



The banner features a blue sky background with a white house silhouette. On the left, there are three award logos: 'SALES ACHIEVEMENT AWARD 2006', 'SERVICE SINCE 2003', and 'ROYAL LePAGE Team Realty'. The name 'Howard Marling' is written in a large, stylized font, with 'Broker' underneath. The phone number '613 592 6400' is prominently displayed. At the bottom, the slogan 'Taking Real Estate Service To New Heights!' is written in a dark blue bar, and the website 'www.Marling.ca' is on the right.

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Property Tax Assessments Demystified

The following article appeared in the April 1 issue of the EMC community newspapers. President Heather Skuce is using the President's Pen column offered to the Board by EMC to provide information to the public about the real estate market and to showcase the benefits of working with a member.

Assessing a property's value for the purpose of calculating property tax is a complicated process involving many variables (and a lot of math). Fortunately, the Municipal Property Assessment Corporation (MPAC) has recently made some changes that can help homeowners gain a better understanding of how their property is assessed – and what that means for their tax bill.

A three-year freeze on property assessments ended on January 1 of this year, and MPAC staff is currently engaged in reassessing every property in Ontario. New assessments will be mailed to property owners in September, and will be effective for the 2009 through 2012 tax years. >From now on, property values will be reassessed regularly every four years.

Assessments are intended to determine the “current value” of each property. Current value means the price a property might reasonably be expected to sell for, in its current condition, on the open market. The newly-redesigned MPAC web site (www.mpac.ca) contains a wealth of information about how properties are evaluated. According to MPAC, the 5 major factors that account for about 85 per cent of the value of any residential property are:

- Age of the house
- Building area
- Location
- Lot dimensions
- Quality of Construction

Other features that may affect value include number of bathrooms, fireplaces, garages, pools, and whether the property has water frontage. All these features are analyzed with sales of comparable properties in the community to determine the current value assessment. That number is used by the City of Ottawa to calculate the owner's property tax bills for the next 4 years. (If a property increases in value, the increase will be phased in over the 4 years; if it decreases, the entire decrease will come into effect immediately.) The city multiplies a home's assessed value by the tax rates for each of the municipal and education portions of the bill, and adds the two numbers together to determine the amount an owner pays.

A section of MPAC's web site called “About My Property” allows any property owner to review their assessment, along with those of up to twelve other properties of their choice, to compare assessment information for similar properties and help determine whether their property's assessed value is accurate.

What if an owner feels that his or her assessment is inaccurate? A brochure sent out with all assessment notices includes information about how to report inaccuracies and file a complaint or challenge. A page on MPAC's web site called “Resolving Assessment Concerns” offers a direct link to the Request for Reconsideration form, as well as details on how an appeal to the Assessment Review Board (ARB) can be made.

In the case of an appeal, a REALTOR® member of the Ottawa Real Estate Board may be able to provide some assistance; as with any professional advice, there may be a cost for this service. Anyone, including a REALTOR®, may be called by an appellant to provide evidence at an ARB hearing. Whether they will be considered to have sufficient expertise to offer opinion evidence as an expert is up to the ARB.