

Urban History and the Politics of the Property Tax: The Case of Single Residential Property in the City of Toronto, 1920s-1970s

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Résumé de l'article

Dans un passé récent, la réforme de la taxe foncière à Toronto a été contrecarrée par des théories sur les « éléments progressifs » du taux de base de l'imposition résidentielle, qui ont pour effet de maintenir les perspectives de modifications régressives des charges fiscales résidentielles à la remorque d'une réévaluation. L'étude de l'évolution de la taxe de base, dans cinq villes voisines depuis le début des années 1920, indique que ces éléments progressifs sont en grande partie une conséquence involontaire des transformations historiques des marchés immobiliers des environs. De plus, tout le potentiel existant pour des modifications régressives de la taxe pourrait être contrebalancé d'une manière significative par une révision, dans le traditionnel système de taxe foncière de la ville, de la formule d'exemption, partiellement graduée, des maisons d'habitation. Quoi qu'il en soit, l'histoire urbaine de la fiscalité torontoise illustre bien les défis politiques et techniques posés par la réforme de la taxation foncière à travers l'évaluation de la valeur marchande.

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Abstract/Résumé

Dans un passé récent, la réforme de la taxe foncière à Toronto a été contrecarrée par des théories sur les «éléments progressifs» du taux de base de l'imposition résidentielle, qui ont pour effet de maintenir les perspectives de modifications régressives des charges fiscales résidentielles à la remorque d'une réévaluation. L'étude de l'évolution de la taxe de base, dans cinq villes voisines depuis le début des années 1920, indique que ces éléments progressifs sont en grande partie une conséquence involontaire des transformations historiques des marchés immobiliers des environs. De plus, tout le potentiel existant pour des modifications régressives de la taxe pourrait être contrebalancé d'une manière significative par une révision, dans le traditionnel système de taxe foncière de la ville, de la formule d'exemption, partiellement graduée, des maisons d'habitation. Quoi qu'il en soit, l'histoire urbaine de la fiscalité torontoise illustre bien les défis politiques et techniques posés par la réforme de la taxation foncière à travers l'évaluation de la valeur marchande.

In the more recent past, property tax reform in the City of Toronto has been thwarted by suggestions of "progressive elements" in the single residential tax base, that hold out prospects of regressive shifts in the residential tax burden in the wake of a reassessment. Study of the evolution of the tax base in five city neighbourhoods since the early 1920s indicates that these progressive elements are largely an unintended consequence of historical changes in neighbourhood real estate markets. Moreover, what potential there is for regressive tax shifts could be offset significantly by some updated form of a partial graded dwelling house exemption in the City's traditional property tax system. The urban history of the Toronto property tax, however, does illustrate the political and technical challenges of property tax reform through market value assessment.

In the past two decades, the concept of "requiring all properties to be assessed at a uniform ratio of market value" has been a point of departure for property tax reform in various parts of North America. A decade ago now, Diane Paul's *The Politics of the Property Tax* argued that prevailing coalitions of political interests made "significant" reform of this sort "not likely," especially in "big cities." Her work featured case studies of recent experiences in Boston and San Francisco, though it also reviewed literature covering comparable situations in such places as New York, Chicago, Philadelphia, Baltimore, Providence, and Fort Worth.¹

The research described here addresses the same broad issue, in the particular context of experience with the property tax base for single-family housing in the Canadian City of Toronto since the early 1920s. It brings a longer-term historical perspective to bear on the political analysis of the problems of urban property tax management that Paul's book sets out with such uncompromising realism. And it focuses on the extent to which the urban history of the property tax helps make market value assessment such a challenging contemporary program of property tax reform.²

I THE POLITICAL DILEMMAS OF PROPERTY TAX REFORM IN TORONTO

Paul's work suggests two key propositions with special relevance for the recent history of property tax reform in

Toronto. First, existing North American property tax bases, especially in big cities, tend to have systematically different levels, or average ratios, of assessment to market value, both among and within different property classes (residential, commercial, and so forth). Second, bringing all levels up to full market value, or some uniform ratio of market value, implies shifts in the tax burden that typically harm the interests of groups with a strategic place in local political systems — particularly the interest of broad segments of municipal electorates.³

Market Value Assessment in Ontario and the Section 63 Compromise

The recent experience with these dilemmas in Toronto is part of a major market-value reassessment program begun in 1969 by the provincial Government of Ontario. This itself can be viewed as part of a second wave of provincial enthusiasm for municipal reform, the first wave of which had created “the first working example in North America of . . . the ‘metropolitan federation plan’ ” of local government, with the organization of the Municipality of Metropolitan Toronto in the 1950s.⁴

When it began in 1969, the objective of the Ontario market value assessment program was the complete revaluation of property tax bases in each of the more than 800 municipalities in the province. In the spirit of a 1967 provincial report which had helped usher in the new wave of reform, the initial revaluation was to be followed by “a plan of annual reassessment in each municipal assessment jurisdiction.”⁵

The roots of the first major political problem that this very ambitious property tax reform program subsequently confronted in Ontario’s larger urban areas are summarized by Paul:

Although most people apparently assume the opposite, overassessment of commercial and industrial property, especially in the downtown core, typically subsidizes relatively low taxation of residential property, with single-family homes particularly favoured.⁶

In this context, market value reassessment implies an ultimate shift in the local tax burden, away from a minority of commercial and industrial taxpayers, and toward a majority of residential taxpayers.

After some struggle, the difficulties that this situation creates for politicians with a close eye on the interests of electoral majorities were sidestepped in Ontario — as Paul notes has happened elsewhere as well, by legislating “property classification schemes which allow communities to tax different types of property at different ratios of market value.”⁷ In effect, legislation of this sort acts to prevent the shifts of the tax burden from commercial and industrial to residential properties that a market value reassessment

otherwise typically implies. By the mid-1980s, somewhat more than half the municipalities in Ontario have been reassessed using the local variation on such property classification schemes, ultimately known as a Section 63 reassessment. (An additional 20% of the province’s municipalities, largely in less populated areas, have been reassessed at full market value).⁸

Resistance to the Section 63 Compromise in Toronto

Since the latter 1970s, provincial policy in Ontario has been to implement a Section 63 reassessment in a particular municipality only at the request of the municipal council. And, despite its comparative success elsewhere in the province, in the City of Toronto the prospect of a Section 63 reassessment was greeted with some alarm.

In the late 1970s, preliminary studies by municipal bureaucrats (of a scope that would not have been possible before the age of computer technology) showed systematic differences in assessment levels, not just between residential and other property, but within the “single residential” property class itself. Moreover, it appeared that these could be broadly read as a “progressive” tendency for assessments on houses in lower-income neighbourhoods to be at lower levels of market value than those on houses in higher-income neighbourhoods.⁹

This implied that in the City of Toronto even a Section 63 reassessment held out prospects of a substantial “regressive” shift in the single residential tax burden — away from a minority of higher-income and toward a majority of lower-income neighbourhoods. As yet another complicating factor, this tendency in the tax base itself was reinforced by a progressively-graded “partial dwelling house exemption” in the City’s particular tax system. This was a somewhat mysterious legacy of provincial enabling legislation and two municipal referenda in the early 1920s, at the high tide of the early twentieth-century progressive era in Ontario provincial politics.¹⁰

By the mid-1980s, the political conflicts that these essentially historic elements in the local tax system had introduced into the debate on property tax reform had brought progress toward a Section 63 reassessment in the City of Toronto to a grinding halt. As Paul might have predicted, in Ontario property tax reform through market value assessment seemed to reach its limits in the province’s largest big city.

II THE PROGRESSIVE TAX BASE OF THE LATE 1970s AND CHANGING ASSESSMENT LEVELS SINCE THE EARLY 1920s IN FIVE CITY NEIGHBOURHOODS

The research described here explores how (even with the impact of the graded dwelling house exemption excluded) the City of Toronto single residential tax base of the late

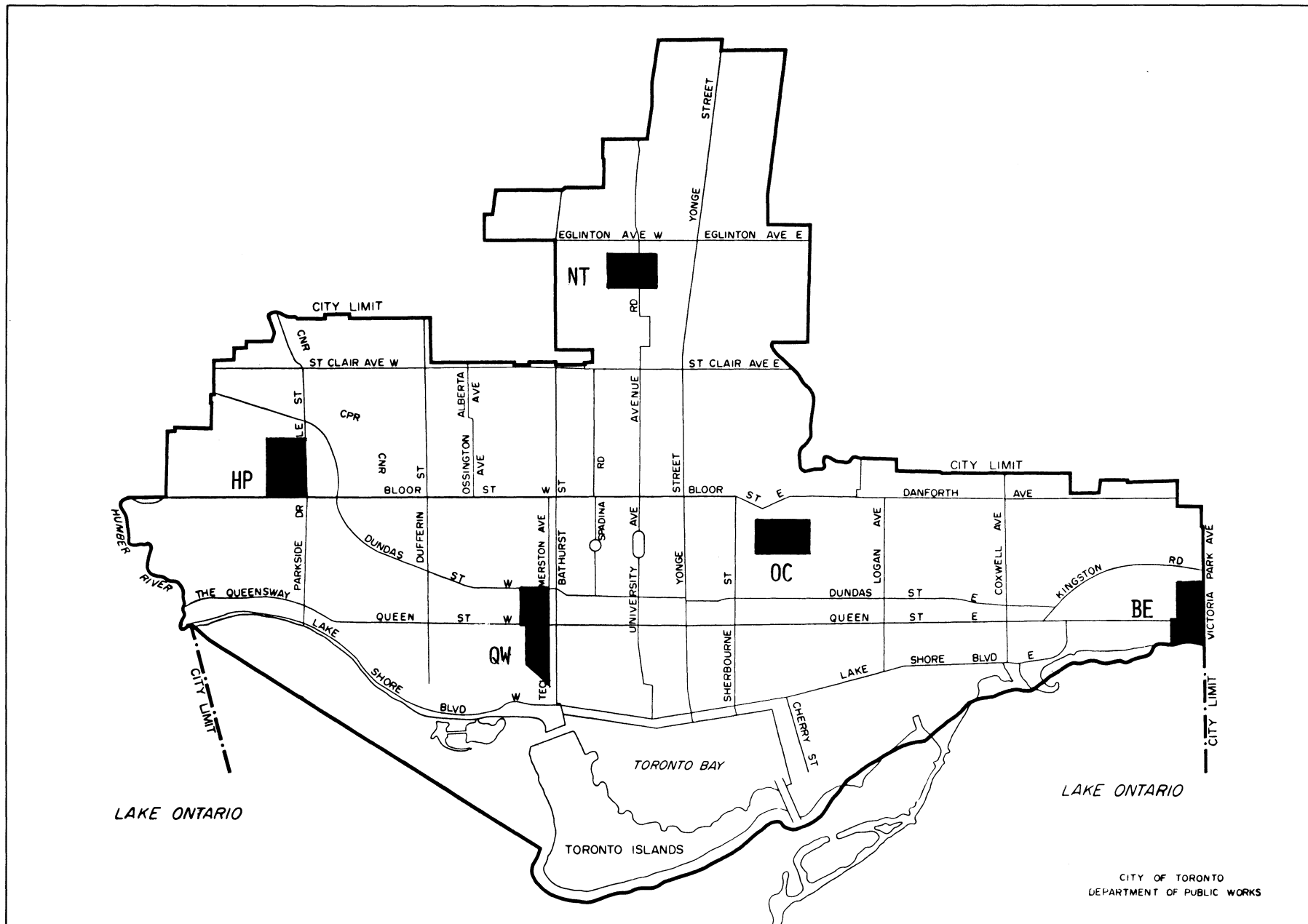


FIGURE 1. City of Toronto.

SOURCE: Department of Public Works, City of Toronto.

1970s came to enjoy what a City report characterized as “progressive elements” — or tendencies for lower-income neighbourhoods to have lower levels of assessment to market value than higher-income neighbourhoods.

The principal technique is to select a set of neighbourhoods with average assessment levels that illustrate the progressive elements in the tax base of the late 1970s, and then to trace changes in assessment levels among these same neighbourhoods back through time. Table 1 shows the five neighbourhoods selected, the average ratio of assessment to market value for single residential property in each neighbourhood in 1978, and estimates of average neighbourhood income in 1970.

TABLE 1
The Progressive Tax Base of the Late 1970s*

| Neighbourhood | 1970 Average Income (\$) | 1978 Median Ratio Ass't/Sale Pr (%) |
|--|-----------------------------|--|
| Lower North Toronto/ Forest Hill (NT) | \$16,100 | 8.1% |
| High Park North (HP) | 8,500 | 7.4 |
| Beach (BE) | 8,100 | 6.2 |
| Queen West (QW) | 7,200 | 5.1 |
| Old Cabbagetown (OC) | 6,700 | 4.4 |

SOURCES: Statistics Canada, Teela Market Surveys, City of Toronto Records.

Notes: *With impact of partial graded exemption excluded.

Beyond the intrinsic interest of historical analysis in this setting, a particular rationale for tracing changes in assessment levels through time is the hypothesis that differences in levels among the neighbourhoods at any one point in time are intimately linked with what Paul terms “assessment lag” — a result of the simple fact that (the Ontario market value reassessment program notwithstanding) very few assessment jurisdictions revalue every piece of property every year, or even very often.¹¹

As the research on the case of Toronto that follows suggests, attempts to explain assessment-level differentials at one point in time outside the context of the interaction between assessment lag and the historical dynamics of real estate markets can become quite misleading.

The Data Base

The research method hinges on the collection of assessment and sale price data for sales of single residential property in each of the five neighbourhoods shown in Table 1, at six different points in time (1921, 1931, 1941, 1951, 1961, and 1971).¹² This has been supplemented by a brief institutional survey of property taxation in Toronto since 1920, based on: a set of annual reports of the City Assess-

ment Commissioner from the start of the period to the 1950s (stored in the City of Toronto Archives); various provincial and municipal government publications of the 1960s and 1970s; and strategic searching in newspaper microfilm archives.

The core of the research is a conceptually simple exercise in the collection and classification of descriptive statistics. There are various technical complexities, however, associated with the ambiguities of real estate market data and the limitations of available neighbourhood income data. Two general implications of these complexities are worth spelling out in the present context.

First, the quality of available data on neighbourhood income is such as to warrant little more than a broad rank-order distinction among the five neighbourhoods shown in Table 1. Moreover, income and average sale price data from earlier periods suggest that the two lower-income neighbourhoods in Table 1 have reversed order in the past, as have the two middle-income neighbourhoods. Indeed, the research suggests that differential changes in socio-economic status among the neighbourhoods are related to differential changes in assessment levels.¹³

Second, as an empirical matter market value (as measured by legally registered selling prices) is a somewhat wobbly standard against which to compare property tax assessments. Markets for single-family housing in older urban areas are complex, heterogeneous phenomena, subject to the vagaries of human psychology and communication. The analysis that follows here, like Paul’s analysis, is based on average ratios of assessment to market value or sale price. The dispersions around these average ratios, however, are sometimes substantial. In some cases, this can be read as evidence of low assessment quality. But in other cases it simply implies anomalies in the processes by which real estate markets set prices. It is a cliché of the professional literature on property valuation that any effective real estate market analysis must combine elements of both ‘art’ and ‘science.’¹⁴

**The Five Neighbourhoods and the City of Toronto
in a Comparative Perspective**

Though the five neighbourhoods shown in Table 1 are not intended to provide a “sample” in a strict statistical sense, taken together they account for about 5 per cent of all single residential property in the City of Toronto, and provide reasonable geographic coverage of the City territory (see Figure 1). There have been some changes in the housing stock since 1920, but not so as to make comparisons across time particularly problematic. The greatest anomaly of this sort is that at the start of the period (in 1921) there are building lots but no houses for sale in what subsequently becomes the highest income neighbourhood (and then, as a result of annexation problems, this neighbourhood remains a somewhat anomalous case until 1961).¹⁵

Throughout the period, the population of the City of Toronto is in its mature size range of c. 600,000 people. In the mid-1980s, it is the core or central city for a metropolitan area of about 3 million people, ranking toward the lower end of the ten largest big-city regions in Canada and the United States.

III IN THE BEGINNING: THE 1920s AND EARLY 1930s

Table 2 shows average assessment levels for four of the five selected neighbourhoods at the start of the period under study, in 1921 (no sales of houses in Lower North Toronto/Forest Hill being available at this time).

TABLE 2
Average Assessment Levels in 1921

| | NT (higher income) | HP | BE | QW (lower income) | OC |
|-----------------------|-----------------------|----|----|----------------------|----|
| Median Ratio A/SP (%) | NA | 52 | 47 | 57 | 54 |
| Mean Ratio A/SP (%) | NA | 56 | 52 | 59 | 59 |
| Average Deviation | NA | 11 | 9 | 9 | 9 |
| No. of Sales | NA | 36 | 35 | 30 | 30 |

SOURCES: City of Toronto Records, Toronto Registry Office.

Broadly, all four neighbourhoods are at from 50% to 60% of market value; and there is no hint of the progressive relationships that Table 1 suggests among the same neighbourhoods in 1978 — about two generations later.

The Reassessment of the Early 1920s

The data in Table 2 do not take account of the City of Toronto's progressively graded dwelling house exemption by-law, mandated by municipal referenda and passed by City Council in January of 1921 to take effect on 21 January 1922. Perhaps partly as a result of the public interest in property taxation signalled by the by-law, however, in 1921 the City Assessment Department was in the final states of a major reassessment, which first took effect in 1923.

The results of this reassessment of the early 1920s are reflected in Table 3, which shows average assessment levels for the five neighbourhoods in 1931. The somewhat higher levels than in 1921 partly reflect the Assessment Department's desire to "obtain . . . a closer relationship to value."¹⁶ But despite the reassessment, in 1931 there are strong hints of what might be characterized as regressive relationships among the neighbourhoods (i.e., lower-income neighbourhoods have higher levels of assessment than higher-income neighbourhoods).

TABLE 3
Average Assessment Levels in 1931

| | NT* (higher income) | HP | BE | QW (lower income) | OC |
|-----------------------|------------------------|----|----|----------------------|----|
| Median Ratio A/SP (%) | 60 | 66 | 69 | 76 | 75 |
| Mean Ratio A/SP (%) | 62 | 69 | 73 | 79 | 80 |
| Average Deviation | 8 | 12 | 11 | 13 | 21 |
| No. of Sales | 16 | 36 | 30 | 44 | 31 |

SOURCES: City of Toronto Records, Toronto Registry Office.
Notes: *Data for City of Toronto portion only (see note 15).

James C. Forman's Analysis of "Retrogressing Districts"

Table 3 casts some light on a controversy in which James C. Forman, the City Assessment Commissioner of the day, found himself embroiled during the later 1920s. In 1927 Forman, who had then been Commissioner for more than 20 years, was busy trying to explain to his elected council:

so-called disparities in assessments, illustrated by the fact that certain residential properties are assessed at 60 to 80 per cent of their value while other residential properties are assessed at 50 to 60 per cent of their value.¹⁷

The underlying problem was that there had "been a general lowering in the sale prices of housing during the past three or four years," and:

For old dwellings in districts which are retrogressing and which properties are not required either for business or for apartment or rooming house purposes, there is very little demand.¹⁸

Assessment levels in some neighbourhoods were shifting, not as a result of anything to do with the assessment process, but because market values were changing.

This explanation has striking similarities with Paul's summary of much later property tax research in other North American big cities: "Peterson et al. found that properties in declining and blighted neighbourhoods in Baltimore, Chicago, Philadelphia, and Providence were considerably overassessed." David Black found a similar phenomenon in his study of Boston. And Paul notes that the "most plausible" explanation is: "it is another unintended consequence of assessment lag."¹⁹

In the Toronto case under study here, the two clearly overassessed neighbourhoods in Table 3, Queen West and Old Cabbagetown, are the oldest (and lowest-income) among the five neighbourhoods. In both cases, the average sale price of houses declined between 1921 and 1931: in Old Cabbagetown by almost 45 per cent.²⁰ It was this kind of movement in market prices, James C. Forman protested to his council in the later 1920s, linked with what he called "retrogressing

districts” (the “declining and blighted neighbourhoods” studied much later by Peterson *et al.*) — and not any action by the Assessment Department — that was introducing regressive elements into the City tax base.

IV FROM THE EARLY 1930s TO THE END OF WORLD WAR II

As a practical matter, the regressive elements in the 1931 tax base for the five neighbourhoods were to no small extent offset by the City of Toronto’s graded dwelling house exemption by-law. Table 3 (like Tables 1 and 2 — and comparable subsequent tables) does not take account of the by-law’s impact. But Table 4 shows that when the graded exemption is allowed for in 1931, differences in assessment levels are much less significant. And this was the basis on which single residential homeowners actually paid taxes.

TABLE 4
Impact of Dwelling House Exemption, 1931

| | NT* (higher income) | HP | BE | QW (lower income) | OE |
|-------------------|------------------------|-----|-----|----------------------|-----|
| Mean Ratio Before | 62 | 69 | 73 | 79 | 80 |
| Mean After Ratio | 62 | 57 | 60 | 62 | 65 |
| % Change | 0 | -16 | -18 | -21 | -19 |

SOURCES: City of Toronto Records, Toronto Registry Office.
Notes: *Data for City of Toronto portion only (see note 15).

Nonetheless, if James C. Forman had technical wisdom on his side, it seems that the Toronto municipal politicians of the later 1920s were not impressed. In 1929 Forman retired as City Assessment Commissioner, and the Assessment Department was taken over and reorganized by “W. Geo. Farley,” who had earlier been one of Forman’s assistants.

The Declining Markets of the 1930s

As elsewhere, the falling house prices in some parts of Toronto during the later 1920s were only a prelude to a sustained period of more general falling real estate values in the 1930s — a successor (though perhaps a particularly severe one) to recurrent comparable periods reaching back into the earliest history of Toronto’s development as a city.²¹

Assessment data collected in the research suggests quite modest *ad hoc* efforts by the City Assessment Department to reduce assessments in the face of falling prices, spurred on by increasing numbers of legal appeals through the quasi-judicial assessment review process.²² But, especially at a time of declining municipal and other government budgets, and declining numbers of staff, no major reassessment would be undertaken until the late 1940s. Throughout the 1930s and for most of the 1940s, the Toronto single residential tax base

was fundamentally the one that had been put in place by James C. Forman’s reassessment of the early 1920s.

Once again, however, the relationship between this tax base and market values changed significantly, in response to changing market forces. Table 5 shows average assessment levels for the five neighbourhoods in 1941. The three highest-income neighbourhoods are all at roughly 100 per cent of value, as falling prices brought market values very close to the assessments of the early 1920s. Old Cabbagetown, still a “declining and blighted neighbourhood” in the language of Peterson *et al.*, is relatively overassessed in terms of 1941 market values, as it was in 1931.

The one new case is Queen West, the other lower-income neighbourhood, which now appears significantly underassessed.

TABLE 5
Average Assessment Levels in 1941

| | NT* (higher income) | HP | BE | QW (lower income) | OC |
|-----------------------|------------------------|-----|-----|----------------------|-----|
| Median Ratio A/SP (%) | 102 | 98 | 103 | 86 | 117 |
| Mean Ratio A/SP (%) | 101 | 102 | 104 | 84 | 121 |
| Average Deviation | 19 | 13 | 13 | 21 | 25 |
| No. of Sales | 23 | 37 | 35 | 33 | 32 |

SOURCES: City of Toronto Records, Toronto Registry Office.
Notes: *Data for City of Toronto portion only (see note 15).

The Revival of Queen West

In fact, the case of Queen West in Toronto in 1941 also matches more general tendencies toward the “underassessment of ‘upward transitional’ neighbourhoods” elsewhere — a “corollary” to the case of the “declining and blighted neighbourhood” in the work of Peterson *et al.*, and again reported in Paul’s *Politics of the Property Tax*. Briefly, declining and blighted neighbourhoods sometimes revive, when new residents are attracted by the recognition that through “upgrading” the “old stock” in the area they can gain access to “housing at much lower prices” than elsewhere. As the phenomenon takes root, prices in the neighbourhood start to rise; and, with assessments largely unchanged, tendencies toward underassessment in terms of current market values set in.²³

For Queen West in 1941, the specific forces at the root of underassessment were not exactly rising prices; but a much smaller decline in prices than in the other four neighbourhoods.²⁴ The arithmetic at work, however, is comparable. Similarly, the new residents of Queen West in the 1930s and 1940s were not the “young, white, affluent professionals” of the 1960s and 1970s that Peterson *et al.* found in their work.

But the willingness to assume the burden of upgrading and the interest in low prices were essentially the same.

The background of the new residents in Queen West in 1941 can be documented by the surnames of buyers and sellers on the land registry records of sale prices. In the earlier twentieth century Toronto had a reputation (somewhat if not altogether deserved) as a “British” city — “the citadel of British sentiment in America,” according to a local history of the early 1930s.²⁵ But the period between the two world wars brought the first sizeable wave of non-British settlement to the city (or non-Anglo in a more modern idiom), and Queen West became an early centre for this settlement.²⁶ By and large, the neighbourhood has remained on the “upward transitional” path that it had embarked on by the early 1940s. Somewhat more than a generation later, in the 1980s, it is a largely renovated and well-maintained downtown city neighbourhood, still dominated by what might now be called (in the local jargon) “multicultural” homeowners. And, throughout the period — or at least in 1951, 1961, 1971, and 1978 — the single residential tax base in Queen West has continued to be relatively underassessed in terms of current market values.

V THE REASSESSMENT OF THE LATER 1940s AND EARLY 1950s

For well over a decade and a half, W. Geo. Farley gave the City of Toronto Assessment Department a low-profile, low-budget management that perhaps seemed right for the times. After the end of the Second World War, however, winds of change began to blow for assessment in the city, as for so much else.

In 1947 Farley retired. A.J.B. (“Alfie”) Gray became the new City Assessment Commissioner, with a mandate from City Council for a major reassessment of the Toronto property tax base. The task was more or less completed about three years later, almost a full generation after the last major reassessment in the early 1920s.

“Scientific Assessment”

Alfie Gray had a rather different background from both Farley, and Farley’s predecessor, James C. Forman. Immediately before his appointment as City Assessment Commissioner, Gray had been Deputy Minister with the Ontario Department of Municipal Affairs, and before that he had been a municipal politician. He brought, it seems fair to say, something of a municipal politician’s instincts to the reassessment of the late 1940s and early 1950s.²⁷

Oddly enough (or perhaps quite shrewdly), Gray adopted a strenuous rhetoric of “scientific assessment” in publicizing the work of his revaluation program. His official reports stress how “the assessing of real property should now be regarded

as a science,” guided by “improved methods” and “the highest standards of efficiency.”²⁸

The starting point for the science involved was the principle that the reassessment would be “based on 1940 values.” This was no doubt a defensible enough proposition in the light of market fluctuations in the 1930s and 1940s. In 1947, it seems, many still anticipated that the new rise in prices induced by the war would not prove durable.

Basing the reassessment on 1940 values, however, also implied a set of new single residential assessments not too different from those put in place during the previous reassessment of the early 1920s. (In 1941, e.g., assessments were very close to 100% per cent of current market value in three of the five neighbourhoods considered in this research). As Paul’s analysis implies, it is politically shrewd in any reassessment to disturb the mass of residential taxpayers (and municipal electors) as little as possible. Whatever else might be said, the decision to base the reassessment of the late 1940s and early 1950s on 1940 values had virtues in this context — at least vaguely comparable to those of what became the Section 63 reassessment in Ontario during the later 1970s.

The Tax Base in 1951

The implications of this decision for the single residential reassessment in terms of current market values in the early 1950s are suggested in Table 6, which shows average assessment levels in the five neighbourhoods in 1951. Prices rose in all neighbourhoods between 1941 and 1951; and generally the reassessment brought valuations in the range of 35% to 45% of early 1950s values. The earlier overassessment in Old Cabbagetown was apparently corrected. But, continuing to follow the upward transitional path it had embarked on by 1941, Queen West remained notably underassessed. (There are suggestions of a degree of overassessment in Lower North Toronto: but these are most readily explained as an artifact of continuing annexation anomalies in the highest-income neighbourhood, that do not completely disappear until 1961).²⁹

TABLE 6
Average Assessment Levels in 1951

| | NT* (higher income) | HP | BE | QW (lower income) | OC |
|-----------------------|------------------------|----|----|----------------------|----|
| Median Ratio A/SP (%) | 45 | 38 | 41 | 28 | 35 |
| Mean Ratio A/SP (%) | 46 | 39 | 43 | 30 | 38 |
| Average Deviation | 6 | 4 | 8 | 7 | 6 |
| No. of Sales | 20 | 65 | 46 | 55 | 30 |

SOURCES: City of Toronto Records, Toronto Registry Office.
Notes: Data for City of Toronto portion only (see note 15).

Basing the reassessment on 1940 values also avoided the complications that a more current base would have raised for the City's graded dwelling house exemption, the grading scheme of which was based on the old assessments of the early 1920s. Even so, another sign of the political side to the revaluation program was "a 10 per cent exemption bracket raise . . . to assist those homeowners whose assessments jumped up because of reassessment," approved by City Council in 1949.³⁰ Table 7 suggests an ambiguously progressive impact of this upgraded exemption on the five neighbourhoods studied in the research in 1951.

Despite such efforts to smooth its way, the reassessment of the late 1940s and early 1950s did not avoid all political opposition. It began to go public in the fall of 1949. And as early as the municipal election of January 1950, a candidate for Board of Control claimed that Alfie Gray was a henchman of vested interests in the City: the *Telegram*, a Toronto evening newspaper of the day identified with the Tory cause in local politics, "saved \$2,093 as a result of reassessment, but taxes have gone up on every home on my street."³¹

Nonetheless, the reassessment went through in the end. Especially in the context of events some 30 years later, it must be judged as a practical political success — even if it also seems a plausible speculation that the City of Toronto single residential tax base would not have looked all that different if no reassessment had taken place.

TABLE 7
Impact of Dwelling House Exemption, 1951

| | NT* (higher income) | HP | BE | QW (lower income) | OC |
|-------------------|------------------------|-----|-----|----------------------|-----|
| Mean Ratio Before | 46 | 39 | 42 | 30 | 38 |
| Mean Ratio After | 46 | 35 | 36 | 21 | 28 |
| % Change | 0 | -11 | -16 | -31 | -26 |

SOURCES: City of Toronto Records, Toronto Registry Office.

Notes: *Data for City of Toronto portion only (see note 15).

VI THE 1960s AND 1970s: THE PROGRESSIVE ELEMENTS OF THE LATE 1970s TAKE FINAL SHAPE

There are two leading themes in the urban history of the Toronto property tax after the reassessment of the late 1940s and early 1950s.

The first draws attention to two major waves of administrative reorganization, each accompanied by increasing degrees of a trend toward centralization in the wider region, that can be dated from the formation of an Ontario Department of Municipal Affairs in the mid-1930s. The second focuses on changes in local single residential real estate

markets, that (from the standpoint of property tax reform) ultimately thwarted the policy objectives which lay behind the waves of administrative reorganization.

Metropolitan Assessment

In 1954, only a few years after Alfie Gray had completed his reassessment of the City of Toronto, the Government of Ontario federated the City and its surrounding suburban municipalities into a new "two-tier" Municipality of Metropolitan Toronto. Property tax assessment was one of various functions moved from the local to the new metropolitan level of government: "Metro was given full powers in the field of property assessment and was ordered to undertake an immediate reassessment of all property in the area on a uniform standard."³² And Alfie Gray became the new Assessment Commissioner of Metropolitan Toronto.

According to a provincial report of the later 1960s, Gray's new Metropolitan Assessment Department had only scant success in bringing about a "uniform standard" of assessment throughout the new federated municipality.³³ At least the annexation anomalies associated with the highest-income neighbourhood among the five City of Toronto neighbourhoods studied in this research were resolved, however, and the picture of average assessment levels for the neighbourhoods in 1961 is a comparatively tidy one.

Table 8 shows that four of the five neighbourhoods share a general assessment level of 30% to 35% of current market value in the early 1960s. (The same provincial study that had raised doubts about the success of the Metropolitan Assessment Department calculated the "weighted average ratio" of residential assessment to market value in the City of Toronto at 31.2%, using a sales sample from the three-year time period 1961-1963).³⁴ As in 1941 and 1951, the key exception is the upward transitional, and thus underassessed, case of Queen West. In fact, the early 1960s seems to mark something of a high point in Queen West's upward ascent: in 1961, for the first time since the start of the research period, the average single residential sale price in Queen West was higher than in Old Cabbagetown.³⁵

TABLE 8
Average Assessment Levels in 1961

| | NT (higher income) | HP | BE | QW (lower income) | OC |
|-----------------------|-----------------------|----|----|----------------------|----|
| Median Ratio A/SP (%) | 35 | 31 | 34 | 23 | 34 |
| Mean Ratio A/SP (%) | 34 | 32 | 34 | 23 | 35 |
| Average Deviation | 4 | 5 | 4 | 5 | 7 |
| No. of Sales | 44 | 43 | 30 | 38 | 32 |

SOURCES: City of Toronto Records, Teela Market Services.

Criticism of the new Metropolitan Assessment Department in the 1960s also seems to have raised new doubts about the particular approach associated with Alfie Gray's City of Toronto reassessment in the late 1940s and early 1950s. By the late 1960s Gray had resigned. The new Metropolitan Assessment Commissioner, Lewis Greensword (formerly Assessment Commissioner of the City of Vancouver in British Columbia) had a background that stressed administrative expertise and technical qualifications in real estate valuation. But this new Metropolitan regime had just begun to look for its feet, when the Government of Ontario launched its province-wide reassessment program in 1969 — accompanied by a provincial "takeover" of the old municipal responsibility for property tax assessment.

Provincial Assessment and the Revival of Old Cabbagetown and the Beach

By 1971 responsibility for the City of Toronto property tax base was in the hands of a new provincial bureaucracy (though one staffed largely by former municipal officials). But, as Table 9 suggests, no market value reassessment had taken place. The general level of assessment in the five neighbourhoods fell from about 30-35% of current value in the early 1960s to about 15-20% in the early 1970s (and then to about 4½-8% in the later 1970s), as market prices rose while assessments remained more or less the same. At the same time, the apparent progressive relationships among the neighbourhoods in 1978 had begun to take shape, as Old Cabbagetown joined Queen West in the ranks of the upward transitional, and thus underassessed, downtown Toronto neighbourhoods.

TABLE 9
Average Assessment Levels in 1971

| | NT (higher income) | HP | BE | QW lower income) | OC |
|-----------------------|-----------------------|----|----|---------------------|----|
| Median Ratio A/SP (%) | 19 | 15 | 17 | 12 | 13 |
| Mean Ratio A/SP (%) | 22 | 16 | 18 | 13 | 13 |
| Average Deviation | 4 | 2 | 3 | 3 | 2 |
| No. of Sales | 30 | 30 | 50 | 55 | 63 |

SOURCES: City of Toronto Records, Teela Market Services.

In the case of Old Cabbagetown in Toronto in 1971, the new residents of the upward transitional neighbourhood were the same "young, affluent, white professionals" that Peterson *et al.* found in Baltimore, Chicago, Philadelphia, and Providence.³⁶ In the early 1970s Old Cabbagetown in Toronto was still widely perceived as a "largely working class community"; but it was noted that "it had begun to acquire, in the mid-1960s, an increasing number of middle-class professionals who bought houses and renovated them for their own use."³⁷

The new arrivals in Old Cabbagetown stimulated a rise in house prices, which increased dramatically as the 1970s progressed. As Table 10 shows, the average single residential sale price in Old Cabbagetown in 1978 was more than 7½ times what it had been in 1961 — while the average level of assessment in terms of current values had decreased by a comparable magnitude during the same period. Table 10 also suggests a milder example of the same phenomenon at work in the Beach neighbourhood, which might equally be said to have entered an at least modest upward transitional phase by the later 1970s.

Along with more historic changes in Queen West, such changes in the Beach and Old Cabbagetown taken together provide a straightforward explanation of the change from the largely proportional relationships among assessment levels in the five neighbourhoods in 1961 (with Queen West as the one notably atypical case, and a slight hint of underassessment in High Park North), to the apparent progressive relationships of 1978 (as in Table 1). Thus, by the later 1970s, there were progressive elements in the City of Toronto single residential tax base.³⁸

TABLE 10
Changes in Average Sale Prices and Average Assessment Levels, 1961-1978

| | Average Sale Price \$ 1961 | ASP 78 \$ 1978 | ASP 61 ASP 78 | Average Ratio 1961 % | AR 78 1978 % | AR 61 AR 78 |
|--------------|-------------------------------|-------------------|------------------|-------------------------|-----------------|----------------|
| NT | \$36,100 | \$184,000 | 5.1 | 35% | 8.1% | 4.3 |
| HP | 16,800 | 67,300 | 3.9 | 31 | 7.4 | 4.2 |
| BE | 14,500 | 78,400 | 5.3 | 34 | 6.2 | 5.5 |
| QW | 10,400 | 47,300 | 4.7 | 23 | 5.1 | 4.5 |
| OC | 9,700 | 78,200 | 7.8 | 34 | 4.4 | 7.7 |

SOURCES: City of Toronto Records, Teela Market Services.

VII THE PROGRESSIVE TAX BASE AND DEADLOCK IN THE 1980s

A City of Toronto report of the early 1980s argued that the progressive elements in the single residential tax base illustrated in Table 1 (and in the fifth column of Table 10) seemed "the result of informal assessment practices" as well as the historic dwelling house exemption. The report concluded that in responding to the province's Section 63 reassessment proposal, it was "appropriate for the City to seek reforms that carry over the progressive elements in its present assessment system."³⁹

Declining and Improving Neighbourhoods and Assessment Lag

The analysis of changing assessment levels in five Toronto neighbourhoods since the early 1920s presented here suggests that the only informal assessment practice

fundamentally responsible for the progressive elements in the single residential tax base of the late 1970s is the one of only conducting a major reassessment of the tax base about once every generation — what Paul's language terms "assessment lag." Beyond this, the progressive relationships among the five neighbourhoods in Table 1 can be most readily explained as unintended consequences of differential shifts in market prices over time, linked with what Paul's analysis characterizes as the phenomenon of "Declining and Improving Neighbourhoods."⁴⁰

As Paul notes, in one sense assessment lag does not so much "explain" the processes at work as raise "a further question: Why do city officials fail to keep assessments on homes in line with changing market values?"⁴¹

The Toronto case described here does lend some credence to political explanations in this context. Once inequities that favour the broad mass of municipal electorates set into the tax base, it is logical enough that local democratic political pressures will work against efforts to remove them.

At the same time, it is quite striking that in the City of Toronto since 1920 there have only been two major reassessments — spaced about 30 years apart, and followed by a third (and as yet unsuccessful) attempt at reassessment about 30 years later again. Moreover, one of the strongest casual impressions left by the research is how little single residential assessments in the City have changed since the early 1920s, compared with how much market prices have changed. The average sale price in the Beach neighbourhood in 1978, for instance (\$78,400) was more than 10 times the average sale price in 1921 (\$7,600). But the average assessment on sold properties in the Beach in 1978 was \$4,930, compared with \$3,960 in 1921 — an increase of less than 25%. (And the discrepancies are even more dramatic if the point of departure is taken as 1931 — after the reassessment of the early 1920s, when the average single residential assessment for the Beach rose to \$4,510).⁴² It would seem implausible to lay this magnitude of assessment lag at the door of politics alone.

Impact of a Section 63 Reassessment and the Dwelling House Exemption

To some extent, the phenomenon of the underassessed improving or upward transitional neighbourhood offers its own counterweight to the regressive shifts in tax burdens, latent in a reassessment that would bring all single residential property in Toronto to a uniform ratio of current market value. As the upward transitional neighbourhood improves, incomes tend to rise, and the new residents in the neighbourhood are typically better able to bear tax increases than the residents they have replaced.

Put another way, until the fall of 1983 debate on property tax reform in Toronto relied on 1970 income data from the

decennial Canadian census of 1971: the picture of progressive elements in the late 1970s tax base suggested in Table 1 reflects "income data lag" as well as assessment lag. According to 1981 census tract data that did not become available until the fall of 1983, by 1980 the ranking of the five neighbourhoods by average income matched their ranking by average sale price in 1978 (as reported in Table 10).⁴³

Among the five neighbourhoods, Old Cabbagetown and, to a lesser extent, the Beach, are particular cases in point. At the same time, Queen West (which had become the lowest-income neighbourhood by 1980) is a somewhat different case again. It suggests limitations on the tendency of socio-economic changes in the improving neighbourhood to offset regressive tax shifts in the wake of reassessment. Here the relatively modest character and small size of the original housing stock place stricter limits on the extent to which neighbourhood renovation can be accompanied by increases in neighbourhood income.

Even though the apparent progressive elements in the Toronto single residential tax base are not the result of informal assessment practices, in other words, the interaction between assessment lag and the historical dynamics of real estate markets probably does hold out some genuine prospects of regressive tax shifts, in the event of a Section 63 reassessment. In terms of the five neighbourhoods studied here, whatever else, taxes in the (still) highest-income Lower North Toronto/Forest Hill will tend to fall, and taxes in the (now) lowest-income Queen West will tend to rise.

Even for this least tractable aspect of the problem, however, Tables 4 and 7 suggest another obvious counterweight, in the City's formal partial graded dwelling house exemption. The exemption has tended to atrophy over the past generation, and its mere existence as well as its origins in the Ontario progressive era of the early 1920s has become increasingly shrouded in mystery.⁴⁴

To some observers, the Toronto dwelling house exemption is a historical relic, rendered obsolete by the Government of Ontario's modern property tax credit program, which operates through the federal-provincial income tax system. (Thus one element in the City of Toronto's ultimate response to the prospects of a Section 63 reassessment has been to urge a special enrichment of provincial property tax credits, to offset potential regressive tax shifts).⁴⁵

Yet in 1983 the Ontario provincial government raised the prospect of discontinuing the property tax credit program altogether, "now that comprehensive property tax reform has been postponed" — an official reflection addressed in particular, perhaps, to the property tax deadlock in Toronto.⁴⁶ Moreover, it is arguable that an updated version of the historic dwelling house exemption (broadly analogous to the "10 per cent exemption bracket raise . . . to assist those homeowners whose assessments jumped up" in the reassess-

ment of the late 1940s and early 1950s) would be simpler, more direct, and more readily appreciated by taxpayers than some enriched provincial property tax credit scheme.

In any event, as Diane Paul's analysis implies, it is not surprising that property tax reform in Ontario's largest big city demands unique approaches. And the urban history of the Toronto property tax itself suggests unique solutions to the problems it presents for property tax reform.

VIII THE URBAN HISTORY OF THE PROPERTY TAX AND PROPERTY TAX REFORM

The research described here deals with only five residential neighbourhoods in one particular Canadian city. Large generalizations about the problems of property tax reform cannot be hung on such slender evidence. Similarly, speculation about the broader implications of the continuing failure to achieve even a Section 63 reassessment in Toronto must be balanced against the fact that such reassessments have been successfully implemented in such other larger Ontario urban centres as Ottawa, Hamilton, and London.⁴⁷

Yet whatever else, the urban history of the property tax during the past two generations in Toronto points to some genuine dilemmas in property tax reform through market value assessment. Similarly, even in those parts of Ontario where Section 63 reassessments have been implemented, there has been only modest and attenuated progress toward the plans for "annual reassessment" that were envisioned as accompanying the market value program in the later 1960s.⁴⁸ In Ontario generally, the 1960s enthusiasm for property tax reform through annual reassessment at current market value now seems a modest example of those "sad experiences of overbearing technocracy, of rationalism gone wild" that have helped to put "activist government . . . on the defensive in today's politics."⁴⁹

As the experience in Toronto suggests, particularly in a large urban centre real estate markets are complex, dynamic phenomena, that reflect the diversity and complications of metropolitan life itself. Property tax reform that even approaches annual assessment at market value presupposes a government organization which continuously monitors these phenomena, in a systematic way and on a large scale. This is a project replete with technical, managerial, and logistical difficulties. It is subject to significant potential for human error (even or perhaps especially in an age of embryonic computer technology), and to various forms of technical and political contention.

Moreover, it is appropriate to ask: what is the reward for hard-won success in such an arduous bureaucratic enterprise? In any but the most stagnant urban economy, a tax base that was religiously kept up at current market value (or some uniform percentage of value) would be constantly changing — and, in one way or another, constantly upsetting

taxpayers. These taxpayers, quite rightly, can lodge legal complaints about their property tax assessments through a quasi-judicial appeal process. And they can protest through the ballot box to elected officials who, when all is said and done, remain the "political masters" of the bureaucrats who man the assessment organization.

This is not to imply that market value assessment should be abandoned as an ideal of property tax administration. In our kind of society, current market value is the only readily testable standard of what real estate is worth that has serious claims to objectivity. Even more than half a century ago, James C. Forman acknowledged the virtues of the ideal when he observed that the Toronto reassessment of the early 1920s was partly intended to "obtain . . . a closer relationship to value."⁵⁰

One of the arguments for studying history, however, is that it reminds us how such ideals never quite become realities in straightforward ways, and how, perhaps especially in democracies, they are often only approximated to a limited extent. The most "rational" forms of future policy planning, it might also be argued, will bear this in mind. In the case of property tax reform in the City of Toronto at least, urban history has some quite specific implications for current urban policy.

NOTES

1. Diane B. Paul, *The Politics of the Property Tax* (Lexington, Mass., 1975), Cf., e.g., 24-25.
2. The research has been financially assisted by the Canada Mortgage and Housing Corporation External Research Program, and copies of a final report that documents the work undertaken in detail are lodged with the Corporation. I am grateful as well for the research assistance of Jeanne MacDonald.
3. A word is perhaps in order concerning comparisons among Canadian and American cities. There are some cultural and institutional differences between the situation described by Paul and the situation in Toronto. As the research itself suggests, however, the underlying urban economics and dynamics of city growth are fundamentally similar. There are also a variety of differences in institutional detail among real property tax systems in various parts of Canada and the United States; but, more generally, in this context Canada has followed the example of the United States rather than the United Kingdom. Thus the leading North American professional association for property tax administrators is the International Association of Assessing Officers, headquartered in the U.S.A.
4. Harold Kaplan, *Urban Political Systems* (New York and London, 1967), 41.
5. *Report of the Ontario Committee on Taxation*, 1967, V. II, 237.
6. Paul, *Property Tax*, 25.
7. *Ibid.*, 26.
8. Based on reports from officials in the Assessment Division, Ontario Ministry of Revenue. The current Section 63 of the Ontario Assessment Act was formerly numbered Section 86.
9. City of Toronto, *Final Report of the Joint Committee on Property Tax Reform*, January 1982, esp. 29; and *Interim Report of the Joint Committee on Property Tax Reform*, June 1979, esp. 5-6.
10. Cf. City of Toronto, *Interim Report*, 1979, 12; and "May Be No Tax Reform Until the Year 1922," *Toronto Daily Star*, 2 January 1920. Two referenda were required, as a result of conflicts between the first

one and provincial enabling legislation. The enabling legislation was passed by Ontario's first and as yet only third-party government — E.C. Drury's United Farmers of Ontario/Labour coalition of 1919-1923. The City by-law finally implementing the exemption (No. 861) was passed 24 January 1921. It provided that taxes on "dwelling houses" were to be levied according to the following schedule:

| Assessed Value | % of Assessed Value on which Taxes are Levied |
|------------------|---|
| \$2000 or less | 50 |
| \$2001 - 2500 | 60 |
| \$2501 - 3000 | 70 |
| \$3001 - 3500 | 80 |
| \$3501 - 4000 | 90 |
| More than \$4000 | 100 |

11. Paul, *Property Tax*, 27.
12. For an account of the methodology of the "assessment/sale ratio" studies which form a key ingredient in the research see Frederick Bird, *The General Property Tax* (Chicago, 1960), esp. Ch. 6.
13. Neighbourhood income estimates have been developed from Statistics Canada census tract data, which is not available for earlier time periods. For crude rankings of neighbourhoods, average neighbourhood sale price (available for all periods) is a rough and ready proxy for average neighbourhood income in those periods for which both kinds of data are available. See note 35 below.
14. Cf., e.g., William M. Shenkel, *Modern Real Estate Appraisal* (New York, 1978).
15. What is now the residential district of Lower North Toronto/Forest Hill was vacant land in 1921. In 1931, 1941, and 1951 it was partly in the City of Toronto and partly in the then Village of Forest Hill. From 1961 to the present it has been entirely in the City of Toronto.
16. *Annual Report of the Assessment Commissioner for the City of Toronto*, 1921, 28.
17. City of Toronto, *Report of Assessment Commissioner in Relation to Matters Connected with the Assessment of the City*, March 1927, 5.
18. *Ibid.*, 7.
19. Paul, *Property Tax*, 34.
20. Average sale price in Queen West fell from \$2,900 in 1921 to \$2,700 in 1931, and in Old Cabbagetown from \$4,900 in 1921 to \$3,400 in 1931.
21. Cf. Commissioner Farley's discussion in *Annual Report of the Assessment Commissioner*, 1932, 40-41.
22. See *Ibid.* Average assessments on sold properties decreased somewhat between 1931 and 1941 in all neighbourhoods studied here except Old Cabbagetown.
23. Paul, *Property Tax*, 32-34.
24. Average sale price in Queen West declined by just over 10% between 1931 and 1941, compared with some 25% in Old Cabbagetown, about 35% in the Beach and High Park, and more than 50% in Lower North Toronto.
25. Percy Robinson, *Toronto during the French Regime 1615-1793* (Toronto, 1933, 1965), 219.
26. In Queen West 53 buyers and sellers had non-Anglo surnames in 1941, and 15 had Anglo surnames. By comparison, 52 buyers and sellers in Old Cabbagetown had Anglo surnames in 1941, and only 13 had non-Anglo surnames. (In a few cases, more than two surnames were involved in a single transaction.) G.P. de T. Glazebrook observes how the "thin end of the European wedge was beginning to show in the census of 1941" in his *The Story of Toronto* (Toronto, 1971), 213.
27. See "Dunbar's Deputy About to Resign," *Globe and Mail*, 6 May 1947.
28. *Annual Report of the Assessment Commissioner*, 1947-1948-1949 (dated 11 August 1950), 4.
29. See note 15. Data for NT in 1951 is reported only for that part of the neighbourhood in the then City of Toronto — an area with an unusually large number of "double" or duplex units, counted as "single residential" by assessors (and an unusually large number of which

sold in 1951). When these are removed from sales for 1951, the median assessment/sale ratio falls to 39%. Cf. notes 35 and 38 below.

30. See "Changes Don't Benefit All Tax-exempt Homes," *Globe and Mail*, 1 December 1949.
31. "Hydro, Assessments Under Fire in Campaign," *Ibid.*, 15 December 1949.
32. Kaplan, *Urban Political Systems*, 54.
33. See *Report of the Ontario Committee*, 1967, V. II, 246-8.
34. *Ibid.*, 248.
35. According to census tract data, even in 1960 Queen West not Old Cabbagetown was in fact the lowest-income neighbourhood of the five considered here. And average sale price data for earlier periods suggests that this had also been the case in the past. By 1970 rising sale prices in Queen West in the 1960s were reflected in a higher average income than in Old Cabbagetown. By 1971, however, average sale price in Old Cabbagetown had again nudged above that in Queen West, and by 1980 Queen West was once again the lowest-income neighbourhood. See note 13 above and note 43 below. The slight hints of underassessment in High Park North in 1961 might be linked with a brief spurt of upward transitional status (and rising prices) during the preceding decade: note, e.g., the very active High Park North market (65 sales) in 1951.
36. Paul, *Property Tax*, 32-33.
37. Graham Fraser, *Fighting Back* (Toronto, 1972), 4.
38. Table 10 does contain some hints of systematic *ad hoc* assessment increases (or overassessment) in Lower North Toronto/Forest Hill between 1961 and 1978. Sales in a neighbourhood do not necessarily or even typically represent a random sample of all properties, however, and it would be wrong to read too much into these hints. The hypothesis of systematic overassessment in the highest-income neighbourhood since the reassessment of the late 1940s and early 1950s (which can be deduced from some legends about Alfie Gray's system) is refuted by the data for 1961.
39. City of Toronto, *Final Report*, 1982, 29.
40. Paul, *Property Tax*, 32-35.
41. *Ibid.*, 27.
42. To indicate one practical implication of the failure to correct the extended assessment lag since the reassessment of the late 1940s and early 1950s, a house in Old Cabbagetown that sold for \$67,500 in 1978 now has an assessment of \$1,925, implying annual taxes in the early 1980s of about \$465. A house in High Park North that sold for \$67,000 in 1978 has an assessment of \$5,188, implying annual taxes of about \$1,250. This represents an extreme but not at all uncommon case.
43. 1980 average income estimates from 1981 census tract data (based on private household incomes), and corresponding 1978 average sale prices, are as follows:

| Neighbourhood | Income (\$) | Sale Price (\$) |
|---------------|-------------|-----------------|
| NT | 40,900 | 184,000 |
| BE | 25,700 | 78,400 |
| OC | 23,900 | 78,200 |
| HP | 21,600 | 67,300 |
| QW | 20,600 | 47,300 |
44. General provincial enabling legislation for the exemption system was withdrawn in 1955, though municipalities with exemptions already in effect were allowed to retain them. The City of Toronto is the only Ontario municipality where the system remains today (and in fact the now defunct Town of New Toronto was the only other municipality to adopt the system historically). Exact amounts of the exemptions on specific properties in Toronto, once indicated on publicly available assessment rolls, are now indicated only on the collector's roll, which is not ordinarily open to public scrutiny. Somewhat more than half the single residential properties in the City, however, continue to enjoy the exemption. Cf. City of Toronto, *Interim Report*, 1979, 11-15; and *Report of the Ontario Committee*, 1967, V. II, 88-90.
45. See City of Toronto, *Final Report*, 1982, 29.

46. Frank S. Miller, *1983 Ontario Budget* (Toronto, 1983), 20. At the time of writing, the new Liberal Government in Ontario has not taken an official position on the issue. A report prepared for the Treasurer of Ontario by David Goyette, however, has urged that work on a Section 63 reassessment in all of Metropolitan Toronto begin no later than September 1986. It has also recommended that "the Government of Ontario now indicate its willingness, in principle, to assist in the provision of funds, grants, credits or otherwise for the relief of low-income households adversely affected by the reassessment," and that "the elimination of the 1921 graded exemption program applicable in the City of Toronto" be considered. See *Taxing Matters: An Assessment of the Practice of Property Taxation in Ontario*, A Report to the Honourable Robert Nixon, Minister of Revenue and Treasurer of Ontario, October 1985, 158-159.
47. Cf., e.g., Alan F.J. Artibise, *A Matter of Political Responsibility: Real Property Assessment in Winnipeg* (Winnipeg, 1984), 33-34.
48. Section 63 reassessments have now been completed twice in some Ontario municipalities, and the Ministry of Revenue is encouraging municipal councils to endorse reassessment on a four-year cycle.
49. Jim de Wilde, Review: Robert E. Goodin, *Political Theory and Public Policy*, *Canadian Journal of Political Science*, March 1984, 210.
50. *Annual Report of the Assessment Commissioner*, 1921, 28.