

Region of Waterloo

Corporate Services

Corporate Finance

To: Strategic Planning and Budget Committee

Meeting Date: December 3, 2025

Report Title: 2025 Property Assessment Growth

1. Recommendation

For Information.

2. Purpose / Issue:

To provide information to Council with respect to 2025 assessment growth and implications for the 2026 Budget.

3. Strategic Plan:

This report supports the strategic focus area of a Resilient and Future-ready Organization.

4. Report Highlights:

- All properties in Ontario continue to be assessed using a valuation date of January 1, 2016. The Province is reviewing the property taxation and assessment system in Ontario and has not yet announced the plan to update the valuation date for the 2027 and future taxation years.
- Weighted assessment growth in 2025 is 1.50%; the assessment base allows for a total 2026 property tax levy increase (for Direct Regional Services and Police Services) of \$12.5 million without a tax rate impact. Assessment growth reflects the net change in the assessment base after accounting for various factors.
- Residential properties comprise 75.7% of the Region's assessment base, followed by the commercial (11.6%) and multi-residential (6.5%) property classes.
- Key trends/results in 2025 include:
 - a. Overall 2025 weighted assessment growth (1.50%) decreased when compared to last year (weighted assessment growth in 2024 was 1.81%). During the 2026 preliminary budget development, staff estimated a growth

rate of 1.15%. As of October 14th, growth was 1.12%. Based on the data provided by Municipal Property Assessment Corporation (MPAC), it was determined assessment for the Amazon facility was added during the final cutoff which was the primary driver of the increase in growth to 1.50%.

- b. Growth in the three cities ranges 0.26% to 2.41% and growth within the townships ranges from 1.20% to 1.98%, as outlined in Appendix A.

5. Background:

All properties in Ontario are assessed based on current value assessments (CVA) as of January 1, 2016. These values were originally intended to be used only for the 2017 to 2020 taxation years. The Province postponed the province-wide reassessment for at least the 2021 to 2026 taxation years and CVA for these years continues to reflect January 1, 2016 values. Based on the 2025 Fall Economic Statement, the government is considering changes to improve the property tax system and may amend the Assessment Act, but it provides no specific details or timelines. The Province has not yet announced the plan to update the valuation date for the 2027 and future taxation years.

Property tax rates are calculated using the assessed values and property classifications determined by Municipal Property Assessment Corporation (MPAC), annual municipal revenue requirements (i.e. the tax levy), and various tax policies set by the Region. Tax ratios determine the distribution of taxes between the various property classes.

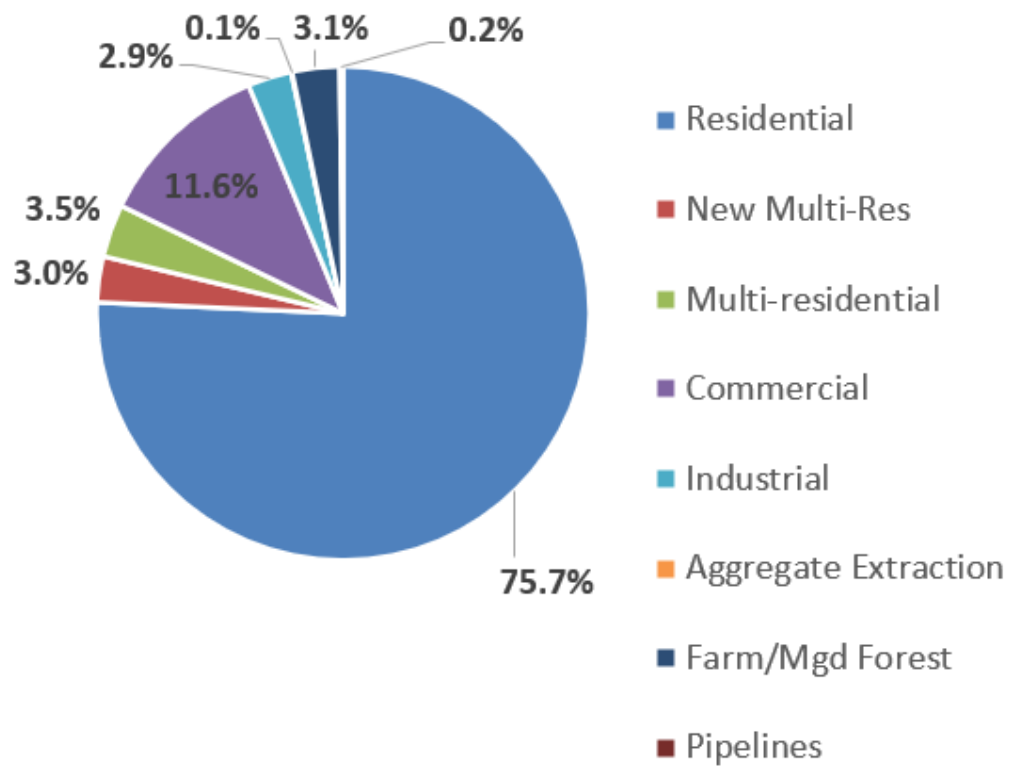
The 2025 assessment figures outlined in this report are based on data provided to the Region by MPAC. The final roll return is anticipated in mid-December.

Building activity and building permit growth are not necessarily a true gauge of assessment growth. While strong building activity may indicate robust assessment growth, it is just one factor impacting the assessment base. New properties are not added to the assessment roll until completed and ready for occupancy, and other actions including reductions to the assessment base occur that offset some of the growth arising from new construction. Additionally, not all building permits result in increased assessment. Permits for interior finishes and small dollar value permits generally do not result in additional assessment.

The following table identifies the changes that occur to determine net assessment growth:

Starting point	Returned assessment roll from the previous year
Plus	New properties added and improvements to existing properties (referred to as supplementary and omitted assessments)
Minus	Assessment reductions due to taxpayer Requests for Reconsideration, Assessment Review Board (ARB) appeal hearing results, demolitions, etc.
Plus/Minus	Class changes, legislative changes, changes in valuation methodology
Equals	Year end assessment (used to determine growth for the year)
Returned roll for next year	Year end assessment adjusted for assessment phase-in (if and when applicable)

The Region’s 2025 year-end unweighted taxable assessment base is as follows:



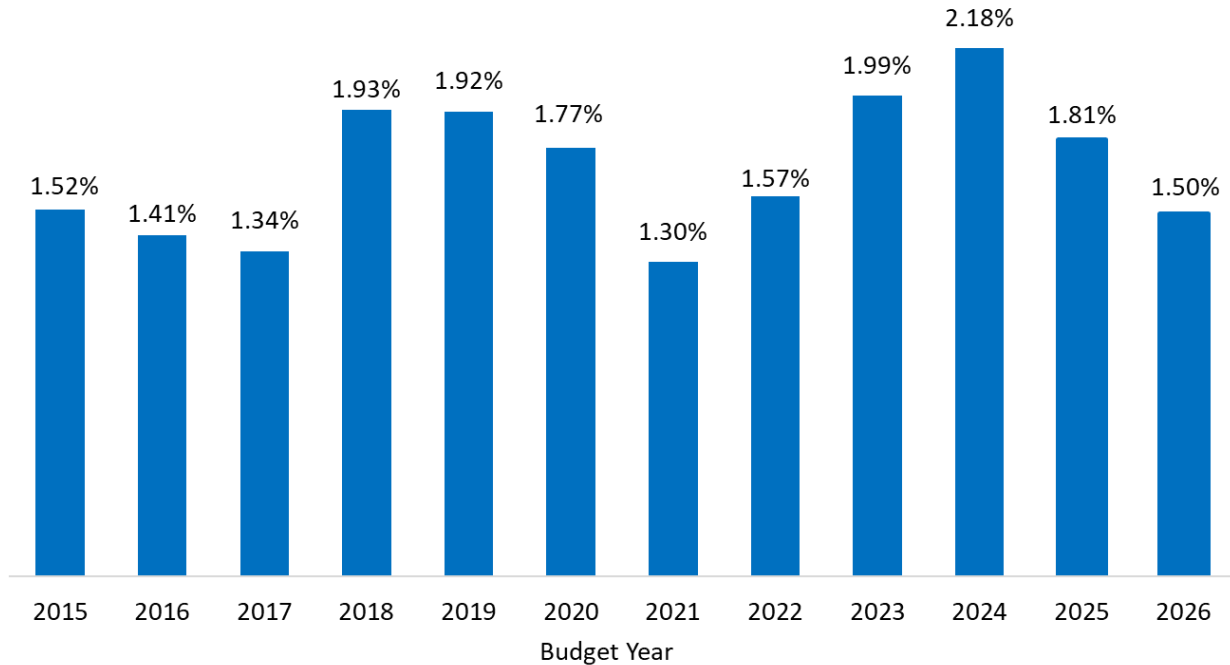
Weighted assessment occurs when ratios are applied to the assessed value in a property tax class. 2025 tax ratios, as approved in report COR-CFN-25-005, are identified in the Regional Weighted Assessment (January 1, 2016 Values) table. The table below illustrates the class increases and decreases when the current tax ratios are applied.

Regional Weighted Assessment (January 1, 2016 Values)

Class	2024 year end (for 2025 Budget)	% of Total	2025 Ratio	2025 year end (for 2026 Budget)	% of Total	% Change
Residential	70,105,783,594	66.2%	1.0000	70,882,991,627	66.0%	1.11%
New Multi-Res	2,634,555,700	2.5%	1.0000	2,809,830,200	2.6%	6.65%
Multi-residential	6,241,168,165	5.9%	1.9500	6,293,053,540	5.9%	0.83%
Commercial	20,626,554,853	19.5%	1.9500	21,115,236,777	19.7%	2.37%
Industrial	5,151,513,656	4.9%	1.9500	5,247,531,436	4.9%	1.86%
Aggregate Extraction	96,124,123	0.1%	1.5867	97,341,619	0.1%	1.27%
Farm/Mgd Forest	731,497,979	0.7%	0.2500	725,978,154	0.7%	-0.75%
Pipelines	234,271,372	0.2%	1.1613	236,253,711	0.2%	0.85%
Total	105,821,469,441			107,408,217,063		1.50%

Key outcomes for 2025 include:

- Overall the level of weighted assessment growth (1.50%) decreased when compared to last year (1.81%). Growth in the three cities ranges 0.26% to 2.41% and growth within the townships range from 1.20% to 1.98%. A summary of weighted assessment growth by area municipality is included in Appendix A.
- This is an increase from our preliminary estimate of 1.15%; driven primarily by the Amazon facility in Cambridge being added during the final cutoff in October 2025.
- The following chart shows weighted assessment growth for the years 2015 to 2026; which averages 1.69% over this period.



6. Communication and Engagement with Area Municipalities and the Public

Area Municipalities: This report was circulated for review by the area municipal treasurers with comments reflected as needed. Assessment data summarized in this report represents a high level overview for the Region. Data for specific property changes are available at each are municipality.

7. Financial Implications:

Assessment growth at 1.50% allows for a total 2026 property tax levy increase (for Direct Regional Services and Police Services) of \$12.5 million without a tax rate impact.

8. Conclusion / Next Steps:

Tax ratios for 2026 will be presented to Council for approval in April 2026.

9. Attachments:

Appendix A: Weighted Assessment Increase and percentage change by Municipality from 2021 to 2025.

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