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To: "Direct to Mayor and Council - DL" <CCDTMACDL@vancouver.ca>

Date: 12/6/2016 10:42:56 AM

Subject: BC Assessment Early Press Release for 2017 Assessment Roll

Attachments: [FRS - GM - Correspondence - Mayor and Council - BC Assessment Press Release - December 6 2016.pdf](#)

Dear Mayor and Council,

Please see attached memo from Patrice Impey, GM - Finance, Risk and Supply Chain Management with information from BC Assessment on the Early Press Release for the 2017 Assessment Roll. Please do NOT distribute until BC Assessment's press release goes out.

If you have any questions, please do not hesitate to call Grace Cheng at 604.871.6654 or Patrice Impey at 604.873.7610.

Best
Sadhu

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VanRIMS No.: 01-9000-20

MEMORANDUM

December 06, 2016

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Janice MacKenzie, City Clerk
Lynda Graves, Manager, Administration Services, City Manager's Office
Rena Kendall-Craden, Director, Communications
Kevin Quinlan, Chief of Staff, Mayor's Office
Katie Robb, Director, Communications, Mayor's Office
Naveen Girn, Director of Community Relations, Mayor's Office
Esther Lee, Director of Financial Services
Ben Russell, Director of Financial Planning & Analysis

FROM: Patrice Impey, General Manager, Finance, Risk and Supply Chain Management
Grace Cheng, Senior Manager, Long-term Financial Strategy & Planning

SUBJECT: BC Assessment Early Press Release for 2017 Assessment Roll

Dear Mayor and Council,

BC Assessment will be sending out an *Early Press Release* for the 2017 Assessment Roll (see attached) on Tuesday, December 6, followed by 7,177 *Early Notification Letters* to Vancouver property owners on Thursday, December 8.

The *Early Press Release* will go out to media signaling market increases for 2017. Please do NOT distribute until BC Assessment's press release.

The *Early Notification Letters* are intended to provide advanced notice to property owners who will be seeing a significant increase in their property values above the average market change for that property class, as well as those whose exemption or classification may have changed. The letters are intended to provide an early warning to property owners that their property taxes may change as a result. Recipients of the letters will be advised to contact BC Assessment should they have any questions. Should Council receive inquiries regarding these letters, please refer the property owners to BC Assessment.

BC Assessment's public website bcassessment.ca will be updated on January 3rd, 2017 with 2017 property assessment roll information including assessment details for all properties via their free, online [e-valueBC](#) service.

Impact of Assessment Value Changes on Property Taxes

While the Council-directed tax increase applies to the overall tax levy, the extent of change in an individual property's taxes year-over-year is determined primarily by how that property's assessed value has changed relative to the average change within its property class. The table below outlines how volatility in a property's assessed value impacts its property taxes in general terms.

If a property's value has increased...	...its property tax...
...at the same rate as the property class average change,	...will increase <i>at the same rate</i> as the property class average increase.
...more than the property class average change,	...will increase <i>more</i> than the property class average increase.
...less than the property class average change,	...will increase <i>less</i> than the property class average increase.

Properties with a higher increase in values relative to the class average change could experience a much higher increase in property taxes beyond the Council-directed increase, while properties with a lower increase in values would experience no change or a reduction in property taxes. This applies to both residential and non-residential property classes.

Potential Mitigation Measures

The following **Provincial tax relief measures** are available to residential property owners which can be applied independently or in combination to alleviate some taxation impact.

Assessment Act s19(8) - available to property owners who have continuously occupied their principal residence for at least 10 years; the land will be assessed based on current zoning rather than anticipated zoning and development potential.

Property Tax Deferment - available to property owners 55 years of age or older who occupy their principal residence and families with children under 18 years of age.

Home Owner Grant - available to property owners who occupy their principal residence of which the value falls within the qualifying range.

Since 1993, it has been Council policy to apply *across-the-board* land assessment averaging to phase in property tax impacts arising from volatility in land values for Residential (Class 1) and Business & Other (Class 6) properties; in 2007, Council extended the program to Light Industrial (Class 5) properties. **Land assessment averaging** is an optional tool available to Council under the *Vancouver Charter*, which complements the abovementioned provincial measures in alleviating tax impact on eligible properties. To-date, Vancouver is the only

municipality in British Columbia that applies land assessment averaging to mitigate significant property tax impact arising from volatility in assessed land value and reduce the number of properties that experience extreme year-over-year property tax increases.

In March 2015, Council approved the transition from *across-the-board* averaging to *targeted* averaging (recommended by the Property Tax Policy Review Commission). Unlike *across-the-board* averaging, which is applied to the vast majority of properties, whether or not the properties have experienced significant year-over-year increases in property values, *targeted* averaging applies only to “hot” properties (defined as those that have experienced significant year-over-year increases in property values above the “threshold” set by Council). The intent of the policy is to reduce the level of tax increases on the targeted properties until such time as the property is no longer “hot”.

At Council’s request, in April 2013, the Province amended sections 374.4 (12) and (13) of the *Vancouver Charter* to allow Council to establish, by by-law, the number of preceding years to be applied in determining the average land value, up to a maximum of five years, for the purpose of land assessment averaging. Once the choice is made, the number of years used in the averaging formula must be held for five years. 2014 was the first year that the averaging program was governed by this amendment. A shift in the averaging formula from 3 years to 5 years could be considered in 2019.

With respect to tax relief, the *Vancouver Charter* does provide statutory tax exemptions to eligible properties, including registered charitable and non-profit organizations, under section 396 (1) of the *Vancouver Charter*, as well as limited permissive tax exemptions under the Heritage Building Rehabilitation Program. In addition, all Class 3 Supportive Housing properties with nominal assessed values do not pay taxes. These tax exemptions are directed to owners of eligible properties, not tenants.

If you have any questions, please do not hesitate to call Grace Cheng or me. Thank you.



Patrice Impey
Director of Finance/General Manager, Finance, Risk and Supply Chain Management

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BC ASSESSMENT NEWS RELEASE

December 6, 2016

WHAT WAS YOUR PROPERTY WORTH ON JULY 1? IT MATTERS FOR 2017

VANCOUVER —The Greater Vancouver real estate market has seen increased activity in 2016 with residential and commercial values showing significant increases. 2017 property assessment values will reflect what was happening around BC Assessment’s uniform valuation date of July 1.

“The preliminary market analysis for 2017 property assessments indicates significant increases over last year’s assessment values,” says Assessor Jason Grant. “Increases of 30 to 50 per cent will be typical for single-family homes in Vancouver, North Shore, Squamish, Burnaby, Tri-Cities, Richmond and Surrey. Typical strata residential increases will be in the 15 to 30 per cent range.”

Commercial and industrial properties throughout the Greater Vancouver area will also see significant increases in the 10 to 30 per cent range, with properties being purchased for eventual redevelopment often exceeding these ranges.

July 1st of each year marks the date BC Assessment estimates the market value of properties in B.C. BC Assessment’s professional appraisers analyze current sales in the local area, as well as the property’s size, age, quality, condition, view and location. Using a single common date ensures your property’s assessed value is fair, equitable and uniform compared to the other properties in your community and across B.C.

“It is important to understand that large increases in property assessments do not automatically translate into a corresponding increase in property taxes,” adds Grant. “Your taxes are actually affected by your assessment changes compared to the average change in your community.”

All British Columbia’s property owners will receive their annual property assessment notices in early January, 2017. During December, BC Assessment is providing courtesy notification letters to property owners whose assessments are increasing significantly more than the typical range of change.

BC Assessment’s website at bcassessment.ca will be updated on January 3rd, 2017 with access to 2017 property assessment information including assessment details for all properties via our free, online e-value **BC** service, a variety of statistics, and extensive lists of the top valued properties, both regionally and province-wide.

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Media contact:

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