MULTI-RESIDENTIAL PROPERTY TAXATION SUB-COMMITTEE
MINUTES
January 31, 2008
1:30 p.m.
Room 207, Hamilton Convention Centre

Present: Chair, Councillor R. Powers, B. McHattie, S. Merulla,
B. Bratina, A. Cranbury, T. Cooper, A. Pathak, D. Horwood,
L. Laviolette, L. Handanovic, T. Greco

Absent with regrets: D. Cameron, D. Grover,

Also Present: T. Hewitson, M. DiSanto, M. Gallagher

1. CALL TO ORDER

Councillor Powers called the meeting to order.

2. ADOPTION OF MINUTES

2.1 Minutes of the November 20, 2007

(Cranbury/Laviolette)
That the minutes be adopted as presented. CARRIED.

3. PRESENTATION – MPAC

Members of MPAC, Dave Baulcomb, Jennifer McConkey and Taylor
McDaniel provided a power point presentation as requested by
Committee.

Taylor provided an overview of the following:

- organization chart of MPAC
- multi-residential valuation theory
- Global Analysis – 2005 CVA
- Analytical process
- IAAO Statistical Standards
- Provincial Results
- ASR’s by Region
- Hamilton Rental Stock
- Sample General Property Information for multi-residential
properties
Committee addressed the following issues during the presentation:

- **How to define poor/average and good?**
  Bulk of properties are average by nature, poor generally is a judgement call by the assessor. If the property is experiencing huge vacancy because of condition of units, i.e., contamination, roof leaking, etc. but a property has to be fairly chronic to meet that description.
  Good – brand new building

- **Does this system encourage landlords not to maintain properties?**
  No. The system is market value and it’s important that that’s what we are reflecting. If the sale price of a building is reflective of the poor condition it will be reflected in evaluation.

- **Trying to obtain data - Informing renters of how much taxes they pay vs. rent they pay.** Anything holding back from providing the City with breakdown of taxes for individuals in a building?
  Something that can be explored with Jennifer or Dave. Information is personal information with confidentiality coming to MPAC only.

- **Inequity from multi res and individual ratepayer – as a result of legislation we are limited – from your perspective what do you believe needs to occur at the province to find a solution to this inequity?**
  My task to value a property at market value – the apartment buildings on per unit basis is lower than condo. Why – its an element of ownership, an inherent value as a condo – added value process where rental unit does not. Economy of scale impact as well. Owner buying buildings is expecting return on investment. The important part is when we have each valued properly.

  Municipalities that have dealt with it – staff will provide that information for next meeting.

- **How do you handle the vacancy situation? – vacant based on potential – in a sense if a building has a 5 or 10 percent vacancy rate then the renters are subsidizing the units?**
  Potential income – what you paid for the property and factored in vacancy Gross income multiplier

  Renters likely know what their tax is and multipliers are
David Horwood suggested that renters are not aware and it comes as a huge shock to them. Per household may be paying more per unit per household for single family. The more someone pays for an apartment really does raise the amount of tax that the building will pay and corresponding results in a higher rent being charged to renter.

If you buy a property it does not mean that we will focus in on that property and raise assessment 0 we look at the whole class – i.e. 75 buildings sold – then that’s the market.

Market value has to be identified – what are they selling for? Taxes are the responsibility of the municipality.

- Region 19 – not withstanding is there a way to provide the city with a little more definitive snapshot of Hamilton area – more current work within the Hamilton area?
  In 2007 within the boundaries of Hamilton how many pieces of property changes, differential numbers –
  
  2003 to 2005 stats are available.
  Rate per unit basis – for 2005 was 44,000 per unit

- Is the data collected by MPAC used for the voter list?
  Yes names are on the form.
  Jennifer, David and Taylor will work to get more specific information and breakdowns for Hamilton.

- Is some of the aggregate info available to anyone on request?
  Fair market rent – sold primarily to housing authorities
  GIM Study – breakdown of what happened in that particular area – sold to tax agents

FOR NEXT MEETING – schedule two meetings in February

1. Arun Pathak and David Horwood to provide a breakdown on how taxes are calculated and passed onto tenants through their rent
2. Mill rate multipliers
3. Provincial legislation changes (include Creation of a tenant tax rebate – what legislation there is that prevents that from happening – is there any wiggle room – is there something similar – subsidy for low income tenants – to help offset high taxes.
The meeting adjourned at 2:45 p.m.

Respectfully submitted,

Councillor R. Powers

M. Gallagher, Co-ordinator