



Report of the Commissioner of Finance
2026 Property Tax Rates

1. Recommendations

1. Council approve 2026 Regional tax rates for the following broad property classes:

Broad Property Class	Tax Rates¹
Residential/Farm	0.392412%
Multi-Residential	0.392412%
New Multi-Residential	0.392412%
New Multi-Residential (Municipal Reduction) subclass	0.255068%
Commercial (including office)	0.522732%
Industrial	0.644811%
Pipelines	0.360627%
Farmland	0.098103%
Managed Forests	0.098103%
Aggregate Extraction	0.524687%
Landfill	0.431653%

¹ Includes Notional Rate Calculation Adjustment

2. Council approve deadlines for local municipalities to pay the final two instalments of their 2026 Regional property tax levy on or before September 29, 2026 and December 15, 2026, 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 2026 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
- Proposed tax rates are calculated using the 2026 ratios submitted to Council concurrent with this report

3. Background

Tax rate-setting process is prescribed by legislation

Section 311(2) of the *Municipal Act, 2001* (the "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 2025 Return Roll provided by the Municipal Property Assessment Corporation (MPAC), the tax ratios listed in the 2026 Property Tax Policy Report, and the 2026 Budget approved by Council.

4. Analysis

Assessment roll received post-budget approval shows \$21 million in assessment revenues, exceeding the \$17 million budget figure

The 2026 Budget was approved on [November 27, 2025](#) and based on estimated assessment growth revenue of \$17 million, as final assessment data was not yet available at the time of budget approval. In December 2025, the finalized current value assessment data for the 2026 taxation year was received from the Municipal Property Assessment Corporation through the 2026 assessment roll. This confirmed assessment growth revenue of \$21 million, \$4 million higher than the \$17 million estimate included in the approved budget.

Updating the 2026 Budget to reflect final assessment growth revenue would not impact the approved 3.28% net tax levy increase for 2026

To maintain the approved 3.28% net tax levy increase and incorporate higher-than-expected assessment growth revenue, the 2026 tax levy requirement is being restated by \$4 million. This

amount is fully funded by additional assessment growth revenue, and will temporarily be allocated to contingency expenditures, which may be used to address in-year pressures arising from revenue uncertainty, increased program costs, labour-related risks, and lower than anticipated development charge collections. The total tax requirement used to calculate the proposed tax rates reflects this adjustment.

As the \$4 million restatement is fully offset by assessment growth revenue, the approved 3.28% net tax levy increase for 2026 remains unchanged, along with the continuation of the separate 1% Rapid Transit and Infrastructure tax levy approved by Council on [November 27, 2025](#). This adjustment is made in accordance with Council-approved authority for the Treasurer to make necessary changes within the approved net budget.

2026 tax rates are established based on the total tax levy requirement, assessment values and tax ratios

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

$$\text{Property Tax Rates} = \frac{\text{Total Property Tax Funding Requirement for 2026}}{\text{Weighted and Discounted Assessment for All Classes}} \times \text{Tax Ratio for the Class}$$

Table 1 summarizes tax ratios recommended in the concurrent 2026 Tax Policy report and 2026 proposed tax rates. The proposed 2026 nominal tax rate is 0.392412% and the residential tax ratio is fixed at 1.0. This results in the corresponding class-specific tax rates based on the recommended ratios shown below:

**Table 1
2026 Proposed Tax Rates**

Broad Property Class	Tax Ratios	Proposed 2026 Tax Rates ¹
Residential	1.000000	0.392412%
Multi-Residential	1.000000	0.392412%
New Multi-Residential	1.000000	0.392412%
New Multi-Residential (Municipal Reduction) subclass	1.000000	0.255068%
Commercial	1.332100	0.522732%
Industrial	1.643200	0.644811%
Pipelines	0.919000	0.360627%
Farmland	0.250000	0.098103%
Managed Forests	0.250000	0.098103%

Broad Property Class	Tax Ratios	Proposed 2026 Tax Rates ¹
Aggregate Extraction	1.337082	0.524687%
Landfill	1.100000	0.431653%

¹ Includes notional tax rate adjustment

The proposed tax rates are calculated using the 2026 property tax ratios submitted to Council concurrent to this report and include the discounts summarized in Table 2, proposed to remain unchanged from the 2025 taxation year.

Table 2
Subclass Discounts for Property Classes

Property Class(es)	Subclass	Allowable Range	Discount
Residential	Farmland Awaiting	25% to 75% of the residential tax rate	75% of the residential tax rate
Multi-Residential	Development Phase 1		
Commercial			
Industrial			
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

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 support Vision 2051 as they allow the Region to fund Council-approved priorities. Additionally, tax rates 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*, *Assessment Act*, and associated regulations. Tax rates also support economic vitality by ensuring the Region's tax policies are competitive among neighbouring municipalities, as a fair distribution of tax burdens among different property classes can help the Region continue to attract businesses and residents.

5. Financial Considerations

This report establishes the tax rates needed to raise the revenue required under the Council-approved 2026 tax levy-supported budget, including the proposed adjustment to reflect additional assessment growth revenue and maintain the approved 3.28% net tax levy increase. There are no additional financial challenges the Region may face in subsequent years.

Table 3 shows the budget for 2026, split between gross expenditures and net tax levy. It also shows the offsetting assessment growth revenue discussed in this report, with no resulting net tax levy impact.

Table 3
Operating Budget

(\$ in millions)	Approved 2026 Budget	Budget Restatement	Restated 2026 Budget
Gross Expenditures ¹	3,707.5	4.0	3,711.5
Net Tax Levy Before Assessment Growth Revenue (Total Tax Levy Requirement) ¹	1,580.5	4.0	1,584.5
Assessment Growth Revenue	(17.0)	(4.0)	(21.0)
Net Tax Levy¹	1,563.5	-	1,563.5

¹Includes Rapid Transit and Infrastructure levy

Property values continue to reflect assessments as of January 1, 2016

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 the 2025 Ontario Fall Economic Statement, the Province confirmed that reassessment continues to be delayed. As a result, property assessments remain frozen at January 1, 2016 levels.

Table 4 shows the historical relationship between the average assessed value of a single-detached home in the Region and tax rate for the residential property class between 2014 and 2026. 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 0.33% per year from 2021 to 2026, 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 2026, mainly reflecting Council-approved budgetary levy requirements.

Table 4
Comparison of Residential Assessment to Residential Tax Rates

Year	Average Single-Detached Home Assessment ¹	Tax Rates (%)
2026	978,872	0.392412
2025	975,307	0.375863

Year	Average Single-Detached Home Assessment ¹	Tax Rates (%)
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 establish dates for payment. This estimate is shown in Table 5.

On [January 15, 2026](#), Council adopted interim levy payment dates of April 30, 2026 and June 30, 2026. The remaining two instalments for the property tax levy are recommended to be paid on or before September 29, 2026, and December 15, 2026.

Table 5
2026 Estimated Regional Tax Revenue to be Raised by Local Municipalities

Municipality	2026 Tax Requirement (\$)	2026 Share (%)
Aurora	77,835,161	4.93
East Gwillimbury	39,709,157	2.52
Georgina	38,208,879	2.42
King	43,099,254	2.73
Markham	448,308,623	28.40
Newmarket	87,112,279	5.52
Richmond Hill	292,177,136	18.51
Vaughan	489,620,777	31.01
Whitchurch-Stouffville	62,698,039	3.97
Sub-Total	1,578,769,306	100.00
Payments-in-Lieu	5,773,923	
Total Tax Requirement	1,584,543,229	

Note: Figures may not sum due to rounding

7. Conclusion

The proposed 2026 tax rates will raise the 2026 property tax levy requirement approved by Council in November 2025, including a proposed adjustment to reflect final assessment growth revenue. 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, 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

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Appendix A - 2026 Proposed Regional Revenues and Tax Rates by Class

2026 Proposed Regional Revenues and Tax Rates by Class

Property Assessment Class and Subclass	Tax Rates (%)	Revenue Generated (\$)
Residential		
Residential	0.392412%	1,300,326,837
Residential Taxable (Shared as Payment in Lieu)	0.392412%	34,799
Residential – Farmland Awaiting Development Phase 1	0.098103%	32,691
Residential Taxable (Upper Tier and Education Only)	0.392412%	-
Multi-Residential		
Multi-Residential	0.392412%	1,355,717
New Multi-Residential (Municipal Reduction) subclass	0.255068%	10,889
New Multi-Residential	0.392412%	13,460,223
Commercial		
Commercial (Occupied)	0.522732%	140,554,300
Shopping Centre	0.522732%	39,700,334
Office Building	0.522732%	15,693,841
Commercial Vacant Land	0.522732%	4,164,176
Commercial Excess Land	0.522732%	3,078,696
Small Scale On Farm Business 1	0.522732%	1,239
Small Scale On Farm Business 2	0.522732%	775
Parking Lot (Full)	0.522732%	1,105,895
Commercial (previously Ontario Hydro)	0.522732%	196,253
Office Building Vacant Units and Excess Land	0.522732%	180,411
Shopping Centre Vacant Units and Excess Land	0.522732%	158,098
Commercial – Farmland Awaiting Development Phase 1	0.098103%	72,502
Commercial Vacant Land (Shared as Payment in Lieu)	0.522732%	22,117
Commercial Excess Land (Shared as Payment in Lieu)	0.522732%	3,825

Property Assessment Class and Subclass	Tax Rates (%)	Revenue Generated (\$)
Industrial		
Industrial (Occupied)	0.644811%	35,439,428
Large Industrial	0.644811%	8,709,624
Industrial Vacant Land	0.644811%	7,824,655
Small Scale On Farm Business 1	0.644811%	322
Small Scale On Farm Business 2	0.644811%	322
Industrial (previous Ontario Hydro)	0.644811%	871,350
Industrial Excess Land	0.644811%	461,061
Industrial Excess Land (previously Ontario Hydro)	0.644811%	249,951
Industrial Farmland Awaiting Development Phase 1	0.098103%	73,463
Large Industrial Vacant Units and Excess Land	0.644811%	96,283
Industrial Vacant Land (Shared as Payment in Lieu)	0.644811%	11,478
Others		
Pipeline	0.360627%	1,519,260
Farmlands	0.098103%	1,692,681
Managed Forest	0.098103%	88,022
Aggregate Extraction	0.524687%	72,609
Landfill	0.431653%	-
Railway Right-Of-Way (Estimated)		600,406
Utility Transmission (Estimated)		904,771
Sub-Total (Estimated)		1,578,769,306
Payments in Lieu of Taxation		5,773,923
Total		1,584,543,229

Note: Figures may not sum due to rounding