

2026 Tax Policy Report

Committee of the Whole

March 4, 2026

Purpose of Report

- Provide information on the recommended 2026 Tax Ratios and Rates
- Approval required to prepare final tax bills for June 30, 2026
- Reflects updated 2026 MPAC assessment roll

Key Highlights

\$383M

Tax Levy required from
taxation and PILs

\$375K

Hospital levy added to
tax bill

\$335M

Assessment growth.
Generating 1.33%
taxation growth

Province still using
2016 CVA values.
Reassessment
remains paused

Recommendation: Maintain all tax ratios at 2025 levels
(including Multi-Residential)

Affordable Rental Housing Subclass

Approved by Council September 2025

Affordable Housing Tax Reduction

This subclass provides a 35% tax reduction to qualifying affordable rental units, lowering costs for housing providers and tenants.

Eligibility Criteria

Units must meet legislated affordability standards and have formal rent-restriction agreements with government entity.

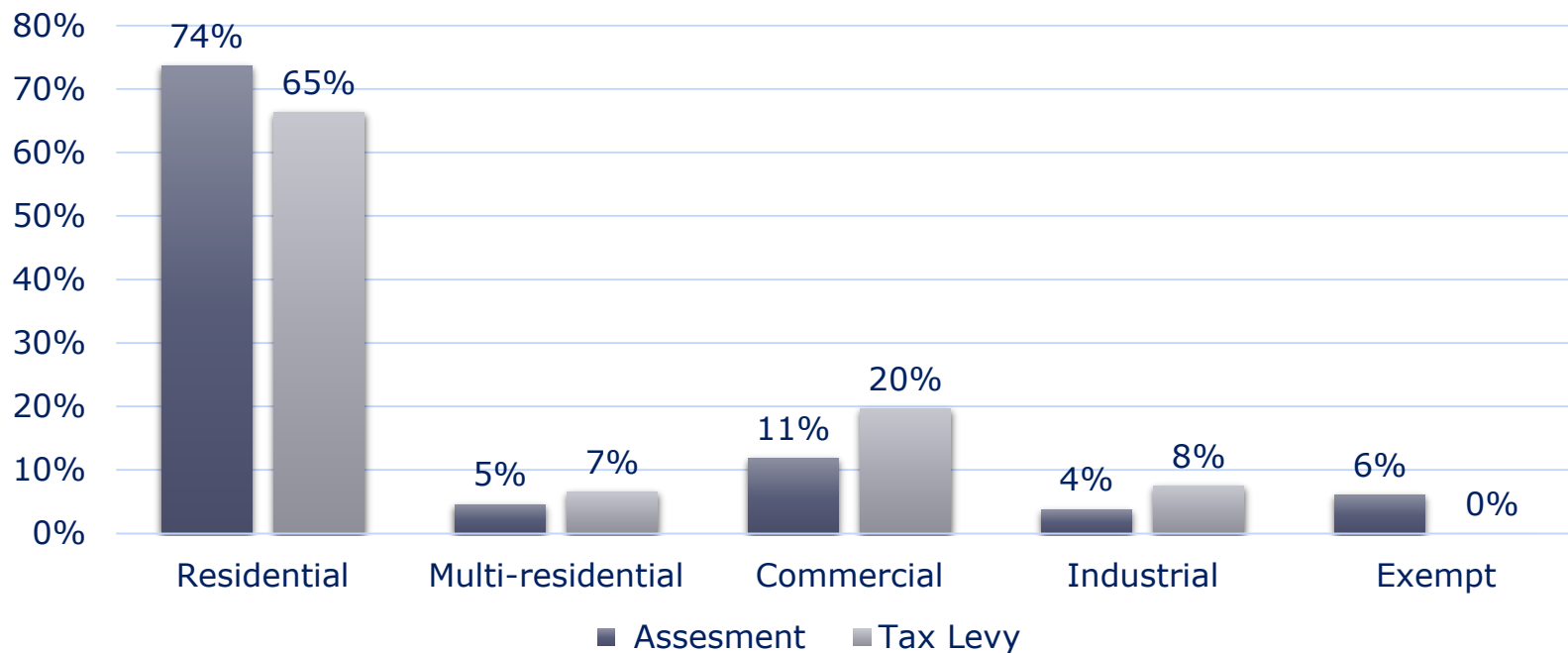
MPAC's Role and Application Process

The Municipal Property Assessment Corporation administers eligibility and data gathering, ensuring standardized assessment and subclass designation.

Policy Implementation Status

As of this month new tax codes have been developed, MPAC will be collecting data and in year assessment change notices will be issued in the fall of 2026 for any property that MPAC determines may qualify.

FUNDING THE 2026 TAX LEVY BY PROPERTY CLASS



Residential Taxpayer Impact

Median Single-Family Detached (CVA \$411,000)

Ratios Status Quo

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

Residential taxation change with Budget and Hospital Impact = 7.77 %

New Multi Residential taxation change with Budget and Hospital Impact = 7.77 %

Multi Residential taxation change with Budget and Hospital Impact = 7.77 %

Multi – Residential Policy Considerations

- Guelph Council adopted New Multi-Residential (NT) class in 1998
- Buildings can stay in that class for 35 years, then revert automatically to Multi-Residential (MT)
- First transitions from NT to MT begin in 2033 → significant tax increase for NT buildings
- Need to harmonize NT and MT tax ratios. Or at least lower the MT ratio closer to 1.0000
- Options:
 - Review options with next provincial reassessment (recommended approach)
 - Potential Provincial legislation changes to extend NT (advocacy continues)
 - Phase-in strategy over 8 years to reduce MT beginning in 2026 and align with NT at the end of 8 years

Residential Taxpayer Impact

Median Single-Family Detached (CVA \$411,000)

MT Ratio reduce to 1.70000

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 Res Ratio Reduction	-	-	\$14.53	0.29%
Total City Portion	\$5,103.27	\$5,527.71	\$424.44	8.32%

Residential taxation change with Budget, Hospital and Ratio Reduction Impact = 8.05 %

New Multi Residential taxation change with Budget, Hospital and Ratio Reduction Impact = 8.05 %

Multi Residential taxation change with Budget, Hospital and Ratio Reduction Impact = 2.83 %

Multi – Residential Ratio Change Impact

Option 1

Maintain MT at 1.786308

Residential
Impact in 2026 = \$409.91

Rationale:

- Align review with reassessment
- Await Provincial direction
- Operating budget impact
- Recommended approach for 2026

Option 2

Reduce MT to 1.700000

Residential
Impact in 2026 = \$424.44

Increase of \$14.53

Rationale:

- Supports long-term rental transition
- No impact for rent reduction
- Not recommended for 2026

Proposed 2026 Tax Ratios

No Change from 2025

Current Ratios:

Residential	1.000000
New Multi-residential	1.000000
Multi-residential	1.786308
Commercial	1.840000
Industrial	2.204800
Pipelines	1.917500
Farmlands	0.250000
Managed Forests	0.250000

Provincial reassessment remains on hold

Stability recommended until provincial direction is confirmed