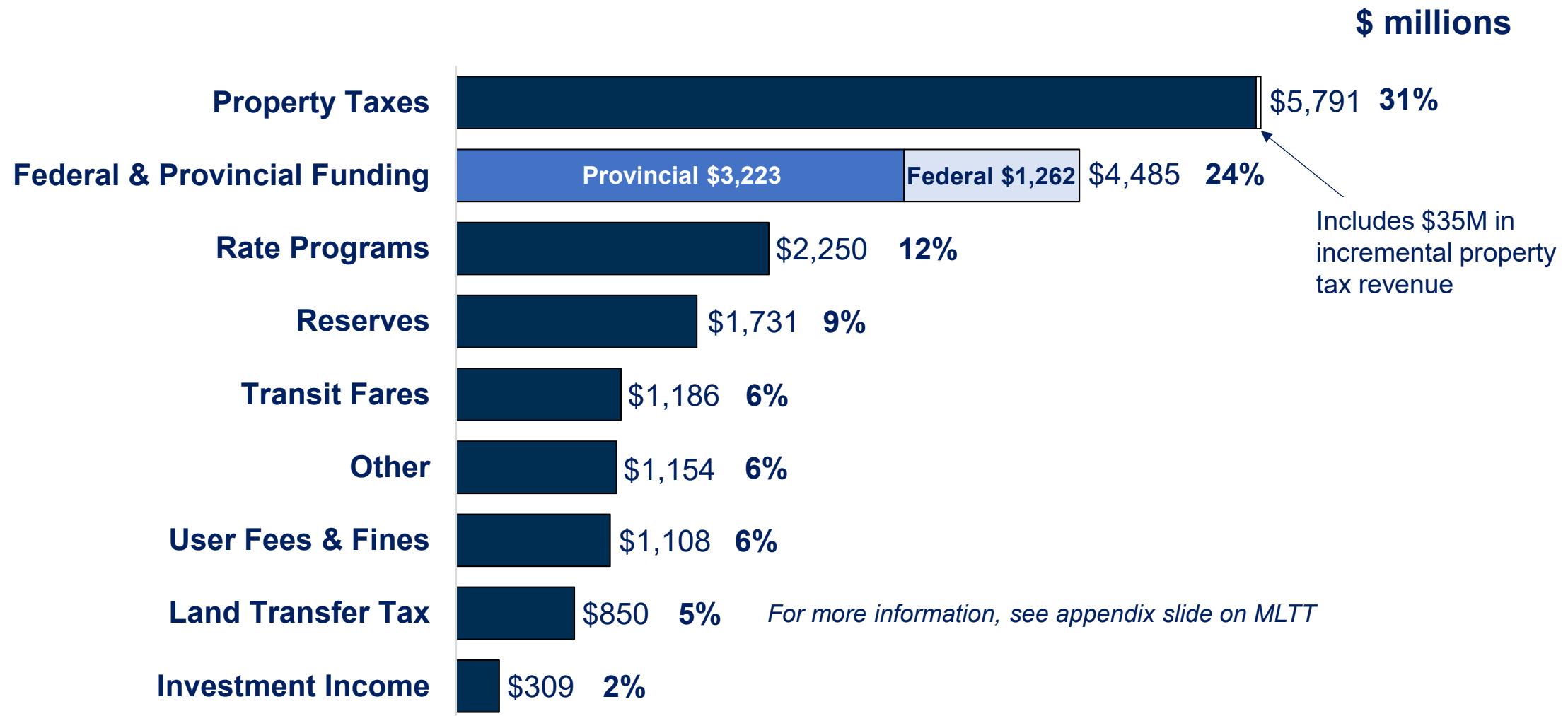
City services selected by survey respondents as their top three **most important**:



City services selected by survey respondents as their top three **least important**:

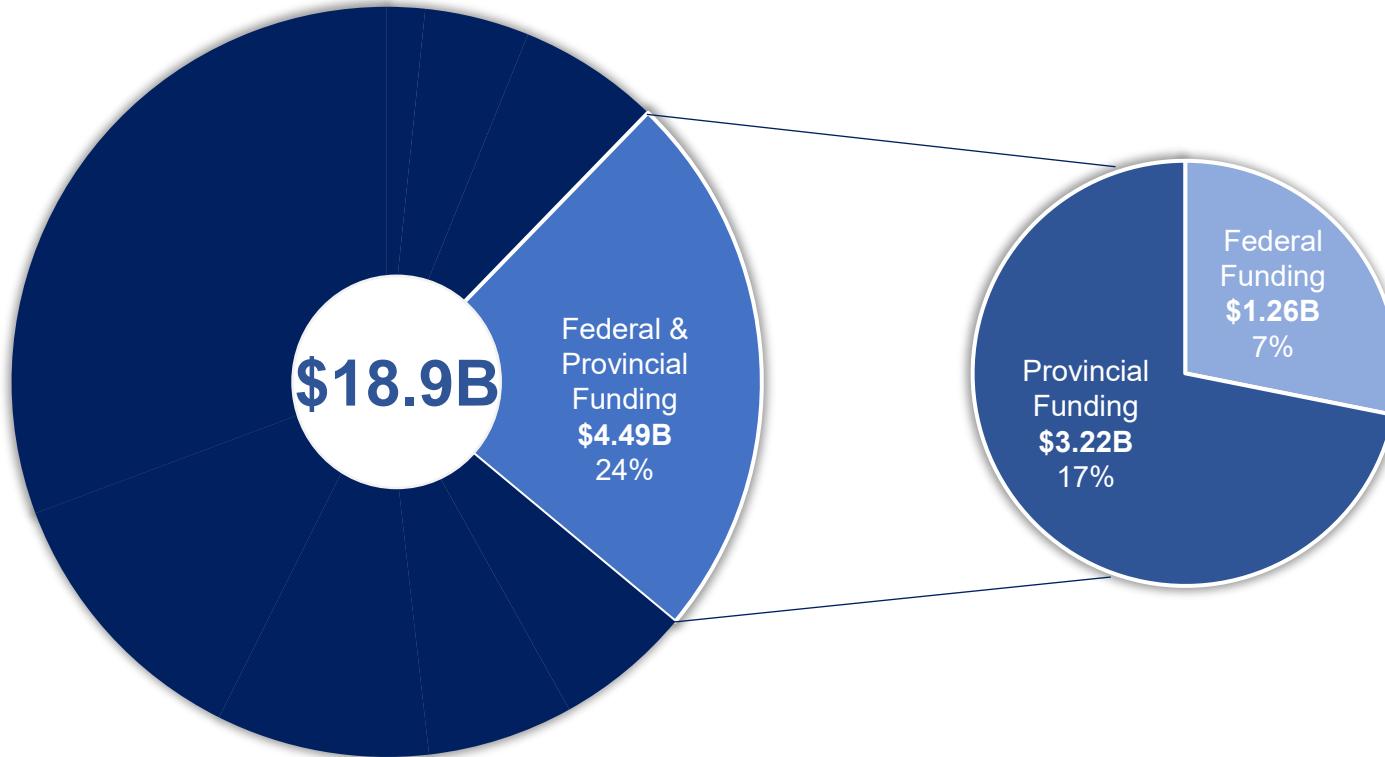


2026 Operating Budget Funding Sources: \$18.9 billion



Intergovernmental Operating Support

2026 Gross Operating Budget



The Operating Budget includes **\$4.49B (24%)** in intergovernmental funding, primarily supporting City-delivered programs tied to federal and provincial responsibilities, including:

- **\$1.47B** towards **affordable childcare** and early years programs for families.
- **\$1.18B** towards **social supports and financial assistance**, (i.e. **Ontario Works**) for residents.
- **\$422M** towards **shelters and support services** such as interim housing, encampment response, prevention and housing transitions.
- **\$266M** towards **seniors care** such as long-term care, supportive housing, and health programs.
- **\$263M** towards **24/7 paramedic services** for life-threatening emergencies.
- **\$261M** towards **housing** supports such as rent assistance, supportive housing, and affordable housing development.

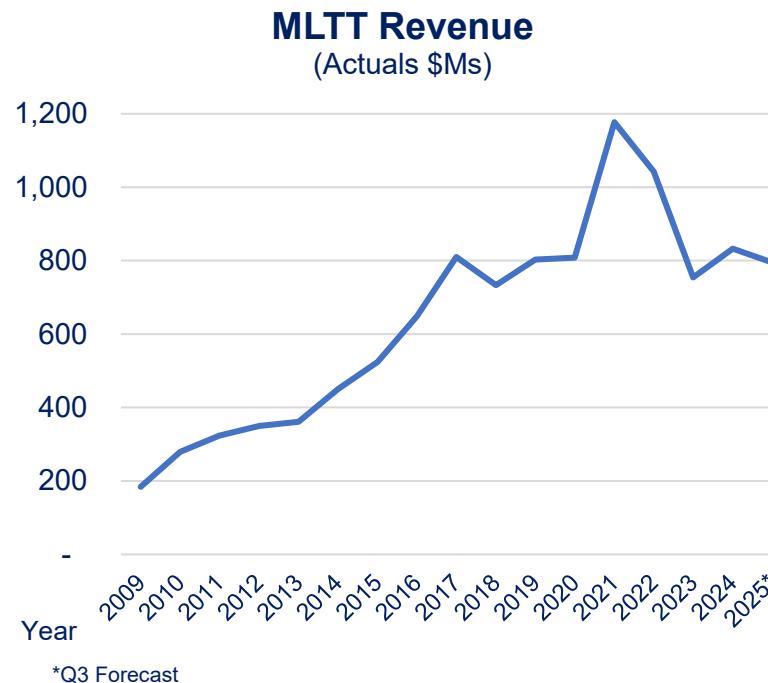
Municipal Land Transfer Tax

Toronto's Graduated MLTT Structure

MLTT Value of Consideration (Rate range)

Over \$20M	8.60%
Over \$10M to \$20M	7.55%
Over \$5M to \$10M	6.50%
Over \$4M to \$5M	5.45%
Over \$3M to \$4M	4.40%
Over \$2M to \$3M	2.50%
Over \$400k to \$2M	2.00%
Over \$250k to \$400k	1.50%
Over \$55k to \$250k	1.00%
Up to and incl. \$55k	0.50%

High Volatility



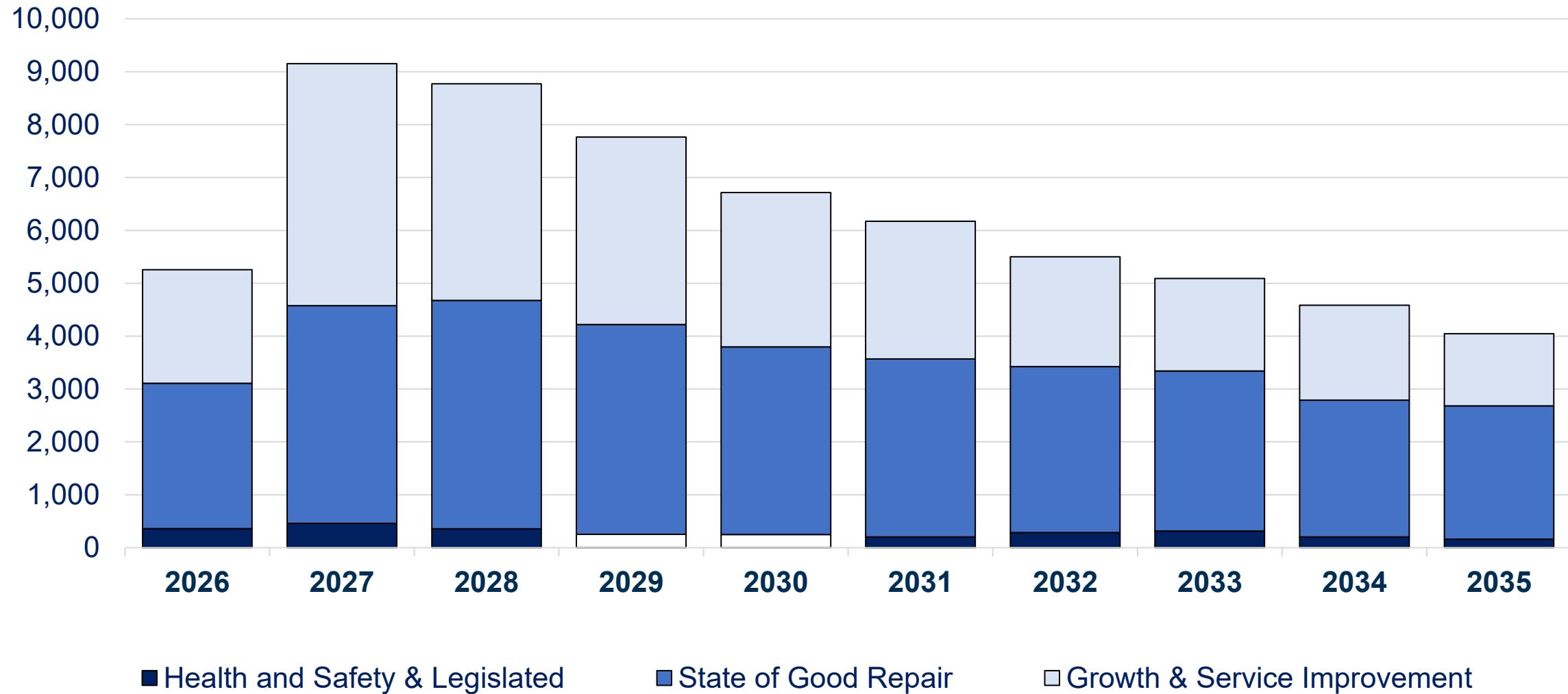
- Highly sensitive to housing market fluctuations

Property Tax Equivalent

\$850 Million in MLTT for 2026 Budget

- \$789 million net** to support operating costs
- Remaining revenues dedicated to capital financing
- 2025 projected actuals equivalent to a **16.1%** property tax increase

10-Year Capital Plan by Project Category



■ Health and Safety & Legislated

■ State of Good Repair

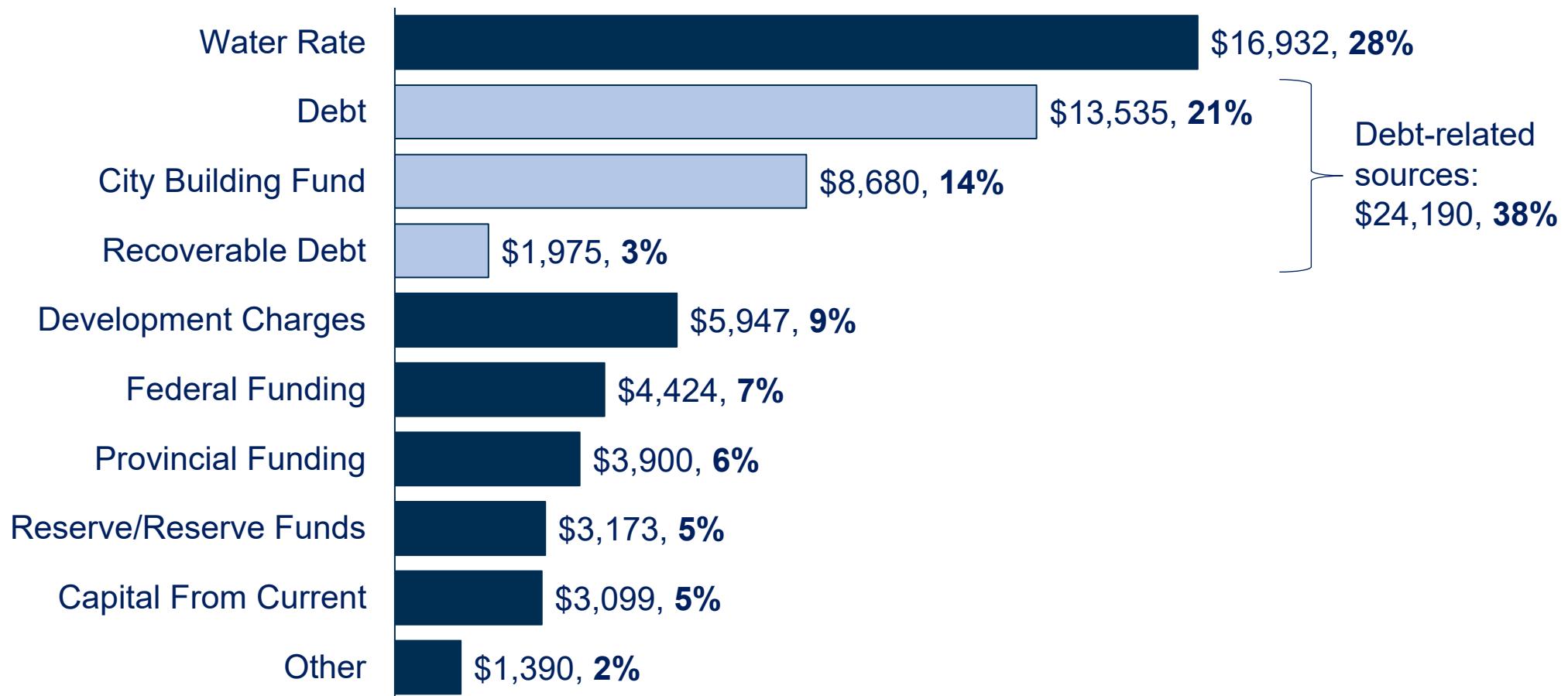
□ Growth & Service Improvement

*Note: excludes carry forward funding

2026-2035 Capital Plan

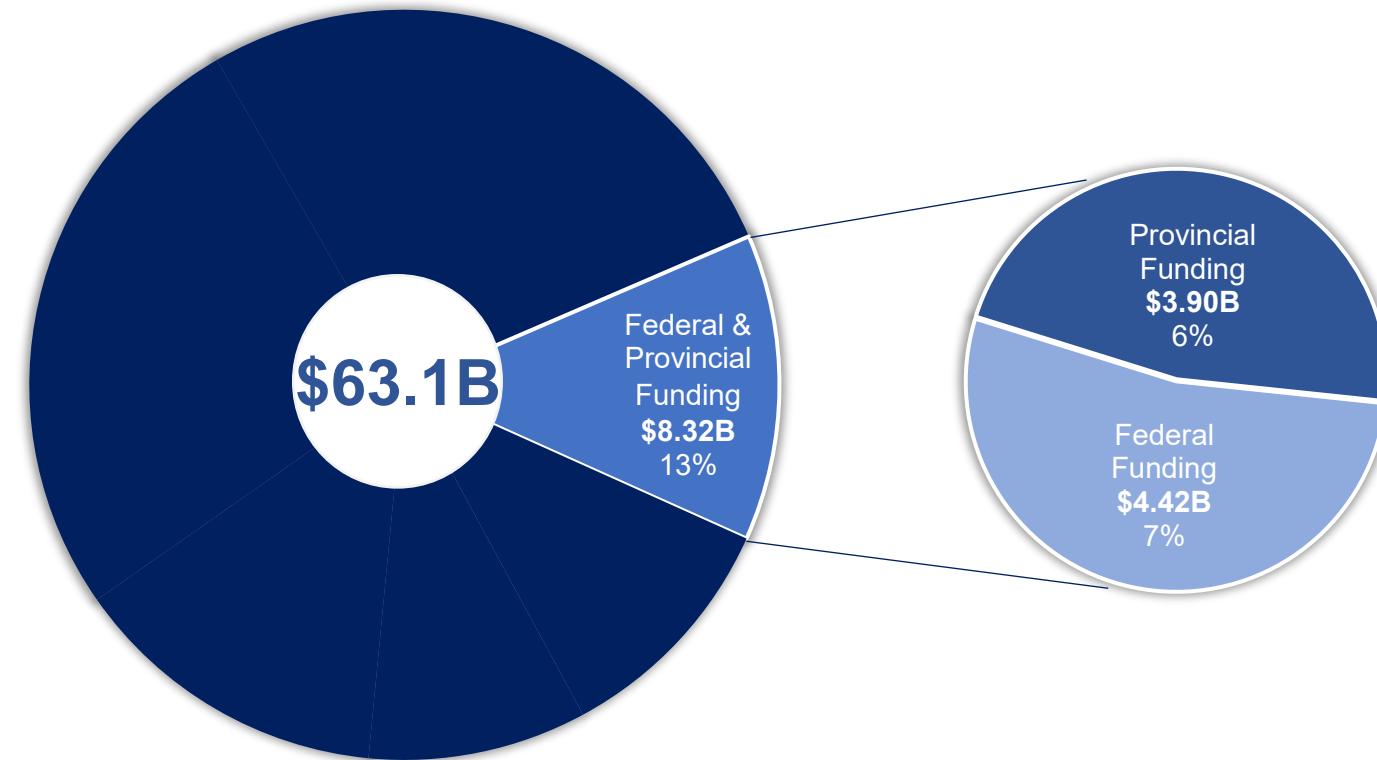
How the Capital Plan is funded (\$63.1 billion):

\$ millions



Intergovernmental Capital Support

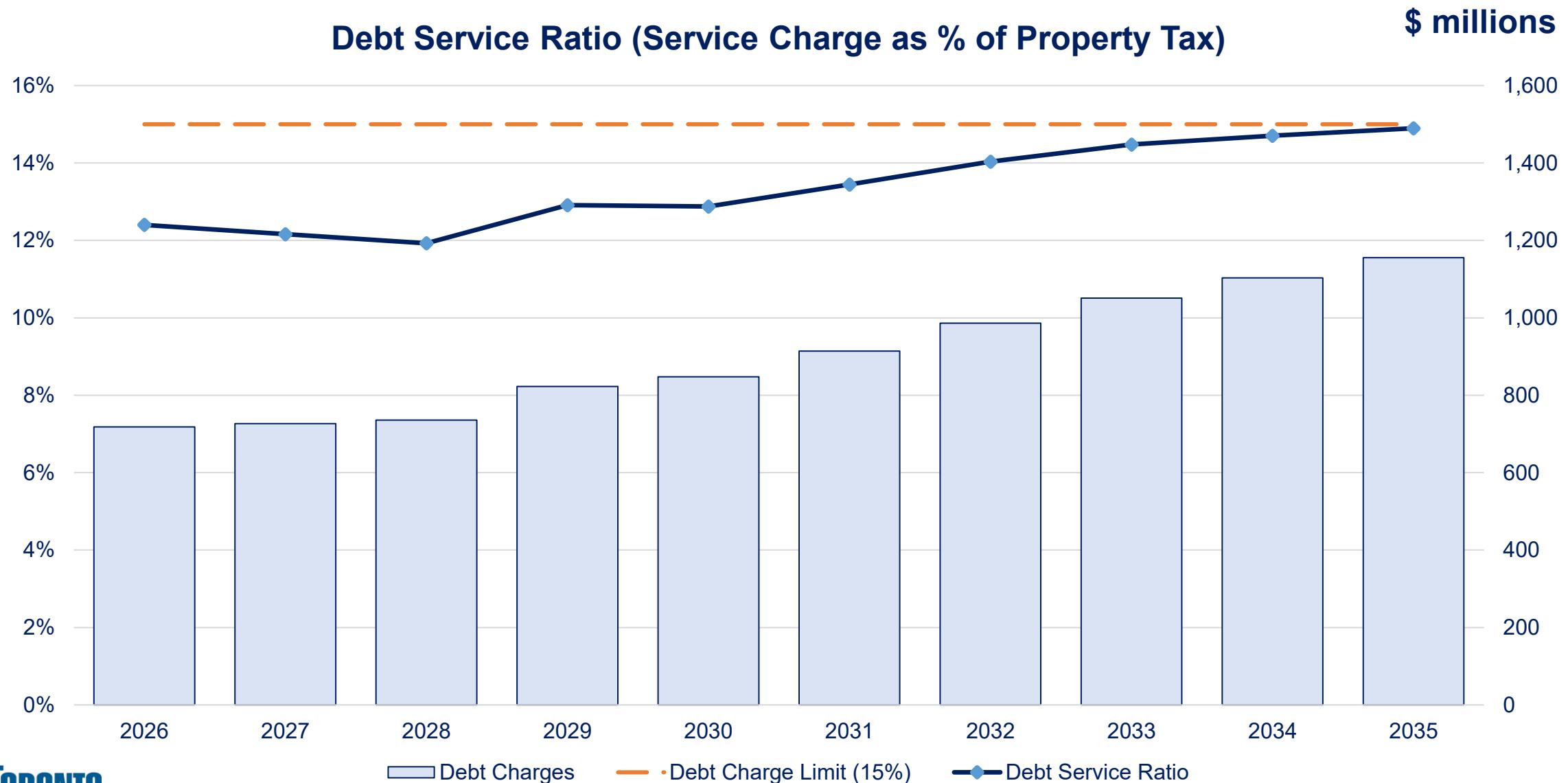
2026-2035 Capital Budget & Plan



The 10-year Capital Budget and Plan includes **\$8.32B (13%)** in intergovernmental funding, supporting City infrastructure, including:

- **\$5.40B for TTC capital projects**, including:
 - **\$1.16B** from the federal Canada Public Transit Fund for subway trains and fleet needs
 - Additional federal/provincial investments in **Bloor-Yonge Capacity Improvements**, track, signals, power systems, accessibility upgrades, bridges, and tunnels
- **\$1.60B from Ontario New Deal** for costs associated with rehabilitation of the **Gardiner** and **DVP**
- **\$548M for affordable housing**, supporting City-led builds, public land projects, Open Door incentives, and federal programs such as RHI, MURA, and MTH to protect and expand affordable homes
- **\$448M for sewer and stormwater resiliency**, including design, construction, and upgrades to sanitary sewers, storm sewers, storage tanks, and other infrastructure to address basement flooding, improve water quality, and support future growth

10-Year Capital Plan Debt Service Ratio



SOGR Backlog as % Total Asset Value

SOGR Backlog (\$ millions)	2026 (beg. bal.)	2026 (1 Year)	2030 (5 Year)	2035 (10 Year)	2025 2035 Change
Transportation Services	2,645	3,218	5,334	8,580	5,936 ▲
Toronto Transit Commission	0	8	1,763	6,147	6,147 ▲
Toronto Community Housing Corporation	1,797	2,230	3,798	4,799	3,002 ▲
Corporate Real Estate Management	1,032	920	1,159	1,445	413 ▲
Other	1,780	1,823	2,142	2,234	454 ▲
Total City Backlog (excl. Toronto Water)	7,254	8,199	14,195	23,205	15,952 ▲
Toronto Water	3,314	3,274	2,096	1,488	(1,826) ▼
Total SOGR Backlog (Tax & Rate)	10,567	11,473	16,291	24,693	14,126 ▲
Total Asset Value	194,319	205,897	230,198	264,010	69,690
SOGR as % Asset Value	5.4%	5.6%	7.1%	9.4%	

Reserves and Reserve Funds - Commitments

Planned Funding and Obligations

City Reserves (\$ millions)	Projected Balance	Commitments (Planned Funding and Obligations)
Deferred Revenue		
Development Charges	2,528	6,744
Water & Wastewater Capital	1,885	14,487
Parkland Dedication	922	922
Other Planning Act	673	673
Other Deferred Revenue	598	1,779
Total Deferred Revenues	6,606	24,605
Reserves and Discretionary Reserve Funds		
City Building Fund	1,465	10,776
Land Acquisition	364	364
Capital Financing	245	456
Vehicle and Equipment Reserves	146	1,662
Community Initiatives	158	158
Other Corporate Reserves and Discretionary Reserve Funds	1,875	3,258
All Remaining Reserve Funds	1,069	3,598
Total Planned Reserve Funding in Operating Budget and Capital Plan	5,322	20,272
Remaining Reserves		
Uncommitted Reserves (Retained for Emergency and Stabilization Purposes) ¹	253	-
Total Reserves & Discretionary Reserve Funds	5,575	20,272
Total City Reserves / Reserve Funds*	12,181	44,877

**Commitments
exceed current
balances by
\$32.7 billion
(~3.7x)**



*Note: Planned funding and obligations represents the total outflows from Reserves and Reserve Funds included in the 2026 Operating Budget & 2026-2035 Capital Budget and Plan.

¹Uncommitted Reserves planned funding and obligations amount represents potential outflows not part of 2026 Operating Budget and 2026-2035 Capital Budget and Plan.

2026 CARBON BUDGET

The 2026 Budget includes investments in climate mitigation and adaptation initiatives that are expected to reduce approximately 170,450 tonnes of CO₂e in 2026, across transportation, waste, and building sectors.

Of this total, 35 new or enhanced GHG reduction actions, identified through the Carbon Budget Prioritization process and submitted in the 2026 capital budget, are expected to achieve 64,267 t CO₂e in annual reductions in 2026 (realized in total emissions), increasing to 217,914 t CO₂e per year once fully implemented.



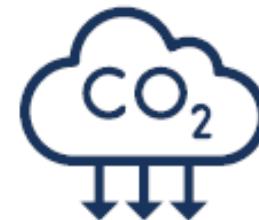
71,994
t CO₂e
Transportation



54,873
t CO₂e
Waste



43,583
t CO₂e
Buildings



Total estimated annual
emission reductions of
170,450 t CO₂e

KEY INVESTMENTS IN CLIMATE ACTION



Transit & Fleet



- Expansion of TTC Green Bus Program



- Accelerating ZEV Charging Infrastructure.

- Implementing Complete Streets to support safe, accessible active transportation



- The procurement of Zero Emission Zoo mobiles



Water & Waste



- Humber WWTP upgrades with improved filtration and new heat recovery



- Basement Flooding Protection and expanded subsidy program to reduce flood risk



- Upgrades to the Dufferin Organics Processing Facility to increase organics diversion and renewable natural gas production



Buildings

- Net-zero feasibility studies at key Corporate facilities



- Decarbonization of TTC buildings



- Fuel switching and energy retrofits in city-owned buildings



- The expansion of District Energy as part of the redevelopment of Regent Park.



Resilience

- Port Lands Flood Protection
- Erosion control, watershed improvements, and waterfront development
- New and enhanced parks and green spaces for recreation and nature



New/enhanced actions prioritized through the 2026 Carbon Budget Prioritization Process