

PROPERTY TAX

Jan 2020 / Tax Assessment

Your Tax Assessment

The City of Edmonton mailed property assessments on January 2. The assessed property values must:

- Reflect the market value of the property as of July 1, 2019; and
- Be fair and equitable relative to comparable properties.

Property valuations are derived by the City of Edmonton's mass appraisal systems. Edmonton's commercial assessment base has been valued at \$50.3 billion in 2020, representing a 4.1% decrease from 2019. The tax rate,

however, is projected to increase for the seventh consecutive year.

While assessed values for commercial properties have been volatile since 2014, two factors have remained constant: increased spending by the City and tax rates. The City of Edmonton's 2019-2022 Operating Budget outlines the plan to increase spending by an average of 3.2% annually. That rate of spending outpaces the City's projection for GDP growth as well as the Bank of Canada's forecast for inflation. Consequently, property tax rates continue to increase.

The disproportionately expanding budget means that property owners will face a tax burden that is growing faster than the city's economy and the cost of living.

Avison Young's Property Tax Service team is committed to ensuring property owner's pay only their fair share of taxes. Our team can assist in reducing the tax burden through negotiation and appeals with the City of Edmonton to ensure assessed values are fair, equitable, and accurately reflect the market.

Forecasted growth for 2020:

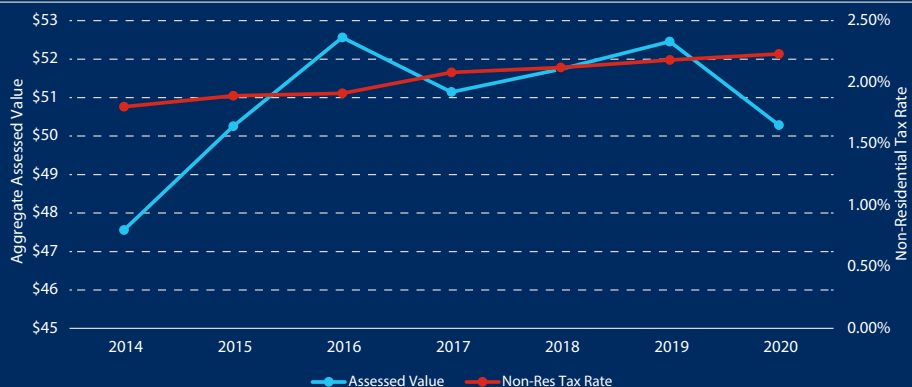
GDP ¹	1.4%
Inflation ²	1.8%
Operating Expenditures ³	3.0%

Sources:

¹ City of Edmonton Economic Outlook, Nov 2019

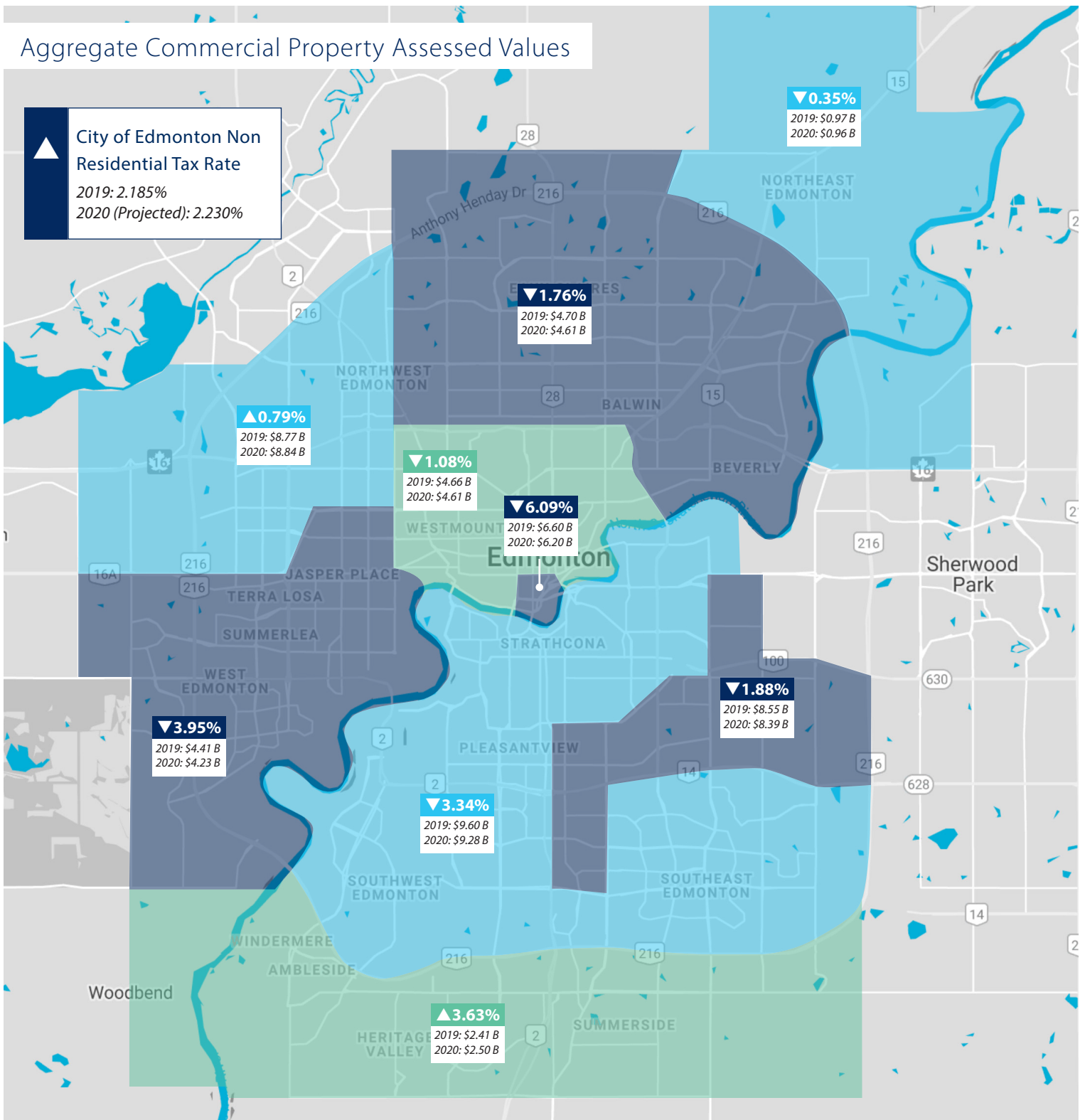
² Bank of Canada Monetary Policy Report, Oct 2019

³ City of Edmonton 2019-2022 Operating Budget



Aggregate assessed values for commercial properties have been volatile since 2014 while the non-residential tax rate has steadily increased over the same period.

Aggregate Commercial Property Assessed Values



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Properties

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For more information, please contact:

Chris Hartley
Principal
403.232.4331
chris.hartley@avisonyoung.com

Chris has over 20 years experience managing realty tax liabilities for portfolios throughout Western Canada. He secured over \$4 million in tax savings for his clients in 2019.

Josh Carr
Associate
587.882.9769
josh.carr@avisonyoung.com

Josh is a Candidate Member of the Appraisal Institute of Canada and holds undergraduate and Masters' degrees in Economics. His assessment appeals secured nearly \$1 million in tax savings for his clients in 2019.