

Report to WRAFT Membership

January 2008

THE YEAR AHEAD: MORE WORK TO DO

This past November WRAFT held its Annual Meeting and received a strong endorsement from its member associations to continue the battle for property tax reform—for which we are grateful. 2008 will be a critical year in that struggle. Without serious reform this year, 2008 assessments will bring massive tax hikes for hundreds of thousands of Ontario home and cottage owners.

In its 2007 budget the Liberal government took steps to make your tax burden more predictable in the short run. Your 2008 increase, which reflects the rise in real estate values for the years 2005 through 2007, will be phased in over the next four years. Any resulting tax increases will accordingly be phased in over the years 2009 to 2012. Then you will get assessed again in 2012.

Unfortunately this reform does not bring stability to the property tax system. Assessments will be carried out every four years and will *still* be subject to the vagaries of the real estate market; the inadequacy of sales transactions and lack of comparability in many areas; and the imprecision that is built into the assessment process. On top of that, less frequent assessment means that property owners in hot urban markets and in many waterfront areas will be clobbered when market highs coincide with the four year assessment cycle.

You will receive your 2008 assessment sometime this Fall. We plan to attempt to determine in advance the impact of that valuation in a few urban and waterfront areas. With that information we will make every effort to convince the government at Queens Park that further steps are essential to bring stability and long term predictability to the Ontario property tax regime. We continue to hear that municipalities need more funding to maintain infrastructure and tax increases are inevitable. In our view, Ontario homeowners cannot be expected to cover these cost increases and at the same time be exposed to assessment related tax shifts based purely on the vagaries of real estate markets.

Over the past four years, in our efforts to gain real reform to the property tax system, we have had a good hearing at Queens Park. We believe our views will continue to be heard and considered. We recognize that inequities in the property tax system are not a pressing issue for this government. **Still we want our members and all those who have supported us to know that we remain committed to bringing to Ontario property**

owners a more stable and equitable property tax regime. We will need your continued involvement and support to make this happen.

To strengthen and renew our efforts we have added two new directors to our Board.

- **Peter Oakes** has held a number of senior financial positions in the real estate industry across North America and is past President of the Association of Stony Lake Cottagers.
- **Bill Rowat** is retired and living in Lakefield. During his career he held a number of senior positions in the Federal government. He is currently President of the Bayfield Ratepayers Association and is a Director of the Huron Bruce Provincial Liberal Association.

We have also engaged the services of **James Deeks** who will be assisting in our stakeholder communications efforts. Jim has spent his career as a public relations specialist in Toronto. He is a past Director of the Muskoka Lakes Association.

We wish all WRAFT members and friends a prosperous and successful New Year.

Bob Topp
Executive Director, WRAFT