

Residential Property Taxes: Effective Rates and Burdens for Census Metropolitan Areas within the Great Golden Horseshoe, 2021

By: Frank Clayton, Senior Research Fellow, and Brooke Adams

Date: August 8, 2023

This blog provides background on property taxes paid by homeowners living in the nine census metropolitan areas (CMAs) in the Greater Golden Horseshoe (GGH), as reported by the 2021 Census of Canada.¹

Three aspects of property taxes are examined:

- Average property tax payment²
- Average effective tax rate – property taxes as a percentage of the market value of the owner-occupied homes³
- Average tax burden – property taxes as a percentage of homeowners' average household income⁴

The text references only CMAs; an appendix table contains data for the municipalities within each CMA.

Average Property Tax Payments⁵

Figure 1 shows that the average residential property tax payments in 2021 were highest in Toronto and Oshawa (\$5,080 and \$5,008, respectively) and lowest in Brantford and Peterborough (\$3,760), a difference of about 25%.

¹ The data are from custom tabulations of average annual property tax, property values, and household incomes CUR ordered from Statistics Canada by municipality within the nine CMAs in the GGH. Lists of the municipalities included in each CMA are available in the Appendix Table.

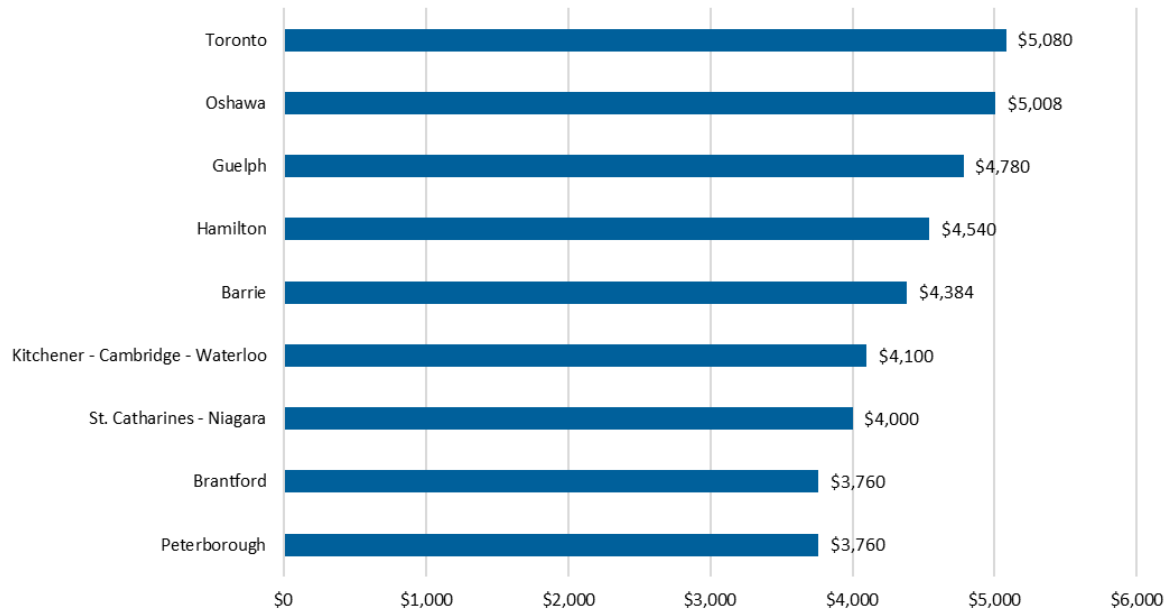
² Includes homeowners in all types of owner-occupied dwellings including condominiums where the owners pay property taxes directly. Excludes owners paying property taxes in their monthly payments to their mortgage lender.

³ Estimates of the market value of owner-occupied dwellings made by respondents to the long census questionnaire.

⁴ Estimated property tax payments in 2016 as a percent of household income in the calendar year 2015.

⁵ Not all municipalities fund the same services through the property tax. Some services in some municipalities may be funded through user charges rather than property taxes. No allowance is made for these financing differences.

Figure 1: Average Annual Residential Property Tax Paid in CMAs* within the GGH, 2021**



*Census Metropolitan Areas **Greater Golden Horseshoe
Source: CUR based on custom tabulations from 2016 and 2021 Census Canada

As seen in Figure 2, there is a vague relationship between population size and average property taxes paid. Toronto is the largest CMA, with a population of 6.2 million, and Brantford and Peterborough are the smallest, with 144,162 and 128,624 persons, respectively.

Figure 2: Ranking of CMAs* within the GGH by Average Property Taxes Paid and Population**

CMA	Property Tax Ranking***	Population Ranking****
Toronto	1	1
Oshawa	2	5
Guelph	3	7
Hamilton	4	2
Barrie	5	6
Kitchener - Cambridge - Waterloo	6	3
St. Catharines - Niagara	7	4
Brantford	8	8
Peterborough	9	9

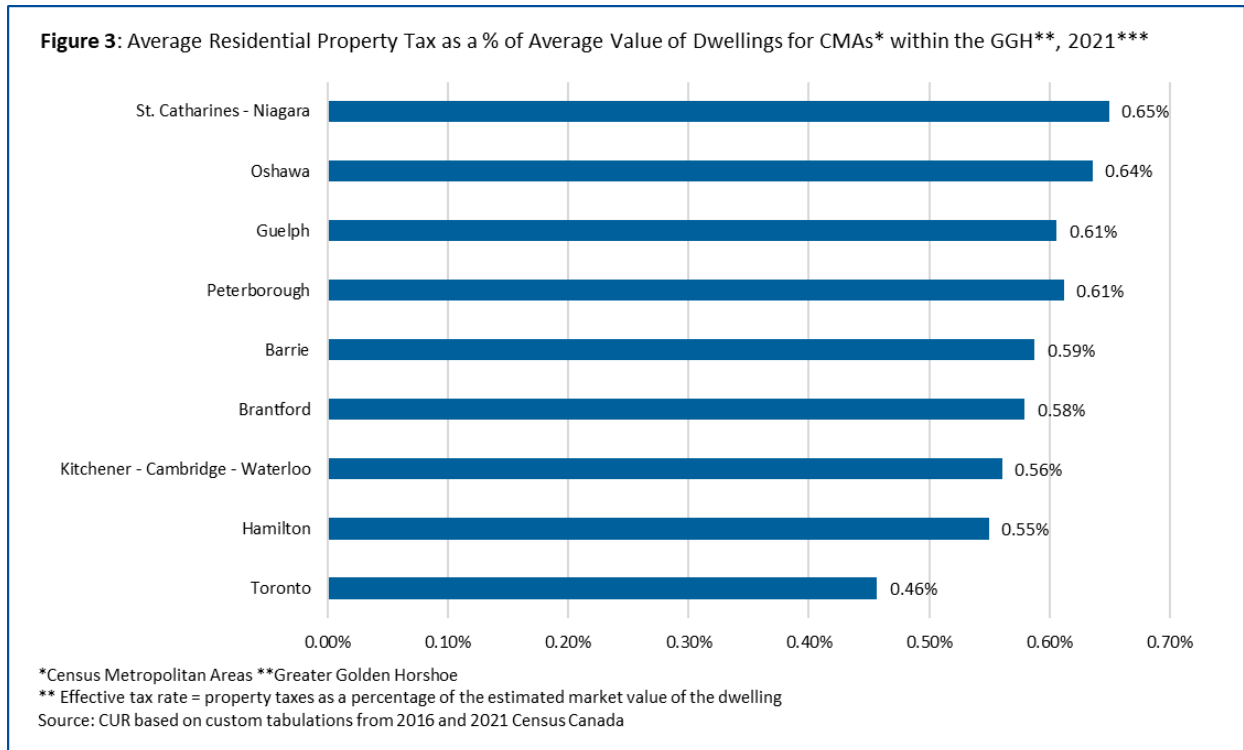
*Census Metropolitan Areas **Greater Golden Horseshoe
***Ranking 1 as the highest average annual property tax paid to 9 as the lowest average annual property tax paid
****Ranking 1 as the largest population to 9 as the smallest population
Source: CUR based on 2021 Census Canada population data and 2021 Census Canada custom tabulations

There are exceptions to a direct relationship between population size and average taxes paid:

- Property taxes in Oshawa and Guelph are higher than would be expected by their population ranking; and
- Property taxes in Kitchener-Cambridge-Waterloo, St. Catharines-Niagara, and Hamilton are lower than their population ranking indicates.

Effective Property Tax Rates

The effective property tax rate (property tax payment as a percentage of estimated home value) ranged from a high of 0.64 % - 0.65 % in St. Catharines-Niagara and Oshawa to a low of 0.46% in the Toronto CMA (see Figure 3).



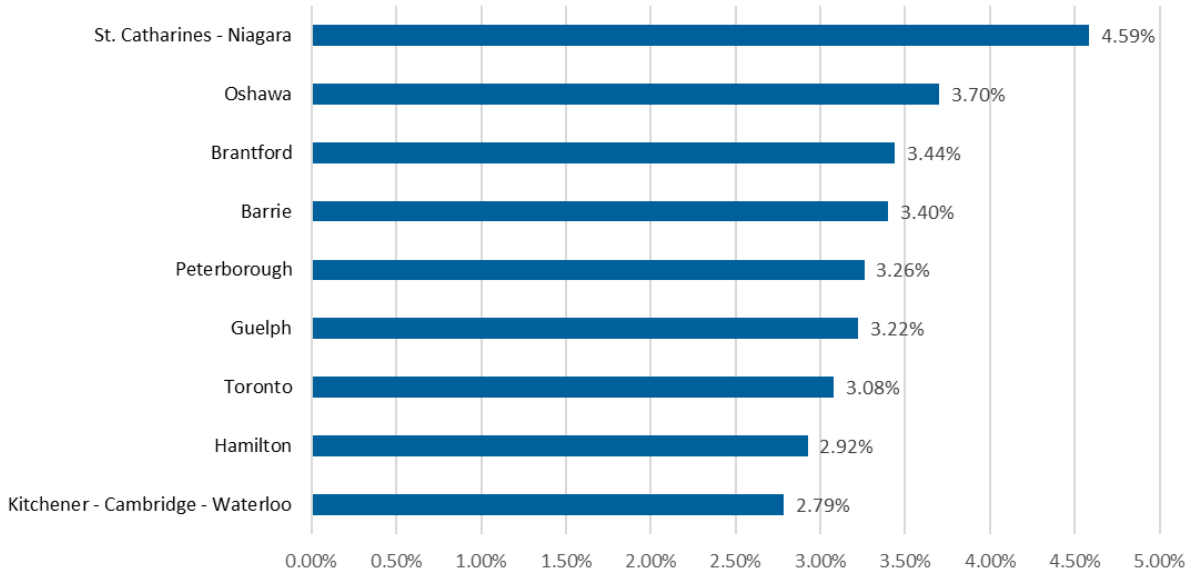
Several CMAs have room to generate more tax revenue by increasing their effective tax rate. For example:

- Increasing Toronto's effective tax rate to the GGH's highest tax rate (0.65% in St. Catharines-Niagara) would produce 41% more property tax revenue;
- Increasing Toronto's tax rate to the second lowest CMA (Hamilton at 0.55%) would produce 20% more tax revenue; and
- Increasing Toronto's effective tax rate to the median CMA (Barrie at 0.59%) would generate 28% more tax revenue.

Property Tax Burdens

The residential property tax burden (property tax payments as a percent of average household income) ranged from a high of 4.59% in St. Catharines-Niagara to a low of 2.79% in Kitchener-Cambridge-Waterloo (see Figure 4). Toronto was third lowest at 3.08%.

Figure 4: Average Annual Residential Property Tax as a % of Average Household Income for CMA*s within the GGH, 2021*****



*Census Metropolitan Areas ** Greater Golden Horshoe
*** Tax burden = property taxes as a percentage of household income in the calendar year
Source: CUR based on custom tabulations from 2016 and 2021 Census Canada

Again, several CMA*s have room to raise more tax revenue by increasing their property tax burdens. For example,

- Increasing Toronto’s property tax burden to the highest (i.e., 4.59% in St. Catharines-Niagara) would yield 49% more property tax revenues; and
- Increasing Toronto’s property tax burden to the median CMA (i.e., Barrie at 3.4%) would raise an additional 10% in tax revenue.

Conclusion

There are considerable variations between the nine CMA*s in the GGH around effective property tax rates and property tax burdens for owner-occupied housing. The fact that the CMA*s with the highest effective tax rates and burdens have robust housing markets suggests that CMA*s with lower tax burdens and effective tax rates have room to raise them to produce more property tax revenues. These include Toronto, Hamilton, and Kitchener-Cambridge-Waterloo. This conclusion applies to the CMA*s as a whole not to every municipality within them.

Appendix Table

The following table provides the data in Figures 1, 3 and 4 for individual municipalities. First Nation reserves are excluded.

Appendix Table: Property Tax Data for Municipalities within CMAs* in the GGH**, 2021						
CMA	Municipality	Average Annual property taxes (\$)	Average Total income of household (\$)	Average Value of Dwelling (owner estimated) (\$)	Property Tax Burden (%)***	Effective Tax Rate (%)****
Peterborough	Otonabee-South Monaghan	3,440	117,600	651,000	2.93	0.52
	Cavan Monaghan	4,352	136,200	740,000	3.20	0.58
	Peterborough	4,072	109,400	553,500	3.72	0.73
	Selwyn	3,220	126,600	725,000	2.54	0.44
	Douro-Dummer	3,172	119,700	715,000	2.65	0.44
Oshawa	Whitby	5,695	157,000	894,000	3.63	0.63
	Oshawa	4,712	120,200	705,000	3.92	0.66
	Clarington	4,512	136,800	772,000	3.30	0.58
Toronto	Pickering	5,760	150,800	929,000	3.82	0.62
	Uxbridge	5,845	162,400	1,038,000	3.60	0.56
	Vaughan	5,805	163,600	1,282,000	3.55	0.45
	Markham	5,390	141,400	1,208,000	3.81	0.44
	Richmond Hill	6,225	149,600	1,344,000	4.16	0.46
	Whitchurch-Stouffville	5,640	155,600	1,194,000	3.62	0.47
	Aurora	5,955	178,000	1,215,000	3.35	0.49
	Newmarket	5,092	146,400	1,003,000	3.48	0.50
	King	8,400	207,200	1,830,000	4.05	0.45
	East Gwillimbury	5,130	146,600	1,118,000	3.50	0.45
	Georgina	4,320	122,100	780,000	3.54	0.55
	Toronto	4,640	155,400	1,112,000	2.99	0.45
	Mississauga	5,060	146,000	999,000	3.47	0.50
	Brampton	5,295	136,000	967,000	3.89	0.54
	Caledon	5,425	162,800	1,212,000	3.33	0.44
	Mono	5,535	179,000	1,263,000	3.09	0.43
	Orangeville	5,036	129,600	753,000	3.89	0.66
	Oakville	6,185	206,400	1,388,000	3.00	0.44
	Milton	3,896	151,800	1,022,000	2.57	0.38
	Halton Hills	4,676	163,800	999,000	2.85	0.46
New Tecumseth	3,940	122,200	803,000	3.22	0.49	
Bradford West Gwillimbury	4,944	137,400	950,000	3.60	0.52	

Appendix Table: Property Tax Data for Municipalities within CMAs* in the GGH, 2021**

CMA	Municipality	Average Annual property taxes (\$)	Average Total income of household (\$)	Average Value of Dwelling (owner estimated) (\$)	Property Tax Burden (%)***	Effective Tax Rate (%)****
Hamilton	Burlington	4,612	160,400	1,024,000	2.88	0.45
	Hamilton	4,488	132,800	752,000	3.38	0.59
	Grimsby	4,908	134,600	814,000	3.65	0.60
St. Catharines - Niagara	Fort Erie	3,736	100,300	574,000	3.72	0.65
	Port Colborne	3,780	97,600	502,400	3.87	0.75
	Wainfleet	4,580	115,100	707,000	3.98	0.64
	Pelham	5,112	146,000	819,000	3.50	0.62
	Welland	3,720	98,600	516,000	3.77	0.72
	Thorold	3,848	108,400	581,500	3.55	0.66
	Niagara Falls	3,620	103,100	596,000	3.51	0.60
	Niagara-on-the-Lake	5,068	136,000	1,009,000	3.73	0.50
	St. Catharines	3,988	108,000	581,000	3.69	0.68
	Lincoln	4,452	129,000	734,000	3.45	0.60
Kitchener - Cambridge - Waterloo	North Dumfries	4,328	156,400	925,000	2.77	0.46
	Cambridge	4,076	125,700	690,000	3.24	0.59
	Kitchener	3,900	127,600	701,000	3.06	0.55
	Waterloo	4,540	154,800	779,000	2.93	0.58
	Wilmot	3,944	142,800	812,000	2.76	0.48
	Woolwich	3,960	145,800	819,000	2.72	0.48
Brantford	Brant	3,912	133,000	787,000	2.94	0.49
	Brantford	3,688	109,000	588,500	3.38	0.62
Guelph	Puslinch	6,490	225,600	1,268,000	2.88	0.51
	Guelph	4,576	133,000	732,000	3.44	0.62
Barrie	Springwater	4,136	165,400	941,000	2.50	0.43
	Innisfil	4,268	121,600	792,000	3.51	0.53
	Barrie	4,472	125,200	696,000	3.57	0.64

*Census Metropolitan Area **Greater Golden Horseshoe

***Tax burden = property taxes as a percentage of household income in the calendar year

****Effective tax rate = property taxes as a percentage of the estimated market value of the dwelling

Source: CUR based on custom tabulations from 2016 and 2021 Census Canada