



MUNICIPAL
PROPERTY
ASSESSMENT
CORPORATION

MPAC 2021

Performance Report

Table of Contents

- Introduction 3
- President’s Message 6
- Goal: Assessment Excellence 7
 - Objective: Assessment Growth Capture 8
 - Objective: Assessment Accuracy and Equity 9
 - Objective: Assessment Stability 12
- Goal: Customer Service and Stakeholder Engagement 16
 - Objective: Customer Satisfaction 17
 - Objective: Stakeholder Engagement 20
- Goal: Operational Efficiency 22
 - Objective: Financial Efficiency 23
- Appendix A: List of Measures & Performance 25



Introduction



Introduction

The Municipal Property Assessment Corporation (MPAC) is an independent, not-for-profit corporation funded by Ontario municipalities, with a duty to accurately assess and classify all properties in Ontario. MPAC's role, responsibilities and authority are spelled out in the *Municipal Property Assessment Corporation Act*, the *Assessment Act* and regulations set by the Government of Ontario. We are accountable to the province, municipalities and the property taxpayers of Ontario through a 13-member Board of Directors.

This report provides the public, our partners, and our stakeholders with insight into MPAC's strategic and operational performance. It is one way we work to ensure that we are accountable for generating property assessments that are fair, accurate, equitable and transparent.

For most measurements, there are also performance targets. MPAC determines targets by analyzing past performance, or by adopting existing targets from other reporting mechanisms, such as the [Service Level Agreement \(SLA\)](#) established between MPAC and Ontario municipalities. Targets are flagged as "SLA" where this is the case.

Across the organization, the pandemic has driven us to be more innovative, efficient, and forward thinking than ever, and that is reflected in our new [2021-2025 Strategic Plan](#), which contains four pillars:

- Putting our people and culture first
- Delivering continuous operational excellence
- Unlocking opportunities to drive value and additional revenue
- Elevating the property owner and stakeholder experience

The Performance Report contains a total of 16 measures organized into 3 broad goals.

Each goal contains objectives and associated performance indicators to gauge our ability to achieve each goal. The following chart provides a summary of results of the operational metrics outlined in the performance report:

Performance Goal	# Of indicators	# Of indicators that include a target	# Of indicators that met their targets
Assessment Excellence	7	5	4/5
Customer Service & Stakeholder Engagement	6	6	5/6
Operational Efficiency	3	3	3/3
Total	16	14	12/14

Appendix A provides the full list of individual performance metrics.

Of the 14 performance measures that MPAC has set targets for, we were able to achieve 12 of those targets. Details and description for each of the indicators are included in the body of the report, providing a fuller understanding of each measure and how they fulfill MPAC’s operational goals.

President's Message



At MPAC, accurate data and assessments are the foundation for the services we provide today, and the services we want to provide tomorrow. To provide our partners with confidence in the work that we do, we are committed to being transparent, accountable, and proactive in communicating both the successes we have had and the challenges we face. As announced in the [2021 Ontario Economic Outlook and Fiscal Review](#), I am proud to share MPAC's first annual Performance Report, which delves into facts and figures for 2021.

In the face of the COVID-19 pandemic, we have remained focused on delivering what matters: supporting a stable and predictable assessment base, producing accurate data and insights, and providing quality products and services to governments, businesses, and the public. As you will see in the report, MPAC has delivered on this commitment. These successes are thanks to our efforts to push our technologies forward, modernize our processes and invest in our people.

I am proud that MPAC has become a more customer-focused, innovative public-sector organization with an agile and professional workforce. Because of our efforts, MPAC has been recognized as one of Greater Toronto's Top Employers for the third year in a row.

We have also looked beyond the challenges and demands of today to consider what property assessment will look like in a post-pandemic world. Our [2021-2025 Strategic Plan](#) lays the groundwork for the technological innovation, modernization, and services enhancements that are to come. As we look to 2022, we are entering a new, exciting chapter, with a renewed focus in two areas:

- Developing the capacity for real-time valuations so that we can generate an accurate assessment for any property in Ontario, at any time; and,
- Further commercializing our products and services to generate additional revenue, offsetting costs that would otherwise be borne by Ontario municipalities.

Please read on to learn about how MPAC delivered for our province, the municipalities we serve, and our fellow Ontarians in 2021.



Assessment Excellence

Goal: Assessment Excellence

Property assessments are the foundation of Ontario’s property tax system, which generates nearly \$30 billion of revenue for municipalities each year. We continuously update our assessment data by monitoring property sales transactions, rental information, and new construction. This work ensures that the assessed values of properties across Ontario meet high standards as set out by the [International Association of Assessing Officers \(IAAO\)](#), and meet our commitment to ensure a fair, equitable and transparent property taxation system for Ontario municipalities and the taxpayers they serve. We are committed to delivering operational excellence and assessment excellence in the work that we do.

MPAC works to provide Ontario municipalities with a stable assessment base. This means that municipalities can expect a limited impact on their property tax base due to appeals, and property owners can expect an accurate assessment so that their share of property taxes is calculated fairly.

Assessment Growth Capture, Assessment Accuracy, Equity and Stability are important metrics for gauging our delivery of Assessment Excellence.

Objective: Assessment Growth Capture

MPAC updates our database daily to ensure we maintain up-to-date information for every property in Ontario—totalling more than 5.5 million properties. Our work includes gathering information on new properties, and changes to existing properties, to capture what is known as new assessment. When MPAC processes new assessment, we issue a [Property Assessment Change Notice](#) to the property owner.

The taxes generated from new assessment are a key source of new revenue for municipalities, which they can use to fund local priorities and reduce the need for property tax increases.

Indicator: New Assessment Service

In 2021, MPAC added more than \$38 billion in new assessment across Ontario. We are proud to report that we processed 85.76% of assessment growth within 1 year of occupancy, meeting our target of 85%. Our collaboration with municipalities on innovations such as digital building plans enabled us to meet this goal despite the ongoing challenges of the pandemic.

Measure	Target	Baseline	2021
Growth assessed within one year of occupancy	>= 85% (SLA)	85.85% (2020)	85.76%
		Total Transactions: \$37,312,049,482	Total Transactions: \$38,031,359,997
		Within One Year: \$32,033,366,701	Within One Year: \$32,613,885,004

Objective: Assessment Accuracy and Equity

Accurate and equitable assessments provide municipalities and the Government of Ontario with a suitable foundation for taxation.

The Office of the Quality Service Commissioner measures the quality of MPAC’s assessed values against industry standards set by the [IAAO](#). The IAAO is a non-profit, educational and research association that promotes global excellence in property appraisal, assessment administration and property tax policy. These industry standards are only measured when MPAC updates property values provincewide. Because of the pandemic, the Ontario government has maintained the pause of MPAC’s assessment update, originally scheduled for 2020. MPAC will report our performance on these metrics in a future Performance Report, once a new valuation date is in place.

In between assessment updates, MPAC is able to measure the accuracy and equity of our assessments through other metrics, detailed below.

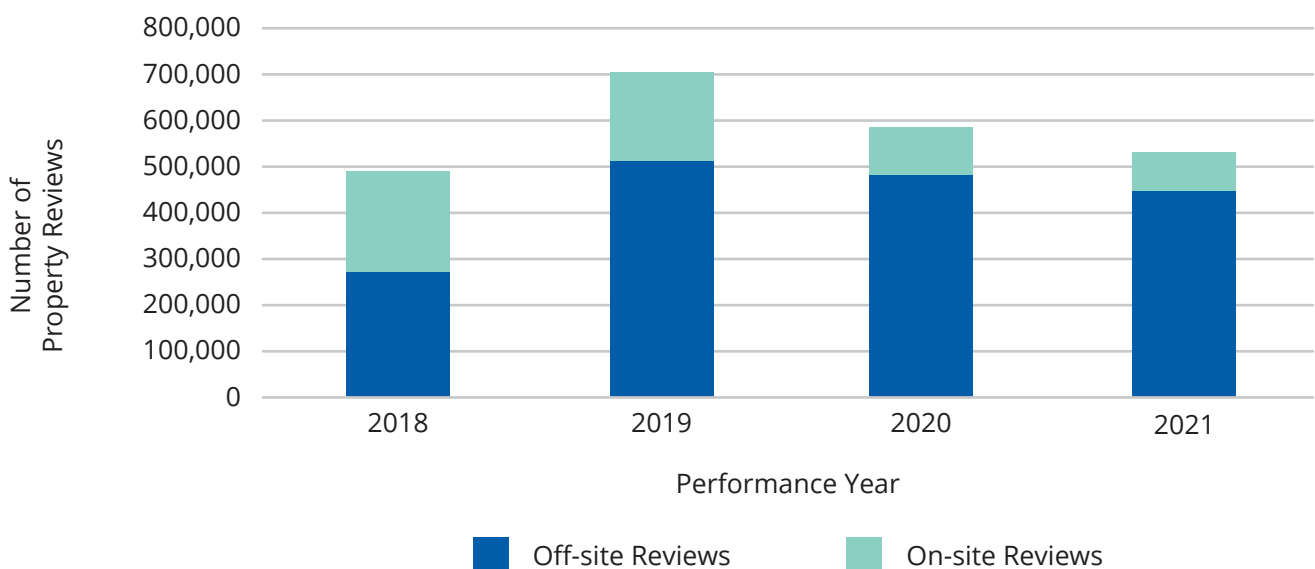
Indicator: Property Reviews Performed

When changes occur to a property, it is our job to keep the data we have on file up-to-date and accurate. We conduct property reviews to ensure assessments accurately reflect the current state and condition of Ontario's properties. MPAC may conduct a property review because of a recent sale, a new building permit, a data integrity review, a request for reconsideration, or an appeal. MPAC focuses our resources on properties where property data may require updating through a review. MPAC's goal is to complete 550,000 property reviews annually and to utilize technology and various data sources to complete approximately 75% of all property reviews.

Property reviews are also a part of our work to capture assessment growth. In some cases, property reviews may result in a decrease of a property's assessed value, such as when a home is demolished or damaged. MPAC distinguishes between reviews conducted on-site, and those completed off-site using building plans, financials, digital imagery, and information gathered directly from the property owner.



Property Reviews



In 2021, MPAC conducted a total of 531,189 property reviews. The number of on-site reviews was limited due to the COVID-19 pandemic. MPAC completed 85% of property reviews off-site. Of these, 41.28% resulted in a change to the assessed value to the property. In contrast, 15.37% of property reviews included on-site inspections, and 65.25% of them resulted in a change to the assessed value to the property.

Measure	Target	Baseline	2021
Number of property reviews performed	Total reviews >=550,000	2019 Total reviews = 710,633 (Assessment Update year) ¹	Total Reviews = 531,189
	Off-site 75% 412,500 reviews	Off-site = 72.71%; 516,863 Onsite = 27.29%; 193,950	Off-site = 84.63%; 449,534 Onsite = 15.37%; 81,655

¹ In preparation for the regularly scheduled 2020 Assessment Update, MPAC committed additional resources to completing property reviews.

Objective: Assessment Stability

MPAC's property assessments are delivered to municipalities in annual assessment rolls covering every property in their jurisdiction. MPAC works to maintain assessment rolls that are complete, traceable, predictable, and stable. MPAC staff and representatives advocate for accurate and equitable assessments using their professional skills and knowledge. The Assessment Stability performance measures highlight the high degree of accuracy, equity and fairness of MPAC assessments, and the stability they provide to municipal finances.

Requests for Reconsideration and Appeals

If a property owner disagrees with the assessed value and/or classification of their property, they may submit a Request for Reconsideration (RfR) to MPAC. When MPAC receives an RfR, we review the property's assessment in detail, free of charge, to determine its accuracy as long as it has met requirements set out in section 39.1 of the *Assessment Act*. The RfR process enables MPAC to resolve property owner concerns without the need for an appeal.

If a property includes land classified in the residential, farm or managed forest property tax class, the property owner must attempt to resolve the matter through the RfR process. If the property owner disagrees with the results of their RfR, they may appeal MPAC's assessment to the Assessment Review Board (ARB). Property owners of other properties may submit an RfR to MPAC or file an appeal directly to the ARB.

The ARB is an independent tribunal of the Ontario Ministry of the Attorney General. The ARB's decisions are final and binding; they can only be appealed to the Divisional Court on questions of law. The ARB plays an important role in the fairness and transparency of the Ontario property taxation system.



If an RfR or appeal results in a reduction in a property's assessed value, then the municipality where the property is located must adjust the taxes they have levied. The length of time to complete an RfR or an appeal can vary, so the municipality may have to adjust taxes retroactively for multiple years.

This presents a financial risk for municipalities and their taxpayers. As such, MPAC measures how many property owners accept their assessment without an RfR or appeal, and how many property values change as a result of the RfR process. These are key indicators of assessment excellence and stability.

Indicator: Request for Reconsideration Related Assessment Change

The RfR and appeal processes provide an opportunity for MPAC and property owners to collaboratively exchange information. New and corrected information about the property may result in a revision to the assessment of a property. MPAC welcomes the opportunity to work with property owners to revise our property data to reflect new information. MPAC does not set a target for RfR and Appeal related assessment change performance measures since it may influence the quality of review by MPAC staff.

During 2021, we completed a total of 27,870 RfRs. Of these, 13,449 RfRs led to a change to the current value assessment of the property, representing a change to only 0.25% of all properties in Ontario.

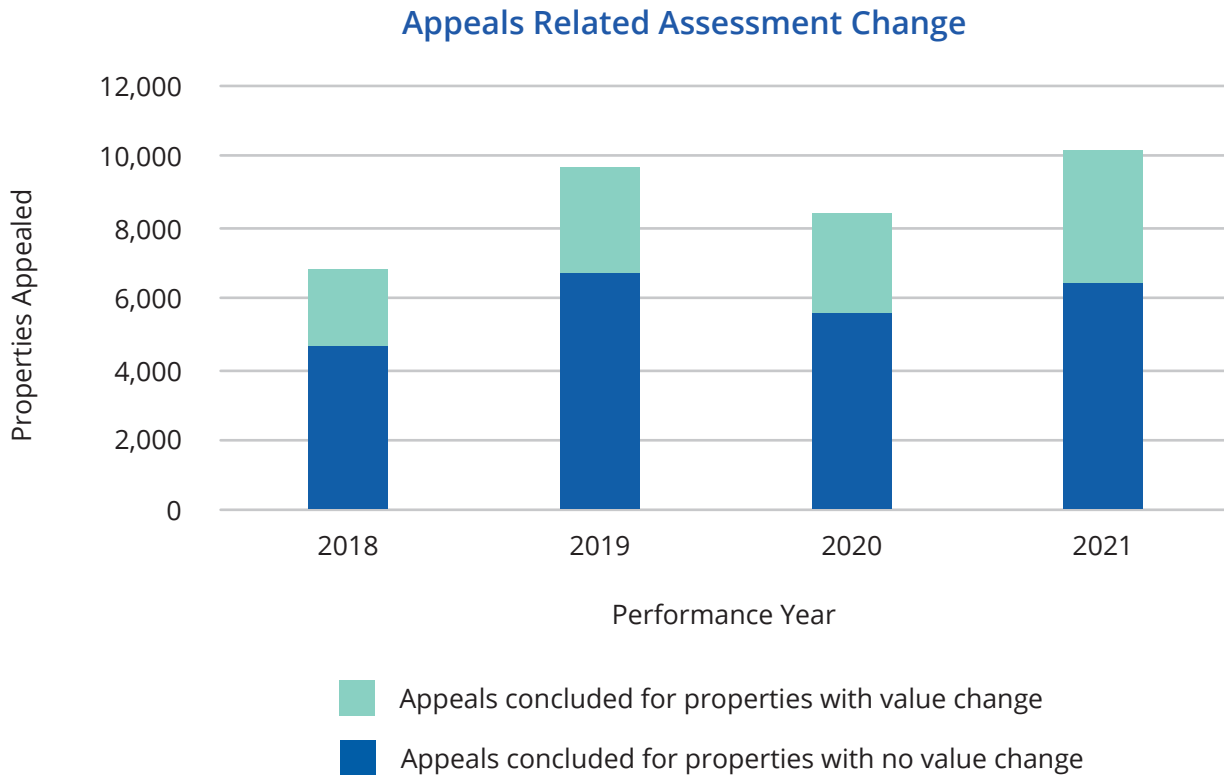
Indicator: Assessment Accepted without Appeals

High acceptance of assessments by property owners in Ontario indicate the stability, quality, accuracy, equity, and uniformity of MPAC's property assessments. Approximately 38,702 properties were appealed between 2017-2021, based on MPAC's January 1, 2016 current value assessment. This means that of Ontario's 5,488,567 properties, 99.31% of assessments were accepted without appeal for the 2017-2021 taxation years.

Measure	Target	Baseline	2021
Percentage of all properties experiencing a valuation change via the RfR process.	No Target	0.15% 8,273 of 5,425,834	0.25% 13,449 of 5,488,567
Percentage of all property assessments accepted without appeal.	>=99%	99.38% (2020) 5,390,357 of 5,425,834	99.31% 5,449,865 of 5,488,567

Indicator: Appeals Related Assessment Change

As seen below, MPAC contributed to the resolution of appeals on 10,187 properties in 2021. This includes appeals initiated in the current tax year, and previous years. Of these appeals, 63.37% resulted in no change in assessed value. This includes appeals where the ARB confirmed the assessed value, as well as those that were dismissed or withdrawn.



Withdrawals often happen because MPAC works with property owners to correct issues with their assessment, or clarify the basis for their assessment. Because of these efforts, the property owner may choose not to proceed further with their appeal.

Measure	Target	Baseline	2021
Appeals concluded for properties during the year with no value change.	No Target	66.36% (2020) 5,551 of 8,365	63.37% 6,456 of 10,187

Indicator: Request for Reconsideration and Appeal Losses

When RfRs and appeals result in changes to a property’s value, this is reflected in the assessment roll, thus impacting municipal finances for the taxation year. Roll stability is a critical issue for our municipal partners, which rely largely on property taxes to fund local services. As seen in the figures below, MPAC met our targets for maintaining municipal stability in 2021.

Indicator: Municipal Stability

To calculate the second measure, we included RfR and appeal losses that subtracted from the assessment base, and the new assessment we captured that added to the assessment base.

Measure	Target	Baseline	2021
Percentage of lower tier/single tier municipalities not experiencing appeal & RfR losses greater than 0.5%	>=85%	96.1% (2018)	86.23% 357 of 414
Percentage of lower tier/single tier municipalities with assessment base remaining the same or increasing	>=85%	93.5% (2020)	97.83% 405 of 414



Customer Service and Stakeholder Engagement

Goal: Customer Service and Stakeholder Engagement

As part of the [2021-2025 Strategic Plan](#), MPAC is working to elevate the property owner and stakeholder experience. We are dedicated to strengthening our municipal, industry, and provincial relationships by expanding value-added products and services to meet their diverse and evolving needs. At the same time, MPAC's core work to deliver property assessments remains critical to Ontario's municipalities.

Our work to better engage and serve municipal partners includes an ongoing series of webinars, new systems that provide improved, real-time access to assessment data, and the shift to digital e-permits. Although many of these innovations were spurred by the pandemic, the benefits will continue into the post-pandemic era.

Objective: Customer Satisfaction

In 2021, MPAC's Customer Contact Centre (CCC) received 180,497 calls, e-mails, faxes and chat messages from our customers. A sample of 8,529 customers completed a survey regarding their overall experience with MPAC's CCC, with impressive results: 93% were either satisfied or very satisfied.

Timely responses by our staff are also a priority for the CCC. However, in 2021, MPAC faced an unexpected increase in the volume of emails we received, which resulted in the lead time for email responses falling below target.

In addition, during 2021 MPAC contracted [IPSOS Canada](#) to survey property owners on their experiences with MPAC, which will be used as a baseline by MPAC to proactively enhance the property owner experience.

Indicator: Customer Contact Centre Satisfaction and Responsiveness

Measure	Target	Baseline	2021
Overall customer satisfaction with MPAC’s Customer Contact Centre	>=90%	92% (2020)	93%
Percentage of calls responded to by staff within 5 minutes	>=90%	85% (2020)	91%
Percentage of emails responded to by staff within 2 business days	>=90%	87% (2020)	81%

Indicator: Municipal Services Levels Met

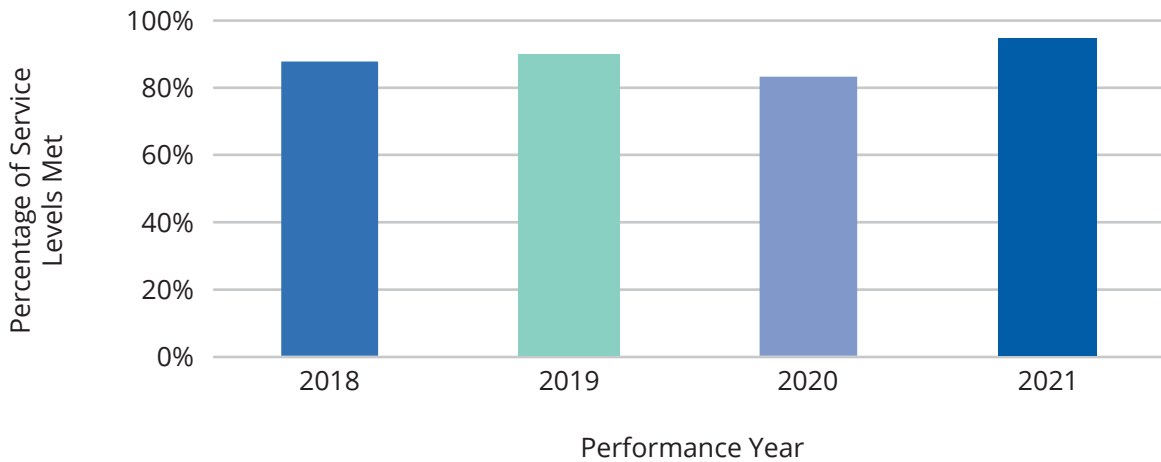
To measure the delivery of services to Ontario’s municipalities, and to ensure mutual accountability, MPAC and its municipal partners jointly developed a [Service Level Agreement \(SLA\)](#). The SLA spells out fair, meaningful and achievable performance standards for the assessment services that municipalities and taxpayers rely on most. In addition, the agreement fosters continuous improvement in service delivery by nurturing collaboration between MPAC and municipalities.

The SLA measures 12 different service levels, including:

- Processing of building permits,
- Delivery of Post-Roll Reports and New Assessment Forecasts,
- Response to and Resolution of Municipal enquiries, and
- Delivery of Year-End Tax File.

During 2021, we were able to meet 94% of all Municipal Service Levels. Our partnerships with municipalities and stakeholders are stronger than ever, and where we are not able to meet a service level, there is a fact-based conversation with the municipality to discuss the cause of the missed service level and how it can be remedied in the future.

Municipal Service Levels Met



Indicator: Municipal Inquiry Responsiveness

Under the SLA, our staff must acknowledge and respond to municipal inquiries within 30 calendar days. This service level demonstrates MPAC’s accountability and overall customer service commitment to our municipal partners. By responding in a timely fashion, MPAC ensures municipalities have the information they need to answer any property-specific questions their constituents may have.

Measure	Target	Baseline	2021
Percentage of Municipal Service Levels Met	>=85% (SLA)	82% (2020)	94%
Percentage of municipal inquiries responded to by staff within 30 calendar days	>=100% (SLA)	99.42% (2020) 18,256 of 18,363	99.79% 13,260 of 13,287

Objective: Stakeholder Engagement

Our liaison groups bring municipalities, municipal sector associations, industry representatives and our experts together, setting the foundation for greater engagement and partnership. Through ongoing engagement, we are committed to building trust and strengthening relationships as part of our commitment to assessment excellence.

Indicator: Stakeholder Engagement Frequency

As part of our municipal and stakeholder engagement strategy, we had a total of 5,547 engagement sessions with our municipal partners, which included meetings, webinars, conferences, and training opportunities. MPAC provides municipal partners with assessment-related information through a variety of channels, including Municipal Connect, virtual conferences, MPAC webinars and mpac.ca. MPAC engages municipalities, Members of Provincial Parliament and local industry stakeholders on the following topics, and has maintained a strong presence at the following conferences:

Topics	Conferences/Events
<ul style="list-style-type: none"> • New Municipal Connect - Product Awareness/Training • Building Permits Issues/Trends • COVID-19 Pandemic Impacts and other corporate MPAC updates • Assessment Growth • New Small Business Property Subclass • Service Level Agreement • Appeals News and Progression • Market Insights 	<ul style="list-style-type: none"> • Rural Ontario Municipal Association (ROMA) • Economic Developers Council of Ontario (EDCO) • Northwestern Ontario Municipal Association (NOMA) • Ontario Small Urban Municipalities (OSUM) • Ontario Municipal Administrator’s Association (OMAA) • Federation of Northern Ontario Municipalities (FONOM) • Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO) • Association of Municipalities of Ontario (AMO) • Ontario Municipal Tax and Revenue Association (OMTRA) • Municipal Finance Officers Association (MFOA) • Ontario East Municipal Conference (OEMC) • International Association of Assessing Officers (IAAO) and Institute of Municipal Assessors (IMA) • Ontario Professional Planners Institute (OPPI)

Newsletters are one way that MPAC highlights important announcements, new initiatives, real estate trends, and upcoming events. During 2021, MPAC distributed 12 issues of [InTouch](#), our municipal partner newsletter, which reached over 106,000 municipal contacts. Additionally, MPAC reached over 100 industry stakeholders with our quarterly [Industry Insights](#) newsletter.



Measure	Target	Baseline	2021
Number of Municipal engagement sessions “Engagements” includes Quarterly meetings, days with MPAC, conference work, monthly webinars, training session and MPAC 101 for new staff, Council Session, etc.	One quarterly meeting for all 444 municipalities (1,776)	4,051 (2020) engagements completed	5,547 engagements completed



Operational Efficiency

Goal: Operational Efficiency

As our province has grown and our workload has increased, we have worked to offset the cost of our services through innovation and finding new ways of doing business. Historically, we have tried to keep budget increases – and by extension, municipal levy increases – at or below inflation. We are committed to delivering our services efficiently while unlocking opportunities to provide value and generate additional revenue.

MPAC calculates the levy for each municipality based on the proportion of the province's properties, and the proportion of the province's total assessed value in their jurisdiction. MPAC's funding requirements include the cost of operations, capital spending and reserve requirements. However, the cost to municipalities is offset by revenues from selling services and technologies, and investment income. The net amount is the total municipal [levy](#).

Objective: Financial Efficiency

As a public sector organization, we are also accountable to the Ontario property taxpayer. As such, we are committed to managing our budget and resources responsibly by strategically investing dollars and focusing our attention where it matters the most.

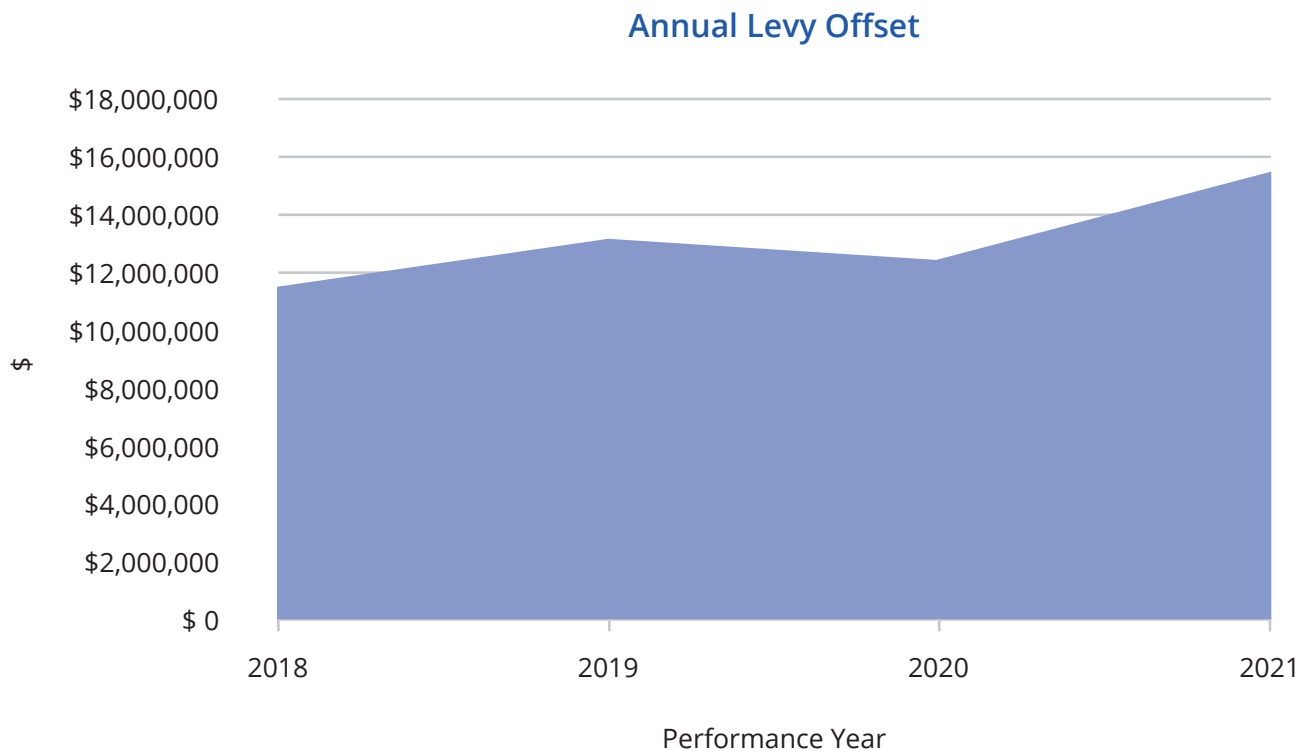
Indicator: Budget Variance

At the beginning of 2021, we forecast our annual expenditures and committed to managing our budget within a 3% variance. In 2021, MPAC is proud to report that we kept our budget variance within 1%.

During the pandemic, MPAC needed to be mindful of the financial challenges that municipalities faced. MPAC has been working hard to control expenses while continuing to deliver timely and efficient services. Although we faced increases in collectively bargained labour costs, we were able to offset the additional expense by managing costs in other areas, and applying savings from 2021. As a result, we avoided a budget increase for 2022 and thus were able to freeze the total municipal levy for the year. For more information on our Statement of Operations, please find our Financial Highlights for 2021 in the [2021 Annual Report](#).

Indicator: Annual Levy Offset

MPAC data is used extensively in the real estate, financial services, insurance, and utility sectors. The revenue generated from our commercial activities offsets municipal funding and has a direct benefit to the people of Ontario, saving municipalities over \$100 million since 2002. At the beginning of 2021, we set out to achieve at least \$13.3 million in surplus generated from value-added products. We greatly exceeded this target, with surplus from business development activities generating \$15.5 million in 2021, an increase of 24% from prior year.



Indicator: Cost Per Property

To demonstrate the efficiency of our services we calculate the Cost Per Property by adding up MPAC’s total core (i.e., excluding Business Development and Enumeration) operating and capital expenses and dividing by the total number of properties in Ontario. This is a common practice in other assessment jurisdictions. It does not consider weighting of different property types. Cost Per Property reflects MPAC’s commitment to keeping costs to the taxpayer as low as possible while delivering the services that our stakeholders rely on.

Measure	Target	Baseline	2021
Year-end Operating Budget Variance	<=3%	5% (2020)	1%
Annual Levy Offset	>=\$13.3M (2021) in surplus generated from value-added products	\$12.5M (2020)	\$15.5M
Cost Per Property	<=\$40.91	\$40.91 (2020)	\$40.68

Appendix A: List of Measures & Performance

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Assessment Excellence			
Assessment Growth Capture			
Growth assessed within one year of occupancy	>=85% (SLA)	85.85% (2020) Total Transactions: \$37,312,049,482 Within One Year: \$32,033,366,701	85.76% Total Transactions: \$38,031,359,997 Within One Year: \$32,613,885,004
Assessment Accuracy & Equity			
Number of property reviews performed	Total reviews >=550,000 Alternative 75%, 412,500 reviews	2019 Total reviews = 710,633 (Assessment Update year) Alternative = 72.71%; 516,863 Onsite = 27.29%; 193,950	Total reviews = 531,189 Alternative = 84.63%; 449,534 Onsite = 15.37%; 81,655
Assessment Stability			
Percentage of all properties experiencing a valuation change via the RfR process.	No Target	0.15% 8,273 of 5,425,834	0.25% 13,449 of 5,488,567
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Customer Service & Stakeholder Engagement

Customer Satisfaction

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Operational Efficiency & Digital Capability

Operational Efficiency

Year-end Operating Budget Variance	<=3%	5% (2020)	1%
Annual Levy Offset	>=\$13.3 M (2021) in surplus generated from value-added products	\$12.5M (2020)	\$15.5M
Cost Per Property	<=\$40.91	\$40.91 (2020)	\$40.68



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