A TALE OF THREE HOMES...

...IN THE TOWNSHIP OF LANGLEY



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



\$500,000/\$1,000 x \$2.4024 = **\$1,20** l Townhouse \$500,000



\$500,000/\$1,000 x \$2.4024 = **\$1,20**1 Condominium \$500,000



 $$500,000/$1,000 \times $2.4024 = 1,20$

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 <u>removes</u> the effect of the <u>average</u> increase in assessed values.





 $$600,000/$1,000 \times $2.0020 = $1,201$

Townhouse \$600,000



 $$600,000/$1,000 \times $2.0020 = $1,201$

Condominium \$600,000



 $$600,000/$1,000 \times $2.0020 = $1,20$

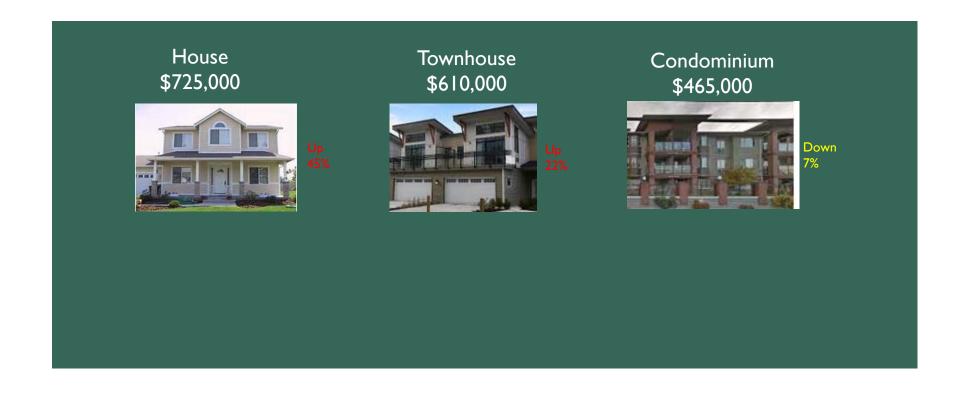
The Township of Langley **Still Collects \$3,603** in total property taxes.

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), ...



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.



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



\$725,000/\$1,000 x \$2.0420 = **\$1,480** Townhouse \$610,000



 $$610,000/$1,000 \times $2.0420 = $1,246$

Condominium \$465,000



\$465,000/\$1,000 x \$2.0420 = **\$950**

I hope this helped!

