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## SCRAP THE 2008 PROPERTY ASSESSMENTS!

*CAPTR and WRAFT say keeping new, out of date valuations will unfairly penalize thousands of Ontario homeowners*

TORONTO, ON -- The Government of Ontario should cancel the most recent round of province-wide property assessments, and completely re-examine the property assessment and taxation system. Those recommendations are contained in a letter sent today to Ontario Finance Minister Dwight Duncan, by the Coalition After Property Tax Reform (CAPTR), which is strongly supported by the Waterfront Ratepayers After Fair Taxation (WRAFT) – the two most prominent lobby groups on behalf of Ontario home and cottage owners.

The following two paragraphs are taken from the letter.

“Real estate markets are volatile and this has never been more clearly evident than in 2008 in Ontario. The sharp decline in property values which commenced during the current year has meant that the 2008 assessment is out of line with the new market reality. Homeowners may not understand the complexities of the system but they do understand that their recent assessment does not reflect the value today of their properties. To make matters worse, those who are concerned with the reduced value of their homes since the assessment will have to wait four years in order to get their next assessment.

“If all properties increased or decreased at the same rates there would not be a problem since municipalities could adjust tax rates to offset average assessment increases. **But this is not what happens.** Those properties which experienced higher than average increases in value will be hit with assessment-related tax hikes in each of the next four years. Those same urban and waterfront properties which had the greatest appreciation in value will, as in the last major real estate market crash in the early 1990’s, be faced with the sharpest declines in value while paying those inflated taxes. No resulting tax relief will be forthcoming until 2013. At that time, more stable residential areas will suffer sharp tax increases as a result of this volatile and unfair regime.”

“It’s simply unfair,” said Bob Topp, Chair of CAPTR. “And it’s just one more indication that the entire property assessment/property tax system in Ontario is very deeply flawed, whether it’s city homes or lakefront properties. That’s why we’ve asked the

Finance Minister to not only scrap the new assessments, but also to take the time to review and overhaul the entire process.”

CAPTR and WRAFT are urging the Government to simply use the last round of assessments, completed in 2005. Municipalities would continue to levy property taxes in the same proportions they have been using for the past three years.

“Premier McGuinty himself has publicly recognized that the assessments are out of whack compared to when they were completed last January, due to the sharp decline in housing prices this year,” said Mr. Topp. “But for some strange reason, he and his Finance Minister seem to think that the problem will be solved if municipal governments would just decide to hold their taxes down. That would be nice, but it doesn’t solve the problem of individual homeowners’ share of taxes, which is now unjust in hundreds of thousands of cases. “

Now is the time for the Government to act, say CAPTR and WRAFT, on the eve of municipal council meetings in which budgets are finalized and taxes assessed for 2009. CAPTR and WRAFT are also urging property owners in the Greater Toronto Area to attend a public meeting on Wednesday, January 28<sup>th</sup>, 2009, with officials from the Municipal Property Assessment Corporation (details are on the CAPTR website at [www.captr.org](http://www.captr.org).)

“Will anyone be angry if we stick with the old assessments? I doubt it,” said Mr. Topp. “But if the Government goes ahead with the 2008 assessments, hundreds of thousands of homeowners will be penalized.

“Will anyone be angry then? I think you can count on that.”

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