



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	February 27, 2017
SUBJECT/REPORT NO:	2017 Reassessment Impacts (FCS17023) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Gloria Rojas (905) 546-2424 Ext. 6247
SUBMITTED BY:	Mike Zegarac General Manager Finance and Corporate Services Department
SIGNATURE:	

Council Direction:

N/A

Information:

The 2017 taxation year marks a new general reassessment, whereby property assessments city-wide have been updated by the Municipal Property Assessment Corporation (MPAC) to reflect a valuation date of January 1, 2016, from the previous valuation date of January 1, 2012. Similar to taxation years 2013-2016, any increase in assessment, due to this assessment update, will be phased-in equally over four years and any decrease in assessment will be reflected in whole in the 2017 update.

Assessment Change

The following Table identifies the average change in assessment by property class in each ward for the 2017 taxation year, which is year one of the four year phase-in. This change is approximately a quarter of the full assessment change.

TABLE 1

CITY OF HAMILTON
 2017 CVA REASSESSMENT (YEAR 1 OF 4 YEAR PHASE-IN)
 COMPARISON OF CHANGES IN CURRENT VALUE ASSESSMENT

	Residential	Multi-Residential	Total Commercial	Total Industrial	Farm	TOTAL
Ward 1	8.7%	5.9%	8.3%	0.8%	N/A	8.4%
Ward 2	8.7%	5.5%	11.5%	4.4%	N/A	8.5%
Ward 3	8.7%	7.5%	5.1%	-12.6%	N/A	6.6%
Ward 4	7.1%	5.7%	4.3%	-17.4%	N/A	4.1%
Ward 5	6.4%	3.7%	3.5%	2.4%	35.8%	5.5%
Ward 6	6.5%	1.0%	6.4%	6.1%	6.2%	6.1%
Ward 7	6.9%	-1.9%	1.6%	8.4%	8.9%	5.7%
Ward 8	6.6%	-2.5%	6.8%	8.1%	9.0%	6.3%
Ward 9	6.4%	1.9%	0.8%	-34.1%	2.0%	5.4%
Ward 10	6.5%	14.5%	2.6%	1.5%	27.6%	5.9%
Ward 11 - SC	6.2%	N/A	5.2%	4.1%	5.0%	5.9%
Ward 11 - GL	5.4%	8.7%	4.6%	8.6%	9.9%	5.7%
Ward 11 - TOTAL	5.7%	8.7%	5.0%	5.9%	8.7%	5.7%
Ward 12	6.0%	8.6%	2.2%	2.5%	6.2%	5.6%
Ward 13	5.9%	6.3%	7.0%	6.6%	16.3%	6.0%
Ward 14 - AN	2.6%	N/A	0.4%	N/A	6.5%	3.5%
Ward 14 - FL	4.7%	8.0%	8.0%	-2.7%	14.8%	6.3%
Ward 14 - TOTAL	4.4%	8.0%	7.7%	-2.7%	13.2%	5.9%
Ward 15	5.5%	1.7%	8.4%	3.3%	14.0%	5.9%
TOTAL	6.5%	3.5%	5.0%	-4.8%	11.1%	6.0%

Appendix “A” to Report FCS17023 shows the full change in assessment value by ward from the previous valuation date of January 2012 to the current valuation date of January 2016. This is the assessment change that will be phased-in during the four-year cycle (2017-2020).

As shown in Table 1, the Residential property class is increasing on average 6.5%. By ward, the change in assessment ranges from 2.6% (Ward 14 – Ancaster) to 8.7% (Ward 1). The average city-wide residential assessment for 2017 is \$315,000, up from \$295,300 in 2016. Appendix “B” to Report FCS17023 shows the average residential assessment by ward for the 2017 tax year. Note that these property values are simply averages. Reassessment affects each property differently and, as such, each ward will have properties increasing higher or lower than the average.

As with all reassessments, properties throughout the City will have varying impacts depending on how their assessment changes compared to the other properties in the City. Tax shifts can occur between property classes and, when comparing averages, shifts between wards can occur. The average increase of 6.5% in the Residential property class is higher than the city-wide total increase of 6.0% across property classes and as such, there will be a tax impact to the Residential property class, which will be discussed later in the tax impact section of this Report.

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For the 2016 Assessment update, MPAC valued Multi-Residential properties using the Direct Capitalization approach (vs. Gross Income Multiplier in 2012) which uses the relationship between the net operating income and the sale price of similar properties. This may be a factor in the Multi-Residential property class average increase in assessment of 3.5%, which is lower than the City's total average and therefore, a reassessment-related benefit is expected.

Similar to the Residential property class, the assessment change in the Multi-Residential property class differs significantly between wards. While the average property value decreased by -1.9% and -2.5% in Wards 7 and 8 respectively, property values are increasing by 14.5% in Ward 10.

In several municipalities across the province, the average tax ratio of the Multi-Residential property class is more than double that of residential properties, which has created concern in some sectors that the tax burden for the Multi-Residential properties is also double than for residential properties. However, this assumption does not consider that traditionally, the average assessment of Multi-Residential units have been lower than that of residential properties making the tax burden comparable.

The Province will be undertaking consultation on the issue but steps have been taken to ensure that the tax burden for the Multi-Residential property class does not increase beyond 2016 levels.

This means that for the 2017 tax year, reassessment related shifts onto the Multi-Residential class will not be permitted and for municipalities where the Multi-Residential tax ratio is greater than 2.0, a full levy restriction will be implemented. Hamilton has a Multi-Residential tax ratio of 2.74 and therefore, measures will have to be applied to comply with the legislation. Additional information will be provided later in the Report.

The commercial property class has an average increase of 5.0%. Commercial development is consistent with the expanding housing market as is needed to support the demand for retail services from new residents. Regarding the valuation methodology, for the 2016 Assessment, MPAC implemented a consistent valuation approach for big box stores that reflect valuation methodologies used in recent appeal settlements (cost approach vs. income approach).

The Industrial property class has an average decrease in property values of -4.8% which will result in a shift from this class to the other property classes due to reassessment. There are two main reasons for the decrease in value in the Industrial property class: the valuation of steel mills (Arcelor-Mittal Dofasco, US Steel, Hamilton Specialty Bar) which is significantly lower than in the previous cycle; and, also due to the newly created Landfill property class which values landfills as vacant industrial land with structures based on the replacement cost approach and excludes environmental protection features from the assessed value of the landfill.

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Farm properties are increasing an average of 11.1% for the 2017 tax year. The significant increase in this property class is a trend across the province due to a variety of reasons. Over the last several years, the demand for farmland has significantly outpaced the supply as many sectors need land for nutrient management and cropping requirements. In addition, historic low interest rates have allowed farmers to expand farming operations.

Average Municipal Reassessment-Related Tax Impacts

Generally speaking, an increase in assessment does not mean an increase in property taxes. A property whose assessment is increasing above the city-wide average may see an assessment-related tax increase. Conversely, a property whose assessment is increasing less than this city-wide average may see an assessment-related tax decrease. Overall, there are no additional taxes raised as a result of a reassessment. This is reflected in the following Table, which identifies the 2017 average municipal tax shifts resulting from the changes in property values identified above.

It should also be noted that the average tax impacts identified in this report are solely for reassessment. These impacts are exclusive of budgetary impacts, tax policies and the impact associated with education taxes.

TABLE 2

CITY OF HAMILTON
 2017 CVA REASSESSMENT (YEAR 1 OF 4 YEAR PHASE-IN)
 AVERAGE % IMPACT ON MUNICIPAL TAXES (exclusive of transition ratios, budget, tax policies)

	Residential	Multi-Residential	Total Commercial	Total Industrial	Farm	Total
Ward 1	3.3%	0.6%	2.9%	-4.3%	N/A	2.6%
Ward 2	3.2%	0.2%	5.9%	-0.8%	N/A	2.7%
Ward 3	3.2%	2.1%	-0.2%	-17.9%	N/A	-1.1%
Ward 4	1.7%	0.4%	-0.9%	-22.4%	N/A	-4.6%
Ward 5	1.0%	-1.5%	-1.7%	-2.7%	28.9%	-0.3%
Ward 6	1.2%	-4.1%	1.1%	0.4%	0.8%	0.3%
Ward 7	1.5%	-6.8%	-3.6%	3.0%	3.4%	-0.6%
Ward 8	1.2%	-7.4%	1.4%	2.7%	3.5%	0.5%
Ward 9	1.0%	-3.2%	-4.3%	-35.6%	-3.0%	-0.6%
Ward 10	1.1%	8.7%	-2.6%	-3.7%	21.2%	0.0%
Ward 11 - SC	0.9%	N/A	-0.1%	-1.3%	-0.1%	0.4%
Ward 11 - GL	0.1%	3.7%	-0.6%	2.8%	4.4%	0.2%
Ward 11 - TOTAL	0.4%	3.7%	-0.3%	0.5%	3.3%	0.3%
Ward 12	0.7%	3.2%	-3.0%	-2.9%	0.9%	0.0%
Ward 13	0.6%	1.0%	1.6%	0.8%	10.4%	0.7%
Ward 14 - AN	-2.5%	N/A	-4.6%	N/A	1.2%	-2.4%
Ward 14 - FL	-0.5%	2.6%	2.5%	-7.9%	9.1%	-0.2%
Ward 14 - TOTAL	-0.8%	2.6%	2.3%	-7.9%	7.5%	-0.5%
Ward 15	0.3%	-3.4%	2.9%	-2.1%	8.4%	0.4%
TOTAL	1.2%	-1.7%	-0.3%	-10.7%	5.6%	0.0%

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As expected, the property classes experiencing above-average assessment increases (Residential and Farm) are experiencing reassessment-related tax increases. The property classes experiencing below-average assessment increases (Industrial and Multi-Res) are experiencing reassessment-related tax decreases. The Commercial property class is experiencing a minor reassessment-related benefit since the average assessment change of 5.0% is close to the City's average of 6.0%

Due to the significant reduction in values in the Industrial property class and lower than average increases in the Multi-Residential and Commercial property classes, the Residential property class is facing a reassessment-related increase of 1.2% (excluding budget, tax policy and education impacts). In addition, there will be a shift between wards. Although the Farm property class is also experiencing a reassessment-related tax increase, farm properties are taxed a rate that is only 0.1767 of the residential tax rate and therefore, the dollar impact on average will not be as significant. As stated previously, these impacts are simply averages. Each ward will have properties experiencing reassessment-related tax impacts that differ from these averages.

The impacts shown in Table 2 are for municipal taxes only. The 2017 education tax rates, which are prescribed by the Province, are not yet available. In a general reassessment, the Province restates the education tax rates to take into account the change in property values. For Residential properties (including Multi-Res), the Province adjusts the education tax rate to offset the province-wide average assessment change, while for Non-Residential properties the Province adjusts the education tax rate to offset the municipality-specific average assessment change.

On average, residential property values increased province-wide by approximately 22% from January 2012 to January 2016, which translates into an average increase of 5.5% for each of the next four years (2017-2020), which is lower than Hamilton's average of 6.5% (small differences between the City's calculation and the Provincial calculation could occur due to exempt properties, PILs, etc.). However, the difference between the Province's and the City's average assessment for the aggregate class (Residential, Multi-Residential and New Multi-Residential) is not known at this time since the assessment increase of the Multi-Residential property class in the City is lower than that of the Province. Therefore, the impact of the education taxes is uncertain. Staff will update Council as soon as the information becomes available.

Transition Ratios and Tax Policies

Tax shifts between property classes occur as property values (as determined by MPAC) in certain property classes increase at a greater rate than other property classes. In the case of this latest reassessment, Hamilton's Residential and Farm property values increased, on average, at a faster rate than the remaining property classes, as previously shown in Table 1.

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To offset the reassessment-related tax shifts, municipalities have the option to establish transition ratios. Considering the significant tax impact in the Residential property class due to reassessment, staff will be recommending the use of transition ratios for the 2017 tax year.

The formula to determine transition ratios is prescribed by the Province. If a municipality elects to offset reassessment tax shifts, it must use the calculated transition ratios for all property classes. Tables 3 and 4 identify the proposed transition ratios and the tax impact after applying these transition ratios.

TABLE 3

	2016 Final Tax Ratios	Proposed 2017 Transition Ratios	Provincial Threshold	Provincial Range of Fairness
Residential	1.0000	1.0000		1.0
Multi-Residential	2.7400	2.8195	2.7400	1.0 - 1.1
Commercial	1.9800	2.0087	1.9800	0.6 - 1.1
Industrial - Residual	3.0900	3.4684	2.6300	0.6 - 1.1
Industrial - Large	3.6234	4.0671	2.6300	0.6 - 1.1
Pipeline	1.7367	1.7947		
Farm	0.1767	0.1767		

TABLE 4

**CITY OF HAMILTON
2017 CVA REASSESSMENT (YEAR 1 OF 4 YEAR PHASE-IN)
AVERAGE % IMPACT ON MUNICIPAL TAXES - AFTER PROPOSED TRANSITION RATIOS**

	Residential	Multi-Residential	Total Commercial	Total Industrial	Farm	Total
Ward 1	2.1%	2.3%	3.2%	6.2%	N/A	2.4%
Ward 2	2.0%	1.9%	6.3%	10.1%	N/A	3.1%
Ward 3	2.1%	3.8%	0.1%	-8.9%	N/A	0.1%
Ward 4	0.5%	2.1%	-0.6%	-13.9%	N/A	-2.9%
Ward 5	-0.1%	0.2%	-1.4%	8.0%	27.5%	0.0%
Ward 6	0.0%	-2.5%	1.4%	11.5%	-0.3%	0.2%
Ward 7	0.4%	-5.2%	-3.3%	14.3%	2.3%	-1.1%
Ward 8	0.1%	-5.8%	1.7%	14.0%	2.3%	-0.3%
Ward 9	-0.1%	-1.6%	-4.0%	-28.5%	-4.1%	-1.1%
Ward 10	0.0%	10.6%	-2.3%	6.9%	19.9%	0.6%
Ward 11 - SC	-0.2%	N/A	0.2%	9.6%	-1.2%	1.2%
Ward 11 - GL	-1.0%	4.2%	-0.3%	14.1%	3.3%	0.1%
Ward 11 - TOTAL	-0.7%	4.2%	0.0%	11.5%	2.2%	0.5%
Ward 12	-0.4%	4.7%	-2.7%	7.8%	-0.2%	-0.5%
Ward 13	-0.5%	2.7%	1.9%	11.9%	9.2%	0.1%
Ward 14 - AN	-3.6%	N/A	-4.3%	N/A	0.1%	-3.4%
Ward 14 - FL	-1.6%	4.4%	2.9%	2.3%	7.9%	-0.8%
Ward 14 - TOTAL	-1.9%	4.4%	2.6%	2.3%	6.4%	-1.1%
Ward 15	-0.8%	-1.7%	3.3%	8.7%	7.2%	0.0%
TOTAL	0.1%	0.0%	0.0%	-0.9%	4.5%	0.0%

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However, for the 2017 tax year, any municipality with a Multi-Residential tax ratio above 2.0 will be subject to tax ratio and levy restrictions. That means that the tax ratio must be set to the lower of the transition ratio or the 2016 ratio to avoid any reassessment shifts to be passed onto the Multi-Residential property class.

In addition, the tax ratio for the Commercial Property class would rise above the provincial threshold and therefore, the class would be restricted from levy increases. A levy restriction limits a municipality’s ability to pass on budgetary increases to a maximum of 50% of any budgetary increase applied to the Residential property class.

In order to comply with the recent legislation preventing reassessment shifts to be passed into the Residential property class, the tax ratio for this class will be reduced to the 2016 level. Also, in order to avoid the levy restriction to the Commercial property class, staff will be recommending to lower the Commercial tax ratio to the 2016 level of 1.9800, which is also the Provincial Threshold.

The tax ratio for the Industrial property class will continue to be above the Provincial threshold and therefore, the levy restriction will continue to apply. The proposed transition and tax policy ratios are shown in Table 5 below.

TABLE 5

	2016 Final Tax Ratios		Proposed 2017 Transition Ratios		Proposed Transition + Tax Policy Ratios		Provincial Threshold	Provincial Range of Fairness
Residential	1.0000	→	1.0000	→	1.0000	→		1.0
Multi-Residential	2.7400		2.8195		2.7400		2.7400	1.0 - 1.1
Commercial	1.9800		2.0087		1.9800		1.9800	0.6 - 1.1
Industrial - Residual	3.0900		3.4684		3.4684		2.6300	0.6 - 1.1
Industrial - Large	3.6234		4.0671		4.0671		2.6300	0.6 - 1.1
Pipeline	1.7367		1.7947		1.7947			
Farm	0.1767		0.1767		0.1767			

Tables 6 and 7 show the tax impacts of the reduction of the tax ratios of the Multi-Residential and Commercial property classes and the combined tax impact of the transition ratios and tax policies.

TABLE 6

CITY OF HAMILTON
 2017 CVA REASSESSMENT (YEAR 1 OF 4 YEAR PHASE-IN)
 AVERAGE % IMPACT ON MUNICIPAL TAXES - IMPACT OF TAX POLICIES

	Residential	Multi-Residential	Total Commercial	Total Industrial	Farm	Total
Ward 1	0.6%	-2.2%	-0.9%	0.6%	N/A	-0.2%
Ward 2	0.6%	-2.2%	-0.9%	0.6%	N/A	-0.9%
Ward 3	0.6%	-2.2%	-0.9%	0.6%	N/A	-0.1%
Ward 4	0.6%	-2.3%	-0.9%	0.6%	N/A	0.0%
Ward 5	0.6%	-2.3%	-0.9%	0.6%	0.5%	-0.4%
Ward 6	0.6%	-2.3%	-0.9%	0.6%	0.5%	-0.1%
Ward 7	0.6%	-2.3%	-0.9%	0.6%	0.5%	-0.1%
Ward 8	0.6%	-2.3%	-0.9%	0.6%	0.5%	0.2%
Ward 9	0.5%	-2.3%	-0.9%	0.5%	0.5%	0.0%
Ward 10	0.5%	-2.3%	-0.9%	0.5%	0.5%	0.2%
Ward 11 - SC	0.5%	N/A	-0.9%	0.5%	0.5%	0.2%
Ward 11 - GL	0.5%	-1.1%	-0.9%	0.5%	0.5%	0.3%
Ward 11 - TOTAL	0.5%	-1.1%	-0.9%	0.5%	0.5%	0.3%
Ward 12	0.5%	-2.0%	-0.9%	0.5%	0.5%	0.3%
Ward 13	0.5%	-2.3%	-0.9%	0.5%	0.5%	0.1%
Ward 14 - AN	0.5%	N/A	-1.0%	N/A	0.5%	0.5%
Ward 14 - FL	0.5%	-2.4%	-1.0%	0.5%	0.5%	0.3%
Ward 14 - TOTAL	0.5%	-2.4%	-1.0%	0.5%	0.5%	0.4%
Ward 15	0.5%	-2.3%	-0.9%	0.5%	0.5%	0.3%
TOTAL	0.5%	-2.2%	-0.9%	0.5%	0.5%	0.0%

TABLE 7

CITY OF HAMILTON
 2017 CVA REASSESSMENT (YEAR 1 OF 4 YEAR PHASE-IN)
 AVERAGE % IMPACT ON MUNICIPAL TAXES - AFTER TRANSITION RATIOS AND TAX POLICIES

	Residential	Multi-Residential	Total Commercial	Total Industrial	Farm	Total
Ward 1	2.7%	0.1%	2.4%	6.8%	N/A	2.2%
Ward 2	2.6%	-0.4%	5.4%	10.6%	N/A	2.2%
Ward 3	2.6%	1.6%	-0.8%	-8.3%	N/A	0.0%
Ward 4	1.1%	-0.2%	-1.5%	-13.3%	N/A	-3.0%
Ward 5	0.4%	-2.1%	-2.3%	8.5%	28.0%	-0.4%
Ward 6	0.6%	-4.7%	0.5%	12.0%	0.2%	0.1%
Ward 7	1.0%	-7.5%	-4.2%	14.9%	2.8%	-1.1%
Ward 8	0.6%	-8.0%	0.9%	14.5%	2.9%	-0.1%
Ward 9	0.4%	-3.8%	-4.9%	-28.0%	-3.6%	-1.1%
Ward 10	0.5%	8.3%	-3.2%	7.4%	20.4%	0.8%
Ward 11 - SC	0.3%	N/A	-0.7%	10.1%	-0.8%	1.4%
Ward 11 - GL	-0.5%	3.2%	-1.2%	14.6%	3.7%	0.5%
Ward 11 - TOTAL	-0.2%	3.2%	-1.0%	12.0%	2.6%	0.8%
Ward 12	0.1%	2.7%	-3.6%	8.3%	0.3%	-0.2%
Ward 13	0.0%	0.4%	1.0%	12.5%	9.7%	0.3%
Ward 14 - AN	-3.1%	N/A	-5.3%	N/A	0.6%	-2.9%
Ward 14 - FL	-1.1%	2.1%	1.9%	2.7%	8.4%	-0.4%
Ward 14 - TOTAL	-1.4%	2.1%	1.7%	2.7%	6.8%	-0.8%
Ward 15	-0.3%	-4.0%	2.4%	9.2%	7.7%	0.3%
TOTAL	0.6%	-2.3%	-0.9%	-0.4%	4.9%	0.0%

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The reassessment-related tax impact on the Residential property class would be reduced to 0.6% as shown in Table 7, from the 1.2% shown in Table 2 without transition ratios and tax policy, while the other classes will continue to see a reassessment-related tax benefit.

The Multi-Residential property class as a whole, including properties in the Multi-Residential and New Multi-Residential property classes, would have a tax reduction of -2.3%. This reduction is beyond the legislated requirement of 0% increases due to reassessment because this class is experiencing a reassessment-related benefit (3.5% increase vs. 6.0% increase city-wide as per Table 1) that cannot be passed onto the other classes when the tax ratios are applied.

Levy Restrictions and Budget Impact

As previously mentioned, in addition to the existing levy restriction in the Industrial property class for 2017, new provincial legislation is preventing that any budgetary increases to be passed onto the Multi-Residential property class.

In order to comply with the legislation, the tax ratios for Industrial and Multi-Residential property classes will have to be reduced. Subject to approval by Council and the current budget of \$857.6 M, the 2017 proposed tax ratios would be as follows:

TABLE 8

	2016 Final Tax Ratios	Proposed 2017 Transition Ratios	Proposed Transition + Tax Policy Ratios	2017 Proposed Tax Ratios	Provincial Threshold	Provincial Range of Fairness
Residential	1.0000	1.0000	1.0000	1.0000		1.0
Multi-Residential	2.7400	2.8195	2.7400	2.6453	2.7400	1.0 - 1.1
Commercial	1.9800	2.0087	1.9800	1.9800	1.9800	0.6 - 1.1
Industrial - Residual	3.0900	3.4684	3.4684	3.4129	2.6300	0.6 - 1.1
Industrial - Large	3.6234	4.0671	4.0671	4.0021	2.6300	0.6 - 1.1
Pipeline	1.7367	1.7947	1.7947	1.7947		
Farm	0.1767	0.1767	0.1767	0.1767		

The final tax ratio for the Multi-Residential property class is lower than the Provincial threshold while the ratio of the Industrial property class continues to be above the Provincial threshold.

The preliminary result of the combined impact of the reassessment, transition ratios, tax policy, budget and levy restrictions is shown in Table 9 below.

TABLE 9

CITY OF HAMILTON
 2017 CVA REASSESSMENT (YEAR 1 OF 4 YEAR PHASE-IN)
 AVERAGE % IMPACT ON MUNICIPAL TAXES - INCLUSIVE OF TRANSITION RATIOS, TAX POLICIES AND BUDGET

	Residential	Multi-Residential	Total Commercial	Total Industrial	Farm	Total
Ward 1	6.4%	0.2%	6.0%	8.9%	N/A	5.2%
Ward 2	6.3%	-0.3%	9.1%	12.8%	N/A	4.5%
Ward 3	6.3%	1.6%	2.8%	-6.6%	N/A	2.9%
Ward 4	4.7%	-0.2%	2.0%	-11.7%	N/A	-0.1%
Ward 5	4.0%	-2.1%	1.3%	10.7%	31.9%	2.4%
Ward 6	4.2%	-4.6%	4.1%	14.3%	3.2%	3.1%
Ward 7	4.6%	-7.3%	-0.7%	17.2%	5.8%	2.1%
Ward 8	4.2%	-7.9%	4.5%	16.8%	5.9%	3.2%
Ward 9	3.6%	-4.1%	-1.9%	-27.2%	-1.3%	1.6%
Ward 10	3.7%	7.6%	-0.1%	9.0%	24.1%	3.7%
Ward 11 - SC	3.0%	N/A	2.0%	11.3%	1.5%	3.9%
Ward 11 - GL	2.0%	3.3%	1.5%	15.8%	6.0%	2.9%
Ward 11 - TOTAL	2.4%	3.3%	1.8%	13.2%	4.9%	3.3%
Ward 12	3.2%	2.6%	-0.5%	9.9%	2.6%	2.8%
Ward 13	3.8%	0.7%	4.9%	15.0%	13.2%	3.8%
Ward 14 - AN	-1.0%	N/A	-3.2%	N/A	2.7%	-0.9%
Ward 14 - FL	1.0%	0.5%	4.0%	3.2%	10.7%	1.6%
Ward 14 - TOTAL	0.7%	0.5%	3.8%	3.2%	9.1%	1.3%
Ward 15	2.8%	-3.8%	6.0%	11.2%	10.0%	3.4%
TOTAL	3.9%	-2.2%	2.5%	1.3%	7.2%	2.9%

The preliminary tax impact of the Residential tax class, subject to budget and tax policies approval by Council, would be approximately 3.9%.

The Multi-Residential property class will benefit significantly from the restriction to pass any reassessment shifts to this class and also from the legislated levy restriction and would have a tax reduction of approximately (2.2%) for the 2017 tax year.

The Commercial property class would have a tax impact of approximately 2.5% which is below the City’s average of 2.9%, mainly due to the lower than average reassessment. As shown in Table 8, the tax ratio for the Commercial property class will remain at the 2016 level in order to avoid any levy restrictions.

Similarly, the Industrial property class would benefit significantly from the decrease it is experiencing in reassessment and after the proposed transition ratios, tax policies and the preliminary budget to date (subject to Council approval), it would have a total tax impact of approximately 1.3%.

Finally, the Farm property class would have a tax impact of 7.2%. As shown in Table 8, this class has a tax ratio significantly below the Residential tax ratio.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” – Change in Property Values due to Reassessment by Ward: Full Assessment Value

Appendix “B” – Average Residential Property Values by Ward

GR/dt