



KENORA DISTRICT MUNICIPAL ASSOCIATION

SUBJECT: MPAC Multi-Residential Valuation

SUBMITTED BY: The City of Dryden

YEAR: 2021

BACKGROUND: The current MPAC Multi-Residential assessment approach has resulted in a significant property tax revenue loss for municipalities and places and inequitable financial burden on other municipal property classes.

RECOMMENDATION:

WHEREAS the Municipal Property Assessment Corporation (MPAC) uses one of three approaches to establish an assessed value for properties, including a direct comparison approach, income approach and cost approach; and

WHEREAS MPAC does not utilize property specific data (rental income, operating expenses, and vacancy rates) in determining an assessed value for a Multi-Residential property, but rather they use averages, resulting in only the Multi-Residential properties that operate within those averages being assessed at correct values; and

WHEREAS the current MPAC average rental income values used when assessing a Multi-Residential property's value do not accurately portray the real value of the property. For example, the City of Dryden has seen properties charging a monthly 2 bedroom-unit rent in excess of \$2,000 but the MPAC average rental income is \$773; and

WHEREAS MPAC holds a legal monopoly with regards to assessing properties in Ontario and if a Municipality is not satisfied with MPAC's services, they cannot choose a different vendor; and

WHEREAS the only recourse that Municipalities have when they feel properties are not assessed appropriately is to conduct time consuming and costly appeals to those assessments,

NOW THEREFORE BE IT RESOLVED THAT the Kenora District Municipal Association supports the City of Dryden in its request for the Minister of Finance to work with MPAC to introduce reform to Multi-Residential assessment where those assessments are based on property specific information or, at the very least, allocating Multi-Residential properties into sub-classes such as low-income, average-income, and high-income properties and then using averages within the sub-class for assessment purposes.

**COMMITTEE ACTION
CONVENTION ACTION**

**Concurrence Carried February 18th
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A handwritten signature in blue ink, appearing to read 'K. Kahoot', is written over a horizontal line.

**Kevin Kahoot
President Executive Committee
February 18th 2021**

Resolution #2021-05