



News Release

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Average Penticton homeowner to pay 4.25% more in taxes

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Penticton – The tax rate increase in 2017 for an average residential property in the City with no improvements or betterments (non-market changes) is 4.25%. The General Municipal Levy increase for the City of Penticton approved by Council for 2017 is 4.36% (\$28,368,201 in 2016 vs \$29,605,055 in 2017). This means that the average tax increase for all categories of properties in the City is 4.36%. The tax increase on any one individual property may be higher or lower than this average.

The allocation of taxes to a property depends on the applicable tax rate (nine classes) and the taxable value of the property. In Penticton, the value of residential properties in 2017 has grown at a comparatively faster rate than other tax categories (business and manufacturing for example). This means that the amount of taxes paid by the entire group of residential properties in the City has increased for 2017.

For the average homeowner, an increase in assessed value could be either due to a market change (you are living in a “hot” market where values are rising) or a non-market change (you have made some improvements to your property that have increased the value). The allocation of taxes to an individual residential property depends largely on whether or not you have made any improvements to your house.

If you did not make substantial improvements to your property and your assessment has increased in line with other residential properties, your tax increase will be close to the average. Conversely, if your property experienced comparatively lower market increases you would pay less than average. Please note that it isn't unusual to find certain areas or individual properties within the City that have experienced comparatively higher market increases.

For example, someone who added a garage will pay more due to the additional taxes levied on the new structure. These additional taxes can only be estimated at budget time and not included in the 4.36% increase because they are newly taxed property. If all of these non-market changes (improvements) were spread out and included in a calculation for residential property, they would add 1.21% to the average market change increase of 4.25% for a total of 5.46%.

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