

Property Taxpayers Alliance of Ontario

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How Your Regional Tax Bills Work

The Total Tax Bill (TTB)

Let's start with an example. Cambridge, is a tier 1 municipality in the Region of Waterloo. The Waterloo Regional government is a tier 2 municipality. The Cambridge property taxpayer's annual TTB bill is made up of three components - the City of Cambridge taxes, the School Board taxes, and the Waterloo Regional government taxes. Each of these three parts is determined independently by the aforementioned entities based on their respective budgetary needs. When these amounts are added up and considered in total, this is called the TTB.

The image below from the 2026 Cambridge budget document shows the most recent relative percentages of each of these three independently determined budgets.



Cambridge – Total Tax Bill

For 2026, the Waterloo Region's property taxes make up 55% of the TTB, Cambridge property taxes make up 35%, and the School Board's taxes make up 10%. There is nothing magical about these percentages. The relative percentages will slowly change over time (but always add to 100%) as some individual budgets grow faster or slower than others.

Lets say for 2026 a particular Cambridge homeowner's TTB is \$6000. Cambridge would receive \$2100 (35%) of the \$6000. Waterloo Region would receive \$3300 (55%), and the School Board would receive \$600 (10%). The City of Cambridge collects this money in taxes and remits \$3300 to the Waterloo Region and \$600 to the School Board.

The Municipal Property Assessment Corporation (MPAC)

So where did the \$6000 come from you ask? Well, the Municipal Property Assessment Corporation (MPAC) assesses the value of our homes every 4 years. So for example, lets say 4 years ago your home was valued by MPAC at \$500,000 and 4 years ago its value for tax purposes was \$400,000. Cambridge would have used the \$400,000 value for tax purposes 4 years ago. Then it adds \$25,000 $(\$500,000 - \$400,000)/4$ to the \$400,000 value to arrive at \$425,000 which is the value for the tax purposes 3 years ago. They it adds \$25,000 again to the \$425,000 value to get a \$450,000 value for tax purposes 2 years ago. Another \$25,000 is added to get a \$475,000 value for tax purposes 1 year ago and finally another \$25,000 to get the full \$500,000 value for tax purposes in year 4. At this point the whole process repeats itself (every 4 years).

But the 2020 assessment was put on hold by the Ford government when the Covid pandemic hit, and it is still on hold today. The last MPAC assessment took place in 2016. So Cambridge and other municipalities are using the 2016 assessed values for tax purposes, and using MPAC for assessment of newly constructed homes.

The MPAC process exists primarily to ensure the relative market valuations of homes is determined fairly. It is not done to increase property taxes.

Cambridge (and other Ontario municipal governments) works out its operating budget needs, then calculates the percentage increase it has to apply to the assessed property base to fund that budget. Interestingly, if MPAC starts up again, and the market values of our homes jump up dramatically, the mill rate could actually go down. But sadly, our property taxes won't .. LoL.

The Financial Information Return (FIR)

Did you know that at the end of each calendar year, every Ontario municipality must submit what is called a Financial Information Return or FIR to the Provincial Government. The FIR contains information you won't find in the annual Budget document.

The tax pages from Cambridge's 2023 and 2024 FIR's are shown below (table 1 and table 2).

RTC 1	Tax Band 2	Property Class 3	Tax Rate Description 4	Tax Ratio 5	Percent of Full Rate 6 %	CVA Assessment 7 \$	Phase-In Taxable Assessment 16 \$	Tax Rates				Municipal Taxes			TOTAL 15 \$
								LT / ST 8	UT 9	EDUC 10	TOTAL 11	LT / ST 12 \$	UT 13 \$	Education Taxes 14 \$	
0000 Cambridge C															
RT	0	Residential	Full Occupied	1.000000	100%	14,426,131.436	14,426,131.436	0.468260%	0.533874%	0.153000%	1.155134%	67,551,803	77,017,365	22,071,981	166,641,149
R1	0	Residential	Farm. Awaiting Devel. - Ph I	1.000000	75%	991,000	991,000	0.351190%	0.400405%	0.114750%	0.866345%	3,480	3,968	1,137	8,585
MT	0	Multi-Residential	Full Occupied	1.950000	100%	608,766,800	608,766,800	0.913100%	1.041054%	0.153000%	2.107154%	5,558,650	6,337,591	931,413	12,827,654
M1	0	Multi-Residential	Farm. Awaiting Devel. - Ph I	1.950000	38%	726,000	726,000	0.351190%	0.400405%	0.114750%	0.866345%	2,550	2,907	833	6,290
NT	0	New Multi-Residential	Full Occupied	1.000000	100%	255,738,500	255,738,500	0.468260%	0.533874%	0.153000%	1.155134%	1,197,521	1,365,321	391,280	2,954,122
FT	0	Farmland	Full Occupied	0.250000	100%	36,360,000	36,360,000	0.117080%	0.133468%	0.038250%	0.288778%	42,563	48,529	13,960	105,000
TT	0	Managed Forest	Full Occupied	0.250000	100%	2,579,300	2,579,300	0.117060%	0.133468%	0.038250%	0.288778%	3,019	3,443	987	7,449
CT	0	Commercial	Full Occupied	1.950000	100%	1,916,819,491	1,916,819,491	0.913100%	1.041054%	0.880000%	2.834154%	17,502,479	19,955,126	16,868,012	54,325,617
CH	0	Commercial	Full Occupied, Shared P/L	1.950000	100%	5,383,000	5,383,000	0.913100%	1.041054%	1.250000%	3.204154%	49,243	56,144	67,413	172,800
CU	0	Commercial	Excess Land	1.950000	100%	39,540,848	39,540,848	0.913100%	1.041054%	0.880000%	2.834154%	361,047	411,642	347,959	1,120,648
CX	0	Commercial	Vacant Land	1.950000	100%	22,916,200	22,916,200	0.913100%	1.041054%	0.880000%	2.834154%	209,248	238,570	201,663	649,481
GT	0	Parking Lot	Full Occupied	1.950000	100%	6,473,600	6,473,600	0.913100%	1.041054%	0.880000%	2.834154%	59,110	67,394	56,968	183,472
DT	0	Office Building	Full Occupied	1.950000	100%	80,366,689	80,366,689	0.913100%	1.041054%	0.880000%	2.834154%	733,828	836,661	707,227	2,277,716
ST	0	Shopping Centre	Full Occupied	1.950000	100%	639,681,764	639,681,764	0.913100%	1.041054%	0.880000%	2.834154%	5,840,934	6,659,433	5,629,200	18,129,567
SU	0	Shopping Centre	Excess Land	1.950000	100%	212,631	212,631	0.913100%	1.041054%	0.880000%	2.834154%	1,943	2,216	1,873	6,032
IT	0	Industrial	Full Occupied	1.950000	100%	572,818,787	572,818,787	0.913100%	1.041054%	0.880000%	2.834154%	5,230,408	5,963,353	5,040,805	16,234,566
IH	0	Industrial	Full Occupied, Shared P/L	1.950000	100%	2,784,000	2,784,000	0.913100%	1.041054%	1.250000%	3.204154%	25,421	28,983	34,800	89,204
I1	0	Industrial	Farm. Awaiting Devel. - Ph I	1.950000	38%	3,054,000	3,054,000	0.351190%	0.400405%	0.114750%	0.866345%	10,725	12,228	3,504	26,457
I4	0	Industrial	Farm. Awaiting Devel. - Ph II	1.950000	100%	1,043,000	1,043,000	0.913100%	1.041054%	0.880000%	2.834154%	9,524	10,858	9,178	29,560
IU	0	Industrial	Excess Land	1.950000	100%	13,769,594	13,769,594	0.913100%	1.041054%	0.880000%	2.834154%	125,730	143,349	121,172	390,251
IK	0	Industrial	Excess Land, Shared P/L	1.950000	100%	1,978,300	1,978,300	0.913100%	1.041054%	1.250000%	3.204154%	18,064	20,595	24,729	63,388
IJ	0	Industrial	Vacant Land	1.950000	100%	43,235,500	43,235,500	0.913100%	1.041054%	0.880000%	2.834154%	394,783	450,105	380,472	1,225,360
LT	0	Large Industrial	Full Occupied	1.950000	100%	359,492,459	359,492,459	0.913100%	1.041054%	0.880000%	2.834154%	3,282,526	3,742,511	3,163,534	10,188,571
LU	0	Large Industrial	Excess Land	1.950000	100%	995,659	995,659	0.913100%	1.041054%	0.880000%	2.834154%	9,091	10,365	8,762	28,218
PT	0	Pipeline	Full Occupied	1.161300	100%	34,205,000	34,205,000	0.543790%	0.619988%	0.880000%	2.043778%	186,003	212,067	301,004	699,074
Subtotal						19,076,073,738	19,076,073,738					108,409,693	123,600,724	56,379,814	288,390,231

Table 1 - Cambridge 2023 FIR Submission - Property Taxes

RTC 1	Tax Band 2	Property Class 3	Tax Rate Description 4	Tax Ratio 5	Percent of Full Rate 6 %	CVA Assessment 7 \$	Phase-In Taxable Assessment 16 \$	Tax Rates				Municipal Taxes			TOTAL 15 \$
								LT / ST 8	UT 9	EDUC 10	TOTAL 11	LT / ST 12 \$	UT 13 \$	Education Taxes 14 \$	
00 Cambridge C															
RT	0	Residential	Full Occupied	1.000000	100%	14,749,465,958	14,749,465,958	0.501830%	0.579474%	0.153000%	1.234304%	74,017,245	85,469,320	22,566,683	182,053,248
R1	0	Residential	Farm. Awaiting Devel. - Ph I	1.000000	75%	991,000	991,000	0.376380%	0.434605%	0.114750%	0.925735%	3,730	4,307	1,137	9,174
MT	0	Multi-Residential	Full Occupied	1.950000	100%	612,694,100	612,694,100	0.978570%	1.129973%	0.153000%	2.261543%	5,995,641	6,923,278	937,422	13,856,341
M1	0	Multi-Residential	Farm. Awaiting Devel. - Ph I	1.000000	75%	726,000	726,000	0.376380%	0.434605%	0.114750%	0.925735%	2,733	3,155	833	6,721
NT	0	New Multi-Residential	Full Occupied	1.000000	100%	257,456,400	257,456,400	0.501830%	0.579474%	0.153000%	1.234304%	1,291,993	1,491,893	393,908	3,177,794
FT	0	Farmland	Full Occupied	0.250000	100%	37,879,600	37,879,600	0.125460%	0.144868%	0.038250%	0.308578%	47,524	54,875	14,489	116,888
TT	0	Managed Forest	Full Occupied	0.250000	100%	2,579,300	2,579,300	0.125460%	0.144868%	0.038250%	0.308578%	3,236	3,737	987	7,960
CT	0	Commercial	Full Occupied	1.950000	100%	1,896,863,342	1,896,863,342	0.978570%	1.129973%	0.880000%	2.988543%	18,562,136	21,434,044	16,692,397	56,688,577
CH	0	Commercial	Full Occupied, Shared P/L	1.950000	100%	5,383,000	5,383,000	0.978570%	1.129973%	1.250000%	3.358543%	52,774	60,939	67,413	181,126
CU	0	Commercial	Excess Land	1.950000	100%	38,659,845	38,659,845	0.978570%	1.129973%	0.880000%	2.988543%	378,314	436,846	340,207	1,155,367
CX	0	Commercial	Vacant Land	1.950000	100%	24,003,200	24,003,200	0.978570%	1.129973%	0.880000%	2.988543%	234,888	271,230	211,228	717,346
GT	0	Parking Lot	Full Occupied	1.950000	100%	6,043,900	6,043,900	0.978570%	1.129973%	0.880000%	2.988543%	59,144	68,294	53,186	180,624
DT	0	Office Building	Full Occupied	1.950000	100%	80,593,489	80,593,489	0.978570%	1.129973%	0.880000%	2.988543%	788,664	910,685	709,223	2,408,572
ST	0	Shopping Centre	Full Occupied	1.950000	100%	642,749,783	642,749,783	0.978570%	1.129973%	0.880000%	2.988543%	6,289,577	7,262,899	5,656,198	19,208,854
SU	0	Shopping Centre	Excess Land	1.950000	100%	212,800	212,800	0.978570%	1.129973%	0.880000%	2.988543%	2,082	2,405	1,873	6,360
IT	0	Industrial	Full Occupied	1.950000	100%	617,201,194	617,201,194	0.978570%	1.129973%	0.880000%	2.988543%	6,039,746	6,974,207	5,431,371	18,445,324
IH	0	Industrial	Full Occupied, Shared P/L	1.950000	100%	2,784,000	2,784,000	0.978570%	1.129973%	1.250000%	3.358543%	27,243	31,458	34,800	93,501
I1	0	Industrial	Farm. Awaiting Devel. - Ph I	1.000000	75%	1,864,000	1,864,000	0.376380%	0.434605%	0.114750%	0.925735%	7,016	8,101	2,139	17,256
I4	0	Industrial	Excess Land	1.950000	100%	15,085,494	15,085,494	0.978570%	1.129973%	0.880000%	2.988543%	147,622	170,462	132,752	450,836
IK	0	Industrial	Excess Land, Shared P/L	1.950000	100%	1,978,300	1,978,300	0.978570%	1.129973%	1.250000%	3.358543%	19,359	22,354	24,729	66,442
IJ	0	Industrial	Vacant Land	1.950000	100%	52,169,900	52,169,900	0.978570%	1.129973%	0.880000%	2.988543%	510,519	589,506	459,095	1,559,120
LT	0	Large Industrial	Full Occupied	1.950000	100%	411,985,459	411,985,459	0.978570%	1.129973%	0.880000%	2.988543%	4,031,566	4,655,324	3,625,472	12,312,362
LU	0	Large Industrial	Excess Land	1.950000	100%	995,659	995,659	0.978570%	1.129973%	0.880000%	2.988543%	9,743	11,251	8,762	29,756
PT	0	Pipeline	Full Occupied	1.161300	100%	34,636,000	34,636,000	0.582780%	0.672943%	0.880000%	2.135723%	201,852	233,001	304,797	739,730
Subtotal						19,495,011,723	19,495,011,723					118,724,527	137,093,651	57,671,101	313,489,279

Table 2 - Cambridge 2024 FIR Submission - Property Taxes

We see in these two sheets the LT/ST column (lower tier/single tier), the UT column (upper tier) and the EDUC column (school board). Because Cambridge has a two tier regional government, there is no ST (single tier) component. In these columns you can find the tax rates imposed on the Residential Fully Occupied property tax category (regular single family dwellings). The Cambridge tax rate in 2023 for residential fully occupied schedule (line 1 table 1) is 0.46826. It is 0.50183 in the 2024 schedule (line 1 table 2).

This means that property taxes increased for residential fully occupied homes in 2024 by 7.17% $(0.50183/0.46826 - 1) * 100$ relative to 2023. The Cambridge property tax increase was about 3 times the 2.4% inflation rate for 2024 $(7.17/2.4)$. This is not sustainable. Year-over-year property tax increases must be brought back down to affordable levels.

The Waterloo Region property tax rate (UT tier column) increased from 0.533874 in 2023 to 0.579474 in 2024. This is an 8.54% $(0.579474/0.533874-1)*100$ tax increase relative to 2023. The Waterloo Region property tax increase was 3.56 times the 2.4% inflation rate for 2024 over 2023. Again, simply not sustainable.

The school board tax rate was 0.153 in 2023 and also 0.153 in 2024. So School Board tax rates did not increase. In fact, their property tax increases have been frozen for years.

For the TTB to increase by just 2.4% (the inflation rate) in 2024, each of the individual contributors (Cambridge, Waterloo Region, School Board) would be limited to increases in their respective property taxes of 2.4% each. If one contributor were to increase their taxes by more than 2.4%, the increase of others would need be less than 2.4% to off-set the overage to make the entire TTB increase still come out at just 2.4%.

The fair share of each contributor to the TTB (their fair entitlement) based on an overall target increase 2.4% (2024 inflation rate) is shown in the following table.

Pie Chart Contributor	How much increase each is entitled to if the overall target increase is the 2.4% (inflation rate)	The increase to the TTB that each contributor actually took in 2024
Waterloo Region	= 55% * 2.4 = 1.32% increase to the TTB	=55% * 8.54 = 4.67% Waterloo took 3.54 times more than it was entitled to for a TTB increase of 2.4% (inflation)
Cambridge	= 35% * 2.4 = 0.84% increase to the TTB	=35% * 7.17 = 2.51% Cambridge took 3 times more than it was entitled to for a TTB increase of 2.4% (inflation)
School Board	= 10% * 2.4 = 0.24% increase to the TTB	= 10% * 0 = 0% School Board took less than it was entitled to for a TTB increase of 2.4% (inflation)

Cambridge is entitled to a 0.84% increase to the TTB if the overall target increase is the 2024 inflation rate of 2.4%. Waterloo Region is entitled to a TTB increase of 1.32% and the School Board's is entitled to a 0.24% increase (1.32% + 0.84% + 0.24% = the 2024 inflation target of 2.4%).

A Few Additional Considerations

In Cambridge, assessment growth going into 2026 was about \$1.5 million due to new home building, existing home upgrades, etc. Some of this money is used for incremental new service deliver costs, but far from 100% of it. And Cambridge, like a few other Ontario municipalities, owns shares in its local electric utility GrandBridge Corporation. Cambridge will receive annual GrandBridge dividends of about \$4 million dollars in 2026. As well, Cambridge will receive grants and subsidies of about \$1.6 million in 2026. This means that Cambridge will have received ~\$7.1 million to spend **before it even has to raise property taxes**. Nice cushion! Many Ontario municipalities benefit from assessment growth, grants and even dividends.

In Closing

This has been a bit of an overview of how the residential TTB is determined in Ontario two-tier municipalities. Should you have any questions or suggestions please call us at **1-519-716-1645** or email us at **info@propertytaxpayer.ca**.