

# Landlords want tax ratio lowered

**REPORT** The tax ratio for multi-residential units has gone down over the past decade, but landlords in Ottawa insist it needs to be reduced even further.

The multi-residential tax ratio is the difference that the owners of condominiums and apartments have to pay compared to residential property owners.

Last year, city council set the multi-residential tax ratio at 1.7, meaning apartment owners had to pay 70 cents more per dollar paid by homeowners.

On Monday, the city's audit budget and finance committee will consider a staff report recommending that the city hold the ratio at its current level.

The report states that Ottawa has one of the lowest multi-residential tax ratios in the province.

However, John Dickie, chair of the Eastern Ontario Landlord Organization, said the report is seriously flawed.

The multi-residential class includes all properties with more than six residential units under one title, including rowhouses, walk-up apartments and mid-to-high-rise buildings.

Dickie said forcing apartment owners to pay the same taxes as condo owners is a flawed system, because condos tend to be much larger and have a much greater value than apartment units.

"That's not fair," Dickie said. "The two units being compared are not the same."

In 2000, the multi-residential ratio was set at 2.34. Since then it has slowly decreased to 1.7.

ELO is asking for it to be around 1.4 for apartment units.

TIM WIECLAWSKI/METRO OTTAWA

### TFLT Note:

Tenants would be the main beneficiaries from a reduced multi-residential tax ratio.

When property taxes are reduced provincial law requires landlords to reduce tenants' rents.

On the other hand, if property taxes go up by more than the rent control guideline, landlords can apply to the Landlord and Tenant Board to recover the cost of the increase.

In 2010, the City plans to raise tenants taxes by 4% and so, tenants may face above guideline rent increases to pay for higher taxes. If tenants and landlords speak up we may avoid tax and rent increases.