

IMPORTANT NOTICE TO PROPERTY OWNERS: LAND ASSESSMENT AVERAGING



Since 2015, the City of Vancouver has used targeted land assessment averaging to calculate property taxes as recommended by the Property Tax Policy Review Commission in 2014. While averaging does not increase or decrease the City's tax revenue, it affects the amount of taxes paid by individual property owners.

The City plans to transition from three-year to five-year targeted averaging in 2019. Under the targeted averaging approach, only those properties facing significant year-over-year increases in property values above a certain threshold ("hot" properties) would be eligible for averaging. For eligible "hot" properties, the program calculates property taxes for the City and other taxing authorities using an average of the assessed land value for the current and prior four years, plus their current assessed improvement value, provided that this averaged value does not go below the threshold value. All other properties would continue to pay property taxes based on their current year BC Assessment value.

The table presented shows the estimated effect of the targeted five-year averaging program on the City of Vancouver's general purpose tax levy for sample properties based on the thresholds proposed for 2019 (10% above class average change), subject to Council approval. The program requires an adjustment to the tax rates such that properties below the threshold would pay slightly higher taxes to provide tax relief for those "hot" properties above the threshold. Amounts levied by other taxing authorities such as provincial schools,

	Prior year		Current year without averaging		Current year with averaging	
	Taxable value (\$)	2018 taxes (\$)	Taxable value (\$)	Est. 2019 taxes (\$)	Taxable value (\$)	Est. 2019 taxes (\$)
Sample Residential Strata (Class 1) properties						
Targeted "hot" property	527,667	679	740,000	952	589,328	775
Other property not targeted	735,000	946	740,000	952	740,000	973
Sample Residential Single Family (Class 1) properties						
Targeted "hot" property	1,352,300	1,740	1,757,000	2,261	1,618,600	2,128
Other property not targeted	1,796,000	2,311	1,757,000	2,261	1,757,000	2,310
Sample Light Industrial (Class 5) properties						
Targeted "hot" property	1,960,667	9,863	3,544,000	14,324	2,640,958	11,496
Other property not targeted	2,879,700	14,485	3,655,000	14,772	3,655,000	15,909
Sample Business & Other (Class 6) properties						
Targeted "hot" property	588,333	2,959	990,000	4,001	792,466	3,449
Other property not targeted	870,000	4,376	989,000	3,997	989,000	4,305

TransLink, BC Assessment, and Metro Vancouver are not included in the analysis.

On March 12, 2019, Vancouver City Council will consider whether to use targeted five-year averaging for residential (Class 1), light industrial (Class 5) and business and other (Class 6) properties, and determine the appropriate thresholds for these property classes if targeted averaging is adopted. Should Council decide to use targeted five-year averaging, a by-law will be adopted on the same day.

The report, which details the program and how it could impact property taxes, will be posted on our website at: vancouver.ca/averaging

FOR MORE INFORMATION:
3-1-1 or vancouver.ca/averaging

COMMENTS? Contact Council:
vancouver.ca/your-government/contact-council
or write to: **Mayor and Council 453 West 12th Avenue Vancouver, BC V5Y 1V4**

SPEAK TO COUNCIL:
Prior to adoption of the bylaw, you may speak to Council in person at the City Finance and Services meeting on March 13, 2019.

Email speaker.request@vancouver.ca or phone 604-829-4272 to register.