SCHEDULE "D"

Excerpts from City of Hamilton report on Multi-residential tax ratios

February 2009

Ontario, City of Hamilton, Corporate Services Department, Budgets & Finance Division, February 19, 2009.

"No documented evidence that a reduced multi-residential tax ratio equates to lower rents:

- Municipalities who have reduced their multi-residential tax ratio have seen rent increases at the same rate or higher than those communities with minimal or no reduction to their multi-residential tax ratio (rents are market driven).
- Although Hamilton has a high multi-residential tax ratio, the average rent for a two-bedroom apartment in Hamilton (CMA) continues to be among the lowest in Ontario, with average rent increases being one of the lowest (below the rent guideline)." (p.2)

"Municipalities with significant reductions to their multi-residential tax ratios over this same time period have not seen corresponding significant reductions in the average rent. For example, as identified previously, Ottawa had reduced its multi-residential tax ratio -25% from 1989 to 2008; however the average rent for a two-bedroom apartment has increased 32% over this same time period. Similarly, Waterloo Region (Kitchener above) has reduced its multi-residential tax ratio -33% from 1998 to 2008, yet the average rent for a two-bedroom apartment has increased 32% as well." (p. 8)

"Should Council want to consider a reduction in the multi-residential tax ratio, staff would suggest reducing it to a target of 1.99 (the current 2009 commercial tax ratio). Targeting the commercial ratio is consistent with most municipalities that have set a target for reduction. As well, staff would recommend that any reduction be phased-in to minimize the impact on the other property classes." (p.3)