

# A TALE OF THREE HOMES...

...IN THE TOWNSHIP OF LANGLEY

Township of  
Langley



Est. 1873

House



Townhouse



Condominium



**IN 2017, EACH HOME IS WORTH \$500,000...**

House  
\$500,000



Townhouse  
\$500,000



Condominium  
\$500,000



TO GENERATE ENOUGH TAX REVENUE TO FUND EXPENDITURES, A PROPERTY TAX RATE OF \$2.4024 IS LEVIED ON EVERY \$1,000 OF ASSESSED VALUE...

House  
\$500,000



$$\frac{\$500,000}{\$1,000} \times \$2.4024 = \$1,201$$

Townhouse  
\$500,000



$$\frac{\$500,000}{\$1,000} \times \$2.4024 = \$1,201$$

Condominium  
\$500,000



$$\frac{\$500,000}{\$1,000} \times \$2.4024 = \$1,201$$

*The Township of Langley Collects \$3,603 in total property taxes.*

**IN 2018**, EACH HOME'S VALUE INCREASES BY 20% (AVERAGE)  
AND IS NOW WORTH \$600,000...

House  
\$600,000



Townhouse  
\$600,000



Condominium  
\$600,000



TO RAISE THE SAME AMOUNT OF PROPERTY TAX REVENUE AS IN 2017, A PROPERTY TAX RATE OF \$2.0020 IS LEVIED ON EACH \$1,000 OF ASSESSED VALUE...

*Please note that the tax rate dropped from \$2.4024 to \$2.0020 in order to generate the same tax revenue as in 2017.*

*This is how a municipality removes the effect of the average increase in assessed values.*

House  
\$600,000



$$\frac{\$600,000}{\$1,000} \times \$2.0020 = \mathbf{\$1,201}$$

Townhouse  
\$600,000



$$\frac{\$600,000}{\$1,000} \times \$2.0020 = \mathbf{\$1,201}$$

Condominium  
\$600,000



$$\frac{\$600,000}{\$1,000} \times \$2.0020 = \mathbf{\$1,201}$$

*The Township of Langley Still Collects \$3,603 in total property taxes.*



## WHAT IF...

...the value of each of the three homes  
did not change by the same (average) amount?

**IN 2018,**

THE HOUSE *INCREASED BY 45%* (25% HIGHER THAN AVERAGE),

THE TOWNHOUSE *INCREASED BY 22%* (2% HIGHER THAN AVERAGE),

THE CONDO *DECREASED BY 7%* (27% LOWER THAN AVERAGE), ...

House  
\$725,000



Up  
45%

Townhouse  
\$610,000



Up  
22%

Condominium  
\$465,000



Down  
7%

FOR THE TOWNSHIP TO RAISE THE SAME AMOUNT OF PROPERTY TAX REVENUE, **IN TOTAL**, AS IN 2017, THE LOWER PROPERTY TAX RATE OF **\$2.0020** IS LEVIED ON EACH \$1,000 OF ASSESSED VALUE...

*Even though each property pays a different amount of taxes, **the township still collects a total of \$3,603.***

House \$725,000	Townhouse \$610,000	Condominium \$465,000
		
Up 45%	Up 22%	Down 7%
$\$725,000 / \$1,000 \times \$2.0020 = \$1,451$	$\$610,000 / \$1,000 \times \$2.0020 = \$1,221$	$\$465,000 / \$1,000 \times \$2.0020 = \$931$
Up a lot!!! 	Up a little 	Down a lot!!! 

*The Township of Langley **Still Collects \$3,603** in total property taxes.*





AND FINALLY...

...to meet increased municipal expenditures, suppose Council approves a 2% increase in the amount of property tax revenue to be raised?

THE PROPERTY TAX RATE OF  
\$2.0020 IS *INCREASED* BY 2% TO \$2.0420

**The township *NOW* collects a total of \$3676, which is 2% more than \$3603.**

House  
\$725,000



$$\begin{aligned} & \$725,000/\$1,000 \times \\ & \$2.0420 = \mathbf{\$1,480} \end{aligned}$$

Townhouse  
\$610,000



$$\begin{aligned} & \$610,000/\$1,000 \times \\ & \$2.0420 = \mathbf{\$1,246} \end{aligned}$$

Condominium  
\$465,000



$$\begin{aligned} & \$465,000/\$1,000 \times \\ & \$2.0420 = \mathbf{\$950} \end{aligned}$$

*I hope this helped!*

Township of  
Langley



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