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Property Tax and Assessment News from Around the World

CANADA - April 2017

SASKATCHEWAN - Council removes airport tax exemption

The Regina Airport Authority (RAA) will have to find ways to make up its own funding shortfall after city council finalized a plan to remove a property tax exemption on airport lands.

Council approved the decision at its regular meeting Monday night.

It's a move the RAA believes will shortchange it around $300,000. Airport CEO Dick Graham had previously appeared before council and explained how various fees could increase as a result of having to pay the taxes.

The authority argued it provides nearly all municipal services on airport lands, with "very little service being provided by the City of Regina", indicated in a report previously submitted by the RAA to city council.

But Mayor Michael Fougere countered and said the airport's roads, water, wastewater and garbage collection all connect and move into a larger city system. He said he believes the airport needs to pay its share.

"We do provide services, not in the same way that we do for residential or businesses, but we do provide those services and they should pay for them too," said Fougere on the CJME Morning Show Tuesday.

The city resorted to the decision after suddenly having to find $10.3 million in its own budget after decisions in the provincial budget left the financial gap

SASKATCHEWAN - Saskatoon property taxes are going up: Here's how and why

CBC News breaks down the changes to your tax bill

Homeowners in Saskatoon will be paying more property tax in 2017.

Everyone in Saskatoon will pay an extra 4.18 per cent on their taxes.

For the average Saskatoon home worth $371,000, the tax bill will be $3,145 — $126 more than 2016.

Average Tax Bill 2017

But it's not just the city that decides your tax bill. The provincial budget had a huge impact on property taxes this year.

Now that the dust has settled, CBC News breaks down what the average tax bill in Saskatoon will look like.

City portion

Homeowners in Saskatoon will see a 2.55 per cent tax hike on the city portion of their tax bills next month. That translates to a $39 year-over-year jump for a home worth $371,000.

How we got here

In an effort to deal with an unexpected $9-million shortfall caused by the provincial budget, city councillors voted to hike taxes by an additional 0.95 percentage points.

On top of an unexpected hike in the PST, the province scrapped its grants-in-lieu program, which saw payments made to municipalities in place of property taxes for SaskPower and SaskEnergy.

Because of a change in provincial tax policy and new shift between the business and residential rate, taxes for homeowners are going up 2.55 per cent.

Education portion

The provincial budget not only put the squeeze on cities, it also upped education property taxes. Average homeowners in Saskatoon will be paying an additional $79 in 2017 compared with last year.

How we got here

It's interesting math. The province actually lowered the education tax rate in 2017, but the government raised education portion of property tax by 10 per cent across the province. In total, that meant people were paying more in educational property tax and it's expected to put $67 million more in provincial coffers this year.

Library portion

The smallest portion of the overall tax hike will go to Saskatoon's public libraries. Overall, homeowners will pay $8 a year more for libraries 2017.

How we got here

Library funding is in flux after the provincial government initially cut, then backtracked on, provincial library funding. It's still unclear what will happen, but homeowners in Saskatoon will still see a 7.21 per cent hike in 2017.

ONTARIO - Ottawa dished out $17 million worth of municipal tax breaks for vacant commercial properties

The city dished out $17 million worth of municipal tax breaks in 2016 for commercial and industrial property owners who reported a shortfall of tenants.

The tally is in a report to council’s finance and economic development committee, which will be asked Tuesday to slowly kill a special rebate program for property owners.

The city previously only had rebate totals up until 2015, but the report published this week shows a substantial increase in tax breaks for the subsequent year.

The municipal portion of the tax break was $13.7 million in 2015 and that, too, was an increase from the $12.3 million in 2014 and the $8 million in 2013.

Commercial property owners consider the city’s phase-out plan a “slap in the face,” according to one industry rep.

“We’re big economic drivers,” said Dean Karakasis, executive director of the Building Owners and Managers Association of Ottawa. “It will be hard to be a cheerleader for this city given this.”

Karakasis said the city chose the “least vile option” to eliminate the rebate program, but he believes the city is downplaying how upset property owners are about the plan.

“There’s an advocacy route that will certainly take with council,” Karakasis said.

That the city is spending more money on funding rebates should be no surprise to the city since vacancies are increasing, he said.

Commercial properties have accounted for 94 per cent of the rebates and industrial properties have accounted for six per cent.

The city wants to phase out the rebate program by the 2019 taxation year. Under the staff proposal, the rebate would gradually decrease each year until it’s completely eliminated.

As it exists today, the vacancy rebate program provides a 30-per-cent tax break for commercial properties and a 35-per-cent tax break to industrial properties if parts of those buildings are vacant for 90 consecutive days.

The province has mandated a vacancy rebate program for the industries but it’s now willing to let municipalities alter it.

The City of Ottawa has decided it wants to end the program. Council needs to vote on the proposal.

Property owners, who spoke up during a consultation period, point out that landlords assumed the collection of a former business occupancy tax in 1998. The city simply increased the property taxes to account for it. The vacancy rebate program was started to recognize vacant units that wouldn’t be paying a business occupancy tax.

The city, however, is keen on saving the millions of dollars and it notes that other Ontario municipalities are also moving to eliminate the rebate.

According to the city’s data, the bulk of the rebate dollars have been generated by the office sector and large property owners whose property assessments are larger than $25 million.

The city has chronically under-budgeted for the vacancy rebate program, which has forced staff to find the extra money at the end of every budget year.

The city budgets $6.9 million for the program annually.

Ontario becomes second province in Canada to impose extra tax on foreign buyers

Ontario has become the second province in Canada to impose an extra tax on overseas property buyers in a bid to cool its residential real estate market.

Last year the British Columbia Government introduced an additional 15% tax on international buyers purchasing in parts of Vancouver but it was watered down after sales fell to allow foreign citizens with work permits living in the city to pay the normal rate of property tax.

Now Ontario has introduced a 15% Non-Residential Speculation Tax (NRST) covering purchases in the Greater Golden Horseshoe, an area encompassing the Greater Toronto Area and its surrounding municipalities.

It is payable by both individuals and corporations and is part of a wider set of real estate regulations, including controls which limit rent increases to 1.5% above inflation. There will also be an extra tax on owners of empty homes and plans to use surplus land for affordable housing.

Both Toronto and Vancouver have seen property prices rise substantially compared to the rest of the country. In the Greater Vancouver area the price of a home increases by 12.3% year on year to $1,179,482 while in the Greater Toronto Area the average price of houses rose to $1.21 million last month, up 33.4% year on year.

The new tax will not apply to foreigners who are part of Ontario’s Immigrant Nominee Programme and rebates may be available for up to four years for students enrolled on a full time two year course.

Under the change home buyers are required to give information about their residency and citizenship status and how they intend to use the property. Rules for real estate agents will also be reviewed, in particular practices such as double ending, where the agent represents both the buyer and the seller.

‘The non-resident speculation tax has nothing to do with new Canadians and people who want to make Ontario their home. With this tax, we are targeting people who aren’t looking for a place to raise a family, they’re looking only for a quick profit or a safe place to park their money,’ said Ontario premier Kathleen Wynne.

‘When young people can’t afford their own apartment or can’t imagine ever owning their own home, we know we have a problem. And when the rising cost of housing is making more and more people insecure about their future, and about their quality of life in Ontario, we know we have to act,’ she added.

Service New Brunswick releases update on property tax reviews, corrections made

The provincial body released the following updates yesterday:

– Properties to which an arbitrary formula was applied without the proper quality control measures are being visually re-inspected and revised bills will be issued.

– There is no deadline for New Brunswickers to report errors in their property assessments.

– The request-for-review deadline has been extended to Aug. 1.

– A comprehensive independent review of the property tax assessment system is being carried out by former justice Joseph T. Robertson.

– Property owners who have their assessments lowered as a result of new bills due to errors will have any overpayment refunded with interest.

– The government will introduce legislation to create an agency independent of the provincial government to oversee property assessment in the fourth session of the legislature.

To date, about 3,300 errors for the 2017 taxation year have been identified. Service New Brunswick has corrected 1,018 accounts that were affected by errors in property tax bills issued April 1. Property accounts that had an arbitrary formula applied to their assessments are in the process of being reviewed and new bills will be reissued in two mailings in June and July. All other accounts identified as having errors will be reviewed and finalized in July.

While errors are addressed and corrected, New Brunswickers could have their property tax bills decrease, stay the same, or increase.

Since March, 15, 105 requests for review of property tax assessments have been filed by property owners. Due to the number of requests, Service New Brunswick anticipates the process to complete the requests for review will extend into late 2017 and early 2018. Property owners who wish to appeal the request for review decision will be able to do so 21 days after receiving their decision from Service New Brunswick.

Real Property Tax Assessment Review

Robertson will undertake an independent review of the facts and circumstances related to inaccuracies and possible errors in Service New Brunswick's calculation of real property tax assessment values for the taxation years 2011 through 2017.

A comprehensive review of all administrative policies and procedures related to the assessment process over the past seven years will be undertaken, including a review of the assessment methodology, factors related to timing and deadlines, and the use of the various technological aids, quality control processes, and the use of formulas to estimate values.

The review will look at all significant changes to the assessment process and procedures over the past seven years, how previous assessment errors were corrected, and how present assessment errors have been or will be addressed.

On or before Aug. 15, Robertson will deliver to the Executive Council Office a written report of his review findings, together with his recommendations as to what measures or policies should be implemented to reduce the probability of any future assessment errors. An extension from the previously publicized report date of Aug. 1 was requested by Robertson to complete his work.

The findings of the review will be used to assist with the design and setup of a new independent real property tax assessment agency. Robertson will co-ordinate the efforts of any experts retained and incorporate their contributions in the report as he deems appropriate.

Robertson is a former justice of the Court of Appeal of New Brunswick, and is currently the jurist-in-residence at the University of New Brunswick.

Property assessment methodology and bill process

In conducting an assessment and processing a request for review, Service New Brunswick relies upon existing property information on file, new information obtained from discussions with the property owner, and, potentially, on-site visits at the property upon request of the property owner. Additional information may be obtained through the use of technology that provides aerial photography of a property and the surrounding neighbourhood.

Property tax bills are due for payment on May 31. If a request for review results in a reduction, a revised statement is issued to the property owner from the Department of Finance, advising of a credit to the account.

Property assessors review more than 467,000 properties in the province each year. Overall, 62 per cent of property owners had no change or a decrease in their 2017 assessment

BRITISH COLUMBIA - Councillors hold the line on 2017 tax rates

Fort St. John city councillors have held the line on tax rates for 2017 in the face of slumping property assessments.

On Monday, council approved holding the residential tax rate at $4.7577 per $1,000 of assessed value, while business tax rates were held at $13.3859 per $1,000 of assessed value.

Homeowners in Fort St. John saw an average decrease of around five per cent on their 2017 property assessments, used to calculate municipal taxes, according to BC Assessment. Assessments for the average single-family home in Fort St. John dropped from $404,000 to $387,000 year-over year.

“It’s been a tough economic time for the community in general, for the residents that are here, the businesses that are here,” Mayor Lori Ackerman said.

“Council was doggedly determined to ensure that we were a part of that conversation in a positive way.”

Tax rates for major and light industrial properties were held at $26.4021 and $24.1184 per $1,000 of assessed value, respectively, while rates for recreational and farm properties were held at $10.0279 and $1.4273.

Up until 2016, the city had been cutting residential tax rates for four consecutive years due to rising property assessments.

While assessments were down in the city, most homeowners in Northern B.C. saw increase in property assessments this year, with some of the largest increases seen in 100 Mile House, Houston, Mackenzie, Port Edward, Prince George, and Valemount.

Total assessments in Northern B.C. increased by more than $1 billion last year from $59.2 billion in 2016 to $60.3 billion for 2017. Nearly $800 million of the region’s updated assessments were from new construction, subdivisions and rezoning of properties, according to BC Assessment.

Despite the drop in Fort St. John, the city still has top-four highest valued residential properties in 2017, from an acreage at 7516 259 Road with a taxable value of $2.7 million, to an acreage at 11335 86 Street with a taxable value of $1.9 million.

ALBERTA - Edmonton council sets final property tax rate for 2017

The overall increase for the typical single-family home amounts to 3.3 per cent

Edmonton city councillors finalized the property tax rate for 2017 on Tuesday, with an overall increase for a typical, single-family home coming in at 3.3 per cent.

Annual property taxes for a typical house valued at $397,000 will total $3,378, up $108 from the year before.

Of that amount, $2,385 will go to the city (an increase of $80) and $993 to the province (an increase of $28) for education tax.

The values of most properties in Edmonton are down this year due to what the city calls "a reflection of a slowing economy."

The city uses a "market-value" method to determine assessments. Most property types saw decreases in assessed values as of July 1, 2016, the date they were recorded, the city said.

The value of a typical single-family detached home dropped by 2.7 per cent, from $408,000 to $397,000.

For homeowners who pay taxes in monthly instalments, the bill for the typical single-family house will be $281, up $9 a month from 2016.

Tax notices will be mailed to all property owners on May 23. The deadline to pay is June 30.

ALBERTA - Fort McMurray residents worry about property tax hikes as province looks to balance out tax rates

It may not be a common topic of office chit-chat, but there's a lot of buzz about municipal tax ratios in Fort McMurray right now.

"My friends are talking about it. They're very, very worried about it. That's the conversation around the water cooler," said Wildrose MLA Tany Yao.

Put simply, tax rates in Wood Buffalo Regional Municipality are out of whack and the NDP government wants to smooth them out. Right now, industry pays a rate 18 times higher than homeowners, meaning businesses foot more than 90 per cent of the municipal budget.

The government says nothing will change in the short-term, but any movement in the ratio would take dollars out of the pockets of homeowners.

"That could mean a substantial increase to our housing taxes and that can be absolutely devastating to a community," said Yao, who represents Fort McMurray-Wood Buffalo in the legislature.

Don Scott, a mayoral candidate in Fort McMurray who has served as a Progressive Conservative MLA, said it's a massive issue for the town and communication from the government has been poor.

"It has the potential to make this region unviable. People should be screaming their heads off at all levels of government for what's going on right now," said Scott.

The province has been picking away at the issue since last fall. Bill 21, which was legislation introduced last fall to "modernize the municipal government act," froze any business to residential tax ratio that was over 5:1. Bill 8, introduced last month, picks up where the earlier bill left off and now reads that any non-conforming municipality "shall reduce its tax ratio for subsequent years in accordance with the regulations" down to 5:1.

Those regulations have yet to be written, so municipalities don't know how much lead-time they'll have to comply.

For industry in the region, it's correcting a longstanding imbalance.

"This is definitely something CAPP supports," said Ben Brunnen, a vice-president at the Canadian Association of Petroleum Producers. "The municipal tax on industry is the second highest tax in the province, second only to royalties. It's not an insignificant impact on our bottom line."

Brunnen said he has no problem with the province’s baby-steps approach to the issue.

“It’s certainly not anything that needs to happen overnight,” said Brunnen.

Officials in the municipal affairs department are at pains to reassure residents that nothing is changing immediately.

The goal is to find “a long-term, phased and balanced approach that improves industrial competitiveness and protects residents,” Melinda Steenbergen, the press secretary for Municipal Affairs Minister Shaye Anderson, said in an email.

“It is anticipated that each municipality over this ratio will be provided a number of years to comply which will allow growth in property assessment to help reach the ratio and protect residential taxpayers,” Steenbergen said.

Scott said the legislation couldn’t come at a worse time. The community is still recovering from the devastating wildfire and the prolonged economic downturn in the province. The wildfire showed some companies they could operate out of the region and now Scott fears the tax base will be reduced even more as Fort McMurray becomes a fly-over community.

Keeping those workers in the area should have been the province’s primary demand in exchange for the change in the tax ratio, said Scott.

“If industry wants a phased-in reduction in taxes, that’s something that could’ve been done through negotiation,” he said.

Alberta’ non-conforming municipalities (ratio of business tax rate to residential rate):

Regional Municipality of Wood Buffalo 18.3:1
Clear Hills County 11.25:1
MD of Opportunity 8.85:1
Lac La Biche County 7.35:1
County of Wetaskiwin 7.28:1
Improvement District of Banff 6.74:1
Ponoka County 6.4:1
County of Two Hills 6.24:1
Lamont County 5.98:1
MD of Wainwright 5.86:1
ID of Waterton 5.76:1
Westlock County 5.72:1
County of Vermilion River 5.63:1
MD of Bonnyville 5.6:1
SV of Sunset Beach 5.59:1
Village of Nobleford 5.49:1
County of St. Paul 5.13:1
Municipality of Jasper 5.1:1
Municipal District of Lesser Slave River 5.04:1

ONTARIO - Five things: Comparing Ontario's and B.C.'s 15 per cent non-resident real estate tax

Ontario on Thursday moved to dampen red-hot home prices that have gone up more than 30 per cent in the Toronto area with a 15 per cent “non-resident speculation tax.”

Chatter is focused on what Toronto may have drawn on from the way B.C. implemented its 15 per cent “additional property transfer tax” in Metro Vancouver for foreign buyers last July, plus a few things that Vancouver might take from Toronto’s plan some nine months later.

Here are five points to ponder:

1. What kind of impact will Ontario's actions have as there are signs that what had been a slumped market in post-tax Vancouver is starting to show modest signs of returning again. "I would say a lot of people want to write it off, but it has been slowing demand and changing expectations. That's good," says Joshua Gordon, assistant professor at Simon Fraser University, who has been outspoken about the impact of foreign money on real estate markets in Vancouver and Toronto. In other cities, similar taxes or duties often bring temporary relief to an overheated market.

2. The tax in Ontario, part of a 16-point plan including other measures, covers a much wider geographic area than what B.C. put in place. The Ontario tax will be applied on all property purchased in the southern region known Greater Golden Horseshoe, which starts around Niagara Falls and includes Hamilton, Toronto and Oshawa. In B.C., some markets outside, but relatively close to Metro Vancouver where the tax was applied, saw a surge in sales activity and prices as buyers poured interest and money elsewhere — but nearby.

3. In Ontario, there is a wider set of exemptions and its 15 per cent tax will not apply to refugees and immigrant nominees. Also, a rebate will be available for those who get citizenship within four years of buying a home. International students enrolled full-time for at least two years and those who have worked in Ontario from the date of buying their homes will also get rebates. B.C. later changed some of its exemptions to include international students with work permits, but its tax initially drew fire for punishing this group and soon-to-be new immigrants.

4. On the other hand, critics argue that Ontario's exemptions allow for more proxy buyers who can be tapped to avoid the tax and limit its impact on rising prices.

5. Ontario plans to crack down on assignment clauses, including those of pre-sale condos. Assigning allows a buyer who hasn't finalized a purchase to sell the right to buy a property, often for a higher price. The B.C. government curbed, but didn't outright ban, what became known as shadow flipping, which mostly involved previously owned homes. Ontario Finance Minister Charles Sousa has tweaked this, saying in Ontario it is "property scalping" or "paper flipping" that mainly involves condo units in new developments that are sold and resold before they are physically finished and the deals completed.

Toronto "definitely beat us on that. I think pre-sales are being used as a speculative investment," says Vancouver condo realtor Steve Saretsky. "A buyer goes in with low money, putting down five, 10 or 15 per cent and then can assign it within a year for a significant profit. If you can't assign, it could prevent a run-up of prices."

BRITISH COLUMBIA - Victoria council asks B.C. for foreign speculators tax

Victoria council is calling on the province to immediately impose a 15 per cent non-resident buyers tax here to cool what has become one of the three hottest real estate markets in the country.

The request comes after what some councillors see as the success of the same foreign buyers tax imposed last fall in Vancouver and as Ontario Premier Kathleen Wynne announced a 15 per cent foreign buyers levy in the Toronto area.

"We all know that we have a housing crisis and that the cost of home ownership and rent is getting higher and higher and the dream of home ownership is getting further and further away for many of our residents," said Coun. Jeremy Loveday, who sponsored the resolution with Coun. Ben Isitt.

"This is asking for action to be taken so that our residents can afford homes here."

Isitt said there's increased urgency to bring the tax to the Victoria, given the other two hot areas, Greater Vancouver and Greater Toronto, will have the tax.

This week, Bank of Montreal chief economist Doug Porter said there is no question the Vancouver tax is affecting the Victoria real estate market. Porter noted in a Financial Post article that Victoria is the only city outside of Ontario with a double-digit percentage average price gain in the past year, with the home price index up 20 per cent year over year.

But several councillors worried the non-resident levy will be viewed in the same light as the head tax imposed on Chinese immigrants by the federal government between 1885 and 1923.

“I really think we may end up being seen to be on the wrong side of history on this one,” Coun. Geoff Young said, adding that the head tax was a popular measure in its day. “It [the head tax] wasn’t primarily implemented for racial purposes, I don’t think. It was because people felt that new immigrants were presenting competition for jobs. It was an economic impulse,” Young said.

Real estate agent Tony Joe, who in January wrote to Victoria opposing the tax, said it simply is not needed here. “The tax was in [place in] Vancouver in August and it did not cause a spike in foreign interest over here in Victoria.

“The reality is that the people that were doing the speculation or land banking in Vancouver were only looking in Vancouver,” Joe said, adding that Vancouver and Toronto are global cities while Victoria is not.

The vast majority of people buying properties in Victoria are not holding them vacant but are moving here, he said. He said the tax is not unlike the head tax. “Why call it a foreign tax. Why don’t we just call it a Chinese tax?” he said.

Mayor Lisa Helps said the non-resident tax should not be seen as anti-immigrant or racist but rather as a “speculative tax.”

The B.C. government announced in January that the tax does not apply to people with work permits, Helps noted. “This does not apply to people who are becoming residents of British Columbia — who are becoming residents of our communities.”

Young said the idea that a tax can be limited to speculators is a faint hope. “Basically, anybody who buys a property is speculating.”

Coun. Marianne Alto said she agreed with the intent of the tax and efforts to try to solve “an extraordinary extreme crisis.” But, she said: “I have to say that the identification of foreigners in this case makes me very uncomfortable.”

Coun. Margaret Lucas said she doesn’t believe “there’s a lot of evidence yet to tell us that this has been the solution.”

Last week, Capital Regional District directors postponed a decision on whether to ask for the tax to be imposed until their municipal councils weigh in. Several directors argued that municipalities such as Langford, Sooke and Metchosin aren’t facing the same affordability issues and escalation in housing prices that Victoria has.

Victoria’s resolution, passed Thursday, asks the province to immediately impose the 15 per cent tax to curb speculative property purchases by non-residents in either the entire capital region or in just the city of Victoria, whichever is more expedient.

Ontario Hopes Tax on Non-Canadians Buying Toronto Homes Will Temper Prices

n a bid to slow the soaring growth of housing prices in the Toronto area, Ontario officials announced several measures on Thursday, including a 15 percent tax on residential buyers who are not residents or citizens of Canada.

The average price of a single-family house in Toronto rose 33 percent in March compared with March 2016, to 1.6 million Canadian dollars ($1.2 million), leading many young families to abandon plans to become homeowners. Bidding wars, often highly publicized, have erupted over houses that would not attract a second glance in a less heated market.

While Ontario’s premier, Kathleen Wynne, emphasized the need for the 15 percent tax on outside purchasers, similar to one enacted recently in Vancouver, British Columbia, there are no statistics on the number of Toronto houses that have gone to such buyers. Ontario’s finance minister estimated that they make up 8 percent of the market, but other estimates are well above or well below that figure. Neither Ms. Wynne nor members of her cabinet were able to quantify the effect of what they called “phantom” purchasing.

“This is a complex issue,” Ms. Wynne said. “There wasn’t one single thing we could do that would deal with the issues we’re confronting.”

Political pressure is escalating on Ms. Wynne and the government of Prime Minister Justin Trudeau to cool off the Toronto market.

At the same time, both levels of government have been loath to take steps that effectively punish current homeowners by forcing down the value of their property.

On Thursday, the premier said that the high prices were not entirely a bad thing, calling the market boom “the unwanted consequence of a strong economy.”

British Columbia’s experience does not provide clear evidence of the effectiveness of its 15 percent nonresident buyer’s tax. While price growth in Vancouver has slowed since its introduction — prices fell on average 1.9 percent last month — the market there was softening well before the tax was imposed. And real estate industry experts said they anticipated that prices would rise again soon.

Some economists have encouraged Ontario to impose a nonresident tax in what is generally known as the Greater Toronto Area.

“The province is aiming at those effectively parking wealth in the G.T.A. real estate market, and we have been fully in favor of such a move for some time,” Robert Kavcic, senior economist with BMO Capital Markets in Toronto, wrote in an analysis

Ontario to tax non-resident foreign housing buyers 15%

Moments after introducing a package of measures designed to cool the GTA’s red-hot housing market, Premier Kathleen Wynne conceded she’s open to doing more if her plan doesn’t work.

Wynne made the much-anticipated announcement on the housing market and new rent controls with condos in one of Toronto’s trendiest neighbourhoods as her backdrop.

The 16 measures include the imposition of a 15% foreign speculators tax and closure of a loophole that allowed landlords to raise rent by any amount on units built after 1991.

Wynne acknowledged that the government will wait and see what impact the measures will have and wouldn’t rule out taking further action, if necessary.

“We’re going to continue to pay close attention to what happens in the housing market,” she said. “There’s nothing here that gets changed and then that’s it ... If there’s more that we need to do, if there’s changes we need to make, then we will make them.”

Wynne stressed that the changes are being made to calm the frenetic market and establish fairness for those trying buy a home. In the GTA, sale prices have skyrocketed by 33% in one year.

The changes are not about addressing her poor approval numbers, she insisted, adding, “my objective is to make sure what we do helps people.”

Progressive Conservative MPP Ernie Hardeman said the government is wrong if it thinks a new tax will address the concerns of those trying to get into the market.

“The problem is red tape in the development industry and we just are not producing the units we need so the units that are available people are paying out-of-world prices to get those,” he said.

NDP MPP Peter Tabuns slammed the government failing to move faster to address the rent control loophole. He introduced a private member’s bill weeks ago which would have done the same thing as the Liberal’s plan.

“I just wish they’d moved months earlier on the rental rules to avoid a lot of people getting hurt,” he said.

Prime Minister Justin Trudeau said Thursday that Ottawa must exercise caution before implementing any measures to address Toronto’s booming market.

“There’s a recognition that the levers that the federal government has cover the entire country and the housing market in Vancouver or Toronto is somewhat different than that in Halifax or Saskatoon or even Montreal,” Trudeau said.

The Liberal government’s plan to cool the GTA housing market and introduce greater rent control is receiving mixed reviews.

The plan, announced Thursday by Premier Kathleen Wynne, was eagerly awaited by a wide range of associations directly impacted by the volatile market. Here are some of the reactions to the measures:

• Jim Murphy, CEO of the Federation of Rental-housing Providers of Ontario: “We provided solutions (on rent control) but the government didn’t want to listen unfortunately. We could have found a real practical alternative ... so that this didn’t occur and so that we still have room for different people renting.”
• Tim Hudak, CEO, Ontario Real Estate Association: “We’re actually seeing new market activity as a result of the government even talking about these measures ... Anecdotally, talking to a lot of realtors in the GTA, they’re seeing more houses come onto the market as some people are saying, ‘Maybe now’s the time to cash in and move to a smaller town and bank the extra money.’ We’re seeing buyers being more cautious. I think they’re already having an effect.”
• Jan Da Silva, CEO Toronto Region Board of Trade: “We have mixed feelings about what was announced. This is because we have continued to lobby all levels of government that the solution is about more supply ... Releasing the government-owned land is great and necessary, but let’s follow that through with pre-zoning and a fast-tracked development path.”
• Joe Vaccaro, CEO, Ontario Home Builders’ Association: “We are encouraged by some of the resources they’re going to put forward on the supply side ... Our members build 95% of the new housing supply in the system. Our view of the world is if you want to stabilize the marketplace, it’s going to be about bringing those development approvals to the market.”

LIST OF PROPOSED HOUSING MEASURES

The Ontario government has announced what it calls a comprehensive housing package aimed at cooling a red-hot real estate market. Here are the 16 proposed measures:

— A 15-per-cent non-resident speculation tax to be imposed on buyers in the Greater Golden Horseshoe area who are not citizens, permanent residents or Canadian corporations.
— Expanded rent control that will apply to all private rental units in Ontario, including those built after 1991, which are currently excluded.
— Updates to the Residential Tenancies Act to include a standard lease agreement, tighter provisions for “landlord’s own use” evictions, and technical changes to the Landlord-Tenant Board meant to make the process fairer, as well as other changes.
— A program to leverage the value of surplus provincial land assets across the province to develop a mix of market-price housing and affordable housing.
— Legislation that would allow Toronto and possibly other municipalities to introduce a vacant homes property tax in an effort to encourage property owners to sell unoccupied units or rent them out.
— A plan to ensure property tax for new apartment buildings is charged at a similar rate as other residential properties.
— A five-year, $125-million program aimed at encouraging the construction of new rental apartment buildings by rebating a portion of development charges.
— More flexibility for municipalities when it comes to using property tax tools to encourage development.
— The creation of a new Housing Supply Team with dedicated provincial employees to identify barriers to specific housing development projects and work with developers and municipalities to find solutions.
— An effort to understand and tackle practices that may be contributing to tax avoidance and excessive speculation in the housing market.
— A review of the rules real estate agents are required to follow to ensure that consumers are fairly represented in real estate transactions.
— The launch of a housing advisory group which will meet quarterly to provide the government with ongoing advice about the state of the housing market and discuss the impact of the measures and any additional steps that are needed.
— Education for consumers on their rights, particularly on the issue of one real estate professional representing more than one party in a real estate transaction.
— A partnership with the Canada Revenue Agency to explore more comprehensive reporting requirements so that correct federal and provincial taxes, including income and sales taxes, are paid on purchases and sales of real estate in Ontario.
— Set timelines for elevator repairs to be established in consultation with the sector and the Technical Standards & Safety Authority.
— Provisions that would require municipalities to consider the appropriate range of unit sizes in higher density residential buildings to accommodate a diverse range of household sizes and incomes, among other things.

ONTARIO - Will a new foreign property buyer's tax cool Toronto's housing market?

Toronto's housing market is among the hottest in the country

Canada's largest province is implementing a 15% foreign buyer's tax in Southern Ontario.

The provincial announcement comes amid fears that Toronto's red-hot real estate market is fuelled in part by foreign speculation.

British Columbia brought in a similar tax for Vancouver in 2016.

The new measure applies to non-Canadian citizens, non-permanent residents, and corporations buying residential properties containing up to six units.

Premier Kathleen Wynne announced the new speculation tax on Thursday as part of a series of measures to help stabilise the price for property and for rental units in and around Toronto.

She said the tax is aimed at "people looking only for a quick profit, not a place to call home".

Vancouver's 'freak show' property market

The tax, which is effective immediately, is aimed at preventing foreign investors from driving up real estate costs.

It applies to property in the Greater Golden Horseshoe area - one of North America's fastest growing regions, comprised of the Greater Toronto Area and surrounding municipalities.

The average cost of a Toronto home jumped 33.2% over the past year, from an average of $688,000 (US$510,600/£398,000) in March of 2016 to $917,000 (US$680,000/£530,500) in March of 2017.

The average home price in Canada increased 8.2% over the same period.

Home ownership costs are at their highest level as a share of household income since 1990, according to RBC Economics.

Canada's central banker, Stephen Poloz, warned earlier this month that investor speculation is increasingly driving the cost of Toronto home prices.

The foreign buyer's tax in British Columbia appears to have helped bring that skyrocketing market under control.

Housing affordability has eased in metro Vancouver for the first time in over three years, says RBC Economics.

Sydney, Singapore, Switzerland, and Hong Kong have also introduced restrictions on foreign buyers.

Last October, the federal government closed a tax loophole used by foreign homebuyers and announced a more robust mortgage stress test on all new insured mortgages in an effort to cool the real estate markets in Toronto and Vancouver.

BRITISH COLUMBIA - Questions over fairness and merits of Vancouver empty homes tax

B.C. Assessment is predicting "significant increases" in the assessed value of single-family homes for 2017, the agency said in a news release Tuesday.

In the weeks following the City of Vancouver's mail-out of pamphlets about the new Empty Homes Tax, homeowners and experts have been debating the fairness of the measure, the first of its kind in Canada.

Rainer Borkenhagen, a semi-retired physician, worked and lived in Vancouver for more than 35 years, during which time he and his wife downsized from a detached house in Vancouver to a 700-square-foot condo not far away. For the last four years, they've made their primary residence on the Sunshine Coast, and maintained the Vancouver home, which they and their family members use year-round, for short stays.

Borkenhagen was upset to learn that, for the purposes of the city's new bylaw, his family's Vancouver home is considered "empty," meaning he could be on the hook for an $8,000 hike in his property taxes next year.

"There is something inherently unfair about this," he said.

Starting this year, Vancouver homes deemed empty will be subject to an additional tax of one per cent of the property's assessed value. For the purpose of the bylaw, a home is considered empty if it's not occupied by a tenant for at least 180 days in a year. That means properties that are currently empty need to be occupied by a tenant before July 1 in order to be excluded from the tax.

Anthonia Ogundele, chair of the Coal Harbour Residents Association, said a number of residents in her community have expressed concern and confusion about the tax, which they say will affect many of the area's homeowners who, for a variety of reasons, only use their downtown condos part-time.

There are probably thousands of other Vancouver homeowners in a situation similar to Borkenhagen, said.

Geller said it's unfair to penalize those who own a secondary home in Vancouver for use as a "pied-a-terre." Pied-a-terre is a French term describing a secondary residence used for either a portion of the year or of each week, usually by a relatively affluent person.

"We should be welcoming people who want to make Vancouver their second home. The irony is these people are paying full property taxes and placing relatively little demand on municipal services," Geller said.

"If Vancouver wants to be a cosmopolitan, international, world-class city, we shouldn't be telling people they can't have second homes, but if they want one they have to pay a penalty."

The empty homes tax is a misnomer, Geller said, because under the current bylaw, many homes, including those belonging to Borkenhagen and other people he's talked to, would be subject to the tax, even though they aren't "empty." They are people's homes, although they're not lived-in for the 180 days a year required for exemption.

Thomas Davidoff, executive director of the University of B.C. Sauder School of Business's Centre for Urban Economics and Real Estate, said he agrees with Geller that the tax will affect people with seasonal residences and pied-a-terres in Vancouver, and agrees the empty homes tax is probably misnamed.

But Davidoff disagrees with Geller on the fundamental question of whether it's fair to tax owners of pied-a-terres or vacation homes.

"A pied-a-terre doesn't provide housing for the workforce," he said, adding while people should be free to own multiple residences if they can afford to, it's not unreasonable to charge a progressive tax on them in a city with an acute housing shortage.

Further, Davidoff added, Vancouver has relatively low property-tax rates to begin with, so even for homeowners facing a one-per-cent-increase, it will bring the property-tax rate to a level not unusual by North American standards.

"In Vancouver, we have this insane combination of low property taxes and high income and sales taxes," Davidoff said. "Which is just egregiously bad policy … It's saying, 'We want to encourage people to invest in real estate, but we want to discourage them from living and working here.' Well, that's the definition of an affordable-housing problem. So if you take a step like the empty homes tax, to put more of a burden on people who don't earn income here or pay tax on it, but do own property here, that's a fantastic thing to do."

The bylaw was meant to address "both empty and under-utilized properties," said City of Vancouver housing policy staff in an email. "Careful consideration was given to the impact of the tax on owners of second homes, however, this impact was weighed against the goal of the tax and the enforceability of the program," said the email.

Meanwhile, Borkenhagen, the semi-retired doctor, is trying to mobilize a group of similarly affected Vancouver homeowners, and is assembling an Unfair Vancouver Vacant Homes Tax Coalition, first with a Facebook page, and with plans for a website soon. He said he hopes the city could amend the bylaw to exclude existing homeowners in his situation from the tax.

"The city has no idea how many people are in our situation, and neither do we," Borkenhagen said. "It's not that we want to fight the city, we want to work with them."

British Columbia Assessments shake up property taxes

Residential taxes up by 4.7 per cent

Like it or not, Squamish's hot housing market is going to impact the property tax bill homeowners will soon get in the mail.

Overall, property taxes for homeowners are set to go up 4.7 per cent. Single-family homes will see a bit more of a hit with a 5.81 per cent increase over property tax bills last year.

Council passed the first three readings of the 2017 property tax rates bylaw at a meeting Tuesday night.

"No one ever likes to increase tax rates, but I think this is very fair and council and staff worked long and hard over the four or five months, with input from the community," said Mayor Patricia Heintzman.

The average residential property will see an increase of $92 this year.

A detached home will see an increase of approximately $149 over their property tax bill last year.

Property taxes will vary, however, depending on factors such as real estate sales in each neighborhood and property improvements.

Municipal taxes are based on a formula that relates to the properties' assessed value by BC Assessment.

Due to the substantial increase in the assessment base, the municipal tax rates for most classes have been reduced by 22.5 per cent compared with 2016 rates, noted Christine Mathews, District of Squamish director of financial services.

To generate the revenue needed for the 2017 budget council has drafted, the District needs approximately $26 million, up about 6.5 per cent over last year's budget requirement.

"It is tough when you are a growing community to keep up with the demands of the community and we are right at that sweet spot right now of dealing with a big infrastructure and trying to make sure we are growing that tax base to be able to meet the demand," said Heintzman.

Due to a lack of other tax classes in Squamish, residential properties form 87 per cent of the assessment base and soak up about 66 per cent of the municipal tax burden. The average burden on residential properties in BC communities is 57 per cent.

The volatile housing market has definitely impacted tax rates, and there is no way to completely mitigate that hit, the staff property tax report to council states.

Overall, BC Assessment evaluations have risen 38 per cent for 2017, with four per cent of that related to growth in the assessment base.

The volatility in the market is made clear by looking at examples from different neighbourhoods.

An average home in the Garibaldi Highlands, for example, may have received a BC Assessment of $972,000 for 2017, up 34 per cent over the assessment in 2016.

That homeowner's municipal tax bill would be $3,297 this year, an increase of 3.4 per cent. The increase translates to about $9 per month.

Downtown, a home that is, for example, assessed at $603,600 by BC Assessment this year, is up close to 54 per cent over last year's assessment. That homeowner's muni property taxes would be $2,047 this year, up from $1,728 last year. Per month, this homeowner would pay approximately $27 more.

Business taxes are going down by an average of 2.9 per cent. A Cleveland Avenue business that may have received a BC Assessment of $661,800 this year, which is about 20 per cent over last year, would see an almost eight per cent decrease in taxes over last year according to the District formula. The 2017 tax assessment for this sample business would be $6,297, a monthly decrease of around $43 over last year's property tax bill.

Light industry property owners will see an approximate 1.31 per cent decrease in their tax bill.

Utilities property class taxes decrease this year by an average of 6.48 per cent.

Ontario considers housing tax for non-resident speculators

The Ontario government is considering a speculation tax on home purchases by non-residents. The province is 'looking at it intently,' according to a senior official who spoke with The Globe.

Seeking to tame a roaring housing market in greater Toronto, the Ontario government is considering a speculation tax on home purchases by non-residents, The Globe and Mail has learned.

While details are not available yet on how a non-resident speculation tax would be implemented, the province is "looking at it intently," according to a senior official who spoke with The Globe. The tax was one of a number of approaches that were studied over the past few months as the province prepared a much-touted housing affordability package aimed at cooling the red-hot housing market, partly by curbing demand.

The proposed measure comes as Mayor John Tory of Toronto prepares for a pivotal meeting with the federal and Ontario finance ministers on Tuesday to discuss the affordability of housing in Canada's largest city, a situation that has gained urgency in recent weeks as soaring prices have alarmed home buyers and leaders from across the country, some of whom have warned of a housing bubble. In March, home prices in the Greater Toronto Area for both houses and condos were up 33 per cent compared with a year earlier.

What can governments do to cool the hot housing market?

The average price of a detached house in the GTA surpassed $1.21-million last month, a level beyond the financial means of many families looking to buy their first home. Prices in surrounding regions have also jumped as families are priced out of the Toronto market. Ontario Finance Minister Charles Sousa has warned of mounting anger as Ontarians searching for homes lose one bidding war after another.

The housing situation took centre stage last week as Premier Kathleen Wynne responded to growing concerns by meeting with mayors from the GTA to discuss how to remedy the situation.

Mr. Sousa indicated that new housing measures would target speculators and Bank of Canada Governor Stephen Poloz warned that speculation was "unsustainable" in Toronto's housing market. While British Columbia has adopted a foreign-buyers tax to cool an overheated housing market, Ontario's proposal could limit that tax only to foreign speculators – it's unclear whether it would also be targeted at non-residents of Ontario who are Canadian citizens.

On Monday, Mr. Tory said he planned to discuss another type of proposed tax, a vacant-property tax, as well as the lack of real estate data in Toronto, when he meets with Mr. Sousa and federal Finance Minister Bill Morneau. The meeting will mark the first time the three have met in person to discuss the situation.

"Probably one of the most important things we can do is stay in touch with each other on something that is as volatile and complicated as this issue," Mr. Tory said on Monday.

"You don't want to cause undue upset in a marketplace, notwithstanding the deep concern people have about the affordability of housing."

New measures aimed at the housing market in the GTA could come as soon as April 27, when Mr. Sousa tables his next provincial budget. The Finance Minister has dismissed housing speculators as "property scalpers" but has admitted there is little data to show how widespread the problem might be.

It is not clear how the measure being considered in Ontario would differentiate between a foreign buyer and a foreign speculator.

Foreigners might make up 4 per cent to 5 per cent of buyers in Toronto's housing market, according to Jean-François Perrault, the chief economist at Bank of Nova Scotia; however, he added those figures are only anecdotal. The number of foreigners who are speculating in the market could be much lower.

While levying a non-resident speculation tax could alter the psychology of Ontario's housing market and convince buyers betting on future price increases to hold off or risk more intrusive measures in the future, the economic effect of such a tax could be limited, according to Mr. Perrault. "If you are fundamentally trying to alter market dynamics, it isn't clear a foreign-buyers tax has a substantial impact," he said.

Mr. Perrault has recommended that the province adopt a form of speculation tax.

In Ontario, the buyer of a home pays a land-transfer tax; his proposal would have a seller who flips a house within a short amount of time pay a special land-transfer tax.

"The more speculative in nature your transaction is, the shorter you hold it, the more expensive we make it for you," he said.

The federal government has already taken steps to cool the market since 2015, including a higher requirement for down payments on homes of more than $500,000 and a stress test on insured mortgages to determine whether a borrower could still make payments if interest rates rise or incomes decline

NEW BRUNSWICK - Ex-judge's detailed mission for property assessment review remains guarded

Full terms of reference for Justice Joseph Robertson haven't been made public in 10 days since announcement

The province has no immediate plans to release anything further on the terms of reference former Court of Appeal Justice Joseph Robertson has been given to investigate about what went wrong with this year's property assessments, even though Premier Brian Gallant promised to do just that last week.

Gallant announced on April 3 he was appointing Robertson to conduct an independent review of a property tax scandal that has dogged his government for the past month.

As part of that announcement, the government issued a news release, also on April 3, outlining Robertson's assignment in general terms.

But three days later Gallant said the specific terms of reference were still being hammered out and the public would be given details later.

"The terms of reference will be made public and they're not prepared yet, but we did give you the highlights of the terms of reference within the announcement on Monday," Gallant told reporters last Thursday.

"But when are they being made public?" asked one reporter.

"Whenever they're done, so I'm not sure when they'll be finalized," Gallant said.

No further information

No further information has been released on Robertson's specific terms of reference since.

The province has not said whether the terms have been finalized and on Wednesday Sarah Bustard, a Service New Brunswick spokesperson, said there were no immediate plans to add anything to the initial announcement from April 3, which is now 10 days old.

"The terms of reference for Justice Robertons's review were outlined in the news release from April 3," wrote Bustard in an email to CBC News.

"Any changes or additional terms to the review will be communicated with the public."

Bustard did not respond to a question about the premier's April 6 promise to release the actual terms of reference.

A request to see the specific mandate given to Robertson, if there is one yet, went unanswered.

At a Maritime premiers meeting in Saint John on Wednesday, Gallant said he had no more comment to make on the property tax matter.

"Look, I'm not going to do the review through media," said Gallant.

"We think Justice Robertson should be given the time that he is needed to be able to do the review and everything will be made very clear and the light will be shed on everything that happened here."

A key issue in the property assessment review is whether Robertson will have the specific mandate to investigate the role the premier's office played, if any, in accelerating the adoption of a new assessment system that eventually caused a number of problems.

The premier's office has denied any role in pushing for that acceleration — blaming it on Service New Brunswick — but internal Service New Brunswick documents obtained by CBC News suggest the premier himself requested it.

The terms of reference "highlights" for Robertson's review released April 3 do not specifically mention the need to investigate the decision to adopt the new assessment system.

However, it does say the review should look at "factors related to timing and deadlines" and "changes to the assessment process and procedures over the last seven years," which may cover the topic.

ALBERTA - City council approves 2017 property tax reduction

Calgary City Council has voted to return tax dollars on Monday, dropping this year’s tax bill a little bit further.

The $23.7M in funding came as a rebate from the province after its tax requisition was lower than expected.

Council agreed to return that money to taxpayers and it will work out to a $7 rebate for residents who own property valued at $460,000.

Last June, council cut the previously approved 4.7 percent tax rate to 1.5 percent and then completely eliminated that via a further rebate from the fiscal stability reserve.

“We had originally planned for a tax freeze this year and what actually people will see is a decrease. Not very much; $10 or so on the year, but a small decrease,” Mayor Nenshi said. “What council didn’t do is they didn’t return that money forever.”

He said that council decided it needed more information on 2018 and moving forward, deferring any future decision on rebates.

The 2017 property tax bills will be mailed out on May 26 and are due June 30.

ONTARIO - What can governments do to cool Toronto's housing market?

There is no shortage of ideas to curb runaway house-price increases in the Greater Toronto Area, but governments at all levels have been moving slowly as they review proposals that veer in many different directions, and even conflict in their advice.

Many real estate players disagree about which reforms would be effective to slow the pace of price growth, and policy makers complain that a lack of data makes it hard to model the impacts of various ideas, including taxes targeting foreign buyers or vacant homes. As federal Finance Minister Bill Morneau prepares to meet with provincial and municipal leaders about the rapid acceleration of home prices in Toronto, here are some of the prescriptions being touted to address the housing crisis.

Federal government

Create a national housing strategy to co-ordinate with the provinces and municipalities on issues of housing affordability, going beyond the existing strategy on social housing for low-income earners.

Raise the portion of profits subject to capital gains tax on sales of non-principal residences to deter speculation and flipping.

Increase the first-time home-buyer RRSP deduction above the $25,000 limit, allowing people to withdraw more to fund the down payment on their first home. Also allow "inter-generational RRSP transfers" under the plan, giving parents an efficient way to help with down payments.

Remove the GST paid on municipal development taxes – a tax on a tax, according to the Canadian Home Builders' Association – to make buying more affordable.

Ontario

Impose a speculation tax on people who flip houses within a short period, perhaps within two or four years of purchase. The tax could apply to all homes or be limited to non-principal residences.

Introduce a tax on foreign buyers who buy residential homes in the GTA, similar to the 15-per-cent tax imposed last year in British Columbia.

Develop a progressive property tax for foreign owners, requiring people who own homes but do not live or work in Canada to pay an annual property tax surcharge.

Prohibit foreigners from buying resale homes, except under limited circumstances, to curb speculation, but allow them to buy newly built homes to encourage investment in new housing stock.

Expand rent control rules to cover more homes, helping to moderate rent increases for people who cannot buy.

Give municipalities a break from high-density development requirements to improve the supply of detached, single-family homes, while also encouraging more innovative housing solutions. Target infrastructure like transit to places where it is most needed to help get land developed.

Toronto and other municipalities

Impose a vacancy tax on homes left unoccupied by the owners, which would be collected by municipalities but would require provincial approval to implement. Vancouver is introducing a vacancy tax this year, set at 1 per cent of the assessed value of the home. It relies on the homeowner to declare whether a house is occupied or not.

Reduce development charges to make new homes more affordable. Development charges are paid by a builder to the local municipality to fund infrastructure costs like roads and transit, and builders pass along the costs to new home buyers.

Fast-track zoning approvals for residential development and streamline other approval times for all stages of projects to help get more housing units constructed.

NEW BRUNSWICK - Opposition calls for N.B. premier to resign amid property tax scandal

“I'm asking (Gallant) to take accountability for his last month's efforts and deception,” said New Brunswick Opposition Leader Blaine Higgs.

In June 2016, the New Brunswick government gave the green light to Service New Brunswick to fast track a new assessment system. But problems were discovered after property tax assessments were mailed out on March 1.

Gallant says he did know about the system, but was assured by Service New Brunswick 100,000 property reassessments could be done successfully.

Service New Brunswick confirmed on March 14 that 2,400 property owners would be issued amended bills. On March 31, Gallant told the media he knew nothing about the problems, calling it troubling and disappointing.

On Monday, Gallant announced the creation of a new assessments agency and that an independent review will look into the matter. Since then, Service New Brunswick confirms they've now received 9,500 appeals, with the deadline for bill reviews now set at August 1.

Gallant says the Opposition’s accusations have no merit.

“I was very disappointed to hear that Blaine Higgs was calling me names,” said Gallant. “He is clearly focused on trying to gain political points in a situation that has affected thousands of New Brunswickers.”

Gallant said Thursday this was about more than politics. He explained what happened between his office and Service New Brunswick last summer.

“The points of focus from Jordan O'Brien, the chief of staff of the premier's office, was you should do a technical briefing with the media to be transparent, you should ensure you have enough resources to get it done and if there's a business case, okay. Go ahead,” Gallant said.

Gallant says he trusts the commission to complete the review into what went wrong.

N.B. Premier’s office to blame for inflated property assessments, not assessors: union

Two days after Premier Brian Gallant said New Brunswick was getting out of the property assessments business, the New Brunswick Union (NBU) has shot back at claims that assessors were to blame for the more than 2,000 property owners who had been allegedly given improper and inflated tax bills.

“First and foremost, the blame for this problem does not sit with the assessors,” wrote Susie Proulx-Daigle, the NBU President, in a statement on Wednesday. “Assessors had nothing to do with the development and deployment of the formula the premier spoke about at his press conference.”

The press conference on Monday saw the premier announce he would introduce a new independent agency to oversee property assessments. Gallant said the issue arose after “arbitrary formulas” were used to estimate property values in 2011 and 2017.

“Although Service New Brunswick employees may have had good intentions in applying arbitrary formula as in 2017, they did it to reduce the assessment of the computer-generated assessment,” Gallant said.

On Wednesday, Proulx-Daigle contested that claim, writing that the elected officials who decided to fast-track an automated assessment system should take responsibility for their actions.

Proulx-Daigle said the Premier’s office overrode the original plan to phase in the new system over a two to three year period. That time would have been used to familiarize staff and allow them to better understand the program.

"There are a lot of legitimate questions being asked by media and New Brunswickers alike and government has some of the same questions," wrote Sarah Bustard, acting director of communications for Service New Brunswick, in an email.

Bustard says that the recently announced independent commission will help answer some of the questions. They expect the commission's findings in August.

BRITISH COLUMBIA – Floating garden tax fight continues

The Town of Gibsons denies it's threatening to seize a waterfront landmark, but chief administrative officer Emanuel Machado acknowledges the owner of the "floating garden" moored at the Harbour Authority wharf is behind in her property taxes.

Earlier this week Liz Williams' son Dan posted to Facebook "the moorage at the Gibsons wharf has gone up [and] that, combined with the Town of Gibsons signed document notifying her of property seizure this year over the land tax issue that they are unwilling to help with, puts mom beyond the amount that we are able to afford for the garden float. So, sadly, it will have to be sold/destroyed. There will be an attempt to transfer it to a party that will maintain it as a Gibsons tourist attraction, but we have little hope of success. She will try to give the best display she can for as long as the funds last, but be sure to see it while you can. Say goodbye to the Gibsons Floating Garden."

The post spread like wildfire through various community news groups, and by Tuesday evening there was already talk of a fundraising effort (a go-fund-me page called Gibsons Floating Garden is now live), and lots of criticism of how the Town was handling the issue.

Liz Williams' houseboat and garden barge were made subject to the property tax in 2011, and Williams has been arguing ever since that the houseboat is a true boat, with a motor and registration, and therefore property tax exempt. She took the fight public on Canada Day 2013, posting bright signs and starting a petition. In February, Williams and her floating garden were featured in a Vancouver Observer travel story. She told the writer she was planning another protest and petition this summer.

Machado said Town staff have been working with Williams, including meeting with BC Assessment and helping with an appeal.

"At the end of the day the assessment authority still felt that property should be taxed. We did what we could there."

Machado said Town staff also pointed out to Williams that she qualifies for a homeowner grant, which would bring the current taxes down to $100. He didn't say what the total owing in back-taxes was.

Machado said the standard notice sent out by the Town warns that property owners whose tax bills are more than three years overdue could be subject to a tax sale. He explained that this year's tax sale list won't come out until after the billing cycle in late summer, and even if the floating garden ends up on the sale list, Williams will still have a year to clear the tax bill.

Other floating structures in the harbour, such as the Hyack Marine fuelling barge, and the float home right next to Williams', are on the tax rolls as well. Machado said the final say on whether a building or property is subject to property tax is made by BC Assessment, not the Town, and once a property is added to the tax roll, the Town is obligated to collect the taxes. He also said none of the other owners is in arrears.

Taxes are only part of the picture. In a response to a comment on the Facebook post, Dan Williams said the moorage fees his mother faces are now over $1,300 a month. Machado said moorage rates are set by the Harbour Authority.

"We would prefer to see that asset stay in the harbour," Machado said. "We've tried to connect her with the assessment authority, worked with the Harbour Authority, we've tried to encourage her to pay her taxes and apply for the homeowners grant – beyond that I'm not sure that there's much the Town can do."

ALBERTA - City wants Calgarians to help make property assessments more accurate

Gift card draw offered as an incentive to get people to check info on their house

The city is asking Calgary homeowners to do their part in ensuring its annual property assessments are more accurate.

It recently mailed out a letter to 80,000 property owners in the city's central Ward 8 and southeast Ward 12, asking them to verify that the details the city has on their houses are as accurate as possible.

Calgary home values drop 4% while non-residential properties decline 6% in 2017 assessment

"The city wants to ensure that our information for assessments every year is accurate," said Theresa Schroder, a spokesperson with the assessment department.

"That ensures equitable and fair assessments. Once you have that information, it's accurate, then we can really produce the best assessments we can for the citizens."

For the next two months, people who receive the reminder notice can call the city or go online to check their property details and make any changes if needed.

Schroder said about 12 per cent of recipients of last year's letter actually did review or update their property information.

To encourage people to check their property information, the city is offering a small incentive.

Anyone who checks their account in the next month will have their name entered into a draw for $50 gift cards that can be used at city recreation facilities.

Schroder says 10 of the gift cards will be given away.

Honesty doesn't always mean higher taxes

When asked whether some homeowners might be reluctant to add information to their file — especially if the city doesn't have up-to-date details — she said it's not a given that a resulting higher assessment means higher property taxes.

"Not necessarily. Your assessment reflects the market value of your property. There's a lot of things that goes into making a property tax — the community you live in, features near by , if you live by a green space. Many, many factors go into that," said Schroder.

Just because a homeowner has renovated their house doesn't mean higher taxes follow.

"Sometimes, they don't impact it at all. It just makes sure we have the most accurate data on record. A lot of things go into taxes so I would not say that for sure."

City council has approved a property tax freeze for this year.

This year's property assessment notices were sent out by the city in January. Schroder said 4,138 people filed an appeal of their assessments by the March 6 deadline.

NEW BRUNSWICK - 'There's mistakes all over the place': New aerial assessment system proving to be unreliable

Service New Brunswick officials says automated aerial system has created 'thousands' of mistakes

Reviews of 2,048 houses that had their assessments rigged by Service New Brunswick to produce large tax increases for homeowners are turning up another, potentially more serious problem: the accuracy of the assessments themselves.

Service New Brunswick personnel have been slowly sorting through homes caught up in the ongoing property tax scandal and have already discovered errors in property valuations so large it's raising questions about the accuracy of the province's new automated assessment system.

Keith Greenhalgh's east Saint John home is among those affected. Following his complaint, a human review of the automated aerial assessment done on his property — known as pictometry — resulted in a $41,100 correction in his favour.

"It's just astounding," said Greenhalgh of the difference between the automated and human assessments of his property.

"There's no justification for it. The human element has to be present. I don't see how they can base it just from pictometry, from an aerial view."

To date, the property tax controversy has revolved around the way provincial assessment managers bypassed a legal limit of 10 per cent on property tax increases by fabricating renovation amounts on homes they knew were in line for large assessment jumps.

If a home has undergone "major" improvements, the 10 per cent limit on property tax increases can be exceeded.

In Greenhalgh's case, his assessment was slated to increase 21 per cent, so Service New Brunswick made up $17,730 in renovation costs on his home and raised his tax bill 21 per cent as well.
Human assessor spots errors

But the assessment increase itself was deeply flawed and dissolved as soon as a human assessor reviewed it.

"The gentleman I spoke to looked at the [neighbourhood] sales figures and the house and it jumped out at him. It was obvious to him it was clearly an error," said Greenhalgh, who eventually ended up with a 4.6 per cent assessment decrease.

As of last week, just over 220 of the homes caught up in the scandal had been reviewed, but problems with the accuracy of the automated assessments have persisted.

On Saint John's Beach Road, five homes were hit by the controversy.

One house at 16 Beach Rd. had a 48 per cent assessment and tax increase imposed by use of the automated system and fabricated renovations, but that was wiped out completely following a review.

The difference between the automated and the human assessments was $79,400 on a $164,000 home.

Around the corner, a house at 21 Crowley Road had its assessment increase cut by $52,300 following a human review. Across the city, a home on Wallace Court had its increase rolled back $71,200, and a house on Sand Cove Road got a $53,400 reduction.

Accuracy of aerial system questioned

Errors discovered so far in the 2,048 properties hit with big tax increases have been so large it raises questions about the quality of all 100,000 assessments done with the new aerial technology.

The new system was used mostly in the greater Saint John, Moncton and Fredericton areas and in nearby towns like Hampton, Sackville and Woodstock.

Northern areas and most rural communities were assessed using traditional methods and have reported few problems.

But insiders fear errors may be widespread and only beginning to surface in areas surveyed with pictometry.

"This is way bigger than 2,000 properties," said one SNB official on the condition of anonymity.

"There's mistakes all over the place. There's thousands of them."

On Moncton's Information Morning Tuesday, Premier Brian Gallant said he's not ruling out more problems being discovered.

"One of the issues we have is that this keeps unravelling," said Gallant.

"One of the things that has been clear throughout this process is we don't know all the information."

Brian Lynch lives in one of four homes on Beach Road that is still waiting for a review.

Service NB fabricated $61,690 in renovations to his home and increased his tax bill 36 per cent.

Although he believes the amounts will eventually be erased, he's appalled about being caught in the mess.

"I'm just astounded," said Lynch.

"It's like losing the lottery."

NEW BRUNSWICK - 'I sincerely apologize to all New Brunswickers'

Assessment mess prompts overhaul

Premier Brian Gallant promises to get the provincial government out of the property assessment business

Premier Brian Gallant blamed Service New Brunswick employees for what he called 'a very troubling and very disappointing' situation revealed by CBC News.

Premier Brian Gallant apologized for the property assessment fiasco on Monday and promised to get the provincial government out of the property assessment business.

The government plans to turn property assessments over to an independent agency, Gallant said Monday at a news conference.

The province also tapped a retired Court of Appeal judge to lead an independent review of the property assessment process.

A lot of property owners and the New Brunswick Legislature have been in an uproar over revelations that more than 2,000 property assessments were based on "invented" renovations.

But Gallant stressed several times that a preliminary review of property assessments has found an "arbitrary formula" used to help with the estimation of property values this year was also used in 2011.

"There was clearly a failure of process and communication within Service New Brunswick, and that is why we will be having an independent review to ensure we learn exactly what happened and it can be corrected in the setup of the new independent assessment agency," said Gallant told reporters in Moncton.

Meanwhile, Service New Brunswick Minister Ed Doherty apologized to those affected by the scheme that saw the province invent expensive renovations for houses.

"All New Brunswickers need to have confidence in the quality, the accuracy and the transparency of the property tax assessment process," he said.

"I sincerely apologize to all New Brunswickers.

"This is a very, very serious matter and as government we will do everything we can to rectify the situation."

2017 property assessment review

Gallant said an independent commissioner will lead the comprehensive review of all policies and procedures related to recent assessment processes, including the use of various technological aids.

The review, which will be overseen by Justice Joseph T. Robertson, a former judge of the Federal Appeal Court and a former justice of the Court of Appeal of New Brunswick, will look at assessment practices for the past seven years.

"What's really important is for us to admit as a government there was mistakes and there was mistakes for years," he said.

Gallant said there would be consequences in the review's findings, but it's too early to tell what those findings will be.

On Friday, Gallant said he only learned of the fictional renovations when the CBC contacted the government about them.

Doherty said that officials within Service New Brunswick noted that a number of properties with high assessment increases would not be able to undergo the full quality control procedures prior to the billing cycle.

In order to adjust the assessment values below the values generated with the assistance of a computer system, an "arbitrary" formula was used.

This resulted in bills that were significantly lower than what was produced by the computer system.

A news release said Service New Brunswick staff will be inspecting all of these properties again and issuing revised bills to all affected property owners.

"I regret all of the confusion caused by this and I apologize to New Brunswickers," said Doherty.

"It seems, however, that this is a long-running and systemic issue and our government will fix it."

Gallant said there is no deadline for New Brunswickers to report errors and for those errors to be corrected in their property assessments.

However, there is a legislative deadline of 30 days for New Brunswickers to submit a request for review of an assessment where no error has been made.

'It's a deception'

Earlier on Monday, Opposition Leader Blaine Higgs said all levels of government should have been made aware of the problems with the new automated assessment system.

"It's a deception," Higgs told Information Morning Fredericton on Monday morning.

"There's no way that a process of this type going forward would actually not be discussed through all levels of government … it would all be well-known."

Higgs called the made-up renovations "a major scandal for this government" and called on Doherty, to resign.

Progressive Conservative Leader Blaine Higgs says Premier Brian Gallant will probably look for someone to blame for bungling property assessments, but it's the government that has failed.

Higgs said a minister is accountable for what goes on in his department and "if he's not on top of his files and not paying attention to this than that's a concern, that's a minister's role."

Higgs said Doherty should be held accountable regarding the miscalculations in property assessments.

"Ed [Doherty] needs to stand up and be accountable for this," said Higgs.

"It's concerning that he has not been able or allowed to answer one question in the legislature."

Higgs said this has been a problem since the beginning of March, which the province hoped would go away.

"[There were] 2,400 problems that were out there [and] were not identified in any way shape or form," he said.

"Then for the premier to say, 'I just found out last Friday,' that's not even acceptable, this has been known for three weeks."

Service New Brunswick Minister Ed Doherty has not answered questions about the problems with more than 2,000 property assessments. (Jacques Poitras/CBC)

An internal Service New Brunswick email shows that officials invented renovations for 2,048 homes because they didn't have time to have assessors check whether the property owners had actually done them.

"The conditions in which it's put in place, the risks, the benefits, if all of that had been determined, the likelihood of this going forward would not have happened," said Higgs.

"Clearly the facts and the details were not considered important."

Each of the homes had assessment increases of more than 20 per cent, and because they were deemed to be renovated, a law that caps increases at 10 per cent didn't apply.

Service New Brunswick adopted the new automated assessment system this year that uses aerial photography to look for major renovations, but results came too late to be double-checked by human assessors.

In March, Service New Brunswick released a statement that acknowledged the significant number of "miscalculations" and apologized to property owners for the inconvenience.

As a result, Higgs said, the province was trying to "diminish the issue."

The new system "should have gone through all levels of government and it should have been stopped," he said.

"The premier's now going to look for someone to blame. … I know how hard these people work [at Service New Brunswick], I know they would want to do due diligence on this process."

Higgs said an open investigation should take place and the province needs to take responsibility and apologize for how it dealt with taxpayers.

"The government has failed," he said.

NEW BRUNSWICK - Province to allow NBers to pay what they want for property tax

New Brunswick — After the disaster of using automated software to determine property tax assessments, the premier announced the province will be moving to an "honour system."

"New Brunswickers have always been the kind of people you can trust," stated Premier Brian Gallant at a Monday morning press conference.

"We leave our keys in our ignition, secure in the knowledge that no one's going to steal our car. We leave our children in the care of the people who live next door to go buy our booze, knowing that Jane, or Jennifer, or the crazy cat lady across the street will watch over them. We pick up the tab at the bar for our buddies, knowing they will get the next one. Or maybe the one after that.

"So," he went on, "we are announcing today that property owners in New Brunswick can decide themselves how much their property is worth. Under our new system, citizens and businesses will have until the end of February to tell us the value of their property.

"I expect all our great corporate citizens, like the Irvings and the McCains, will provide an example for everyone and pay their fair share as well."

Homeowners — especially those who were ripped off by the province's invented renovations — are thrilled with the news, already making plans for lower tax bills in the years to come.

“The province has been screwing me financially every year as my assessments have kept going up and up and up, even though I haven’t replaced the aluminum siding on my trailer since I built it in 1980!” exclaimed Hanwell resident Bernie Ferguson. “I think it’s time for some retro pricing!”

“I consider myself to be an honest person, so I’ll probably be truthful when I say the value of my property is declining all the time,” said Saint John woman Rhonda Kilburn. “Sure, my house might look nice, but there are plenty of flaws and design issues, and I even saw a crack in the foundation the other day! Or I think that’s what it was. Could be that the kids took a Sharpie to the walls again, but the province can’t be sure of that.”

Gallant said he believes this system will be much easier for all New Brunswickers. “It’s less work for tax assessors, less work for me, homeowners don’t have to schedule any more pesky assessments… I honestly don’t see any downside. I guess we’ll find out this time next year, though, right?”

ONTARIO - City to pay back 'significant' amount of property taxes to big box stores

Exact amount not yet known but City Hall knew of appeals and budgeted accordingly

The city will have to make a "significant" repayment of property taxes to Canadian Tire and other big box stores in the near future.

In some cases those property tax overpayments date back eight years.

But James Krauter, the city's Manager of Taxation and Revenue, said that City Hall has been aware of the situation working its way through the system for several years and that money to repay the property taxes is already accounted for in the current city budget.

"There are contingencies built into the budget process," Krauter said in an interview. "It's been on our radar. We knew what was out there on the basis of appeals."

Krauter was reluctant to say just how much the city will be ordered to pay back until the final ruling from the Municipal Property Assessment Corporation's assessment review board is handed down and City Council has been notified.

"Nothing's finalized yet. The assessment review board hasn't signed off yet," Krauter said in an interview.

He did say it was "a much lower impact" than the $1.24 million the City of Sault Ste. Marie was recently ordered to pay back to big box stores, but that the number will likely be a "significant" amount.

"Every municipality across Ontario is dealing with these issues," Krauter said.

"Is it affecting us like other municipalities? No, it's not, because the great thing about Guelph is that it has a very diverse assessment base. Because of that, we can mitigate any issues we might have."

Canadian Tire will be the biggest winner in the reassessment. He said other big box stores that have appealed their property taxes, such as Home Depot, will be getting much smaller amounts. An appeal by Costco "will probably be withdrawn."

The city's budget takes into account the tax assessment write-off, Krauter said.

Big box stores have been challenging their property tax assessments across North America.

Krauter said in Canadian Tire's case, "they believe their buildings don't have the life span at what the were assessed at."

Land values, whether they are part of a plaza, tenant-based as opposed to ownership and building life cycles are all part of the assessment process, Krauter said.

"It's not unusual at all" for a company to challenge its tax assessment, Krauter said. What creates a bit of a situation is that the city will have to repay overpayments of up to eight years.

"Even if it's a relatively small amount, when you times it by eight years - that's where it gets much bigger," Krauter said.

MPAC is working on making the process move quicker, he said, which would definitely help municipalities.

Money ordered returned to the appellants would be in the form of a property tax credit, Krauter said.

The city doesn't set property taxes, MPAC does. But the city is involved in the appeal process and can state its case.

New Brunswick premier says property tax scandal will be investigated

New Brunswick Premier Brian Gallant says his government will fully investigate after a whistleblower alleged that more than 2,000 property owners have been given improper and inflated tax bills.

“We are very troubled by the errors created by the 2,000 or so property assessments that were done hastily and improperly by Service New Brunswick,” Gallant told the legislature Friday.

“I can tell you that we will be looking into this matter in depth and to have serious actions taken to rectify this situation,” he said.

Gallant told the legislature that he was unaware of the allegations until a media request Thursday.

He said it’s troubling that the information didn’t come directly from employees within the Department of Service New Brunswick.

The CBC is reporting it received a leaked email showing that senior assessment officials invented renovation amounts for more than 2,000 homeowners with large assessment increases this year.

Conservative Opposition Leader Blaine Higgs has been pressing the government on property tax issues for weeks, and wanted to know what the government has been doing.

“Not being aware means nothing was happening to protect the citizens of this province. Not being aware is no excuse,” he said.

Higgs called on the government to forego a three-week break in the legislative session in order to get answers on the issue.

Gallant said the investigation won’t be affected by the scheduled break that begins next week.

Higgs has also been pushing the government to extend the deadline for homeowners to appeal their assessments, but Gallant said that’s not necessary.

“At any point during the next few months, at any time, if anyone has had an error to their property assessment, they can come see us, and we’re going to proactively go see them if we are aware of it,” Gallant said.

Toronto eyes vacancy tax to rein in real estate speculation

Toronto Mayor John Tory says the idea of a vacant home tax is at a ‘preliminary stage.’

Toronto Mayor John Tory says he is open to following Vancouver's lead by imposing a tax on vacant homes to crack down on speculators, as pressure mounts on governments of all levels to rein in the runaway real estate market.

"Vancouver recently implemented a vacant-home tax. And I am open to exploring whether this would be the right measure for Toronto," Mr. Tory told reporters on Thursday after a closed-door meeting with housing experts that he convened to discuss the city's accelerating affordability crisis.

"I look at housing as a place to live for people in this city," Mr. Tory said. "That is what I view as my responsibility, not to look after the investment needs of people who chose real estate as their investment target. They'll look after themselves."

The idea comes amid continued warnings that Toronto's real estate market, where the average price of a detached single-family home is $1.6-million, is a bubble waiting to burst.

An RBC Economics report released Thursday warns that house prices haven't been so unaffordable in Toronto since 1990, just before housing markets went into a "deep and prolonged slump." Ontario Finance Minister Charles Sousa has signalled that some sort of action on the housing market is coming in his government's budget, expected next month.

But whether a vacancy tax would do much to contain spiralling house prices in Canada's largest city remains unclear. While anecdotes about "dark condos" and oddly empty luxury homes are common, little reliable data exist on just how many empty units speculators are sitting on in Toronto. The mayor says the only estimate he has seen puts the number of vacant units at 65,000.

Read more: Why can't I buy a house with a yard?

For subscribers: Banks spot evidence of a housing bubble. What took so long?

That number comes from census data, meaning that owners at those addresses did not answer their doors on census day or on two follow-up visits over the next six months. Mr. Tory said city officials will now start using Toronto Hydro and Toronto Water data to try to refine the number of truly vacant units and produce a report on the feasibility of a vacancy tax.

Mr. Tory would not say what rate could be charged, or how the tax could be implemented. No details were discussed, he said, and the idea is at a "preliminary stage." His staff said Toronto would likely need provincial permission to impose a vacancy tax.

Vancouver demanded that B.C. amend that city's charter to allow it to impose a first-in-North-America vacancy tax that will go fully into effect in 2018. Homeowners are getting mailed notices warning them that they will have to make a declaration about the occupation of their property in 2017 by February of next year. If their property was not occupied by the owners or family and if it was not rented for at least six months in 2017, they will have to pay an additional 1 per cent of their home's assessed value in property tax.

Phil Soper, chief executive officer of realty firm Royal LePage, said he doesn't oppose a vacant-property tax in theory, but he doesn't think it will have an impact on house prices.

Few homes are vacant because the owners are speculating in the market and waiting to cash in on a price increase, he said, as the costs of carrying a vacant home are high enough relative to other investment options to dissuade most from doing so. More typically, many seemingly vacant homes were bought to be used from time to time by the owners when they travel to Toronto, he said.

And those who own these luxury properties are wealthy enough to absorb a vacancy tax without feeling pressure to rent or sell their houses, he added: "That subset of the properties won't be appropriate to solve Toronto's housing crisis. They'll be luxury homes that are not the class of homes where we're having the issue with the availability of properties."

It is still too early to conclude what effect Vancouver's vacancy tax is having on the rental market, according to Thomas Davidoff, an associate professor at the University of British Columbia's Sauder School of Business. But he said the rapidly increasing rents in the city last year appear to have flattened out since then.

Prof. Davidoff said a vacancy tax in Toronto could dissuade speculators and help cool the market. But even if it didn't, and some absentee wealthy property owners just chose to pay it, the tax would still benefit the city's own bottom line, he said: "The beautiful thing about taxing an activity you don't like, like leaving a perfectly good home empty, is you win either way."

Among those at the table for the mayor's morning housing meeting was Tim Hudak, who succeeded Mr. Tory as Ontario Progressive Conservative leader in 2009 but who is now head of the Ontario Real Estate Association. In an e-mailed statement, he supported the idea of a vacancy tax: "Ultimately, the best solution is going to be increasing the supply of listings in hot markets across Ontario like the GTA. In the short term, a vacancy tax could address the issue of houses sitting empty, growing weeds and taking housing out of a tight market."

After his housing meeting, also attended by academics, bank economists and developers, Mr. Tory said there is no one "silver bullet" solution to Toronto's skyrocketing house prices. He stressed that demand for Toronto real estate is driven by the fact that the city is such a desirable place to live and invest.