

# Staff Report



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To	Committee of the Whole
Service Area	Office of the Chief Administrative Officer
Date	Wednesday, March 4, 2026
Subject	<b>2026 Property Tax Policy</b>

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## Recommendation

1. That, with the continued extension by the province of the 2017-2020 assessment cycle, tax ratios for all tax classes including the Multi-Residential ratio will remain consistent until a province wide reassessment occurs or provincial legislation forces such change.
  2. That the 2026 City of Guelph property tax ratios and corresponding tax rates, as set out in Attachment-1 to the report titled 2026 Property Tax Policy dated March 4, 2026, be approved.
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## Executive Summary

### Purpose of Report

To provide information and recommend that the 2026 property tax ratios and corresponding tax rates (Tax Policy), included as Attachment-1, be approved, and incorporated into by-laws. This provides sufficient time to prepare the final tax bills for meeting the legislated mailing date for the June 30, 2026 tax installment.

### Key Findings

The City's 2026 tax-supported budget requires \$383,028,808 to be raised from taxation and payments in lieu, based on the 2026 assessment roll provided by Municipal Property Assessment Corporation (MPAC). In addition, a further \$375 thousand is to be levied to fund previous commitments to the Guelph General Hospital. Although preliminary tax impacts presented during the budget confirmation process were calculated using the 2025 assessment roll, all calculations in this report reflect updated 2026 assessment data.

The City's assessment base increased by \$335 million (1.32 per cent), generating 1.33 per cent in taxation growth, with residential assessment rising by \$199 million (1.06 per cent) and additional growth occurring in commercial and industrial property classes.

For 2026, the Province has continued its pause on reassessment, requiring municipalities to again use January 1, 2016 current value assessments. As a result, staff recommend maintaining all tax ratios at their 2025 levels, including the Multi-Residential (MT) ratio.

While long-term analysis supports a future reduction in the MT ratio to minimize tax impacts when New Multi-Residential (NT) properties begin reverting to the MT class

in 2033, several factors support deferring changes in 2026: the overall budget increase this year, the potential for a provincial reassessment, and the expectation that legislation governing MT/NT tax classes may be amended. Maintaining the existing MT ratio provides stability until further provincial direction becomes available. Staff continue to monitor potential legislative changes to the NT lifecycle and will bring forward a comprehensive multi-residential tax strategy aligned with the next reassessment.

In 2026, the Hospital Levy will be collected through a dedicated line on the tax bill to raise the \$375 thousand tax funded contribution approved through the budget confirmation.

The 2026 Downtown Guelph Business Association (DGBA) levy has increased to \$742 thousand up from \$721 thousand in 2025, reflecting the budget approved by the DGBA Board of Management. The levy remains a mandatory charge for all commercial and industrial properties within the DGBA boundary and continues to support core downtown enhancement initiatives, including marketing, maintenance, and community programming.

Tax policy applies the total approved budgeted tax levy—set at \$383,403,808 through the 2026 budget confirmation process—across the assessment base according to tax classes and ratios established by Council. Attachment-1 consolidates these decisions for administrative clarity.

A single-family detached home with a median Current Value Assessment (CVA) of \$411 thousand in 2026 (up from \$410 thousand in 2025) will incur \$5,513 in City taxes, representing an annual increase of \$409, inclusive of the Hospital Levy.

Council also previously approved the Affordable Rental Housing Subclass, providing a 35 per cent tax reduction for eligible affordable rental units; however, MPAC is still finalizing the subclass coding, and no qualifying properties are reflected at this time for the 2026 tax year.

## **Strategic Plan Alignment**

This report aligns with initiative 4.1 of the Foundations theme of the Future Guelph Strategic Plan by continuing to implement financial policies and practices to support a sustainable long-term financial position for the City. Appropriate distribution across all property tax classes helps to ensure an effective, fiscally responsible, and trusted local government.

## **Future Guelph Theme**

Foundations

## **Future Guelph Objectives**

Foundations: Maintain the City's healthy financial position

## **Financial Implications**

There are no financial implications related directly to this recommended Tax Policy. Tax ratios and subsequent tax rates only allocate the approved amount from the tax supported operating budget to levy from taxation and payment in lieu of taxes of \$383,028,808 and the hospital levy of \$375 thousand over the different tax classes.

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## Report

Municipal Councils are required each year to make several Tax Policy decisions that determine how the approved property tax levy will be distributed across property classes. The Municipal Act establishes the framework for these decisions, including the setting of tax ratios and discounts, the use of optional and graduated tax classes, and the application of various tax mitigation tools.

For 2026 the City of Guelph has approved a tax-supported budget requiring \$383,028,808 to be raised from taxation and payments in lieu. Additionally, Council approved the \$375 thousand hospital contribution as a separate levy on the tax bill, representing a shift from the past few years when this contribution was funded through the Tax Operating Contingency Reserves (180). This change improves transparency while maintaining Council's financial commitment.

During the 2026 budget process, estimated property tax impacts were presented using the 2025 assessment roll and 2025 tax policy, as is standard practice. All calculations and impacts contained in this report reflect the official 2026 assessment roll from MPAC, along with the proposed 2026 Tax Policy.

### 2026 Tax Policy

The following summarizes the Tax Policy and programs discussed in this report and corresponding attachment:

- Approving the 2026 tax ratios and tax rates including the Downtown Guelph Business Association (DGBA) levy
- Discussion related to aligning multi-residential ratios with that of new multi-residential ratios that are legislatively available for a 35-year time frame.
- Continuing the current mandatory low-income seniors and low-income disabled tax relief program; and
- Continuing the charitable tax rebate program for which the City budgets annually

The by-laws for approval resulting from this report require Council approval in March to allow sufficient time to prepare and mail the final property tax bills within the legislated timeframe for the June 30, 2026 installment.

### Tax Ratios

On April 24, 2017, Council adopted the recommendations in the [Tax Ratios 2017-2020 Assessment Cycle report](#), which provided direction for setting tax ratios for the reassessment cycle 2017 through 2020 based on January 1, 2016 current values. This direction was that all ratios remain at the previous year's ratio, except for the multi-residential ratio, which would remain revenue neutral on an annual basis. This direction allowed for reductions to the multi-residential ratio and was intended to be revised after the 2020 tax year due to the planned reassessment cycle 2021 through 2025.

However, in March 2020, the Province announced it was postponing the planned reassessment and that assessment values used in 2021 would be the same as the fully phased-in assessment values used in 2020. The province further announced that the assessment values used in 2022, 2023, 2024, and 2025 would be the same as 2020, still based on January 1, 2016 current value. Similarly for 2026, the Province has not brought forward any definitive actions to move ahead with

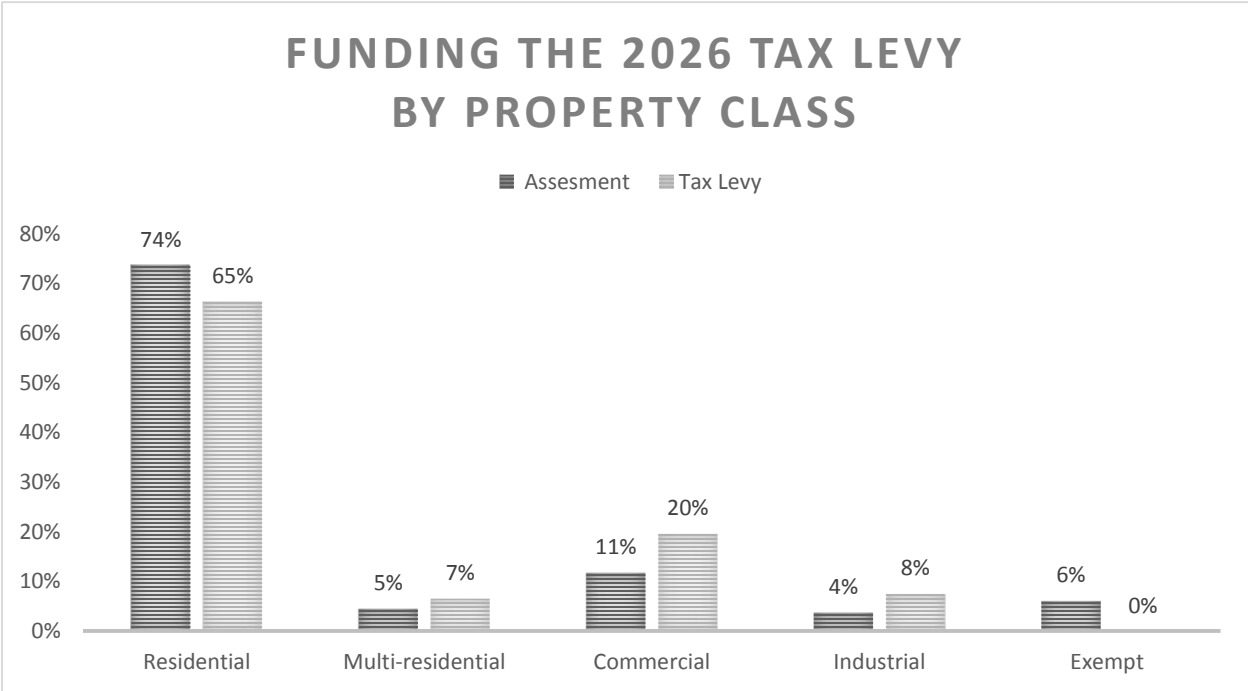
reassessment, thus the January 1, 2016 current values will also be used for 2026. Therefore, there is no reassessment to consider, and 2026 ratios are proposed to be maintained at the levels used in 2025. It is possible that further details related to reassessment may be released by the provincial government in the fall.

Notably, despite the same assessment value date being used in 2026 as 2025, the assessment base for the City grew by over \$335 million in assessment, or 1.32 per cent, representing an overall taxation growth of 1.33 per cent, driven by growth of approximately \$199 million in assessment, or 1.06 per cent, in the residential tax class, with significant additional growth in higher taxed classes such as commercial and industrial.

**Funding the Tax Levy by Property Class**

The tax levy is funded primarily through four broad property tax classes: residential, multi-residential, commercial, and industrial. The split between total assessment and total tax levy based on the proposed Tax Policy for 2026 is shown below.

**Figure 1 – Funding the 2026 Tax Levy by Property Class**



The residential tax class makes up 74 per cent of the City’s total assessment base and funds 65 per cent of the tax levy. The assessment and tax levy split among all classes is consistent with prior years.

**Impact on the Residential Taxpayer**

The impact on a single-family detached property in 2026 with a median value of \$411 thousand (based on 2016 CVA valuation date) is shown in Table 1. Within the context of the property tax policy, the City Portion refers to both the City Services and Local Boards and Shared Services impact but does not include the Hospital levy. This is in addition to the Education portion of the property tax levy as set by the province.

**Table 1: Impact of overall City Levy \$383 million (without Hospital), By Property Class MT Ratio 1.78603**

RTC	RTQ	Description	Prop Count	2026 Median CVA	2025 Municipal CVA Taxes	2026 Municipal CVA Taxes	\$ Tax Change	% Tax Change
R	T	Single Family Home	28,721	411,000	5,115.72	5,507.79	392.07	7.66%
R	T	Residential Condominium Unit	11,123	280,000	3,485.16	3,752.27	267.11	7.66%
N	T	New Apartment Building	21	10,147,000	126,299.71	135,979.44	9,679.73	7.66%
T	T	Managed Forest	2	382,300	1,189.62	1,280.80	91.18	7.66%
M	T	Apartment Building	184	1,763,000	39,198.86	42,203.08	3,004.22	7.66%
C	T	Small Office Building	42	738,500	16,913.48	18,209.75	1,296.27	7.66%
C	T	Small Retail Commercial Property	66	605,000	13,856.00	14,917.94	1,061.94	7.66%
I	T	Standard Industrial Property	106	2,196,000	60,265.16	64,883.92	4,618.76	7.66%

### Hospital Levy

In 2026, the Hospital Levy will be raised through a separate, dedicated hospital levy shown directly on the tax bill. This enhances clarity for the community by clearly indicating how the funding is collected and what it supports.

**Table 2: Impact of Hospital Levy of \$375 thousand by Property Classes**

RTC	RTQ	Description	Prop Count	2026 Median CVA	2025 Municipal CVA Taxes	2026 Municipal CVA Taxes	\$ Tax Change	% Tax Change
R	T	Single Family Home	28,721	411,000	5,115.72	5,121.11	5.39	0.11%
R	T	Residential Condominium Unit	11,123	280,000	3,485.16	3,488.83	3.67	0.11%
N	T	New Apartment Building	21	10,147,000	126,299.71	126,432.84	133.13	0.11%
T	T	Managed Forest	2	382,300	1,189.62	1,190.88	1.26	0.11%
M	T	Apartment Building	184	1,763,000	39,198.86	39,240.17	41.31	0.11%
C	T	Small Office Building	42	738,500	16,913.48	16,931.31	17.83	0.11%
C	T	Small Retail Commercial Property	66	605,000	13,856.00	13,870.61	14.61	0.11%
I	T	Standard Industrial Property	106	2,196,000	60,265.16	60,328.67	63.51	0.11%

The assessment roll impact is not driven by the 2026 budget and tax policy decisions. This impact is solely driven by tax shifting; the cumulative effect that assessment growth and loss have on the entire tax base, along with what the median single family detached residential property assessment in Guelph looks like. On an annual basis, the residential property continues to be slightly larger and of a higher quality as new bigger, higher value homes are being constructed and renovations of existing homes occur. This further increase in the residential property value provides for upward pressure when comparing a property year-over-year.

A single-family detached home with a median CVA of \$411 thousand in 2026 will be levied \$5,513 in City taxes, representing an annual increase of \$409, inclusive of the Hospital Levy.

**Table 3: Total Change in City Portion on a Single Detached Residential Property assessed at \$411 thousand for 2026**

City of Guelph Portion	2025	2026	\$ Change	% Change
Assessment Roll Impact*			\$12.45	0.26%
2026 Budget Impact			\$392.07	7.66%
2026 Hospital Impact			\$5.39	0.11%
Total City Portion	\$5,103.27	\$5,513.18	\$409.91	8.03%

\*Note: Per cent change for Assessment Roll Impact revised based on annual increase of \$1,000.

### **Affordable Rental Housing Subclass**

The subclass, introduced in the Province’s 2025 budget, provides a targeted and flexible policy tool to encourage the development and preservation of affordable rental units. To qualify, units must meet legislative affordability criteria and be subject to formal rent-restriction agreements with a municipal, provincial, or federal government body.

On September 3, 2025, Council approved the introduction of the Affordable Housing Subclass discount with a reduction of 35 per cent to support both new and existing affordable rental housing. The administration and eligibility determinations are then the responsibility of the MPAC. Applications for the subclass discount are to be made directly to MPAC, and approved properties will be reflected through the assessment roll.

Currently MPAC is working through the process of creating new tax class codes and as such currently for 2026 no properties have yet been identified in this subclass.

### **New Multi-Residential Property Tax Subclass**

In 1998, Ontario’s legislative framework allowed for the establishment of a 35-year lifecycle for the new multi-residential NT tax class. This was implemented by Guelph in 1998 to spur development of new rental units. After 35 years, each NT property automatically reverts to the standard multi-residential MT class, which carries a substantially higher tax ratio. (for 2025 NT= 1.0000 MT = 1.78600). Beginning in 2033, the first group of NT properties in the municipality will begin transitioning back to the MT class. Without proactive action, this shift could create sudden and significant tax increases for landlords and then ultimately tenants, with downstream impacts on rental affordability.

Analysis of the MT tax ratio has identified potential approaches:

- maintaining the existing MT ratio for 2026 and waiting for the provincial wide reassessment to fully review and analyze the natural tax shifts that will occur and to make changes to tax ratios overall in a holistic manner; or
- implementing a gradual reduction beginning this year. The option of reducing the ratio would involve an initial adjustment from 1.786308 to 1.7000 for 2026 as part of an eight-year phase-down to 1.00. A gradual approach would help moderate the tax impacts on NT properties as they transition to the MT class starting in 2033.

**Table 4: Impact of overall City Levy \$383 thousand (including Hospital) By Property Class, MT Ratio change to 1.70000**

RTC	RTQ	Description	Prop Count	2026 Median CVA	2025 Municipal CVA Taxes	2026 Municipal CVA Taxes	\$ Tax Change	% Tax Change
R	T	Single Family Home	28,721	411,000	5,115.72	5,527.73	412.01	8.05%
R	T	Residential Condominium Unit	11,123	280,000	3,485.16	3,765.85	280.69	8.05%
N	T	New Apartment Building	21	10,147,000	126,299.71	136,471.67	10,171.96	8.05%
T	T	Managed Forest	2	382,300	1,189.62	1,285.43	95.81	8.05%
M	T	Apartment Building	184	1,763,000	39,198.86	40,309.37	1,110.51	2.83%
C	T	Small Office Building	42	738,500	16,913.48	18,275.67	1,362.19	8.05%
C	T	Small Retail Commercial Property	66	605,000	13,856.00	14,971.94	1,115.94	8.05%
I	T	Standard Industrial Property	106	2,196,000	60,265.16	65,118.80	4,853.64	8.05%

If the MT ratio is to be phased in to the NT ratio over a seven-year period and the MT ratio for 2026 is set at 1.70000, a single-family detached home with a median CVA of \$411 thousand in 2026 will be levied \$5,527 in City taxes, representing an annual increase of \$424 inclusive of the Hospital Levy; an additional \$14 for 2026 compared to leaving the MT ratio status quo.

**Table 5: Total Change in City Portion on Single Detached Residential Property of \$411 thousand reducing the MT ratio to 1.7000**

City of Guelph Portion	2025	2026	\$ Change	% Change
Assessment Roll Impact*			\$12.45	0.26%
2026 Budget Impact			\$392.07	7.66%
2026 Hospital Impact			\$5.39	0.11%
Multi-Residential ratio reduction			\$14.53	0.29%
Total City Portion	\$5,103.27	\$5,527.71	\$424.44	8.32%

\*Note: Per cent change for Assessment Roll Impact revised based on annual increase of \$1,000

Alternatively, the City could choose to wait for potential legislative changes from the Province. Many Ontario municipalities currently have MT ratios that exceed those of NT, and staff anticipate that the Province may respond by extending the 35-year transition period or by requiring phased-in alignment of the ratios between NT and MT. In effect, this would result in the harmonization of the two ratios over time.

With these options considered, at this time, staff recommend staying the course and that the tax ratios for the remainder of this assessment cycle continued to be adopted based on start ratios for all tax classes.

**Multi-Residential (MT)** (built pre-1998) – tax ratio: 1.786308

**New Multi-Residential (NT)** (built 1998–2025) – tax ratio: 1.000

Staff will continue monitoring provincial discussions regarding potential extensions to the 35-year NT lifecycle, as well as any broader legislative changes. With the next reassessment cycle, staff will bring forward a comprehensive plan to review

and rationalize multi-residential tax ratios to support equitable and sustainable taxation across the housing continuum.

### **Downtown Guelph Business Association Levy**

The DGBA levy is a mandatory special charge applied to all commercial and industrial properties located within the designated DGBA boundary. The levy supports initiatives that enhance the downtown area, including marketing, maintenance and beautification, business support services, and community events.

The levy is calculated based on the assessed value of eligible properties and is approved annually by City Council as part of the municipal budget process. It is included on the final property tax bills issued to owners within the DGBA area. Participation is mandatory; property owners located within the defined boundary cannot opt out of the levy.

A volunteer Board is responsible for establishing the DGBA's annual budget and overseeing the use of levy funds. The approved DGBA levy for 2025 was \$721 thousand and the levy for 2026 is set at \$742 thousand.

### **Mandatory Tax Relief for Low-income Seniors and Low-income Persons with Disabilities under the Municipal Act**

Municipalities are legislatively required to have a tax relief program under Section 319 of the Municipal Act. This program provides qualifying low-income seniors and low-income persons with disabilities tax relief through a deferral of property tax, should their annual assessment-related tax increase be greater than \$200. The program is set out in By-law (2015)-19988. For more information, please see the City's website for [Deferral of taxes for low-income seniors and low-income disabled persons](#).

### **Tax Rebates for Charities**

Municipalities are legislatively required to have this rebate under Section 361 of the Municipal Act. Qualifying charities, upon approved application, are provided with a rebate as per the charitable tax rebate program is set out in By-law (2024)-20902. In 2025, the City processed 25 rebate applications for a total rebate amount of \$160 thousand for the City share of the levy.

### **Financial Implications**

There are no financial implications related directly to this recommended Tax Policy. Tax ratios and subsequent tax rates only allocate the approved amount from the supported operating budget to levy from taxation and payment in lieu of taxes of \$383,403,808 over the different tax classes, which includes the dedicated Hospital levy of \$375 thousand.

### **Consultations and Engagement**

None

### **Attachments**

Attachment-1 - 2026 City of Guelph – Tax Ratios, Discounts and Rates

Attachment-2 2026 Property Tax Policy Presentation

## **Departmental Approval**

James Krauter, Deputy Treasurer / Revenue and Treasury

## **Report Author**

Lisa Gatto, Supervisor, Taxation Revenue

## **This report was approved by:**

Shanna O'Dwyer

General Manager, Finance - City Treasurer and Chief Financial Officer

Office of the Chief Administrative Officer

519-822-160 extension 2300

shanna.odwyer@guelph.ca

## **This report was recommended by:**

Tara Baker

Chief Administrative Officer

Office of the Chief Administrative Officer

519-822-1260 extension 2221

tara.baker@guelph.ca