

Apartment tax rates to stay where they are, council decides

Property tax rates on apartments in 2010 will not move closer to those on single-family homes, but the city will lobby the province to examine tax-ratio fairness, council decided Wednesday.

Council approved a staff recommendation giving multi-residential properties — anything with more than six units under one roof — a tax rate that's 1.7 times more than

regular residential properties, the same ratio as 2009.

The tax rate on multi-residential housing units used to be much higher, until council decided years ago that it was unfair to tenants, discouraged high-density construction, and drove up rents by limiting the supply of apartments.

Council created a special lower tax rate for newly built multi-residential units in

2001, and has steadily pushed down the tax ratio for older buildings from 2.3359 times the regular residential rate in 2000 to 1.7 times in 2009. The difference is made up by owners of single-family homes.

On Wednesday, council narrowly voted down a proposal from Rideau-Rockcliffe Councillor Jacques Legendre and Bay Councillor Alex Cullen to lower the tax ratio to 1.65. That would have added another \$7 to the average homeowner's 2010 tax bill.

TLFT Note:

The headline is not completely accurate. What is staying the same is the tax ratio (ie. the relative position of apartment taxes and homeowner taxes). Both apartment taxes and homeowner taxes are going up by about 4% in 2010. For tenants, that may result in above-guideline rent increases as landlords pass the extra increase into tenants' rents.