

### Summary Of Research and Engagement Results

#### How We Engaged

Administration undertook public opinion research and engagement to understand Edmontonian's perspectives and attitudes towards Residential Property Tax Subclassing. Engagement was conducted at the ADVISE level of the City of Edmonton's Public Engagement Spectrum, where the public is consulted by the City to share feedback and perspectives that are considered in decision making.

#### Public Opinion Research

Research was conducted through an online survey distributed to the members of the Edmonton Insight Community, and via an open website link. The Edmonton Insight Community is a diverse group of more than 15,500 residents of Edmonton over the age of 15 who have volunteered to provide feedback on City policies, initiatives and issues by completing surveys.

The online survey received 3,739 responses from a variety of participants including:

- Those who own (86 per cent) and those who rent (14 per cent) their current residence;
- Those with annual household income \$59,999 and under (17 per cent);
- Those not born in Canada (14 per cent);
- Those who have not completed post-secondary education (14 per cent of those who indicated their level of education); and
- Those who identify as women (46 per cent of those who indicated their gender); men (49 per cent); non-binary, transgender, or two-spirit (three per cent).

Results from the online survey showed that:

- 58 per cent of respondents found a basic model of taxation (i.e. a single tax rate) to be somewhat or very fair, compared to 23 per cent who found it to be somewhat or very unfair.
- 24 per cent of respondents somewhat or strongly agreed that all residential properties (including multi-family) should pay the same rate because that would be most fair, compared to 50 per cent of respondents who somewhat or strongly disagreed.
- 50 per cent of respondents somewhat or strongly agreed that multi-family properties should pay more because they generate income for owners and

- also receive income tax benefits, compared to 25 per cent who somewhat or strongly disagree.
- 51 per cent of respondents found it to be somewhat or very appropriate to use residential property tax subclassing to change tax distribution, compared to 25 per cent who found it to be somewhat or very inappropriate.
  - 39 per cent of respondents found it to be somewhat or very appropriate to achieve specific policy objectives (such as those laid out in The City Plan) through residential property tax subclassing, compared to 27 per cent who found it to be somewhat or very inappropriate.

### Focused Public Engagement

The public engagement process was designed to capture perspectives from industry and community stakeholders to ensure a diversity of perspectives and voices were heard.

Engagement was conducted through an Engaged Edmonton page open to the general public, one virtual event with invited industry stakeholders and two virtual events with community stakeholders. The industry stakeholder virtual event was composed of key stakeholders representing landlords, owners of multi-family housing properties, builders, developers, infill builders and real estate professionals in the City who were invited to provide their feedback. Two virtual community stakeholder events included interested and impacted members of the public, including those who own and/or occupy residential properties and those who rent. They were invited to participate through multiple public service announcements, social media announcements, recruitment through the Edmonton Insight Community and by networking through the Edmonton Federation of Community Leagues.

#### Engaged Edmonton Page

Engaged Edmonton is the City of Edmonton's official online public engagement space that offers a digital public engagement platform. Traffic and engagement on the Engaged Edmonton page for Residential Property Tax Subclassing can be found below:

Type of Participant	Numbers of Participants
<b>Engaged Visitors:</b> active contributors.	37
<b>Informed Visitors:</b> engaged with information and/or resources on the project page.	164

<b>Aware Visitors:</b> interacted with the main project page.	369
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The 37 Engaged Visitors offered feedback and perspectives through an ideas tool and a quick poll tool. Broad themes from the ideas tool included:

- Assessing Multi Family residential at a lower tax rate than single detached homes.
- Tax to encourage living in the core and to discourage urban sprawl.
- Tax according to occupancy status.
- Tax according to unusual amenities (e.g. in-ground pools).

The quick poll tool identified that:

- Eight out of 21 people who answered the first question in the poll were not aware that the City had one residential property tax subclass called “Other Residential”.
- Ten out of 15 people who answered the second question indicated that they believed property tax impacts those who rent their accommodations, two said no, and three said they weren’t sure.
- Two out of 15 people who answered the third question said they knew a lot about residential property tax subclassing, five said they knew some, three said a little bit, four said not very much, and one said they knew nothing about the topic.

The information gleaned from the ideas tool and the quick poll tool was considered by the project team, and was also used to inform what background information was provided to participants in the subsequent virtual engagement events with industry and community stakeholders to ensure participants had the necessary background information to be able to provide meaningful feedback.

Virtual Industry Stakeholder Event

Invitations to the Virtual Engagement Event for Industry Stakeholders were personally sent to over 20 stakeholders. Ten of these targeted stakeholders participated in the virtual engagement event. Highlights include the following:

- Five participants supported immediately phasing out the Other Residential subclass, while two participants supported phasing it out over three years. Other participants did not vote in the poll.

## Attachment 1

- Phasing out the Other Residential subclass would provide greater certainty regarding one of their largest expense items. Savings in taxes would not decrease rents but would rather be used to recuperate other operating costs such as the high cost of garbage removal.
- Phasing out the Other Residential subclass could positively impact the quality of materials used in construction and the quality and diversity of building designs.
- Phasing out the Other Residential subclass was seen as one step in making higher density housing options more viable by reducing costs. Other market considerations including the cost of building materials, labour, inflation, and incentives such as grants or tax incentives also impact what types of residential properties get built and where.
- More specific information, such as why the Other Residential Subclass was created, was needed in order to consider what opportunities could be created through new residential subclasses. Stakeholders also wanted to know more from Administration about what property subclasses could replace the Other Residential subclass, and what factors or qualities could underpin the creation of new residential property subclasses.
- Industry stakeholders saw connections to The City Plan in terms of using residential property tax subclassing to encourage density development, and to increase development around nodes and corridors.

### Virtual Community Stakeholder Events

Participants in these two events included 20 community stakeholders from community leagues, those living in Crime-Free Multihousing buildings (a program run by the Edmonton Police Service), single detached family homes, renters in apartment buildings, condo owners, condo renters, those with rental properties as additional income and those with English as an additional language. Highlights from these events include the following:

- Community stakeholders overall did not support phasing out the Other Residential Subclass. Nine participants did not support phasing out the subclass, while three supported phasing it over three years and one supported phasing it out over five years. Other participants did not vote.
- There was some support for Multi-Family Housing properties paying more in property taxes because they operate as businesses and can write off their property taxes.
- Most expressed skepticism that rents would decrease if the Other Residential Subclass was phased out.

## Attachment 1

- Some felt that the Other Residential subclass was unfair to higher density properties that require less infrastructure.
- Participants saw connections to The City Plan and opportunities for new residential subclasses to support density. This included:
  - Connections to The City Plan included helping the City achieve its density goals, and its development goals around nodes and corridors.
  - Some participants also supported the values of sustainability and addressing climate change through property tax subclassing by incentivizing sustainable materials and building practices.
- Community stakeholders pointed to high inflation and increasing costs of living as additional factors that are considered when choosing where, and which type of property to live in.