

## REPORT TO COUNTY COUNCIL

# 2025 Preliminary Assessment and Tax Analysis

**To:** Warden and Members of County Council

**From:** Director of Corporate Services

## RECOMMENDATION

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1. That Report CS 2024-43 entitled “2025 Preliminary Assessment and Tax Analysis”, be considered during 2025 budget deliberations.

## REPORT HIGHLIGHTS

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- 2024 estimated preliminary net assessment growth \$317.5 million (\$409.2 million – 2023)
- 2025 estimated County taxes on an average single family detached residential property valued at \$275,022 (based on MPAC’s January 1, 2016 current value assessment) is anticipated to increase by \$126 over 2024

## IMPLEMENTATION POINTS

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The information contained in this report is intended to provide Council with a preliminary view of the potential growth and other changes to the County’s assessment base, based on new assessment recorded to date in the current year. Once the revised assessment roll is released from the Municipal Property Assessment Corporation, municipalities will have the necessary information for purposes of assessment analysis and tax policy modeling in 2025.

### Financial Impact

The information contained in this report has no impact on the County’s budget or tax levy; rather it reflects a preliminary indication of how the County’s budget and tax levy will be distributed among the various property classes and average properties based on assessment values. Considering there is no phase-in of reassessed values, with 2024 tax being based on full CVA of the January 2016 property values, changes to the roll for 2025 will only reflect assessment generated by new and improved property, net of any deletions that occurred in 2024.

The assessment and tax revenue data referenced in this report is based on information compiled by Municipal Tax Equity<sup>1</sup> using assessment data generated by the Municipal Property Assessment Corporation (MPAC).

## Communications

The information contained in this report is intended to inform how preliminary assessment growth in the current budget year will impact the distribution of tax to be levied to taxpayers in the new year. As the assessment data is preliminary, it is subject to change at the time the final roll for 2025 tax purposes is received in December 2024. County Council considers the information in this report as integral to the annual budget approval process as it provides an indicator of the levy’s impact on taxpayers.




## 2023-2026 STRATEGIC PLAN

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Oxford County Council approved the [2023-2026 Strategic Plan](#) on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council’s vision of “Working together for a healthy, vibrant, and sustainable future.” These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goals.

### Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
<b>Promoting community vitality</b>	<b>Enhancing environmental sustainability</b>	<b>Fostering progressive government</b>
		<p style="color: #4f81bd;">Goal 3.1 – Continuous improvement and results-driven solutions</p> <p style="color: #4f81bd;">Goal 3.4 – Financial sustainability</p>

See: [Oxford County 2023-2026 Strategic Plan](#)

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<sup>1</sup> Preliminary In-Year Assessment and Levy Growth and Preliminary Levy Summary 2024, Municipal Tax Equity (MTE) Consultants Inc., dated October 25, 2024

## **DISCUSSION**

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### **Background**

The content of this report illustrates growth related implications recorded to date to the County's assessment for 2025 taxation and does not include market changes and the phase-in program that are typical annual adjustments as the Province delayed implementation of the four-year assessment cycle that was to be implemented in 2021 due to economic pressures caused by COVID-19. Following three consecutive postponements, on March 26, 2024, the Ontario government announced, in the *2024 Ontario Budget: Building a Better Ontario* ("2024 Budget"), deferral of the province-wide reassessment of property values indefinitely.

On the basis of the foregoing, property assessments for the 2025 property tax year will continue to be based on January 1, 2016 values. This means property assessment remains the same as it was for the 2024 tax year, unless there have been changes to the property, for example:

- changes to property including an addition, new construction, or renovation;
- a structure on a property was assessed for the first time;
- change to property's classification;
- property no longer qualifies as farmland, conservation land or managed forests; or
- all or part of a property no longer qualifies to be tax exempt.

The analysis contained in this report is based on tax rates for County general purposes only. Education tax rates and area municipal tax rates have not been included.

All tax calculations and tax levies have been calculated based on the following:

- assessment values have been derived from the County's 2024 roll revised by in-year assessment additions and deletions up to October 18, 2024;
- 2024 tax calculations are based on actual 2024 tax rates;
- revenue neutral rates have been calculated for the purposes of 2025 which, due to the absence of reassessment phase-in, are the same as the 2025 actual tax rates;
- the County's current tax ratio schedule has been applied for 2025; and
- tax rate calculations are based on taxable assessment and exclude payment in lieu properties unless explicitly illustrated.

### **New Aggregate Extraction Property Class**

In 2024 the Ministry of Finance established a temporary subclass for the active industrial portions of aggregate-producing properties (gravel pits and quarries). An additional regulation was filed that set a discount factor of 95% on the education tax rate for the temporary subclass, however it did not affect the municipal portion of the levy which continues to be taxed at the industrial rates. More recently, a third regulation was filed to create the new Aggregate Extraction property class, effective January 1, 2025, which will assume the assessments of the temporary aggregate subclass.

It is unknown at this time how, or if, the municipal portion of the tax bill may be impacted starting in 2025. It is important to note that there is potential for the Province to impose ratio reductions or limits that fall below the County's current industrial class ratio. If that were to occur, it would reduce the County's year-end revenue position.

**Comments**

2021 was intended to mark the first year of a revised four-year assessment cycle based on January 1, 2019 market values. In the absence of new assessment values being introduced in 2021 and further postponed for 2022, 2023, 2024 and now indefinitely, there are no year over year phase-in increases or decreases that will affect taxation results. The contents of this report have been prepared to provide a preliminary review of the growth in assessment at the property class level – see Tables 1 through 6 below that illustrate the following:

- Table 1 – 2024 Preliminary Assessment Growth
- Table 2 – 2024 Preliminary Revenue Growth (Annualized)
- Table 3 – Annual Growth Comparison – 2023 Actual to 2024 Preliminary
- Table 4 – Preliminary General Levy Change
- Table 5 – Preliminary 2025 Rates
- Table 6 – Preliminary Tax Impact on Average Single Family Residential Property

**Table 1 – 2024 Preliminary Assessment Growth** – provides a summary of the net effect of the annualized in-year changes to assessment for 2024 tax purposes. Growth includes physical changes to property such as new construction, additions, improvements and demolitions, as well as equity changes in value that are triggered by Minutes of Settlement, decisions of the Assessment Review Board, and refund applications – representing real changes in the County’s tax base, including growth and loss.

Property Tax Class	2024 Full CVA		Preliminary Growth	
	As Returned	Year to Date	\$	%
<b>Taxable</b>				
Residential	11,977,263,161	12,187,783,722	210,520,561	1.76%
Farm	6,606,275,367	6,610,040,857	3,765,490	0.06%
Managed Forest	13,934,200	14,594,800	660,600	4.74%
New Multi-residential	80,288,400	116,473,300	36,184,900	45.07%
Multi-residential	203,046,091	202,527,791	-518,300	-0.26%
Commercial	1,309,717,304	1,363,084,272	53,366,968	4.07%
Industrial	337,515,186	313,304,686	-24,210,500	-7.17%
Large Industrial	382,293,677	382,508,177	214,500	0.06%
Aggregate Extraction	0	36,862,200	36,862,200	100.00%
Pipeline	265,899,000	266,552,000	653,000	0.25%
<b>Sub-total Taxable</b>	<b>21,176,232,386</b>	<b>21,493,731,805</b>	<b>317,499,419</b>	<b>1.50%</b>
<b>Payments in Lieu</b>				
Residential	1,850,900	1,850,900	0	0.00%
Commercial	64,428,460	64,952,360	523,900	0.81%
Industrial	2,804,700	2,342,300	-462,400	-16.49%
Landfill	1,493,700	1,493,700	0	0.00%
<b>Sub-total PIL</b>	<b>70,577,760</b>	<b>70,639,260</b>	<b>61,500</b>	<b>0.09%</b>
<b>Total</b>	<b>21,246,810,146</b>	<b>21,564,371,065</b>	<b>317,560,919</b>	<b>1.49%</b>

**Table 2 – 2024 Preliminary Revenue Growth (Annualized)** – provides data illustrating the net revenue growth calculated as the difference in the returned roll tax amount and the preliminary year-end/revised roll. These calculations represent a full year of taxation and therefore are not

a true representation of the revenues that would have been realized in 2024 as many changes would not have been in effect for the full tax year.

Property Tax Class	2024 General Levy		Revenue Growth	
	As Returned	As Revised	\$	%
<b>Taxable</b>				
Residential	53,268,105	54,213,422	945,317	1.77%
Farm	6,401,282	6,404,932	3,650	0.06%
Managed Forest	15,504	16,239	735	4.74%
New Multi-residential	357,358	518,415	161,057	45.07%
Multi-residential	1,807,487	1,802,873	-4,614	-0.26%
Commercial	10,980,102	11,437,244	457,142	4.16%
Industrial	3,843,994	3,557,657	-286,337	-7.45%
Large Industrial	4,402,281	4,404,791	2,510	0.06%
Aggregate Extraction	0	431,507	431,507	100.00%
Pipeline	1,490,381	1,494,040	3,659	0.25%
<b>Sub-total Taxable</b>	<b>82,566,494</b>	<b>84,281,120</b>	<b>1,714,626</b>	<b>2.08%</b>
<b>Payments in Lieu</b>				
Residential	8,238	8,238	0	0.00%
Commercial	538,934	543,368	4,434	0.82%
Industrial	30,908	26,374	-4,534	-14.67%
Landfill	12,644	12,644	0	0.00%
<b>Sub-total PIL</b>	<b>590,724</b>	<b>590,624</b>	<b>-100</b>	<b>-0.02%</b>
<b>Total</b>	<b>83,157,218</b>	<b>84,871,744</b>	<b>1,714,526</b>	<b>2.06%</b>

Table 2a – 2024 Preliminary Revenue Growth (Annualized) 8 Year Comparative – provides data illustrating the percentage increases in net revenue growth over the eight-year period ending in 2024.

Year	Increase
2017	2.39%
2018	2.93%
2019	2.29%
2020	2.00%
2021	1.96%
2022	2.75%
2023	1.98%
2024*	2.08%

\*Note: As the 2024 preliminary assessment growth figures contained in this report are based on October 18, 2024 data, the analysis is subject to change with potential updates prior to being finalized and released by year end.

Table 3 – Annual Growth Comparison – 2023 Actual to 2024 Preliminary – illustrates how assessment growth related changes have occurred between 2023 and 2024 relative to property tax class.

Property Tax Class	Annualized Levy Growth			
	2023 Actual		2024 Preliminary	
	\$	%	\$	%
<b>Taxable</b>				
Residential	477,325	1.04%	945,317	1.77%
Farm	145,819	2.68%	3,650	0.06%
Managed Forest	403	3.06%	735	4.74%
New Multi-residential	113,014	56.70%	161,057	45.07%
Multi-residential	-18,110	-1.13%	-4,614	-0.26%
Commercial	295,830	3.18%	457,142	4.16%
Industrial	448,816	15.42%	-286,337	-7.45%
Large Industrial	-57,051	-1.46%	2,510	0.06%
Aggregate Extraction	0	0.00%	431,507	100.00%
Pipeline	-1,989	-0.15%	3,659	0.25%
<b>Sub-total Taxable</b>	<b>1,404,057</b>	<b>1.98%</b>	<b>1,714,626</b>	<b>2.08%</b>
Residential	-44	-0.61%	0	0.00%
Commercial	-2,668	-0.56%	4,434	0.82%
Industrial	-64	-0.24%	-4,534	-14.67%
Landfill	0	0.00%	0	0.00%
<b>Sub-total PIL</b>	<b>-2,776</b>	<b>-0.53%</b>	<b>-100</b>	<b>-0.02%</b>
<b>Total</b>	<b>1,401,281</b>	<b>1.97%</b>	<b>1,714,526</b>	<b>2.06%</b>

2023 Actual Revenue Growth was measured as of roll return for 2024 taxation and 2024 Preliminary Growth contained in this report is based on data extracted on October 18, 2024.

**Table 4 – Preliminary General Levy Change** – compares the 2025 preliminary tax levy (\$92,960,410 – subject to rounding) to the 2024 annualized year-end levy as distributed to each of the property tax classes.

Property Tax Class	Preliminary General Levy Change		Levy Change	
	Year to Date	Preliminary 2025		
	\$	\$	\$	%
<b>Taxable</b>				
Residential	54,213,422	59,796,359	5,582,937	10.30%
Farm	6,404,931	7,064,481	659,550	10.30%
Managed Forest	16,240	17,912	1,672	10.30%
New Multi-residential	518,415	571,801	53,386	10.30%
Multi-residential	1,802,874	1,988,535	185,661	10.30%
Commercial	11,437,242	12,615,059	1,177,817	10.30%
Industrial	3,557,656	3,924,024	366,368	10.30%
Large Industrial	4,404,791	4,858,397	453,606	10.30%
Aggregate Extraction	431,507	475,944	44,437	10.30%
Pipeline	1,494,040	1,647,896	153,856	10.30%
<b>Sub-total Taxable</b>	<b>84,281,118</b>	<b>92,960,408</b>	<b>8,679,290</b>	<b>10.30%</b>
Residential	8,238	9,087	849	10.31%
Commercial	543,367	599,324	55,957	10.30%
Industrial	26,375	29,091	2,716	10.30%
Landfill	12,644	13,946	1,302	10.30%
<b>Sub-total PIL</b>	<b>590,624</b>	<b>651,448</b>	<b>60,824</b>	<b>10.30%</b>
<b>Total</b>	<b>84,871,742</b>	<b>93,611,856</b>	<b>8,740,114</b>	<b>10.30%</b>

Table 5 – Preliminary 2025 Rates – compares the 2025 preliminary tax rates to the actual 2024 tax rates as applied.

Property Tax Class	General Tax Rates		% Change
	2024 Actual	2025 Preliminary	
Residential	0.00445093	0.00490929	10.30%
Farm	0.00096897	0.00106875	10.30%
Managed Forest	0.00111273	0.00122732	10.30%
New Multi-residential	0.00445093	0.00490929	10.30%
Multi-residential	0.00890186	0.00981858	10.30%
Commercial	0.00846478	0.00933649	10.30%
Industrial	0.01170595	0.01291143	10.30%
Large Industrial	0.01170595	0.01291143	10.30%
Aggregate Extraction*	0.01170595	0.01291143	10.30%
Landfill	0.00846478	0.00933649	10.30%
Pipeline	0.00560506	0.00618227	10.30%
<b>Taxable Levy</b>	<b>82,566,456</b>	<b>92,960,410</b>	<b>12.59%</b>

**Table 6 – Preliminary Tax Impact on Average Single Family Residential Property** – this table compares the 2024 average single family detached residential property to the 2025 average single family detached residential property in terms of assessment (based on MPAC’s January 1, 2016 current value assessment) and the resulting tax based on the 2024 actual residential tax rate and the 2025 preliminary residential tax rate, calculated using a draft 2025 general levy of \$92,960,410. The illustration also provides similar calculations based on each \$250,000 of residential property assessment.

<b>Single Family Detached Residential</b>	<b>2024 Actual</b>	<b>2025 Preliminary</b>	<b>\$ Change</b>	<b>% Change</b>
CVA	\$275,022	\$275,022	\$0	0.00%
General tax rate	0.00445093	0.00490929	0.00045836	10.30%
General tax levy	\$1,224	\$1,350	\$126	10.30%
<b>Single Family Detached Residential</b>	<b>2024 Actual</b>	<b>2025 Preliminary</b>	<b>\$ Change</b>	<b>% Change</b>
CVA	\$250,000	\$250,000	\$0	0.00%
General tax rate	0.00445093	0.00490929	0.00045836	10.30%
General tax levy	\$1,113	\$1,227	\$115	10.30%

As mentioned in the Background section of this report, in 2024 the Province established a new Aggregate Extraction property class and there is the possibility that the Province is contemplating limitations on municipal ratios for the new class, similar to the discount they imposed on the education portion of the tax bill in 2024. It is important to note that if that occurs the actual year end revenue growth results as set out in this report would be negatively impacted. For example, if the Province were to set the ratio for the Aggregate Extraction class to 1.0, as opposed to the County’s current industrial ratio of 2.63, that would effectively reduce the year-to-date preliminary growth revenue outlined in the this report by approximately \$267,500, which would then be assumed by the remaining property classes proportionately based on their respective ratio.

Staff will keep Council informed of any information released from the Province regarding the application of this new tax class and its impact on the County’s preliminary 2025 taxation.

## **CONCLUSIONS**

This report provides a preliminary indication of the County’s draft 2025 budget impact on tax distribution among the various property tax classes and the average single family residential property.

The information presented in this report provides a preliminary view of the information typically presented to Council to establish annual tax policies. It is important to note that tax policy decisions should not be based on the content of this report.



## SIGNATURES

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### Departmental approval:

Original signed by

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Lynn S. Buchner, CPA, CGA  
Director of Corporate Services

### Approved for submission:

Original signed by

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Benjamin R. Addley  
Chief Administrative Officer