

# **Derelict Property Tax Survey**

#### **Project Background:**

In the fall of 2023, City Council approved a tax subclass that was implemented in 2024. The subclass addresses derelict residential properties in mature areas, as part of a larger effort to combat problem properties and encourage community vibrancy.

The Derelict Residential Tax Subclass allows the City to charge a separate tax rate for properties meeting the definition of "derelict." In 2024, the derelict tax rate was approximately three times higher than the normal residential tax rate.

#### **Research Objectives:**

The City conducted the survey to gauge Edmontonians' awareness of, and opinions about derelict properties and the tax subclass.

#### Methodology:

Online data collection (Edmonton Insight Community + Open link)

- An online survey issued through the Edmonton Insight Community.
- A link was made publicly available to share the survey with users who are not a part of EIC.
- The survey combines quantitative and open-ended questions, allowing respondents to express their views on Derelict Property Tax Subclass.

#### Timelines:

Survey was open from November 25th to December 2nd, 2024.

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## **Survey Results**

#### **General Awareness:**

- 4 in 10 survey respondents have seen/heard of derelict properties in their neighborhoods.
- Almost half of the respondents (49%) are aware that the City of Edmonton has a tax subclass (higher tax rate) for derelict residential properties in mature neighborhoods.

#### Q1 - Have you seen or heard of properties in your neighbourhood that fit the description of derelict

## provided above? 4161 Responses Percentage 50% 60% 43% 40% 8% 20% Yes No Not sure Q2 - Do you own a property that has been assessed as derelict? 4161 Responses Percentage 100% 100% 50% 0% 0% Yes No Not sure

## Q3 - Before today, were you aware that the City of Edmonton has a tax subclass (higher tax rate) for

#### derelict residential properties in mature neighbourhoods?

Percentage				4161 Responses
60%	49%		51%	
40%				
20%				
	Yes		No	

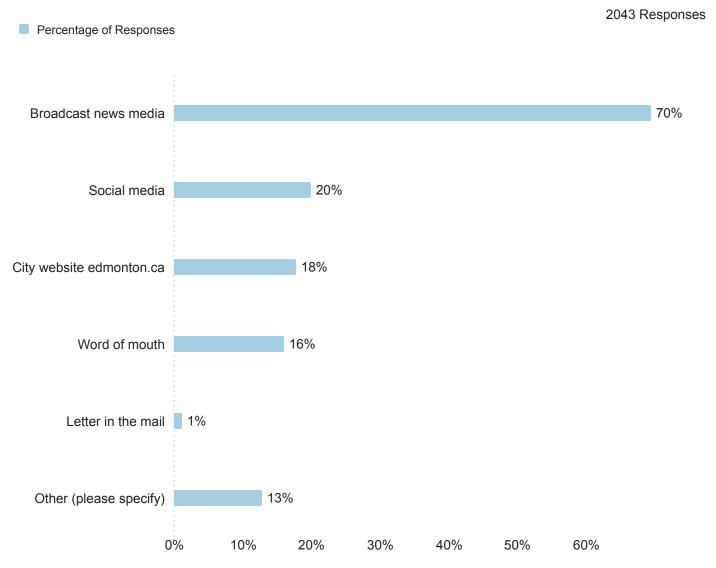
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### Source of awareness:

• 70% survey respondents who are aware of the tax subclass learned about it from 'Broadcast news media'.

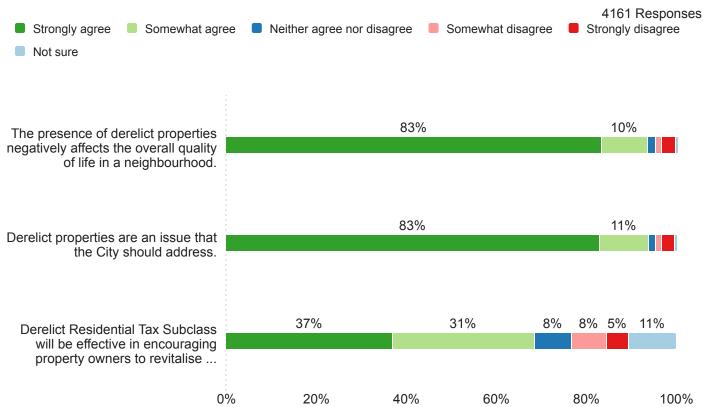
#### Q3a - Where did you learn about the tax subclass for derelict properties? Please select all that apply. -

#### **Selected Choice**



#### **General Perceptions:**

• Majority survey respondents agree that the derelict properties are an issue that the City should address (94%) and that the presence of derelict properties negatively affects the overall quality of life in a neighborhood (93%).



#### Q4 - Do you agree or disagree with the following statements:

## Q5. Do you have any additional comments or ideas about the derelict property tax subclass?

[Total responses (open ended comments) = 1663 Responses]

### I. Positive sentiments with suggestions for policy and implementation (Number of responses=527) Sample verbatim comments:

- "City should publish, and ensure the reputable media is apprised of, the results of this experiment after a year. We are all curious ."
- "Make the tax rate higher; it needs to be objectively punitive."

#### II. Positive sentiments about tax subclass (Number of responses=395) Sample verbatim comments:

- "An incentive to either demolish or restore derelict structures is definitely needed."
- "I'm very glad the city has created the derelict property tax subclass, in order to improve neighbourhoods, should have happened a long time ago. Hit the derelict owners in pocketbook & if they cannot pay, they will sell to someone who will either fix, or demolish the structure and rebuild new. We need this now more than ever with housing shortages."

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#### **III. Concerns about tax subclass** (Number of responses=374)

Sample verbatim comments:

- "Bankrupting people will not incentivize them to build their property. It allows for property's to be bought up by megacorps and foreign investors at discounted rates."
- "The derelict property tax feels like a punishment approach, that I feel would just push the owner to sell the property to make it another person's problem. I would be curious if there are ways to incentivize, or perhaps pair derelict properties with community organizations like Habitat for Humanity where these properties can he used to address needed housing issues instead."

#### IV. Suggestions to expand tax subclass (Number of responses=136)

Sample verbatim comments:

- "Expand it to include empty lots that have been sitting since demolition with no construction for a significant period of time"
- "It should not be just residential properties. There should be high tax categories for vacant commercial, industrial, and surface parking lots."

#### V. Questions and things for the City to consider (Number of responses=136) Sample verbatim comments:

- "Is there any additional strategies that can motivate derelict property owners to either sell or revitalize their property? Tax penalties are a good first step but other stages or options would be good to develop."
- "What if the owner pays the tax and keep leaving the building in the same condition?"

VI. General comments about government, taxes and social issues (Number of responses=95) Sample verbatim comments:

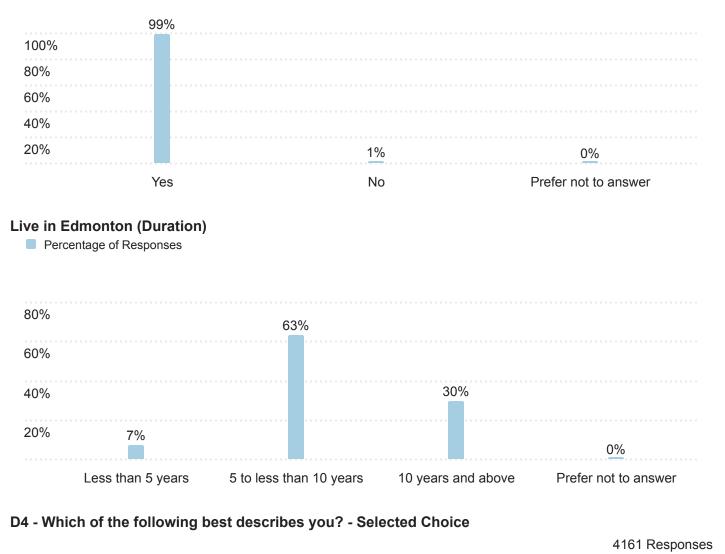
- "Don't raise our taxes! Why can Calgary stick to just over 3% and edmonton wanted 13% but probably will be up to 9%"
- "I do not care for the style of homes being built on these lots. Homes being built should be somewhat in line with how the neighborhood looks. I find the new, taller with slanted roofs, with 2 houses being built on one lot, very glaring to the mature neighborhood feel."

# **Demographics**

Percentage of Responses

#### Live in Edmonton

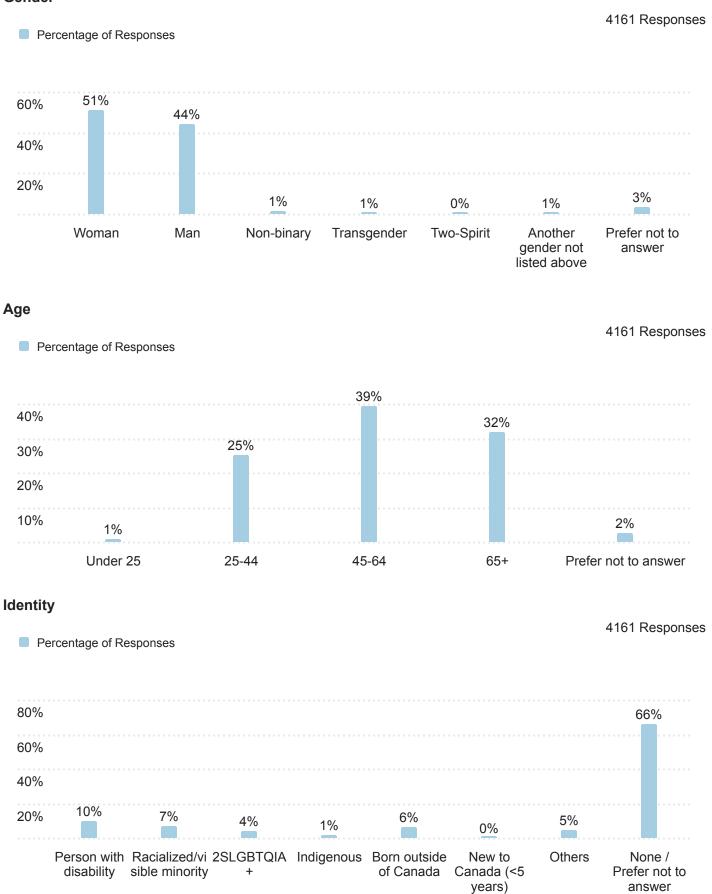
#### 4161 Responses



Per	centage			
100%	88%			
80%				
60%				
40%				
20%		9%	2%	1%
	I am a homeowner in Edmonton	I am a renter in Edmonton	Other (Please describe):	Prefer not to answer

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#### Gender



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## **City Employee**

 Percentage of Responses
 92%

 100%
 92%

 80%
 0

 60%
 0

 40%
 1%

 20%
 1%

 Yes
 No