MPAC Property Assessment and Taxation toolkit:

Key Messages

Ontario's property assessment and taxation system

Who MPAC is and what the organization does

- MPAC is Ontario's trusted source of property assessments and property data. MPAC assesses and classifies more than 5.7 million properties across the province and provides information that supports Ontario's property tax system.
- MPAC is an independent, not-for-profit corporation responsible for assessing and classifying all properties in Ontario. MPAC is funded by Ontario municipalities and governed by a Board of Directors appointed by the Ontario Minister of Finance. Its role and responsibilities are established by provincial legislation.
- Through reliable property data, insights, and expertise, MPAC helps property owners, municipalities, governments, and businesses make informed decisions and supports a better understanding of Ontario's property landscape and communities.

Who is responsible for assessments and taxes

- Ontario's property assessment and taxation system is a shared responsibility. The Province of Ontario establishes the legislative framework for assessment and taxation and determines education tax rates.
- MPAC determines property values; municipalities determine property taxes. MPAC provides assessment information to municipalities, while municipalities set local tax rates, collect property taxes, and fund local services.
- Property owners contribute through their property taxes. Municipal property taxes help fund local services, while the education portion of the property tax helps support Ontario's publicly funded education system.

How property assessments and property taxes work together

The relationship between assessment and taxation

- Property assessments and property tax rates work together to determine a property's tax bill. MPAC determines a property's classification and assessed value, while municipalities decide how much revenue is needed to fund local programs and services and set tax rates to raise that revenue.
- Municipalities use MPAC’s property assessments help determine each property's share of municipal taxes. Property assessments do not determine how much tax revenue a municipality collects.

- Property taxes help fund local services that we use every day. These services can include roads, transit, emergency services, parks, recreation, waste collection, water and wastewater infrastructure, and community facilities.

Assessment Updates don't change how much municipalities collect

- A province-wide Assessment Update does not generate additional revenue for municipalities. Municipalities decide how much revenue to raise through their annual budgets. If the total revenue required remains the same, tax rates are adjusted to ensure the municipality collects that amount of revenue.
  An Assessment Update determines each property's share of municipal taxes based on how its value has changed relative to other properties in the municipality.

How assessment changes affect property taxes during a province-wide Assessment Update

- During a province-wide Assessment Update, a change in assessed value does not automatically translate into the same change in property taxes. Municipal tax rates are based on both a municipality's revenue needs and the total assessed value of properties within the municipality.
- What matters most is how a property's value changes relative to similar properties in the municipality. If a property's assessed value increases more than average, its share of municipal taxes may increase. If it increases less than average, its share may decrease.

How assessment changes affect property taxes outside a province-wide Assessment Update

- Ontario is currently between province-wide Assessment Updates, with assessed values based on a January 1, 2016 valuation date. Outside of an update, most assessed values remain stable, but individual assessments can still change when a property changes – for example, through new construction, additions, or renovations.
  In these cases, changes to a property's assessed value can result in changes to the property's tax bill, depending on the applicable tax rates.

How property assessments are determined

Understanding the 2016 valuation date

- A property's assessment reflects its value as of January 1, 2016. Whether a property was built before or after that date, its assessment is based on what the property would have been worth on that valuation date.

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How assessed values are determined

- To establish a residential property's assessed value, MPAC analyzes sales of similar properties in the surrounding area. Based on this sales information, five major factors generally account for a property's assessed value:
  - Location: The neighbourhood plays a significant role, as desirability influences what buyers are willing to pay.
  - Lot dimensions: Lot area is calculated by multiplying frontage by depth.
  - Exterior square footage: The home's exterior is measured to determine the total building area, excluding the basement, deck, porch, and garage.
  - Building age (adjusted for renovations): Value reflects the home's actual condition, accounting for renovations or additions rather than the original construction year.
  - Construction quality: The materials and workmanship used in the home.
- Other factors, such as the presence of a finished basement, garage, secondary suite, or pool, may also affect a property's value.
- Properties are assessed using a consistent approach across Ontario, with the same valuation methodology and valuation date applied to all residential properties, including newly built homes.

When changes to your property affect your assessment

- Property assessments can change when a property changes. New construction, additions, renovations, secondary suites, and other significant changes may affect a property's assessed value, even when there is no province-wide Assessment Update.
- Changes to assessed value can affect property taxes. Municipalities use assessed values to determine each property's share of the municipal tax levy.

MPAC's work continues year-round

- A province-wide Assessment Update is not the only time property information changes. Throughout the year, MPAC updates property records to reflect changes such as new construction, renovations, demolitions, ownership changes, and changes in property use.
- MPAC provides municipalities with current property information to support Ontario's property tax system. Each year, MPAC delivers an updated assessment roll – a comprehensive list of properties and their assessed values – that municipalities use for taxation, planning, and local decision-making.
- MPAC helps Ontarians better understand the property landscape. Through data, research, and market insights, MPAC provides information that supports informed decisions across the province.

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Supporting property owners with assessment questions

Assessed value and sale price are not the same thing

- A property's assessed value and sale price are not the same thing. A sale price is the amount a willing buyer and a willing seller agree to at the time a property is bought or sold, reflecting market conditions on that date. An assessed value is based on a specific valuation date and a consistent valuation methodology, and is used by municipalities as part of the property tax system.

How homeowners can access information about their property (MPAC AboutMyProperty™)

- Every property owner in Ontario can access information about their property using MPAC AboutMyProperty™, a free online tool available at AboutMyProperty.ca.
- To register, property owners need their Roll Number and Access Key, which can be found on their Property Assessment Notice. Property owners who do not have their Property Assessment Notice can contact MPAC at 1-866-296-6722 to obtain their access details.
- Through MPAC AboutMyProperty™, homeowners can:
  - View detailed information about their property and how it was assessed
  - Compare their property to others in the neighbourhood
  - Review their property information
  - Access their Property Assessment Notices online and sign up for email notifications when a new notice is available
- If any property information appears incorrect, homeowners can contact MPAC to ask questions and provide updates.
- If a homeowner disagrees with their assessed value, they can submit a Request for Reconsideration through MPAC AboutMyProperty™ at no cost.

Property inspections

- Property inspections help keep property information up to date. MPAC may conduct inspections to verify property characteristics following new construction, renovations, a sale, a Request for Reconsideration, or as part of a broader property review.