
Report of the Commissioner of Finance 2025 Property Tax Rate

1. Recommendations

1. Council approve 2025 Regional tax rates for 2025 for the following property classes:

Broad Property Class	Tax Rates ¹
Residential/Farm	0.375863%
Multi-Residential	0.375863%
New Multi-Residential	0.375863%
New Multi-Residential (Municipal Reduction) subclass	0.244311%
Commercial (including office)	0.500687%
Industrial	0.617618%
Pipelines	0.345418%
Farmland	0.093966%
Managed Forests	0.093966%
Aggregate Extraction	0.502560%

¹ Includes Notional Rate Calculation Adjustment

2. Council approve deadlines for local municipalities to pay the final two installments of their 2025 Regional property tax levy on or before September 26, 2025 and December 12, 2025, respectively.
3. The Regional Solicitor and General Counsel be authorized to prepare a bylaw to implement the above tax rates.
4. The Regional Clerk circulate this report to local municipalities.

2. Purpose

This report seeks Council's approval to establish new property tax rates to raise the tax levy portion of the 2025 Regional Budget.

Key Points:

- Tax rates are set each year to raise the required tax levy as approved in the Regional Budget passed by Council
- 2. Proposed tax rates are calculated using the 2025 ratios submitted to Council concurrent to this report. Any changes to the tax ratios will require revision to the tax rates recommended in this report.
- 3. Pending approval of recommendations in the 2025 Property Tax Policy report on May 8 Committee of the Whole agenda, the New Multi-Residential (Municipal Reduction) subclass for purpose-built rentals discount rate is proposed to be 35% in 2025
- Proposed tax rates also reflect the elimination of the 30% discount for vacant or excess commercial lands and 35% discount for vacant or excess industrial lands.

3. Background

Tax rate-setting process is prescribed by legislation

Section 311(2) of the *Municipal Act, 2001* (Act) requires an upper-tier municipality to pass a tax rating bylaw each year, unless otherwise specified by the Province, setting out tax rates for each property class. This allows the Region to raise sufficient revenues to meet its budgetary requirements.

The proposed tax rates are based on the 2024 Return Roll provided by the Municipal Property Assessment Corporation (MPAC), the tax ratios listed in the 2025 Property Tax Policy Report and the 2025 Budget approved by Council.

4. Analysis

2025 tax rates are established based on the approved budget, assessment values and tax ratios

Regional property tax rates are calculated based on the following formula:

$$\text{Property Tax Rates} = \frac{\text{Total Property Tax Funding Requirement for 2025}}{\text{Weighted and Discounted Assessment for All Classes}} \times \text{Tax Ratio for the Class}$$

Weighted and discounted property assessment is calculated by taking the assessment returned by MPAC for 2025 and weighted by applying all discounts applicable to the property subclasses and the tax ratios presented and the recommended 2025 tax ratios presented concurrently to this report. Table 1 summarizes tax ratios recommended in the concurrent 2025 Tax Policy report and 2025 proposed tax rates. The proposed 2025 nominal tax rate is 0.375863% and the residential tax ratio is consistently set at 1.0, resulting in the corresponding class-specific tax rates based on the recommended ratios as follows:

Table 1
2025 Proposed Tax Rates

Broad Property Class	Tax Ratios	Proposed 2025 Tax Rates¹
Residential	1.000000	0.375863%
Multi-Residential	1.000000	0.375863%
New Multi-Residential	1.000000	0.375863%
New Multi-Residential (Municipal Reduction) subclass	1.000000	0.244311%
Commercial	1.332100	0.500687%
Industrial	1.643200	0.617618%
Pipelines	0.919000	0.345418%
Farmland	0.250000	0.093966%
Managed Forests	0.250000	0.093966%
Aggregate Extraction	1.337082	0.502560%

¹ Includes the notional tax rate adjustment

The proposed tax rates are calculated using the 2025 property tax ratios submitted to Council concurrent to this report and includes:

1. Introducing a new mandatory aggregate extraction property class with a transition ratio of 1.337082 as prescribed by [O. Reg. 510/24](#),
2. Implementing a 35% discount for the new multi-residential property subclass, and
3. Eliminating the discounts for vacant and excess commercial and industrial lands

Table 2 summarizes the existing and proposed tax rate discounts for the 2025 taxation year.

Table 2
Prescribed Subclass Discounts for Property Classes

Property Class	Subclass	Allowable Range	Proposed Discount
Residential, Multi-Residential, Commercial and Industrial	Farmland Awaiting Development Phase 1	25% to 75% of the residential tax rate	75% of the residential tax rate
New Multi-Residential	New Multi-Residential (Municipal Reduction)	0% to 35% of the new multi-residential tax rate	35% of the new multi-residential tax rate
Commercial	Vacant Land Excess Land	0% to 30% of the commercial rate	0% of the commercial rate
Industrial	Vacant Land Excess Land	0% to 35% of the industrial rate	0% of the industrial rate

Establishing tax rates supports the Region's Vision, including Good Government and Economic Vitality

The Region's Vision for Good Government includes providing residents with value for their tax dollars. Tax rates are a tool by which the Region can support Vision 2051 as they determine how the tax burden is distributed among the different property classes. Establishing tax rates ensures the Region would meet its requirements under the Municipal Act, the Assessment Act and associated regulations. Tax rates also support economic vitality by ensuring the Region's tax policies are competitive among neighbouring municipalities, as equitable tax burdens among different property classes can help the Region continue to attract businesses and residents.

5. Financial Considerations

This report does not present current or anticipated financial changes to the Region's budget or fiscal position.

Reassessment continues to be delayed pending Provincial announcement

In Ontario, property assessments are typically conducted once every four years. The most recent valuation date was January 1, 2016, with reassessment originally scheduled for 2020. Through Ontario's [2024 Fall Economic Statement](#), the Province reaffirmed that reassessment will continue to be deferred until the Province's review of property tax and assessment system is complete. As a result, property assessments remain frozen at January 1, 2016 levels.

Table 3 shows the historical relationship between the average assessed value of a single-detached home in the Region and the tax rate for the residential property class between 2014 and 2025. Property reassessments were phased in until 2020 and assessed single-detached home values rose by 8% per year, outpacing the Region's average annual tax levy increase of 2.7%, resulting in declining residential tax rates. Without a reassessment, the average assessment for single-detached homes has only grown by an average of 0.3% per year from 2021 to 2025, due entirely to the addition of new high-value housing stock. As a result of delayed reassessment, residential tax rates rose each year between 2021 and 2025, mainly reflecting Council-approved budgetary levy requirements.

Table 3
Comparison of Residential Assessment to Residential Tax Rates

Year	Average Single-Detached Home Assessment¹	Tax Rates (%)
2025	975,307	0.375863
2024	973,054	0.361852
2023	968,339	0.348892
2022	966,508	0.335958
2021	963,247	0.326425
2020	959,600	0.321619
2019	883,328	0.336549
2018	809,104	0.350606
2017	740,630	0.371903
2016	667,714	0.397157
2015	629,000	0.406421
2014	591,000	0.416733

¹Reflects average property assessments as determined by MPAC

Appendix A shows the distribution of Regional tax revenues raised from the various property classes and subclasses. The table includes "linear properties" for which the Province has prescribed a

charge per acre. It also includes payments-in-lieu, which are payments made to compensate a municipality for some, or all the tax revenues foregone from tax-exempt properties. While the most common payments-in-lieu in the Region are for federally owned properties such as Canada Post, they are also for municipal utilities and crown corporations.

6. Local Impact

Subsection 311(11) of the Act requires an upper-tier tax rating bylaw to estimate the upper-tier tax revenue to be raised in each of the local municipalities and set the dates for payment. This estimate is shown in Table 4.

On January 30, 2025, Council adopted interim levy payment dates of April 30, 2025 and June 30, 2025. The remaining two instalments for the property tax levy are recommended to be paid on or before September 26, 2025 and December 12, 2025.

Table 4
2025 Estimated Regional Tax Revenue to be Raised by Local Municipalities

Municipality	2024 Tax Requirement (\$)	2024 Share (%)	2025 Tax Requirement (\$)	2025 Share (%)
Aurora	69,327,559	4.92	73,500,101	4.93
East Gwillimbury	34,859,281	2.47	37,270,911	2.50
Georgina	33,411,770	2.37	35,322,718	2.37
King	38,216,301	2.71	40,727,002	2.73
Markham	402,539,387	28.56	425,724,521	28.56
Newmarket	78,711,089	5.58	82,549,148	5.54
Richmond Hill	261,300,472	18.54	274,661,221	18.42
Vaughan	435,096,283	30.87	461,783,749	30.97
Whitchurch-Stouffville	55,947,290	3.97	59,346,352	3.98
Sub-Total	1,409,409,431	100.00	1,490,885,723	100.00
Payments-in-Lieu	4,707,996		5,425,664	
Total Tax Requirement	1,414,117,427		1,496,311,387	

Note: Figures may not sum due to rounding

7. Conclusion

The proposed 2025 tax rates will raise the 2025 property tax levy requirement approved by Council in December 2024. The report also provides dates for the remittance of remaining instalment payments from local municipalities.

For more information on this report, please contact Bonny Tam, Acting Director, Treasury Office at 1-877-464-9675 ext. 75885. Accessible formats or communication supports are available upon request.

Recommended by:



Laura Mirabella

Commissioner of Finance and Regional Treasurer



Approved for Submission:

Erin Mahoney

Chief Administrative Officer

April 22, 2025
#16590433

Appendix A - 2025 Proposed Regional Revenues and Tax Rates by Class

APPENDIX A – 2025 Proposed Regional Revenues and Tax Rates by Class

Property Assessment Class and Subclass	Tax Rates (%)	Revenue Generated (\$)
Residential		
Residential	0.375863%	1,227,544,279
Residential Taxable (Shared as Payment in Lieu)	0.375863%	33,332
Residential – Farmland Awaiting Development Phase 1	0.093966%	31,312
Residential Taxable (Upper Tier and Education Only)	0.375863%	-
Multi-Residential		
Multi-Residential	0.375863%	1,180,680
New Multi-Residential	0.375863%	12,347,794
New Multi-Residential (Municipal Reduction) subclass	0.244311%	-
Commercial		
Commercial (Occupied)	0.500687%	132,680,517
Shopping Centre	0.500687%	38,080,527
Office Building	0.500687%	14,702,688
Commercial Vacant Land	0.500687%	4,344,815
Commercial Excess Land	0.500687%	2,830,059
Small Scale On Farm Business 1	0.500687%	1,187
Small Scale On Farm Business 2	0.500687%	743
Parking Lot (Full)	0.500687%	1,184,163
Commercial (previously Ontario Hydro)	0.500687%	187,977
Office Building Vacant Units and Excess Land	0.500687%	211,659
Shopping Centre Vacant Units and Excess Land	0.500687%	160,440
Commercial – Farmland Awaiting Development Phase 1	0.093966%	71,115
Commercial Vacant Land (Shared as Payment in Lieu)	0.500687%	21,184
Commercial Excess Land (Shared as Payment in Lieu)	0.500687%	3,664

Note: Figures may not sum due to rounding

Property Assessment Class and Subclass	Tax Rates (%)	Revenue Generated (\$)
Industrial		
Industrial (Occupied)	0.617618%	33,481,668
Large Industrial	0.617618%	7,853,865
Industrial Vacant Land	0.617618%	7,488,242
Small Scale On Farm Business 1	0.617618%	309
Small Scale On Farm Business 2	0.617618%	309
Industrial (previous Ontario Hydro)	0.617618%	834,606
Industrial Excess Land	0.617618%	446,632
Industrial Excess Land (previously Ontario Hydro)	0.617618%	239,409
Industrial Farmland Awaiting Development Phase 1	0.093966%	75,592
Large Industrial Vacant Units and Excess Land	0.617618%	92,223
Industrial Vacant Land (Shared as Payment in Lieu)	0.617618%	10,994
Others		
Pipeline	0.345418%	1,440,852
Farmlands	0.093966%	1,644,871
Managed Forest	0.093966%	82,078
Aggregate Extraction	0.502560%	74,210
Railway Right-Of-Way (Estimated)		599,088
Utility Transmission (Estimated)		902,643
Sub-Total (Estimated)		1,490,885,723
Payment-in-Lieu		5,245,664
Total		1,496,311,387