



BATHURST

What We Heard

NB PROPERTY TAX OVERHAUL

November 2025
Government of New Brunswick

New  Nouveau
Brunswick

What We Heard: NB Property Tax Overhaul

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Introduction and Approach

Over the past four years, New Brunswick has grown in many ways. Our growing population means more demand for property and housing in the province alongside a spike in inflation and cost of services. The real estate market in the province has boomed after years of slow growth, resulting in higher property assessment values and higher property taxes for many, especially those who own residential properties. This trend follows what has happened across Canada since the COVID-19 pandemic. This was mostly because interest rates were low, more people wanted to buy homes, and not enough houses were available to meet demand.

New Brunswickers have expressed concerns with unpredictable property tax bills, unclear process for assigning property values, and confusion over how property tax revenues are being spent. As part of the 2024 election platform, the provincial government committed to overhauling the property tax system.

The goal is clear:

To create a property tax system that is more predictable, transparent, fair and stable.

To accomplish this, Government launched a three-phase project: (1) Discovery, (2) Solutioning, and (3) Implementation.

This report marks the completion of the first phase. The goal of the Discovery phase was to understand how New Brunswick's property tax system is currently working and how the public and stakeholders perceive and experience it. This report is not a reflection of GNB's position on a property tax overhaul but simply presents the feedback GNB received when engaging with stakeholders, including the public.

WHAT WE DID

The Discovery Phase included the following activities:

1 DATA ANALYSIS

"What do the numbers say?"

This helped us understand property tax trends over time, including which groups pay property tax, how much they contribute, and how revenue is divided between the province and local governments.

2 STAKEHOLDER ENGAGEMENT

"What are New Brunswickers, businesses and organizations experiencing?"

This involved listening to the experiences of those impacted by New Brunswick's property tax system. We used a public survey, stakeholder interviews, and written submissions. Efforts were coordinated across nearly a dozen GNB departments given property tax is a topic of interest across many sectors.

3 LOCAL GOVERNMENT ADVISORY PANEL

"How can we collaborate with local counterparts?"

Local governments rely on property tax as their main source of revenue. An Advisory Panel of local government representatives was formed to support collaboration and help align local and provincial efforts – this will be especially key in our Solutioning phase.

4 JURISDICTIONAL SCAN

"What is happening elsewhere?"

This work involved research into how other provinces and countries manage property taxation to learn from their approaches and experiences.



SAINT JOHN

WHAT'S NEXT:

The insights from the Discovery Phase, summarized in this report, represent one of several inputs that will inform the development of solutions moving forward.

Next steps:

SEPT
2025



SOLUTIONING PHASE

Drawing upon insights from the Discovery Phase, this phase involves identifying and designing meaningful solutions. A top priority will be to clearly define the challenges that need to be addressed and the outcomes to be achieved. To support this work, partners and stakeholders will be engaged, along with subject matter experts. By the end of this phase, government will decide on actionable improvements for a stable, fair, transparent and predictable property tax system.

DEC
2026



2026 &
BEYOND

IMPLEMENTATION PHASE

Make changes to laws, policies, and systems so that changes can begin for the 2027 tax year. Some changes may be phased in before or after 2027, depending on the implementation approach and to help manage risks associated with change.

WHAT ARE NEW BRUNSWICKERS SAYING ABOUT PROPERTY TAX?

Stakeholders, partners and the public talked about a mix of competing priorities, shared concerns, and constructive ideas. Within the complexity, some themes are clear:

- The system feels unfair and unpredictable.
- Affordability pressures are real and growing.
- Public trust is at risk – transparency is key.
- The system is complex and difficult to understand.
- There are strengths in the current system worth maintaining.
- There is appetite for change, but some are also worried about what change might mean.

The System Today

PROPERTY TAXATION IN NEW BRUNSWICK

Property taxes are a key source of revenue for both the provincial government and local governments in New Brunswick. An average of 83% of the operations of local services are funded through property taxes (excluding utility services, which are user based). These taxes help fund a combination of essential services such as healthcare, education, roads, fire protection, and policing.

New Brunswick operates under a **centralized property tax system**, meaning that the property assessment and tax systems are administered by the provincial government on behalf of itself and local governments.

With this centralized system, local governments maintain control over their property tax revenue, including the ability to set local tax rates to fund services at the local level.

ROLE OF PROVINCIAL AND LOCAL GOVERNMENTS

New Brunswick's centralized system, introduced through the **Equal Opportunity** reforms of the 1960s, was established to help ensure **fairness and consistency** across the province (see Appendix A for more context, including a brief history of Property Tax in New Brunswick).

The **provincial government** is responsible for overseeing and administering New Brunswick's property tax system. This includes:

- Establishing property assessment and taxation legislation
- Assessing all real property for taxation purposes
- Sending both assessment notices and tax notices to property owners
- Collecting property taxes on behalf of the province and local governments

- Distributing local property tax revenues to local governments through an annual warrant payment
- Administering property tax policy and programs

Local governments (e.g., municipalities) are responsible for:

- Setting local budgets and establishing local property tax rates each year based on budgetary needs to deliver public services within their communities

HOW IT WORKS

- **GNB** provides information on the value of properties in the province to local governments every year
- **Local governments** set their tax rates based on the amount of revenue they require to meet their needs and maintain a balanced budget
- **Local governments** submit their budget and tax rates to GNB for the upcoming taxation year
- **GNB** mails out Property Assessment Notices to property owners
- GNB and an independent tribunal offer **property tax appeals** on individual assessments for property owners
- **GNB** mails out property tax bills to property owners on behalf of local governments and the province
- **Property Owners** pay property taxes

HOW PROPERTIES ARE ASSESSED AND TAXED

Each year, more than 480,000 properties across New Brunswick are assessed to determine their real and true (market) value. This value reflects the price a property would likely sell for on the open real estate market as of January 1 of the previous year.

Service New Brunswick (SNB) Property Assessment Services is responsible for annually classifying and assessing all real property in the province for property tax purposes. SNB bases its approach and methodology

on Industry best practice and standards, including the *International Association of Assessing Officers*.

The **value for taxation (VFT)** reflects the value on which the tax rates are applied. This can be different from the property assessment value where there are programs which impact the VFT, such as the Assessment Reduction Program (ARP), Housing Development Incentive Program (HDIP) and Spike Protection Mechanism (SPM).

In other words:

$$\text{Value for Taxation} = \text{Assessed Market Value} - \text{Adjustments (e.g., ARP, HDIP, SPM)}$$

This VFT is then used to calculate the property tax bill by multiplying it by the applicable tax rates, which include both the provincial rate and the local government or rural district rate.

$$\text{Annual Property Tax} = \text{Value for Taxation} / \$100 \times (\text{Provincial Rate} + \text{Local Rate})$$

HOW NEW BRUNSWICK COMPARES

Property tax systems across Canada are different both at the provincial and local levels. There is no one “right way”.

In many other provinces, local governments manage their own property tax billing and collection. New Brunswick’s centralized approach is intended to reduce administrative burden on local governments. This system can be seen as advantageous for communities, especially those with limited staff and resources.

All Canadian provinces, except Newfoundland and Labrador, include a provincial property tax (or education tax) as part of their overall property tax structure. New Brunswick, however, is the only Canadian province that does not impose a *provincial* property tax on *homeowners* (who own and live in their property). The provincial portion of New Brunswick’s property tax is applicable to all other properties (non-owner-occupied residential, other residential, non-residential and heavy industry).

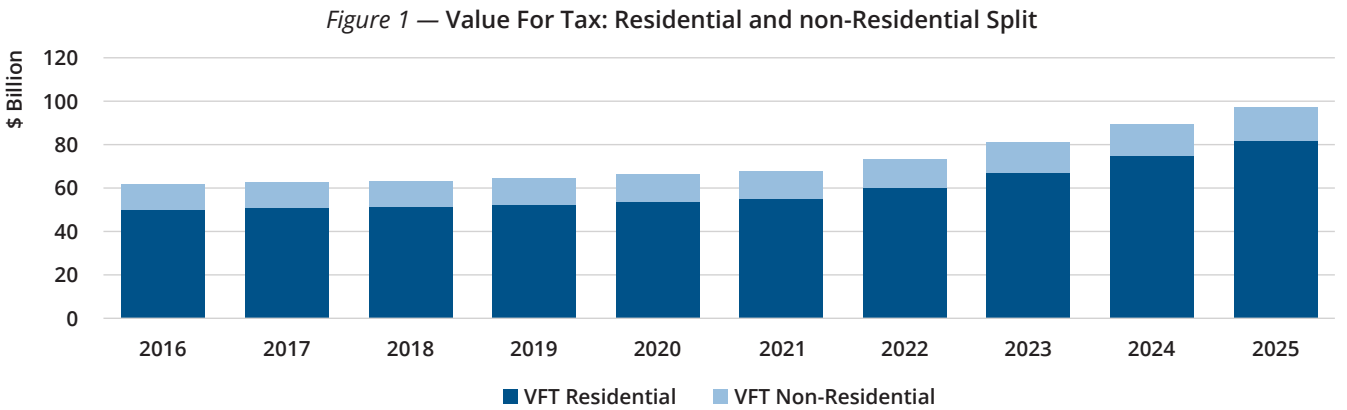
TRENDS IN PROPERTY ASSESSMENTS AND TAXATION

ASSESSMENTS

New Brunswick has experienced a significant increase in the total assessed value of properties, reflecting rising market values and new construction.

Over the last 10 years (2016 to 2025), properties experienced increases in their **Value for Taxation (VFT)**. VFT grew overall by **58%**, from **\$61.4 billion** in 2016 to **\$97.2 billion in 2025** (see Figure 1).

Residential properties accounted for the bulk of the total assessment base in 2025, at **84% (\$82 billion)** of the value, with **non-residential properties** making up the remaining **16% (\$15 billion)**. Growth has accelerated since 2021, with **residential** VFT increasing by about **49%**, compared to a **23%** increase for **non-residential properties**. The chart below depicts the 10-year VFT growth, split between the residential and non-residential components.



REVENUE

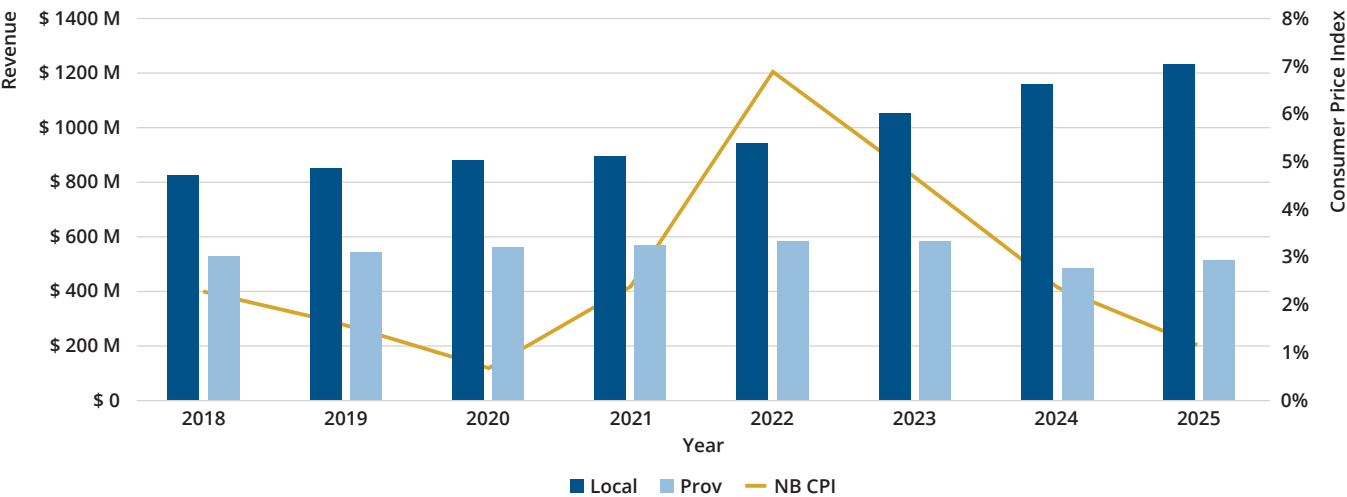
Over the last 10 years, total property tax **revenues** have risen steadily from approximately \$1.3 billion (2016) to approximately \$1.7 billion (2025) – see Figure 2 for details. This revenue plays a vital role in supporting public services across the province and locally including police, fire, public transit (local) and education, health care and social welfare (provincial). In 2025, local governments received approximately 71% of the revenue and the provincial government received about 29%.

Over the 10-year period, property tax revenues for local governments have risen steadily (peaking at

approximately \$1.2 billion in 2025); expenditures followed the same trend, as local governments are required to have balanced budgets. During the same period, provincial property tax revenues gradually increased, with a decline in 2023 (-17.5%); as of 2025, provincial revenue levels (approximately \$500 million) are still below 2017 levels.

These revenue trends coincide largely with the rising cost of goods and services over the period as shown by the Consumer Price Index (CPI) trend on the graph below (Figure 2).

Figure 2 — Local and Provincial Property Tax Revenue Trends Compared to New Brunswick CPI (2018 to 2025)



WHAT’S DRIVING THESE CHANGES?

Several factors have been contributing to New Brunswick’s growing property tax base. While the number of assessed properties has grown steadily over the past decade, the significant rise in assessment values points to broader market dynamics rather than just an expansion of the property base.

Many factors have contributed to the housing market and overall affordability. Revenues have been impacted by record growth in the real estate market, population growth, increasing property assessments rising costs of living and service delivery, and increasing demands on local governments.

What We Heard

To better understand the impacts of the current system on New Brunswickers, a stakeholder and partner engagement initiative was launched, including a public survey, establishment of a local government Advisory Panel, and engagements with 32 stakeholder groups. We heard from business and industry, construction and infrastructure, housing and real estate, advocacy groups and social services, planning and development, law, other Canadian governments, and the public.

These conversations explored how the current property tax system is experienced, what is working well, and areas needing improvement. Stakeholders, including the public, revealed a complex mix of competing priorities, shared concerns, and constructive ideas for improvement. They also spoke about the parts of the current property tax system they view as strengths and want to see maintained. This section of the report highlights what we heard from people about their views and experiences with the property tax system, but please note that that feedback herein may not fully match how the system or related programs work today.

WE HEARD FROM A VARIETY OF NEW BRUNSWICKERS THROUGH:



32 virtual and in-person **interviews**



8 written **submissions**



Local Government **Advisory Panel**
(18 members)



Public survey (completed over
7,500 times)



Stakeholder Feedback: Challenges

Stakeholders noted some challenges that impact the predictability, transparency, fairness, and stability of the property tax system from their perspective. While it was clear stakeholders feel reform is needed, they also raised that it was important to implement change carefully. The system is complex, and measured, phased-in approaches would be preferable over an immediate full-scale overhaul of the system. It was expressed that such an approach will be important to ensure stability, maintain public trust, and achieve meaningful outcomes.

Key challenges that were identified:

SYSTEM COMPLEXITY

The complexity of New Brunswick's Property Tax system is a common point of criticism from stakeholders. Many find the system overly complex, making it difficult for the public to understand how it works. This complexity is also viewed as a potential barrier to implementing thoughtful and effective reform.

"People struggle to distinguish between their property's assessed value and the tax rate policies that determine their bill... Continuous education and awareness initiatives are essential to bridge the gap between operations and public perception."

— Stakeholder

ASSESSMENT CONFUSION

Many are confused about how property assessments are calculated. Some homeowners and developers unexpectedly saw their property values spike dramatically after purchase or renovation. Several expressed frustrations, seeing properties they viewed as comparable (e.g., their neighbours') with lower assessments than their own. The mass appraisal methodology is not well understood. Some mentioned an interest in increased in-person reinspection.

"[We need] either policy or legislated access to assessment calculations or methodologies just to say how has my assessment been calculated... the inability to see the assessment calculations is challenging at best, and a struggle at worst." — Stakeholder

OUTDATED VS INACCURATE DATA

Several stakeholders suggested there may be discrepancies between SNB's assessment data and property characteristics visible in local government records or GIS tools. These potential inaccuracies are often discovered during property transactions or planning reviews. Stakeholders noted that because the system relies heavily on self-reporting and lacks integration with permitting systems, changes to properties may go unrecorded, contributing to confusion and a perception of outdated or inaccurate assessments.

"We do find somewhat frequently that the unit count in [SNB's records] doesn't match ours... either because they haven't gone through permitting, or we have a higher count than you [SNB]."

— Stakeholder

LIMITED APPEAL OPTIONS

There is currently no clear legal mechanism for property owners to appeal their assessments based on equity or a property's classification. This is a common criticism from stakeholders. Some property owners expressed concern about potential consequences of appealing, including the possibility of increased assessments. Others said they did not know they had a right to appeal or did not know how or when to do that. Although appeal information is provided with assessment notices, some residents may not fully understand the process or may feel discouraged by its presumed complexity.

“...if you have two similar properties, they should be assessed in a similar way, [but] New Brunswick doesn’t have legislation that enshrines that, which means you could have a neighbour who has a very similar house and assessed very differently, and you would have no legal recourse to challenge that.” — Stakeholder

COMMUNICATION GAPS

There is some confusion over the roles of the province and local governments in tax rate setting, billing, and collection. This lack of clarity often leads to frustration and, in some cases, delays when taxpayers seek information or help. Stakeholders suggested a need for clearer information and input about how property tax dollars are used and called for more plain-language resources and accessible communication channels. Many residents feel the system is unfair but struggle to articulate why.

“There’s confusion about who does what—who sets the rates, who bills, who collects. That needs to be clarified.” — Stakeholder

HEAVY RELIANCE ON PROPERTY TAX

Local governments in New Brunswick rely heavily on property tax as their primary revenue source—often accounting for up to 83% of their budgets. Stakeholders warned that this heavy reliance can result in pressure to raise rates, sometimes without corresponding improvements in service delivery.

“Let’s look at other funding mechanisms beyond property tax. The current model isn’t sustainable.” — Stakeholder

SERVICE DISPARITIES

Many stakeholders expressed concern that the current system may contribute to inequality between communities. They noted wealthier areas with higher property values generate more revenue and can afford better services, while lower-income communities struggle to maintain basic infrastructure. Stakeholders also noted a mismatch between taxes paid and services received in some areas.

“The system should be transparent, predictable, and tied to the level of services received.” — Stakeholder

SPIKE PROTECTION MECHANISM (SPM)

The SPM was one of the most frequently criticized features of the current system. Originally designed to protect owner-occupied properties from sudden assessment increases, SPM has meant that some homeowners face different tax bills than their neighbours, despite owning similar homes. Stakeholders also noted SPM penalizes new buyers and those who improve their properties by placing more of the tax burden on them. With the recent expansion of the SPM eligibility criteria, the SPM currently applies to over half of New Brunswick properties.

“[Spike protection] penalizes new property owners versus existing ones... penalizes people who do some new construction. New owners end up subsidizing existing ones and paying for the same services. Thousands of different tax rates... that is the height of unfairness.” — Stakeholder

AFFORDABILITY AND FINANCIAL VULNERABILITY

Many feel that property taxes are too high and increasingly unaffordable along with increases in other costs of living. Rising property tax bills are making it difficult for seniors to remain in their homes, even without a mortgage. This may undermine the province’s goal of supporting aging in place. Additionally, the home’s value does not necessarily reflect the owner’s financial status or ability to pay their property taxes, particularly for seniors on fixed incomes.

“We are seeing a number of seniors having to sell their home, move into an apartment and many of them are... really hit hard.” — Stakeholder

Stakeholder Feedback: What's Working Well

Stakeholders have also highlighted aspects of the current system that are functioning effectively and should be maintained or expanded upon:

- **Centralized Assessment Model:** Stakeholders support maintaining a centralized system for consistency and uniformity. A centralized system is especially valuable for local governments with limited resources.
- **Annual Property Assessment Cycle:** Stakeholders highlighted the strength of the annual assessment cycle, which reflects growth and helps maintain trust in the system.
- **Appeal Process:** Stakeholders value the three-stage appeals process. They especially appreciate that the initial step of a Request for Review enables early, informal dialogue between property owners and assessors (clarifying property use and valuation details), supporting accuracy and accessibility.
- **Public Access to Useful Property Data:** Stakeholders identified New Brunswick's Geographic Information System (GIS) interface and public data availability (e.g., Property Assessment Online including sale information) as key strengths to be maintained and enhanced.
- **Conservation Lands:** Stakeholders appreciate that conservation lands are eligible for exemption through what is viewed as a streamlined, fair, and effective process that helps promote responsible land and forest care.
- **Residential Communications:** Approximately 50% of survey respondents expressed positive views on the clarity of property-related communications, suggesting that assessment notices, tax bills, and related information are clearly presented, and information is easy to find.

"The other thing that people really wanted to hammer home was that New Brunswick does have an annual assessment cycle, and that's a huge boon and something that they do well."

— Stakeholder

"The [Geographic Information System] front end for that is extremely good... one of the best that we have in Canada in terms of just ease of use and user interface."

— Stakeholder

One System, Many Views

While many stakeholders agree on some concerns with the current system, there are also **diverging and sometimes conflicting perspectives**.

PROPERTY TAX EXEMPTIONS

<i>Support for Exemptions</i>	<i>Opposition to Exemptions</i>
Some agree with property tax exemptions or the concept of reduced rates for non-profits or rural areas. They emphasized the need to support vulnerable populations and recognize rural contributions to the province's economy.	Others cautioned that exemptions are unfair. They feel that it is important to assess and tax everyone the same way to maintain equity across the system. They feel targeted programs (rather than exemptions) could protect vulnerable sectors.

"We'd love to see non-profits exempt from property tax. It would make a huge difference in affordability." — Stakeholder

"The perception of fairness is distorted when exemptions or special treatments are introduced... it undermines transparency and accountability." — Stakeholder

RATE SETTING FLEXIBILITY

<i>Local Autonomy Advocates</i>	<i>Standardization Advocates</i>
Certain participants spoke to the value and merits of allowing local governments to set different tax rates (e.g. subunits). They recommended retaining this discretion while streamlining the process.	Others warned that too much local discretion in rate setting could lead to inconsistent treatment and inequities across local governments. They advocated for centralized oversight and transparency in rate setting.

"Municipalities... it's very difficult for them to create taxing authorities within their own municipality... a certain neighborhood might have more services than

another... but it's complicated to create a special taxing authority for that neighborhood. A bit more tweaking on how municipalities could subdivide their taxation units...I think that could benefit some municipalities" — Stakeholder

"If we leave it and there's no provincial controls on that, then we'll have such a mishmash of property taxes across the province... It'll be a lot of individual politics. That will be a risk." — Stakeholder

ASSESSMENT CYCLES

<i>Support for Annual Assessments</i>	<i>Support for Multi-Year Cycles</i>
Some stakeholders said that annual assessments improve accuracy and reflect market changes. They said these frequent updates are essential for fairness and credibility. This is also in accordance with industry standards and best practice.	Other participants suggested that multi-year cycles could improve predictability and support long-term planning.

"We are very pleased to say that you have an annual revaluation program, that you have an antecedent valuation date which was recently introduced, which I think helps to improve the accuracy of the valuations." — Stakeholder

"...I think the main issue is that it's only a one-year outlook, so it's difficult to set longer-term budgets without a clear sense of where property tax assessments are going." — Stakeholder

BILLING SIMPLICITY VS. TRANSPARENCY

<i>Preference for Simplicity</i>	<i>Demand for Transparency</i>
Some stakeholders appreciate the simplicity and clarity of current billing formats.	Others criticized the lack of itemization, arguing that residents deserve to know what services they are paying for.

"The billing process is straightforward, and that's something we really value. It's important to keep it user-friendly." — Stakeholder

"A lot of property owners are feeling like... I pay property tax, I pay municipal tax... what am I getting for this?"
— Stakeholder

"Tax bills should include a clear breakdown of how assessments are calculated and what credits apply."
— Stakeholder

REVENUE NEUTRALITY VS. AUTOMATIC REVENUE GROWTH

<i>Support for Revenue Neutrality</i>	<i>Concern About Losing Growth</i>
Certain participants strongly advocated for revenue neutrality, where tax rates are adjusted to reflect actual budget needs rather than assessment increases and remain relatively stable. They argue this is essential for fairness and stability.	Others raised concerns that revenue neutrality could slow revenue increases tied to assessment growth. However, most supported that if assessment values increased more than inflation, tax rates should be lowered to avoid unfair tax increases.

"If revenue neutrality isn't part of the reforms... you shouldn't even bother with the rest because this is at the heart of the problem." — Stakeholder

"How do you ensure you don't limit or impede that growth? ...If we're able to maintain growth in our province, then a good property tax system will allow us to take that growth and redistribute it to support services in the communities." — Stakeholder

RESIDENTIAL VS. INDUSTRY TAX BURDEN

<i>Concern About Residential Burden</i>	<i>Concern About Industry Burden</i>
Some stakeholders feel residential property owners are unfairly taxed, especially in areas with limited services or among seniors and fixed-income households. They emphasized the need for tax relief, better alignment with service levels, and more predictable costs.	Others, especially from business and industry groups, feel that commercial and industrial properties bear an unfair share of the tax burden. They emphasized the need for competitive rates and fairness in how taxes are distributed across sectors.

"We need a system that treats seniors, young families, and owners of secondary properties fairly—with targeted relief for vulnerable groups." — Stakeholder

"Commercial properties are taxed way higher than residential. That's a big issue for that sector. The gap between commercial and residential rates needs to be narrowed. It's too wide." — Stakeholder

BUDGETING BASED ON ASSESSED VALUE VS. BUDGETING BASED ON NEEDS/ EXPENSES

<i>Base Budgets on Assessment Base</i>	<i>Base Budgets on Local Government Needs</i>
Some stakeholders expressed concerns over local budgeting practice in relation to assessment values. While assessments are an important component in budget preparation, there is a perception that some communities set their budgets so that annual spending growth matches the level of annual assessment base growth.	Other stakeholders articulated that accountability mechanisms should be in place to ensure communities base annual budgets on the service demands and expenditure needs of the community, regardless of annual growth in assessments.

"Municipalities are struggling to plan budgets with so much uncertainty around assessments and tax rates."
— Stakeholder

"Taxes do not have to increase automatically when assessments do. And yet in New Brunswick, that's exactly what they do. And that's at the heart of the problem"
— Stakeholder

"Local governments should be held accountable for budgets that reflect actual community needs."
— Stakeholder

Public Survey Highlights

In addition to conversations with stakeholder groups, GNB conducted a public survey to better understand how residents experience and perceive the property tax system. The survey was completed over **7500 times**, representing a wide cross-section of New Brunswickers, primarily homeowners.

WHO RESPONDED



96% of respondents own property in New Brunswick.



98% reside in the province



94% reported owning a primary residence in New Brunswick



Most respondents pay between **\$500–\$5,000** annually in property taxes



Age distribution was broad, with the largest groups between **35 and 64 years old** (66%) and **15% aged 65 or older**



Responses were received from across the province with strong representation from **Saint John (29%), Moncton (28%),** and **Fredericton (18%)**



The survey asked New Brunswickers about their experience with the property assessment and tax system. Several key themes emerged:

FAIRNESS

Public perceptions of fairness were generally negative:



85% disagree or strongly disagree that property assessments are fair



87% disagree or strongly disagree that property tax billing is fair

Respondents expressed frustration with:



Rising taxes despite no property changes



Inconsistent treatment of similar properties



Lack of clarity on how assessments and tax rates are determined

"...I do not feel that [property taxes] are fair as they escalate even if there have been NO improvements to the property. As a senior citizen on a fixed income, it is difficult enough to maintain the property and pay existing level taxes without facing large increases especially without a physical reassessment." — Survey Respondent

"We do not receive full [services] where we live — like garbage collection, snow plowing, etc. This is unfair because we do pay full taxes like other property owners who get full services." — Survey Respondent

UNDERSTANDING AND PREDICTABILITY

The property tax system is widely seen as difficult to understand and unpredictable:

- **50%** find the system difficult to understand
- A majority of respondents rate both their property assessments and tax bills as unpredictable, with **69%** responding **negatively or strongly negatively** about assessments and **60%** about billing.

"I knew pretty well by getting the first notice what I would have to put aside to pay. I disagreed with the amount but appreciated the 2 separate notice."

— Survey Respondent

"My property tax has fluctuated and changed unfairly without proper reasoning."

— Survey Respondent

CLIENT EXPERIENCE & TRANSPARENCY

While most people find their **tax bills and assessment notices clear** and additional information accessible, they do not always understand the **underlying calculations and processes**:

- Over **50%** of respondents know how to find information about property tax, but only **43%** know where to go with questions.
- Only **23%** strongly agree or somewhat agree they understood how their tax rate is set
- Only **19%** agree they understand how properties are assessed and valued, while **66%** somewhat or strongly disagree.

"As a new homeowner in New Brunswick, I am shocked at the very high rate of property taxes, and how properties of the same size, acreage, age, retrofit level, etc. in the same area can be taxed vastly different rates" — Survey Respondent

"My property tax has increased every year, as it is related to the market value of home sold nearby. It is not representative of the services provided to the homeowner." — Survey Respondent

Figure 2 — Survey Questions 10 to 14, presented as % of total

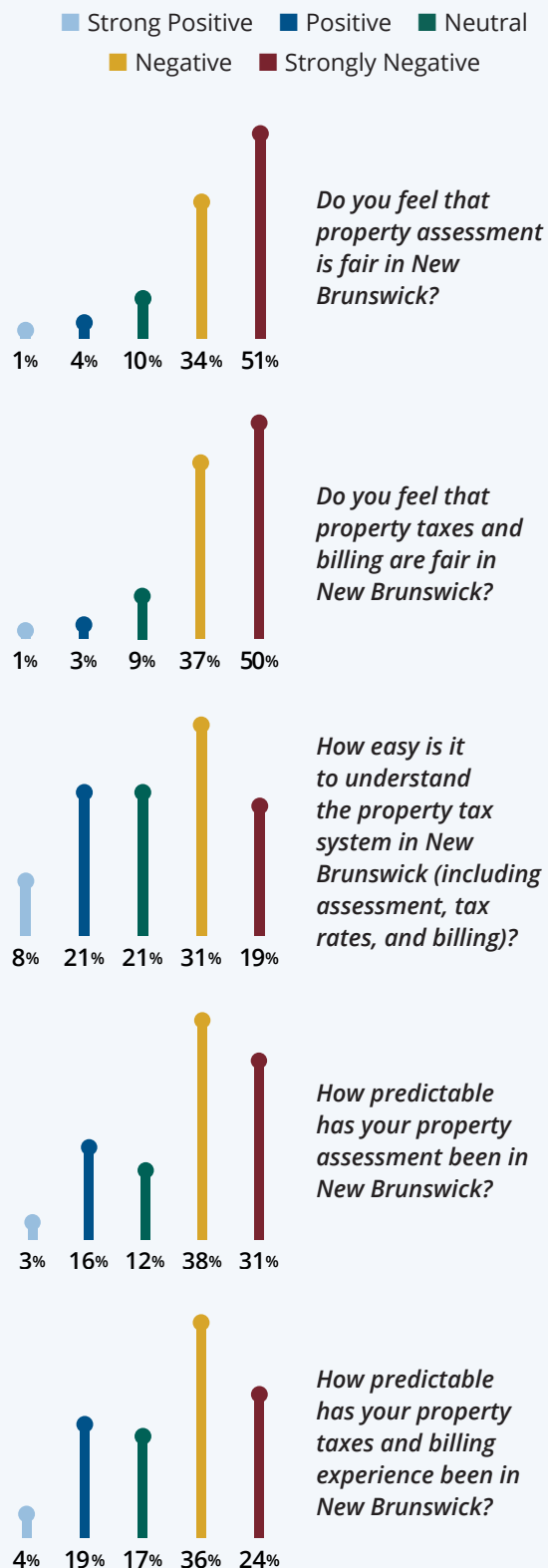
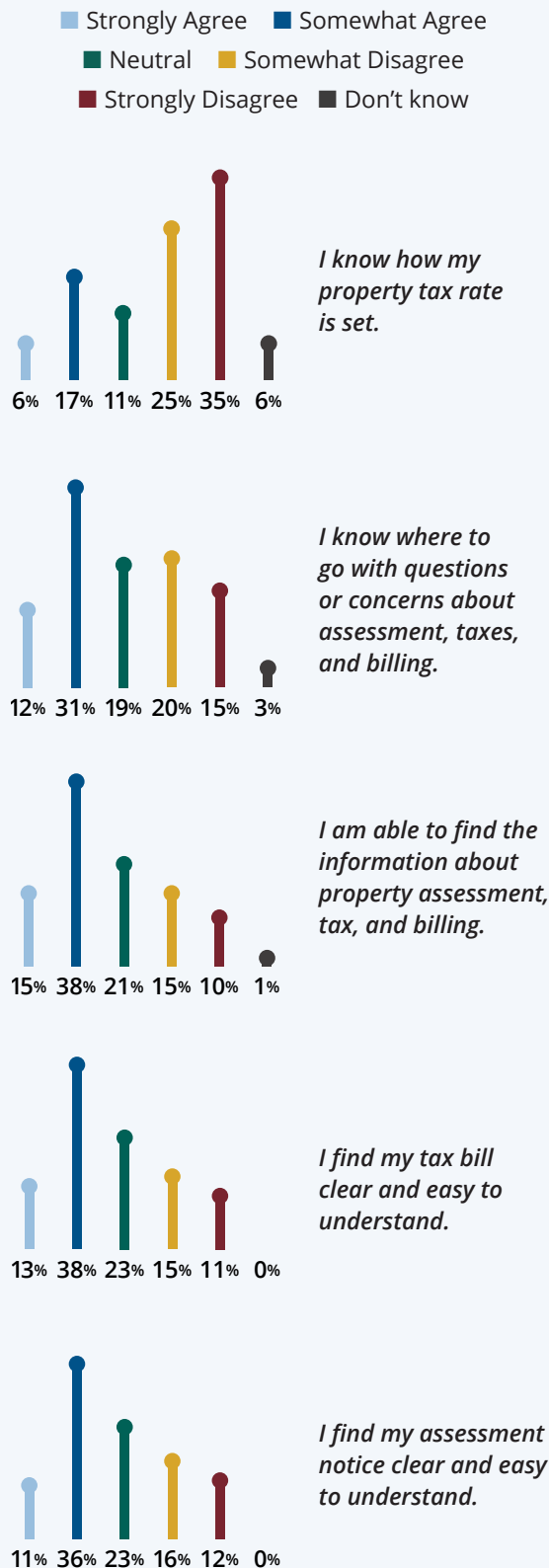


Figure 3 — Survey Question 16, presented as % of total



AFFORDABILITY PRESSURES

Property tax affordability has emerged as a central concern:

- **80%** of respondents say it is **somewhat or very difficult** to afford their property taxes
- **60%** report **reducing their overall spending** to manage tax payments
- **28%** have **considered selling their property**
- Many respondents report using **monthly instalments**, making **late payments**, or relying on **community supports** such as food banks in to keep up with their property tax bills.

"We've had to cut back on even basic things for our kids, like extracurricular activities and occasional small family outings. It's hard to explain to them why we can't do the things we used to."

— Survey Respondent

"Have had to adjust my monthly mortgage payments to afford my monthly property tax payments. So, I have had to extend my mortgage to keep up with property tax." — Survey Respondent

Table 2: Q7 - How would you describe your ability to afford your property taxes in 2025?

Responses	Count of Responses	% of Total
Very difficult	2629	35%
Somewhat difficult	3421	45%
Not very difficult	759	10%
Not at all difficult	142	2%
Prefer not to answer	264	3%
Blank	372	5%

Table 2: Q8 - What choices have you had to make to afford your property taxes?

Responses	Count of Responses	% of Total
Reduced my spending Budget	4548	60%
Considered selling my property or moving	2137	28%
Paying in monthly instalments through GNB	1708	23%
Made late property tax payments	890	12%
Other	615	8%
Used community or other supports (e.g., food banks, social programs)	453	6%
Prefer not to say	178	2%
No changes to spending	147	2%

MAKING IT BETTER

When asked what factors are most important in making the system predictable, transparent, fair and stable, respondents consistently rate several elements as **critically important**:

- **Clear explanations** of assessments and taxation (70%)
- **Timely updates** about changes to assessments and rates (70%)
- **Programs or supports to manage sudden increases** in property taxes (72%)
- **Fair and consistent application of exemptions** (75%)
- **Ensuring similar properties are taxed similarly** (68%)
- **Knowing how tax revenue is spent** (71%)

“...the tax bill should state what portion of the tax to be paid will go to [local governments] and which portion will go to the provincial [government].” — Survey Respondent

“Property taxes keep going up by big increments, however we are not seeing an improvement in services which is severely needed for our growing population.” — Survey Respondent

New Brunswickers want to see changes in these areas. These priorities align closely with what we heard through stakeholder feedback: the need for a system that is easier to understand, fairer, and better communicated.

Q17 posed a series of questions about what factors matter to respondents. All questions received 7571 responses. Blank responses have not been counted and responses are presented below at % of total.

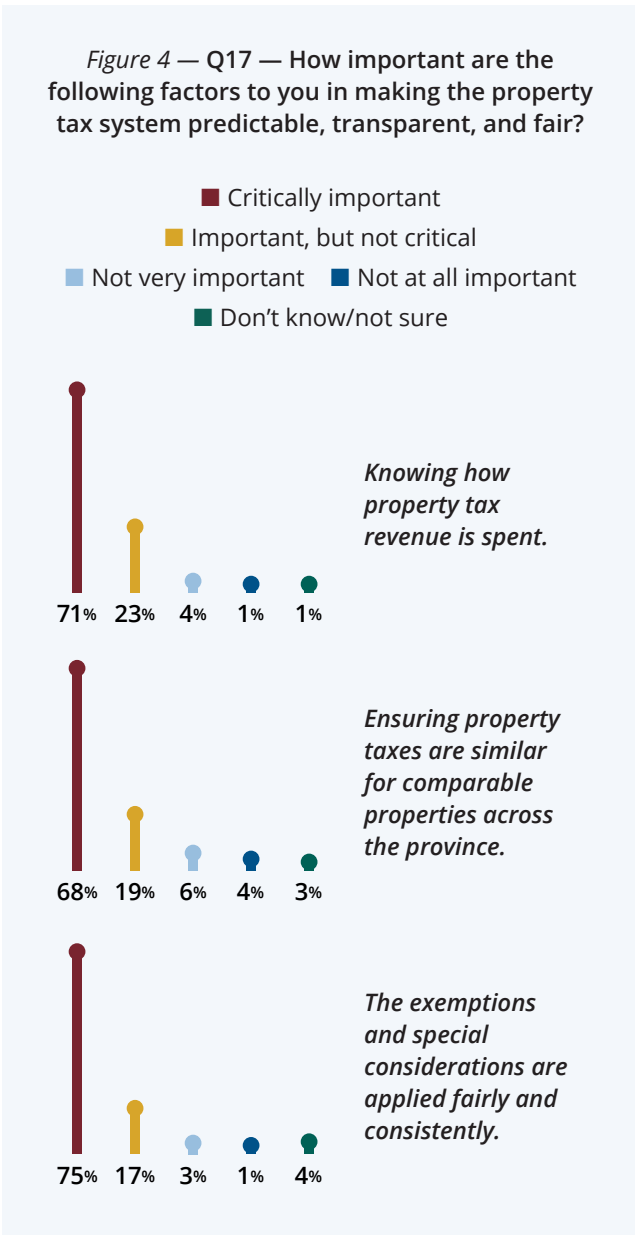
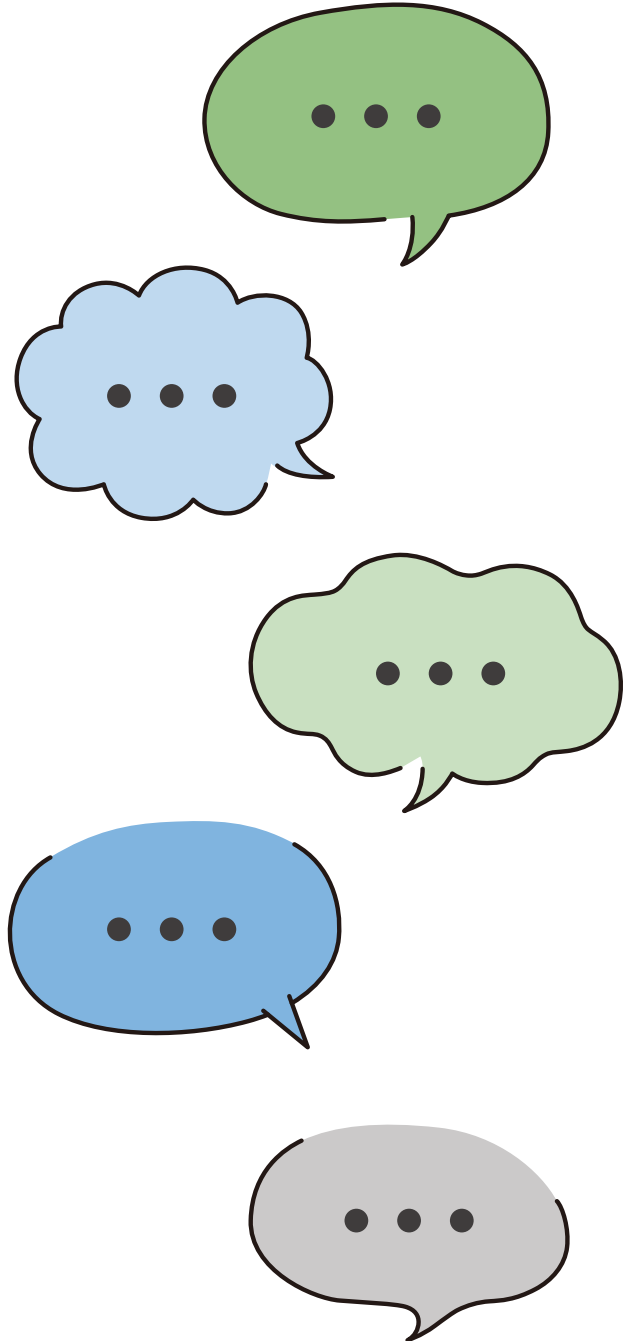
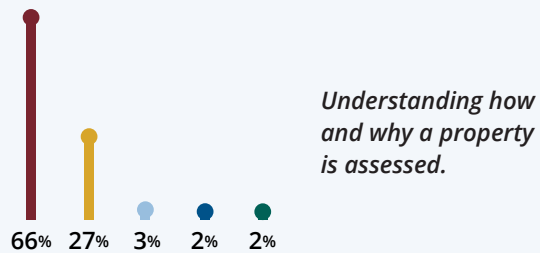
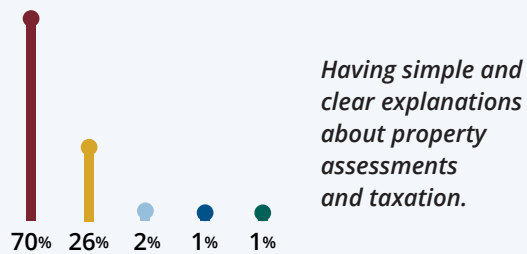
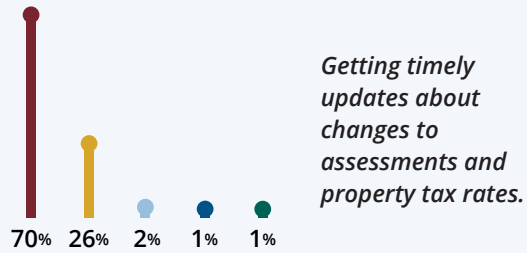
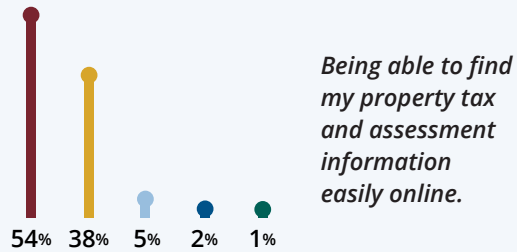
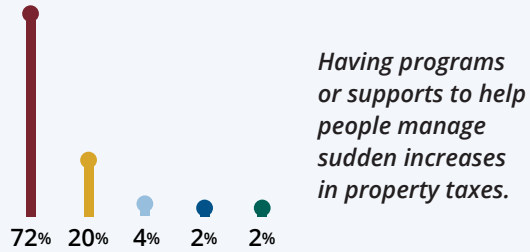
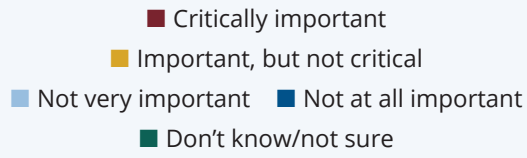


Figure 4 — (Continued)



Looking Ahead

The Discovery Phase of the Property Tax Overhaul project was a valuable opportunity to listen, learn, and better understand the challenges and opportunities within New Brunswick's current property tax system. This report captures what we heard from stakeholders with lived experiences of New Brunswick's property tax system and sets the stage for the work ahead.

The next phase of the Property Tax Overhaul Project is the **Solutioning Phase**, which runs from September to December 2025. We will be working with partners, stakeholders and subject matter experts to explore potential policy and system changes, with a continued commitment to **transparency, collaboration, and shared problem-solving**.

The Solutioning Phase will involve:



Defining clear objectives, guiding principles, and measurable targets for reform;



Identifying and assessing a range of options against these criteria; and



Making decisions on the implementation of improvement options.

The voices and experiences of New Brunswickers will remain central throughout this process. Ongoing engagement with property owners, local government leaders, and other stakeholders will help shape a system that is more fair, transparent, predictable and stable.

Thank you to everyone who took the time to contribute to the Discovery phase.



Appendices

- A. A Brief History of Property Tax in New Brunswick
- B. Stakeholder Groups Consulted
- C. Survey Questions
- D. Stakeholder Discussion Questions
- E. Survey Demographics

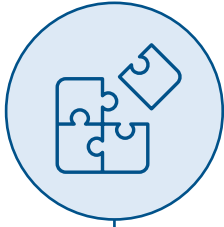
Appendix A: A Brief History of Property Tax in New Brunswick

The general structure of New Brunswick's property tax system was established based on Equal Opportunity reforms in 1967. Following that, the most significant change came in 1978 with the elimination of the provincial property tax on homeowners. Since then, both the province and local governments continue to levy property taxes, with property assessment, billing, and collection functions centralized at the provincial level. Periodic updates to provincial rates, exemptions, relief programs, and classifications have aimed to address specific concerns as new challenges and circumstances arise.

The system of property taxation in New Brunswick has evolved over time. The following timeline highlights key milestones leading up to the system in place today.



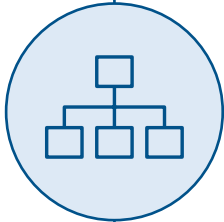
SAINT ANDREWS



**PRE- &
EARLY 1900s**

FORMALIZED PROPERTY TAX SYSTEMS

Modern property taxation was established in earnest in NB in the 1960's. Prior to this, local government was largely left to independently serve the needs of their constituents. This led to inconsistent service delivery to residents across the province.



1960s

EQUAL OPPORTUNITY REFORMS

The Equal Opportunity Program of the 1960s fundamentally changed how public services were delivered, how responsibilities were divided between provincial and local governments, and how property taxes were structured. These reforms, based on the recommendations of the 1963 Byrne Commission (Royal Commission on Finance and Municipal Taxation), were designed to ensure equitable access to public services across the province and address inefficiencies and inconsistencies in governance. Changes included:

- A **centralized property assessment and tax collection system** through the [Assessment Act](#) and the [Real Property Tax Act](#).
- **Introduction of a revamped property tax system** aligned with new provincial and local responsibilities. **Property taxes became the primary source of revenue for local services**, but the province also began to share in property tax revenues.
- A **uniform provincial property tax rate (\$1.50 per \$100 of assessment)** for New Brunswick.
- Transition from county municipalities to unincorporated Local Service Districts (LSDs).
- A provincial grant system to assist municipalities and LSDs in providing equitable services at reasonable property tax rates.
- The Municipalities Act was enacted to formalize and support the new governance model.

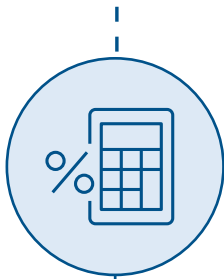


**MID-TO-LATE
20TH CENTURY**

STRUCTURAL REALIGNMENTS

The property tax system continued to evolve:

- The **elimination of the provincial property tax rate for homeowners** from 1975 to 1978
- The **implementation of a special provincial levy in unincorporated areas** (LSDs) in 1978
- The **replacement of the business assessment tax with the non-residential property tax** in 1982.



EARLY 2000s

RECENT DEVELOPMENTS IN PROPERTY TAX

In recent decades, the government has introduced measures aimed at addressing property tax concerns. Some of these initiatives include:

- **Property Tax Accountability Mechanism (2010):** Limited annual local and provincial revenue growth from market-driven assessment base growth (no longer in place).
- **Spike Protection Mechanism (2013):** Limited assessment value for taxation (VFT) increases on owner-occupied residential properties to no more than 10% annually, with some exceptions (e.g., new construction and recent sales).
- **Assessment Gap (Permanent Assessment Exemption) (2013):** This involved providing an assessment exemption for properties calculated on the difference between the 2012 market value and the VFT. (eliminated in 2020).
- **Provincial Rate Reductions (2013-16):**
 - › Non-owner-occupied residential rate reduced from \$1.4573 to \$1.1233.
 - › A separate rate for other residential property was established in 2016 at a rate of \$1.2173 to distinguish between non-owner-occupied residential housing and other property that is
 - › Special provincial levy in LSDs reduced from \$0.6315 to \$0.4115.



SINCE 2020

PROVINCIAL RATE REDUCTIONS 2022-23

- › Non-owner-occupied residential rate reduced from \$1.1233 to \$0.5617 (50%)
- › Other residential rate reduced from \$1.2173 to \$1.0345 (15%)
- › Non-residential rate reduced from \$2.1860 to \$1.8560 (15%)
- **Addition of Heavy Industrial Classification (2023):** Heavy Industry was added to allow local governments greater flexibility in setting tax rates for heavy industrial property.
- **Local Government Tax Rate Flexibility (2023):** expanded the tax rate multiplier for local governments on non-residential and heavy industrial properties to a factor of 1.4 to 1.7 times the residential rate.
- **Expanded Spike Protection Mechanism (2025):** The 2013 mechanism was expanded in 2025 to apply to all property types, limiting assessment increases at no more than 10% per year, with some exceptions.

OTHER RECENT IMPROVEMENT INITIATIVES INCLUDE:

- Temporary Property Tax Relief Programs (2022–2024).
- Housing Development Incentive Programs (2022).
- Provincial tax reduction for nursing homes and special care homes (2024).
- Operational enhancements in property assessment stemming from the 2017 Auditor General report.
- Separation of assessment and tax notices (2020).
- Change to property valuation dates to reflect values as of January 1 of the prior year (2025).
- Multi-year implementation of new assessment system (in progress).

Appendix B: Stakeholder Groups Consulted

BUSINESS AND INDUSTRY

- Agricultural Alliance of New Brunswick
- Broadway Place Ltd
- Chambers of Commerce
- Forest NB
- Forestry Marketing Boards
- J.D. Irving
- National Farmers Union in New Brunswick
- New Brunswick Business Council
- The Canadian Federation of Independent Business

CONSTRUCTION AND INFRASTRUCTURE

- Building Owners and Managers Association NB PEI
- Construction Association of New Brunswick
- New Brunswick Infrastructure Institute

HOUSING AND REAL ESTATE

- Canadian Property Tax Association
- International Property Tax Institute
- New Brunswick Apartment Owners Association
- New Brunswick Housing Hub
- New Brunswick Non-Profit Housing Association
- New Brunswick Real Estate Association

SENIORS, SENIOR ADVOCACY, SOCIAL SERVICES AND COMMUNITY

- Coalition for Seniors and Nursing Home Residents' Rights and Residents from Riverview and Salisbury
- Francophone Seniors' Association of New Brunswick
- New Brunswick Multicultural Council
- New Brunswick Student Alliance
- Senior Taxpayers

PLANNING AND REGIONAL DEVELOPMENT

- Association of Rural New Brunswick
- Conservation Trusts
- Downtown NB
- New Brunswick Association of Planners
- Regional Service Commissions

LAW AND GOVERNANCE

- Law Society of New Brunswick

LOCAL GOVERNMENT

- Association des municipalités francophones du Nouveau-Brunswick
- Association of Municipal Administrators of New Brunswick / Association des Administrateurs Municipaux du Nouveau-Brunswick
- Union of Municipalities of New Brunswick
- Representatives from over a dozen local governments, including urban and rural communities



Appendix C: Public Survey Questions

QUESTIONS [*DO NOT APPEAR FOR “NON-OWNERS”]

Q1. Do you own any property in New Brunswick?

- › Yes
- › No

Q2. Do you currently reside in New Brunswick?

- › Yes
- › No

Q3. Please provide the first three digits of the postal code of your primary property (the home you live in or your main business property):

- › Text field (3 characters mix)

Q4. Do you currently pay property taxes in New Brunswick?

- › Yes
- › No (if selected, direct only to non-owner questions)
- › Not sure (if selected, direct only to non-owner questions)

PROPERTY OWNERSHIP AND TAXES*

Q5. Which types of property do you own in New Brunswick in 2025? (select all that apply)*

1. My primary residence (the home where I live)
2. A secondary residence (cottage, camp, or second home)
3. Rental property (with less than 4 units)
4. Rental property (with 4 units or more)
5. Non-residential property (commercial/industrial space)
6. Vacant land
7. Agricultural land
8. Other (please specify: _____)
9. Did not own property
10. Prefer not to answer

Q5a. How will you be answering this survey? [Show only if the respondent selected any of the options in A1(3-8)]*

- › As a private property owner
- › As a commercial property owner

Q6. About how much did you pay in property taxes in New Brunswick in 2025?*

- › \$0 to \$499
- › \$500 to \$2,999
- › \$3,000 to \$4,999
- › \$5,000 to \$9,999
- › \$10,000 to \$14,999
- › \$15,000 to \$49,999
- › \$50,000 to \$99,999
- › \$100,000 or more

Q7. How would you describe your ability to afford your property taxes in 2025?*

1. Very difficult
2. Somewhat difficult
3. Not very difficult
4. Not at all difficult
5. Prefer not to answer

Q8. What choices have you had to make to afford your property taxes? (Select all that apply) Only asked to those who answer “1” or “2” above*

- › Reduced my spending budget
- › Used community or other supports (e.g., food banks, social programs)
- › Considered selling my property or moving
- › Paying in monthly instalments through GNB
- › Made late property tax payments
- › No changes to spending
- › Other (please specify: _____)
- › Prefer not to say

Q9. Have you ever received a property tax relief benefit from the Government of New Brunswick?*

- › Yes
- › No
- › I don't know

FAIRNESS AND UNDERSTANDING OF PROPERTY TAX SYSTEM

Q10. Do you feel that property assessment is fair in New Brunswick?

- › Strongly agree
- › Agree
- › Neutral
- › Disagree
- › Strongly disagree

Q11. Do you feel that property taxes and billing are fair in New Brunswick?

- › Strongly agree
- › Agree
- › Neutral
- › Disagree
- › Strongly disagree

Q12. How easy is it to understand the property tax system in New Brunswick (including assessment, tax rates, and billing)?

- › Very easy to understand
- › Somewhat easy to understand
- › Neutral
- › Somewhat difficult to understand
- › Very difficult to understand

Q13. How predictable has your property assessment been in New Brunswick?*

- › Very predictable
- › Mostly predictable
- › Neutral
- › Somewhat unpredictable
- › Not at all predictable

Q14. How predictable has your property taxes and billing experience been in New Brunswick?*

- › Very predictable
- › Mostly predictable
- › Neutral
- › Somewhat unpredictable
- › Not at all predictable

Q15. Could you please share what influenced your rating for the fairness, understanding, and predictability of the property tax system?*

- › Open-text response

Q16. Please indicate how much you agree or disagree with the following statements:*

- › Strongly agree
- › Somewhat agree
- › Neutral
- › Somewhat disagree
- › Strongly disagree
- › Don't know

Statements:

- I find my assessment notice clear and easy to understand.
- I find my tax bill clear and easy to understand.
- I am able to find the information about property assessment, tax, and billing.
- I know where to go with questions or concerns about assessment, taxes, and billing.
- I know how my property tax rate is set.
- I understand how properties are valued and how the value is decided.

SOLUTIONS AND IMPROVEMENTS

Q17. How important are the following factors to you in making the property tax system predictable, transparent, and fair?*

- › Critically important
- › Important, but not critical
- › Not very important
- › Not at all important
- › Don't know/not sure

Factors:

- › Understanding how and why a property is assessed.
- › Having simple and clear explanations about property assessments and taxation.
- › Getting timely updates about changes to assessments and property tax rates.
- › Being able to find my property tax and assessment information easily online.
- › Having programs or supports to help people manage sudden increases in property taxes.

- › That exemptions and special considerations are applied fairly and consistently
- › Ensuring property taxes are similar for comparable properties across the province.
- › Knowing how property tax revenue is spent.

Q18. Do you have any ideas to improve the property tax system in New Brunswick?

- › Yes
- › Don't know/not sure
- › Nothing else

Q19. Please elaborate (If yes)

- › Open-text response

Q20. To the best of your knowledge, what are property tax dollars used for in New Brunswick? (select all that apply).*

- › Healthcare
- › Education
- › Highways
- › Maintenance of municipal roads and sidewalks
- › Sports and leisure services (e.g., trails, arenas, parks, art and culture)
- › Water, sewer, and waste disposal services
- › Planning and development
- › Other (please specify: _____)
- › Don't know/not sure

DEMOGRAPHICS

Q21. What is your household income category before taxes in the last year?

- › Less than \$25,000
- › At least \$25,000 but less than \$50,000
- › At least \$50,000 but less than \$75,000
- › At least \$75,000 but less than \$100,000
- › \$100,000 but less than \$150,000
- › \$150,000 or more
- › Prefer not to answer
- › Not applicable

Q22. What is your age range?

- › 18 to 24
- › 25 to 34
- › 35 to 44
- › 45 to 54
- › 55 to 64
- › 65 to 74
- › 75 or older
- › Prefer not to say
- › Not applicable



HAUTES-TERRES AREA

Appendix D: Stakeholders

Discussion Questions

1

What is your experience with the Property Tax System in NB?

2

Do you understand the current property tax system in NB? What would make the Property Tax System easier for you to navigate / understand?

3

What challenges do you (your members) experience?

4

What is the primary thing you would change about the Property Tax System? Alternatively, if you were designing a system from scratch, what would you do?

5

In your view, what are the biggest risks to making changes to NB's property tax system?

6

What happens if the NB Property Tax system doesn't change?

7

What do you want GNB to know/understand?

8

How would you like to be engaged going forward?

9

Who else should we talk with?

10

What questions do you have? What else is on your minds?

Appendix E: Survey Demographics

GENERAL STATISTICS

- The survey was initiated 10,019 times
 - › **7,587** were completed in full
 - › **2,432** were partial
 - › Partial submissions have been filtered out of this analysis
- Of the **7,587** completions
 - › **7,318** (96%) own property in NB
 - › **7,499** (98%) reside in NB
 - › **7,331** (97%) pay property tax in NB
- Of those 7,118 (94%) respondents indicate they hold a primary residence in NB
- The majority (**94%**) of property tax payments reported by respondents fall in the range of \$500-\$9,999.
 - › A single family home with an assessed value of \$350,000 would have a tax burden of \$1,750-\$5,250 if paying 0.5-1.5% property tax.

GEOGRAPHIC BREAKDOWN

Based on postal code information responses were received from across the province, with approximately:

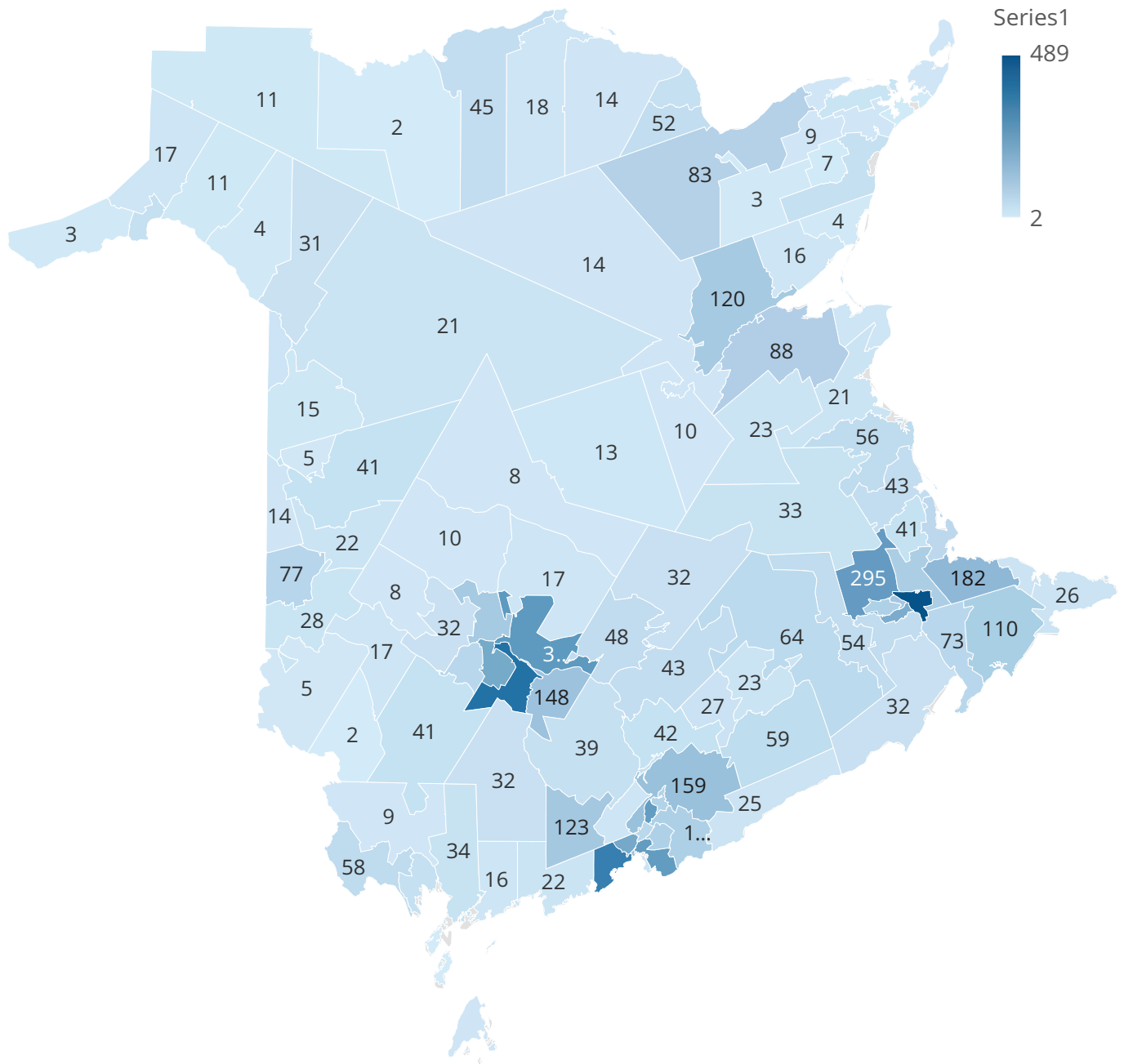
- **31%** from the Fundy region
- **30%** from the Southeast region
- **21%** from the Capital region
- **18%** from all other regions of the province

This considered **7,428** responses. Responses from out of province and/or containing typographical errors in the postal codes were omitted from the breakdown above.

The city affiliation used above is based upon the common names used by Canada Post for forward sortation areas of postal codes.



Count of Responses by Postal Code Forward Sortation Area





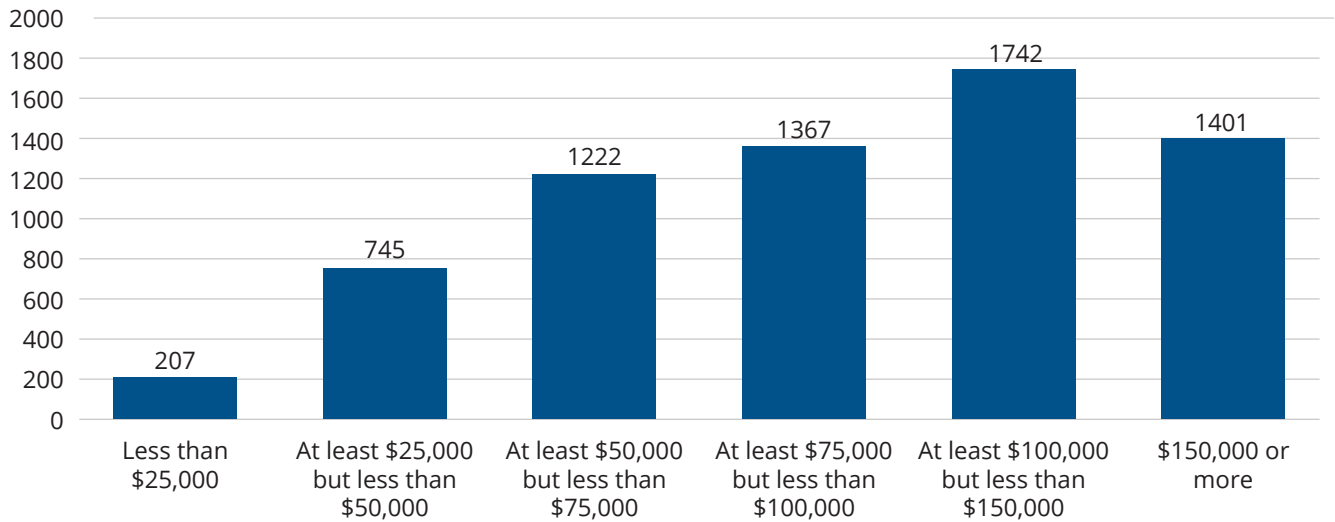
RESPONSES BY REPORTED AGE RANGES

<i>Age Range of Respondents</i>	<i>Count of Age Range</i>	<i>% of Total</i>
18 to 24	54	1%
25 to 34	1,076	14%
35 to 44	1,922	25%
45 to 54	1,687	22%
55 to 64	1,417	19%
65 to 74	923	12%
75 or older	247	3%
Not applicable	50	1%
Prefer not to say	195	3%

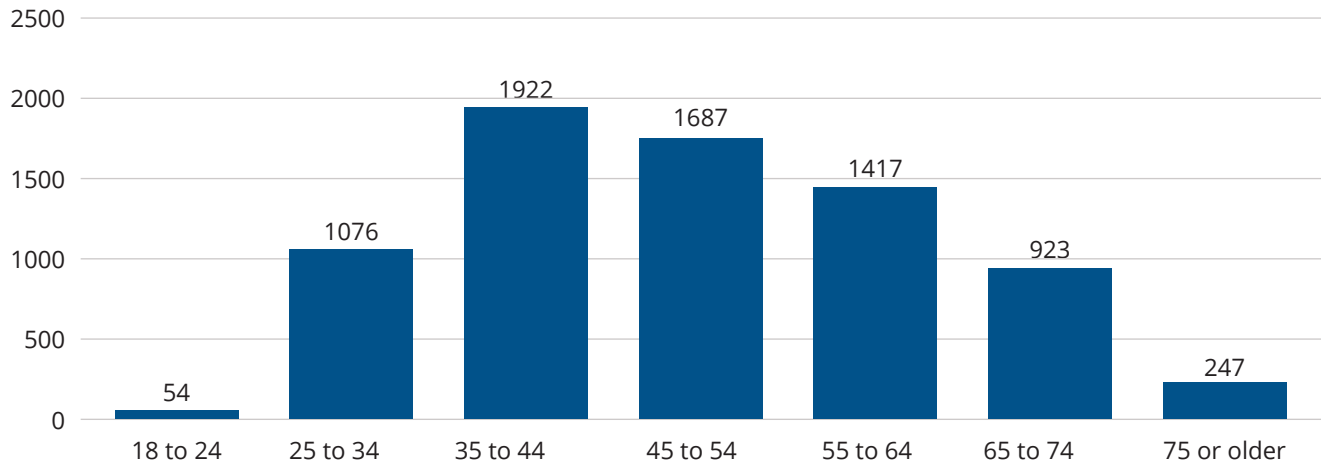
RESPONSES BY REPORTED PROPERTY TAX AMOUNTS

<i>Property Tax Amount</i>	<i>Count of Respondents</i>	<i>% of Total</i>
\$0 to \$499	46	1%
\$500 to \$2,999	2,067	29%
\$3,000 to \$4,999	2,739	38%
\$5,000 to \$9,999	1,920	27%
\$10,000 to \$14,999	213	3%
\$15,000 to \$49,999	152	2%
\$50,000 to \$99,999	27	0%
\$100,000 or more	51	1%

RESPONDENT GROSS HOUSEHOLD INCOME



RESPONDENT AGE



RESPONDENT PROPERTY TAX AMOUNT

