



REPORT TO CAPTR/WRAFT MEMBERSHIP

APRIL 2008

GO TO OUR WEBSITES **AND SIGN THE PETITION**

We last reported to you in January of this year. Since then it has become increasingly clear, from a meeting with an advisor to the Finance Minister and from recent comments in the House, that the Government has no intention of introducing further reforms to the property tax system. They are sticking with the four year assessment and phase-in program introduced in the 2007 Liberal budget. The 2008 Liberal budget confirmed the plan announced prior to last fall's election to provide an annual grant of up to \$500 to low income seniors. The Budget also stated that legislation would be introduced to implement the Ombudsman's recommendation to place the onus on MPAC to prove accuracy of assessments if appealed. Secondly the appeal and request for reconsideration system will be streamlined.

Other than those actions, we are clearly engaged in a major uphill battle to force the government to consider further changes, such as limiting assessment increases, which could stabilize the property tax system. Recognizing this, in the past few months your executive have put together an action plan for the balance of 2008. The plan was approved at a combined meeting of the WRAFT Board of Directors and CAPTR representatives on April 15. It contains the following steps.

Actions already taken:

- We commissioned a report from Cushman & Wakefield Lepage which compares sales of properties in the last quarter of 2004 with the last quarter of 2007 for the City of Toronto and for Muskoka/Haliburton. The purpose of the report was to estimate impact of the 2008 assessment before notices arrive this fall. It shows that in Toronto, average inner city sales price increases exceeded outer city indicating a further shift of tax to the city core. In Muskoka/Haliburton waterfront increases are much greater than off water meaning an increase again in the share of tax paid by waterfront property owners. The report also compared assessments with sales prices for a number of properties sold near the end of 2007. There is a wide disparity from one property to another between the two

- numbers, suggesting considerable variance in the accuracy of assessments and in the impact of the 2008 assessment on individual properties
- We held a news conference on April 15 to unveil the report and to announce the initiation of a petition on the CAPTR and WRAFT websites. **Details of the report and petition are on both websites and we encourage all members to go to one of our websites, www.wraft.com and www.captr.org, read the material and sign the petition. Forward this report to your friends and neighbours and ask them to sign the petition.** As a control, the petition can only be signed by one person per email address. If you want a person with whom you share an email address to sign up have that person email me with their name and address and we'll add them on the petition..

Actions planned before assessments are issued

- We will continue to liaise with representatives of both opposition parties who are actively pushing for meaningful property tax reform. Both parties were represented at our press conference and challenged the Finance Minister on the issue in the House later the same day.
- We will meet with representatives of Toronto City Council to make them aware of the impact of the upcoming assessment which covers three years of hot and volatile real estate markets in the city.
- We will seek out and publicize instances of hardship created by the present property tax system. Many home and cottage owners have been severely impacted by past assessment increases and will be hit again this fall. We encourage you to report to us your own experience with regard to past assessment and tax increases. With your permission we will use your situation to bring the unfairness of the system to the attention of Queens Park.

Actions planned after assessments are issued

- We will organize visits to Liberal MPPs by their constituents who have been negatively impacted by higher than average assessment increases.
- We will expand and publicize the list of hardship cases arising from the 2008 assessment
- We will present the petitions at Queens Park as evidence of the unfairness of the present property system
- **We will encourage our membership to get vocal. If we hope to get changes made we have to become a lot more activist or the government, which was reelected six months ago with another majority, will continue to think they have fixed the problem.**

We've come a long way in the past few years. Both opposition parties are willing to make real changes, the PCs to cap assessment increases and the NDP to freeze assessments until property sale. The Liberals instituted a two

year moratorium on assessment and then brought in a four year assessment cycle with phase-in assessment increases over the subsequent four years. There have been meaningful changes to the assessment system, with help from the Ombudsman. We've had quite a bit to do with the improvements that have been implemented. Unfortunately we're not yet in a position where we can say that we have a stable and predictable property tax regime. Our original supporters on waterfront across Ontario and our more recent allies, urban and seniors' groups, are still exposed to the impact of volatile real estate markets and a crude assessment system. With your support the battle continues.

On behalf of the WRAFT Board of Directors and our CAPTR partners

Bob Topp