

May 23, 2023

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**Subject: 2024 Property Tax Reassessment**

Dear Premier Ford,

We are writing today regarding the negative impacts the continued postponed property reassessment has had on Ontario business and property owners. On behalf of Canadian Federation of Independent Business (CFIB), Canadian Manufacturers & Exporters (CME), the Canadian Property Tax Association (CPTA), NAIOP Greater Toronto, Ontario Restaurant Hotel & Motel Association (ORHMA), and REALPAC we support Ontario undertaking a property tax reassessment in 2024.

By 2024, it will be 7 years since the last reassessment. In this period the other 9 provinces will on average have reassessed properties more than 6 times. The delayed reassessment is the last vestige of COVID-19 restrictions in Ontario. In its current state Ontario's property tax assessment system is compromising the province's economic competitiveness.

The Province needs to ensure its property tax system is attractive to business. Investments are being delayed or deferred partly due to the absence of any guidance on the timing of the next reassessment and the resulting uncertainty regarding future property tax liability. Additionally, freezing property assessments at pre-pandemic levels means property classes which were most detrimentally affected by the pandemic continue to be taxed based on market values from near the peak of their profitability. The market value of those property classes has decreased relative to other property classes. The property classes which have suffered the most through the pandemic, whose financial performance (and current market value) makes them least able to afford to pay property tax based on January 2016 values continue to be penalized.

Reassessments redistribute the tax burden so that commercial properties whose values have increased relative to other property classes (value essentially a proxy for ability to pay) pay an increased share of property taxation. Frequent reassessments do not

increase property taxes, they stabilize and make property taxes more predictable, and increase the assessment base for municipalities which would allow for a decrease in tax rates rather than headlines highlighting an increase in tax rates.

Interim solutions such as claw backs, tax capping, tax banding or phase-in assessments create red tape, hinder the province's economic competitiveness, and have created the most cumbersome property tax system in Canada.

We urge the province to formally commit to a general reassessment for the 2024 tax year and to implement a system which reduces the time between the valuation date and tax year to ensure properties are being taxed at their current market value.

We would appreciate the opportunity to discuss this matter with your office at your earliest convenience.

Sincerely,



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**About Canadian Federation of Independent Business.** CFIB is the country's champion of small business. With over 97,000 members, we're Canada's largest non-profit organization devoted to creating and supporting an environment where business can succeed.

**About Canadian Manufacturers & Exporters.** CME has been advocating for and representing member interests for 150 years. We have earned an extensive and effective track record of working for and with 2,500 leading manufacturers from coast to coast to help their businesses grow. Our success comes from integrating the association with industry, being run by manufacturers for manufacturers.

**About Canadian Property Tax Association.** The CPTA brings together top corporate property tax officers, lawyers, tax consultants, and government officials. Since its inception in 1967, the CPTA has consistently worked to provide members the opportunity to stay informed on new developments in assessment and property tax, to advocate for change and to network with the foremost assessment and taxation professionals across Canada.

**About NAIOP Greater Toronto.** NAIOP's members are the owners, developers and managers and related industry advisors for the office, industrial, retail and mixed-use real estate industry across the Greater Toronto Area. NAIOP has over 1,200 members from 300 companies across the GTA. As part of our mandate, we undertake policy work to assist governments as they respond to ever-changing economic challenges.

**About Ontario Restaurant Hotel & Motel Association.** ORHMA is the largest provincial hospitality association in Canada. With over 4,000 members, representing more than 11,000 establishments across the province, ORHMA is uniquely positioned to represent the issues that most impact business.

**About REALPAC.** REALPAC is the leading national association representing Canada's commercial real estate industry. Our 130+ members include publicly traded real estate companies, real estate investment trusts ("REITs"), private companies, pension funds, fund managers, banks, and life insurance companies, with cumulative real estate assets under management of around \$1 trillion CAD. In over 50 years of existence, we have provided policy background and advice to governments at all levels. We pride ourselves on being well researched, respectful, and thoughtful.