The Regional Municipality of York

Committee of the Whole
Finance and Administration
May 8, 2025
FOR DECISION

Report of the Commissioner of Finance

2025 Property Tax Policy Report

1. Recommendations

1. Council approve the 2025 property tax ratios to be established in accordance with the recommendations in this report:

Broad Property Class	Proposed 2025 Tax Ratios
Residential	1.000000
Multi-Residential	1.000000
New Multi-Residential	1.000000
Commercial (incl. office)	1.332100
Industrial	1.643200
Pipelines	0.919000
Farmland	0.250000
Managed Forests	0.250000
Landfill	1.100000
Aggregate Extraction	1.337082

2. Council approve a 35% municipal tax rate discount for the new multi-residential (municipal reduction) subclass for the 2025 taxation year.

3. Council approve a reduction in the municipal property tax rate discount from 30% to 0% for properties in the vacant and excess subclasses of the commercial property class, and from

35% to 0% for properties in the vacant and excess subclasses of the industrial property class.

4. Council approve an update to the participant eligibility criteria for the Low-income Seniors and Low-Income Persons with Disabilities Property Tax Increase Deferral program such that eligible low-income seniors are defined as Guaranteed Income Supplement recipients.

5. The Regional Solicitor and General Counsel be authorized to prepare bylaws to implement the above recommendations.

6. The Regional Clerk circulate this report to the local municipalities.

2. Purpose

This report proposes property tax policy, including tax ratios, for the 2025 taxation year. As required under Section 308 of the *Municipal Act, 2001* (Municipal Act), upper-tier municipalities must establish tax ratios for both upper-tier and local municipalities. The report also recommends tax policy changes for the 2025 taxation year.

Key Points:

- Since the Province froze property assessments in 2020, Council has maintained the same tax ratios through 2024
- It is proposed the tax ratios remain unchanged for 2025, as property assessments remain frozen at January 1, 2016, levels until the Province completes its review of the property taxation and assessment system
- The new mandatory aggregate extraction property class takes effect in 2025 with a proposed tax ratio equal to the provincially prescribed transitional ratio. As aggregate extraction properties make up a small portion of taxable assessment, this does not have a material impact on other taxpayers
- Further to Council's direction in January to also explore non-development charges mechanisms to help address the Region's housing affordability challenges, a 35% discount for the multi-residential/purpose-built rental subclass is recommended for new, completed purpose-built rentals that received their building permits on, or after, May 23, 2024
- The 35% discount for the multi-residential/purpose-built rental subclass is recommended for the 2025 taxation year, to be revisited for 2026
- The discount for vacant and excess non-residential lands is proposed to be eliminated to support development objectives and improve tax equity

- The property tax increase deferral program participant eligibility is proposed to be updated to define low-income seniors as Guaranteed Income Supplement recipients to better align with other municipalities and legislated requirements

3. Background

Tax Ratios determine the distribution of property tax burden across property classes

Tax ratios determine how the property tax burden is allocated among different property classes. Along with the council-approved budget, tax ratios are used to calculate property tax rates.

The residential tax ratio is consistently maintained at 1.0, serving as the baseline against all other property classes measured. The proposed 2025 nominal tax rate is 0.375863%. The tax rate for each property class is determined by multiplying the residential tax rate by the corresponding tax ratio. For example, if the proposed tax ratios are adopted, the commercial tax rate would be 1.3321 times the residential tax rate. Table 1 shows the property tax ratios that have been in place since 2017.

Council has maintained consistent tax ratios since the property assessment values were frozen at January 1, 2016 levels in 2020. In the absence of a reassessment, continuing to maintain existing ratios would align with Council's approach. Potential updates to property tax ratios will be revisited following the next property reassessment, once the Province has completed its review.

Table 1
Property Tax Ratios Since 2017 Taxation Year

Property Class	2017 Ratios	2018 Ratios	2019 Ratios	2020-2024 Ratios	2025 Ratios (Proposed)	Ranges of Fairness[1]
Residential	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Multi-Residential	1.0000	1.0000	1.0000	1.0000	1.0000	1.0 to 1.1
New Multi-Residential[2]	1.0000	1.0000	1.0000	1.0000	1.0000	1.0 to 1.1
Commercial (incl. office)	1.1813	1.2323	1.2794	1.3321	1.3321	0.6 to 1.1
Industrial	1.4169	1.4973	1.5704	1.6432	1.6432	0.6 to 1.1
Pipelines	0.9190	0.9190	0.9190	0.9190	0.9190	0.6 to 0.7
Farmland	0.2500	0.2500	0.2500	0.2500	0.2500	0.25
Managed Forests	0.2500	0.2500	0.2500	0.2500	0.2500	0.25
Landfill	1.1000	1.1000	1.1000	1.1000	1.1000	0.6 to 1.1

Property Class	2017 Ratios	2018 Ratios	2019 Ratios	2020-2024 Ratios	2025 Ratios (Proposed)	Ranges of Fairness[1]
Aggregate Extraction[3]	N/A	N/A	N/A	N/A	1.3371	0.6 to 1.1

[1] Ranges of fairness are the tax ratios established by the Province per O. Reg. 386/98 and sections 308.1(3) and 308.1(2) of the *Municipal Act, 2001* to ensure properties of similar assessment levels pay similar amounts of taxes

[2] Includes New multi-residential (Municipal Reduction) subclass, subject to the New Multi-Residential Class tax ratio

[3] Rounded. Actual proposed tax ratio is equal to Provincially prescribed transitional tax ratio per O.Reg. 510/24 of the *Assessment Act, 1990*. The prescribed transition ratio was set outside the range of fairness in 2025 to minimize impacts on other taxpayers.

A new mandatory aggregate extraction property class took effect on January 1, 2025, offering eligible properties an additional Education Tax reduction

In July 2024, a temporary industrial subclass was established to reduce the Provincial Education Property Tax (EPT) rates for aggregate extraction properties, such as quarries and gravel pits. In 2024, twelve York Region properties were reclassified from the industrial class to the aggregate extraction subclass of industrial properties, receiving a 95% reduction in the EPT rate. All properties were still subject to the broad industrial class tax ratio of 1.6432, so this reclassification had no impact on Regional or local tax rates or revenues.

As of January 1, 2025, this temporary subclass of industrial properties was replaced by a new, separate aggregate extraction property class under O. Reg. 370/24 of the *Assessment Act, 1990 (*Assessment Act). The twelve properties were reclassified from the temporary industrial subclass to the new aggregate extraction property class for the 2025 tax year. The EPT rate is further reduced to 0.511%. In addition, the province set the range of fairness for the aggregate extraction class between 0.6 and 1.1. Acknowledging that the new range of fairness is lower than the industrial ratio for these properties in prior years, the province prescribed a transition ratio 1.337082 for York Region in the 2025 tax year, to minimize tax burden shifts among property classes.

Three tax policies were reviewed following Council direction in 2024

In 2024, Council initiated a review of several tax policies, including:

- The property tax increase deferral program for low-income seniors and low-income persons with disabilities through an action of the 2024 – 2027 Plan to Support Seniors
- A potential Regional and municipal property tax discount of up to 35% for eligible new purpose-built rentals through the 2024 Tax Policy report
- The existing discounts for non-residential vacant and excess commercial and industrial lands of 30% and 35% respectively, through the 2024 Tax Policy report

NEW MULTI-RESIDENTIAL/PURPOSE-BUILT RENTAL SUBCLASS

York Region adopted the new multi-residential subclass in 2024 for eligible new purpose-built rentals

Before 2024, two mandatory property tax classes captured all purpose-built rental properties:

- **Multi-residential property class**: Introduced as mandatory in 1998 with a prescribed transition ratio of 2.0865. In 2003, York Region reduced the tax ratio to 1.0 to align with the residential tax ratio. York Region continues to offer the lowest multi-residential tax ratio of all Greater Toronto and Hamilton Area municipalities.

- **New multi-residential property class**: Introduced as optional in 1998, York Region adopted it in 2002 with a tax ratio of 1.0, before all other neighbouring municipalities. The class was made mandatory in 2017, and all other Ontario municipalities were subsequently required to adopt the new multi-residential class with a tax ratio between 1.0 and 1.1.

As part of the 2024 Ontario Budget, the Province introduced an optional subclass of new multi-residential properties called the new multi-residential (municipal reduction) subclass, defined in O. Reg. 140/24 of the Assessment Act. Municipalities that adopt it may reduce municipal property taxes by up to 35% for eligible new purpose-built rental properties. The discount would be relative to a municipality's tax rate for new multi-residential properties. The Region does not have flexibility to change eligibility criteria but may set a discount rate of between 0% and 35%. On May 23, 2024, York Region adopted the new multi-residential municipal reduction subclass, with an initial discount rate of 0%.

VACANT AND EXCESS COMMERCIAL AND INDUSTRIAL LAND DISCOUNT

Vacant and excess non-residential land discount is the only remaining transition policy introduced after 1998 taxation system reform

When the Province standardized the property assessment and taxation system in 1998, the vacant unit rebate, capping and clawback, and the vacant and excess land discount were introduced to help businesses transition to the current system. Council eliminated the vacant unit rebate in 2018 and completed phasing-out capping and clawback by 2020. The only remaining transition policy is the 30% property tax discount for vacant and excess commercial and 35% discount for vacant and excess industrial properties.

Vacant land is defined as unused land without a structure Lands located in areas principally zoned as commercial or industrial are deemed commercial vacant land or vacant industrial lands, respectively. Excess lands are severable portions of a property that are surplus to the current use. Farmland is not included in the definition of vacant and excess commercial and industrial land. Properties included in the farm class, as defined in section 8-8.1 of O. Reg. 282/98 of the Assessment Act, as well as farmland awaiting development used solely for farm purposes, receive a

75% discount on the residential tax rate. This report does not propose changes to the tax treatment of farmland or farmland awaiting development.

PROPERTY TAX INCREASE DEFERRAL PROGRAM FOR LOW-INCOME SENIORS AND PERSONS WITH DISABILITIES

Region's property tax deferral program for low-income seniors and low-income persons with disabilities has not been updated since 2008

Section 319 of the Municipal Act requires single and upper-tier municipalities to adopt a bylaw providing tax relief to low-income seniors and low-income persons with disabilities, as defined in the bylaw. Province introduced this provision to mitigate 1998 property tax reform impacts and relieve financial hardship. Through By-law No. A-0339-2004-026, as amended by 2008-17, the Region offers the Low-income Seniors and Low-income Persons with Disabilities Property Tax Increase Deferral program ("property tax increase deferral program") to meet Municipal Act requirements.

The program allows eligible homeowners, by application, to defer all or a portion of annual property tax bill increases for their primary residence, interest-free, until the property is sold. The deferral includes the Regional, local and Provincial property tax portions. For example, if an eligible resident participated in the property tax deferral program every year since 1999, the resident would continue to pay the same tax bill as they did in 1999. Each year, the difference from the actual amount paid and the full tax bill would accumulate as property taxes owing, and the sum would become payable when the property is sold or transferred, except for a transfer of ownership to a spouse.

Eligibility criteria have remained unchanged since the program's inception in 1999. By bylaw, seniors aged 65 and older, regardless of income level, and low-income persons with disabilities may be eligible to defer the full tax increase. A partial deferral of any tax increase in excess of $100 is available to seniors aged 55 to 64 whose household income from all sources is under $23,000 (single) or $40,000 (household of two or more persons).

4. Analysis

Over the past year, key policies were reviewed through a multi-faceted process

Detailed reviews were undertaken for the new multi-residential discount, vacant and excess land discount, and property tax deferral program, including:

- Three public online surveys launched in November 2024, shared through a comprehensive communication plan including a *York.ca* news story, social media posts and other media outlets
- An interjurisdictional scan of other Ontario municipalities
- Regional and senior government policy alignment and analysis

- Consultation with Building Industry and Land Development Association (BILD) in October 2024
- Consultations with local municipal staff and neighboring municipalities
- Financial analysis of potential impact of the potential policy changes

NEW MULTI-RESIDENTIAL/PURPOSE-BUILT RENTAL SUBCLASS

A discount of up to 35% is the Region's only available property tax option to incentivize private market purpose-built rental development

Since 2003, York Region maintained the lowest allowable tax ratio of 1.0 for all purpose-built rental properties (multi-residential and new multi-residential properties). Even after other municipalities reduced their new multi-residential tax ratios following Provincial mandates in 2017, the Region's tax rates continue to be among the lowest in the Greater Toronto and Hamilton Area (GTHA), as shown in Table 2.

The Region's property tax tools to incentivize purpose-built rental are restricted by legislation. For instance, Bill 185, the *Cutting Red Tape to Build More Homes Act, 2024* eliminated the Region's planning responsibility and Official Plan, restricting the Region from offering property tax relief by participating in local municipal Community Improvement Plans. Since the tax ratio cannot be reduced further, the Region's only other available property tax policy option to incentivize the development of private market purpose-built rentals is to implement a tax rate discount through the new multi-residential (municipal reduction) subclass.

Table 2

2024 New Multi-Residential Tax Ratios and Rates by Municipality

Municipality	Tax Ratio	Total Property Tax Rate [1]
Durham	1.10	1.393825%
Hamilton	1.00	1.297213%
Peel	1.00	0.981845%
Halton	1.00	0.846598%
York	1.00	0.826204%
Toronto	1.00	0.715289%

[1] Includes regional, local municipal and provincial tax rates

As of February 2025, Toronto is the only other Ontario municipality that adopted the new multi-residential subclass

Outside of York Region, the City of Toronto is the only other municipality to adopt the new multi-residential subclass. In February, Toronto implemented a 15% discount in the 2025 tax year, below the maximum of 35%, to align with Toronto's Small Business Subclass discount.

Although the City of Mississauga requested that Peel Region adopt the new multi-residential subclass with a 35% discount in January 2025, Peel Council has yet to consider the subclass. Halton Region also has not yet considered adopting it. The Region of Durham and the City of Hamilton did not recommend adopting the subclass in 2024 primarily due to concerns about impacts on other taxpayers. However, preliminary financial analysis indicates impacts on the average homeowner in York Region would be limited. Consultations indicate stakeholders believed a discount for purpose-built rental properties could encourage development

In the public survey held last Fall, 59% of all respondents agreed that a property tax discount could encourage more purpose-built rental development in the Region. Among those that owned property suitable for multi-residential development, 71% indicated a property tax discount would encourage them to build a purpose-built rental development, and most favoured a 35% discount. At an October 2024 consultation, BILD members echoed that a property tax discount of at least 35% would be a good start to improving the financial viability of purpose-built rental projects.

Since there are no completed eligible properties, a new purpose-built rental discount is not expected to have an immediate impact in 2025

Any discount offered for new purpose-built rental properties would need to be recovered from other taxpayers. However, only buildings whose permits were issued on or after May 23, 2024, would be eligible for a potential discount. As a result, any future purpose-built rentals that would receive a discount are still under construction and would only become eligible once they are completed.

A new purpose-built rental discount could help address housing challenges

The October 2024 report, Actions to Increase Affordable and Community Housing Under the Next 10-Year Housing and Homelessness Plan, identified a property tax discount through the new multi-residential subclass as an incentive for private market development. In January of this year, Council directed staff to explore development charges-related tools, as well as other mechanisms, to help address housing affordability in the Region.

A 35% discount would have minimal impacts on the average residential homeowner

If Council approves a 35% discount, the tax bill savings for a new purpose-built rental would vary based on its assessed value, number of units, and location. Table 3 illustrates preliminary estimates of Regional and local municipal tax bill savings for a 200-unit new purpose-built rental with three possible taxable assessments, based on historical averages and recent builds. For the purpose-built rental, a 35% discount could amount to total tax savings of between $100,000 to $200,000 per year.

The average single detached homeowner would see a total tax bill increase of between $0.25 to $0.50 per new building.

Table 3

Potential Regional Tax Bill Savings For Eligible New Purpose-Built Rentals

Potential Purpose-Built Rental Assessment	New Purpose-Built Rental		Avg. Homeowner Impact	
	Regional Tax Bill Savings	Local Tax Bill Savings	Regional Tax Bill Increase	Local Municipal Tax Increase
48,000,000	($63,000)	($39,000)	$0.16	$0.10
60,000,000	($79,000)	($49,000)	$0.20	$0.12
90,000,000	($118,000)	($74,000)	$0.29	$0.18

VACANT AND EXCESS COMMERCIAL AND INDUSTRIAL LAND DISCOUNT

Eliminating the vacant and excess land discount aligns with Council policies, other Ontario jurisdictions, and public support

Council has adopted several plans and policies that aim to plan for and encourage development and increase job density in urban growth areas, where much of the vacant and excess land is located. These include the 2024 Provincial Planning Statement, the 2022 Transportation and Water and Wastewater Master Plans, 2023-2027 Strategic Plan, 2024 Economic Development Plan, development charges deferrals for non-residential developments.

The vacant and excess land discount may inadvertently undermine those objectives. Currently, the discounted tax rate for vacant and excess commercial properties is lower than even the residential tax rate, creating an unintentional property tax incentive to keep lands vacant or delay development. In addition, 80% of respondents to the Fall 2024 public survey on the vacant and excess land discount supported eliminating it.

Province has already phased out the Vacant and Excess Land Discount for the education portion of property taxes

The vacant and excess land discount initially applied to both the municipal and education portions of property tax. In 2017 and 2018, the Province allowed municipalities to eliminate the discount on municipal property taxes. By 2020, the Province phased out the vacant and excess land discount for the education portion of property taxes regardless of municipal decisions. As there was no unfavourable impact on the Region's industrial or commercial growth after that time, eliminating the vacant and excess land discount would not impact the Region's tax competitiveness.

By 2020, 90% of Southern Ontario municipalities eliminated the discount. The City of Toronto did not eliminate the discount due to concerns that it could constrain manufacturing. However, eliminating the discount is not expected to negatively affect the Region's competitiveness and growth. Even without the discount, York Region vacant and excess properties would be subject to the lowest commercial tax rate and second-lowest industrial tax rate in the GTHA, as shown in Table 4.

Table 4

Total Vacant and Excess Land Property Tax Rates[1]

Municipality	Vacant/Excess Commercial Tax Rate	Vacant/Excess Industrial Tax Rate
Durham	2.515634%	3.162555%
Hamilton	3.339640%	3.244950%
GTHA Average	2.165443%	2.389573%
Peel	2.081634%	2.195177%
Halton	1.772808%	2.334237%
Toronto	1.824074%	1.793871%
York (Current)[2]	1.433907%	1.528858%
York (without Discount)[2]	1.666681%	1.805177%

[1] Combined Regional, Local, and Education Tax Rates

[2] Proposed 2025 Tax rate shown for York Region. 2024 tax rates are shown for the other municipalities, as this is the most recent available.

Eliminating vacant and excess land discount would provide relief to other taxpayers and fully offset expected impact of a new 35% multi-residential discount

In 2025, there are 1,171 commercial and industrial vacant or excess land parcels in the Region, with a total assessment value of $2.9 billion. These parcels would receive Regional tax discounts totaling $5.1 million, recovered from all other taxpayers, primarily the residential class. Eliminating the property tax discount for vacant and excess commercial and industrial land would result in the savings being redistributed to all other property classes, as shown in Table 5. Benefits would be even higher when incorporating the local municipal tax portion. The removal of this would also fully offset any increase required to fund the new multi-residential discount.

Table 5

Estimated Benefit to Other Properties if Vacant and Excess Land Discount is Eliminated

Property Class	2025 Regional Tax Bill Savings
Single Detached Home	$13
Built Commercial Property	$30
Built Industrial Property	$67

PROPERTY TAX INCREASE DEFERRAL PROGRAM FOR LOW-INCOME SENIORS AND PERSONS WITH DISABILITIES

Participation in the property tax increase deferral program is low, and it is unclear how many are low-income seniors

According to data provided by local municipalities, participation in the program has remained low, with 196 participants in 2024, representing just 0.2% of 112,500 estimated eligible homeowners. Over 90% of participants are seniors aged 65 and older, who are not subject to income thresholds. Without income verification, it is unclear if the program is effectively targeting support to those with financial need. As of year-end 2023, the Region’s portion of total, outstanding deferred taxes is estimated to be $105,000, based on information provided by local municipalities. Local municipalities are responsible for administering the program, including processing applications and verifying and maintaining records. Due to low financial impacts and to simplify administration, some local municipalities absorb the Region’s portion of deferred taxes and continue remitting full tax revenues to the Region.

Most municipalities offer tax increase deferral programs targeting recipients of the Federal Guaranteed Income Supplement or the Ontario Disability Support Program

Most municipalities offer tax increase deferral programs, which also have low participation rates. For the aged 55 to 64 group, York Region’s income threshold is lower than all other municipalities reviewed (Appendix A). Most upper and single-tier municipalities identify low-income seniors as recipients of the Guaranteed Income Supplement (GIS), under Part II of the *Old Age Security Act, R.S.C, 1985*. Low-income persons with disabilities are typically defined as Ontario Disability Support Program (ODSP) recipients, which largely aligns with the Region’s bylaw. These approaches also align with the *Provincial Land Tax Act, 2006*, which governs a similar property tax deferral program administered by the Province in unincorporated northern Ontario areas outside of municipalities.

Targeting GIS recipients aligns with Municipal Act requirements, best practices and ensures inflation is automatically reflected in income thresholds

Starting in the 2025 taxation year, the program’s eligibility criteria are proposed to be updated such that low-income seniors would be defined in the bylaw as GIS recipients. No change is proposed in other program eligibility criteria, including the definition of low-income persons with disabilities. This update would improve alignment with the Municipal Act and neighbouring municipalities and would ensure support is targeted to those in financial need. Since the Canadian government adjusts the GIS income threshold annually for inflation, the program would accommodate these adjustments, and income thresholds would not require frequent annual updates to account for rising costs.

Survey responses suggest opportunity to improve communication about the property tax increase deferral program

An online, public survey on the property tax deferral program was held in the Fall of 2024. Of 115 survey respondents, 39% indicated they were previously unaware of the property tax increase deferral program. Responses identified an opportunity to better communicate the tax deferral program and existing grants. Connecting seniors and caregivers to the right programs and services at the right times is a priority area of the 2024 to 2027 Plan to Support Seniors. Development of a York Region-specific navigation guide for seniors, information resources, and other action items aimed at improving system navigation already underway could help improve public knowledge and access to existing programs.

55% of survey respondents indicated they would prefer a rebate or grant-based relief over a tax deferral. Several Provincial and local municipal property tax grants are already available to support seniors and persons with disabilities. These include:

- **Ontario Seniors Homeowners' Property Tax Grant:** provides eligible low-income seniors with up to $500 annually to offset property tax costs
- **Exemptions for Seniors and Persons with Disabilities**: provides property tax exemption on the assessed value of residential property alterations, improvements, or additions made to accommodate a senior (aged 65 or older) or a person with a disability
- **Local municipal property tax grants and rebates**: In York Region, the City of Vaughan, Town of Newmarket, and City of Richmond Hill offer property tax grants of $406, $370 and $445, respectively, to low-income seniors (defined as GIS recipients). The grants are fixed amounts and increase in line with annual municipal operating budgets.

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

The Region's Vision for Good Government includes providing residents with good value for their tax dollars. Tax ratios are a tool by which the Region can support the Vision as they determine how the tax burden is distributed among the different property classes. Tax ratios 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. Adoption of tax ratios enables the Region to set tax rates to raise the amount of revenue Council approves through the annual budget process. The ratios and other tax policies do not affect the total amount of taxes collected, only the distribution of the tax burden among different property classes. Impacts of individual policy recommendations are summarized in Table 6.

Table 6

Financial Impact of Policy Recommendations

Policy	Impact
Implementing a 35% discount for the new multi-residential subclass	None in 2025, as there are no properties in the subclass eligible for any discount in this tax year. When a new eligible property is completed, the value of the discount would be recovered from other taxpayers, with an estimated homeowner tax bill impact ranging from $0.25 to $0.50 per new building.
Updating property tax deferral program eligibility to define low-income seniors as GIS recipients	Any property tax amounts would be deferred interest-free and remain payable. Foregone interest is estimated to be approximately $360 per year for every 100 participants.
Eliminating the vacant and excess commercial and industrial land discounts	Tax rates and average tax bills for other property types would be reduced in accordance with recommended tax ratios. Discount previously recovered from other taxpayers would be reversed, resulting in annual Regional tax bill savings of $13 for the average homeowner.

6. Local Impact

In line with section 308 of the *Municipal Act*, York Region establishes tax ratios to support the tax rate setting process for the Region and its nine local municipalities. Local municipal staff were consulted as part of the development of the recommendations in this report. Local municipalities' ability to collect tax levy revenues needed to fund their own budgeted expenditures would be unaffected by recommendations in this report.

Eliminating the vacant and excess land discount will result in shifts in the Regional tax levy shares borne by local municipalities, depending on each local municipality's property composition, including the number of vacant and excess properties. Tax levy share impacts are shown in Appendix B.

However, all residential properties and built commercial and industrial properties in every local municipality would have lower tax bills, as the value of the vacant and excess land discount would be redistributed to them. Appendices C and D illustrate average 2025 Regional tax bill impacts by property type and local municipality.

The proposed 35% new multi-residential subclass discount would not immediately affect local municipal tax shares, as no properties are currently in the subclass. Any impacts will be reported to Council as new purpose-built rentals are completed.

Updating the property tax deferral program would align eligibility criteria with existing local municipal grants for low-income seniors. This change is not expected to have significant administrative impacts on local municipalities.

7. Conclusion

The proposed 2025 tax ratios will help set rates to meet the property tax levy approved in the 2025 budget. Updates recommended by this report will align with Council-approved policies, meet legislated requirements, and address input received through consultations.

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

Laura Mirabella

Recommended by: **Laura Mirabella**
Commissioner of Finance and Regional Treasurer

Approved for Submission: **Erin Mahoney**
Chief Administrative Officer

April 22, 2025
16538190

Appendix A – Property Tax Deferral Program Interjurisdictional Scan
Appendix B – Local Municipal Property Tax Shifts
Appendix C – Change in Non-Vacant Property Regional Tax Bills from Eliminating the Vacant and Excess Land Discount
Appendix D – Change in Vacant Property Regional Tax Bills from Eliminating the Vacant and Excess Land Discount

Municipality	Program	Income Threshold	Eligibility Criteria
Halton Region	Property Tax Increase Deferral Full Property Tax Bill Deferral	$66,100	• Proof of age • Receipt of ODSP • Receipt of GIS
Toronto[1]	Property Tax Increase Deferral Property Tax Increase Cancellation	$60,000	• Receipt of ODSP or: • Age 50+ receiving a pension • Age 60 to 64 and in receipt of GIS • Over 65 years of age
Durham Region	Property Tax Increase Deferral Property Tax Bill Deferral	$52,848	• Proof of age • Receipt of ODSP • Receipt of GIS
Niagara Region	Property Tax Increase Deferral	$52,848	• Proof of age • Receipt of ODSP • Receipt of GIS
Peel Region	Harmonized Property Tax Grant	$52,848	• Proof of age • Receipt of ODSP • Receipt of GIS
Waterloo Region	Property Tax Increase Deferral	$52,848	• Proof of age • Receipt of ODSP • Receipt of GIS
York Region	Property Tax Increase Deferral	$40,000	• Proof of age • Receipt of ODSP • Age 55 to 64 with annual gross household income of $23,000 or less if single, $40,000 or less if family of two or more people • Over 65 years of age

1 City of Toronto has increased its income threshold by 5% from 2024

Municipality	2025 Tax Levy: Status Quo[1] ($000s)	Increase/ (Decrease) Due to Elimination of Vacant/Excess Land Discount (%)	2025 Tax Levy: Vacant/Excess Land Discount Eliminated ($000s)
Aurora	73,494.1	0.01%	73,500.1
East Gwillimbury	37,210.5	0.16%	37,270.9
Georgina	35,338.9	(0.05%)	35,322.7
King	40,712.2	0.04%	40,727.0
Markham	426,070.2	(0.08%)	425,724.5
Newmarket	82,694.0	(0.18%)	82,549.1
Richmond Hill	275,209.4	(0.20%)	274,661.2
Vaughan	461,066.4	0.16%	461,783.7
Whitchurch-Stouffville	59,268.1	0.13%	59,346.4
PIL	5,247.5	3.40%	5,425.7
Total	1,496.311.4	0.00%	1,496,311.4

1 Includes impact of Aggregate Extraction property class

APPENDIX C – Change in Non-Vacant Property Regional Tax Bills from Eliminating the Vacant and Excess Land Discount

	Residential[1]		Non-Vacant Commercial[2]		Non-Vacant Industrial[3]	
	Avg. 2025 Region Tax Bill	(Savings)	Avg. 2025 Region Tax Bill	(Savings)	Avg. 2025 Region Tax Bill	(Savings)
Aurora	$3,398	($12)	$12,530	($45)	$15,179	($55)
East Gwillimbury	$2,560	($9)	$10,953	($39)	$15,336	($55)
Georgina	$1,709	($6)	$4,123	($15)	$2,838	($10)
King	$4,248	($15)	$5,913	($21)	$9,051	($35)
Markham	$4,110	($15)	$6,502	($23)	$16,618	($60)
Newmarket	$2,671	($10)	$10,095	($36)	$13,992	($50)
Richmond Hill	$4,449	($16)	$8,349	($30)	$17,391	($63)
Vaughan	$3,828	($14)	$10,321	($37)	$21,659	($78)
Whitchurch-Stouffville	$3,230	($12)	$5,479	($20)	$9,922	($36)

1 Based on average 2025 assessments of single-detached home values

2 Based on average 2025 assessments of occupied commercial shopping centers, retail and office space properties

3 Based on average 2025 assessments of large and other industrial properties

APPENDIX D – Change in Vacant Property Regional Tax Bills from Eliminating the Vacant and Excess Land Discount

	Vacant Commercial		Vacant Industrial	
	Avg. 2025 Region Tax Bill	**Increase**	**Avg. 2025 Region Tax Bill**	**Increase**
Aurora	$7,571	$2,252	$7,768	$2,701
East Gwillimbury	$4,711	$1,401	$15,822	$5,501
Georgina	$2,140	$637	$3,911	$1,360
King	$2,660	$791	$18,440	$6,411
Markham	$14,488	$4,310	$22,447	$7,804
Newmarket	$5,507	$1,638	$7,968	$2,770
Richmond Hill	$7,896	$2,349	$24,567	$8,541
Vaughan	$22,474	$6,686	$28,393	$9,871
Whitchurch-Stouffville	$6,190	$1,841	$12,820	$4,457