



IMPORTANT NOTICE TO PROPERTY OWNERS: Land Assessment Averaging

	Prior year		Current year without averaging		Current year with averaging	
	Taxable value (\$)	2021 taxes (\$)	Taxable value (\$)	Est. 2022 taxes (\$)	Taxable value (\$)	Est. 2022 taxes (\$)
Sample Residential Strata (Class 1) properties						
Targeted "hot" property	531,900	852	760,900	1,229	642,573	1,041
Other property not targeted	738,000	1,182	760,000	1,227	760,000	1,231
Sample Residential Single Family (Class 1) properties						
Targeted "hot" property	1,317,100	2,109	1,986,000	3,207	1,591,149	2,577
Other property not targeted	1,914,700	3,066	1,994,500	3,220	1,994,500	3,230
Sample Light Industry and Business & Other (Class 5 & 6) Properties						
Targeted "hot" property	666,200	3,274	1,135,000	5,549	834,000	4,146
Other property not targeted	1,117,000	5,490	1,132,000	5,535	1,132,000	5,627

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 transitioned 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 considered 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 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 2022 (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, TransLink, BC Assessment, and Metro Vancouver are not included in the analysis.

On March 1, 2022, 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 bylaw will be adopted on March 29, 2022.

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 in person at the Council meeting on March 1, 2022.

EMAIL:

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