Prevalence of Online Activity and Relative Value of Residential and Commercial Properties

Project Summary:

The projects aims to measure the relationship between the prevalence of online activity (virtual work and online shopping) and the relative value of residential and commercial properties

Project Goals:

(1) Analyze and project the rate of change in value of residential real estate relative to commercial

Methods:

Panel data regression analysis: $R/C = f(OLA/IPA, X)$ where

R = TRREB valuation of residential properties

C = TRREB valuation of commercial properties

OLA = Online activity

IPA = In-person activity

X = A vector of other variables that also impact property valuations

Outcomes:

(1) Understand how the observed change in relative property values could shift the tax burden from commercial taxpayers onto residential taxpayers

Why is this important?:

(1) Property tax revenue represents approximately 50% of the Durham Region's total gross revenue

(2) Our research can have a real impact on property tax policy and budgeting in the Durham Region