

Vacant Unit Rebate Review

Presentation to the Business
Community
May, 2017

Introduction

- Since 1998, mandatory vacant unit rebate programs have provided owners with property tax reductions
- In response to municipal and other stakeholder requests, the Province is providing municipalities with greater flexibility
- Flexibility allows municipalities to better reflect community needs and consider the interests of local businesses
- Changes to the program is a Regional Council decision, subject to Ministry approval



Objectives

- Encourage infill development
- Promote healthy community – reduce vacancies and derelict buildings
- Encourage landlords to best utilize their properties
- Promote equity amongst taxpayers



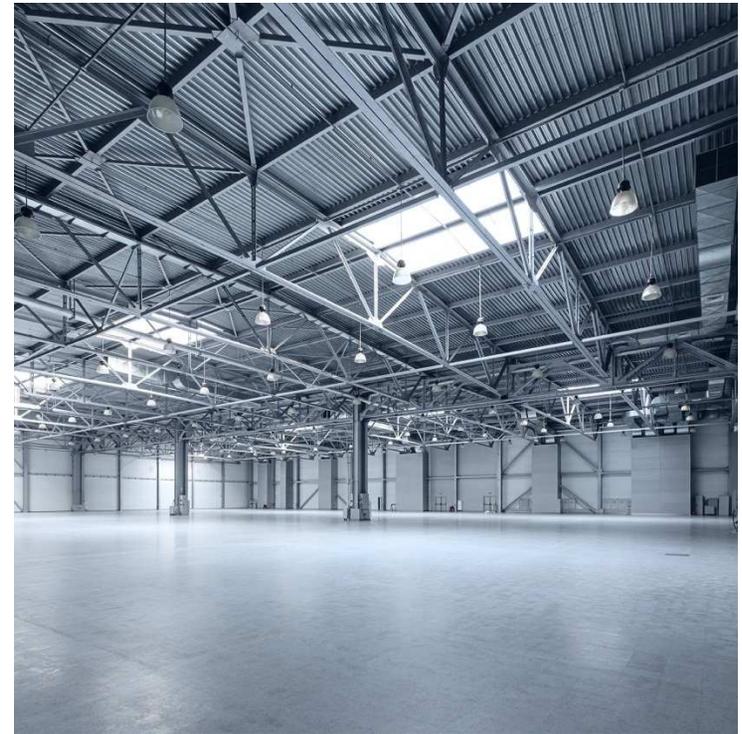
Current Program

Commercial or Industrial buildings can apply for a 30% rebate in property taxes

- If the entire building was unused for at least 90 consecutive days.
- A suite or unit within a commercial building or a portion of an industrial building if, for at least 90 consecutive days, it was:
 - not used for any purpose; and
 - clearly delineated or physically separated from the used portions of the building;
 - and either: capable of being leased for immediate occupation; or undergoing or in need of repairs or renovations that prevented it from being available for lease for immediate occupation; or unfit for occupation. (commercial building only)

Program Costs

- Cost of rebates in 2016 was \$5.0 million
- Costs are borne by the tax base, residents pay largest proportion of cost
- Chronic vacancies estimated at 30-40%



Proposed Changes

- A gradual phase out of the vacancy rebate program by 2020:
 - 2017 – current rebate of 30% with some eligibility changes
 - 2018 – rebate of 20%, same eligibility as 2017
 - 2019 – rebate of 10%, same eligibility as 2017
 - 2020 – rebate of 0%, program ended



Proposed Changes

- Eligibility Changes to be introduced for 2017:
 - An eligible vacant unit must not include any non-permanent structures and must not be used for any form of storage.
 - A property / unit / delineated area will no longer be eligible if a vacant unit rebate has been provided in the last three consecutive years
 - Storage units, hotels, fuel storage tanks, gravel pits, a business closed due to strike or lockout and fixturing period will no longer be eligible.
 - Additional supporting documentation must be received within 30 days from the mailing date of the Notice that is sent for applications with incomplete information or application will be considered void.

Next Steps

- Receive Feedback via www.peelregion.ca
– May 26
- Regional Council – June 22
 - Report detailing program changes and impacts
- Submit details of proposed changes to the Province – July 1