



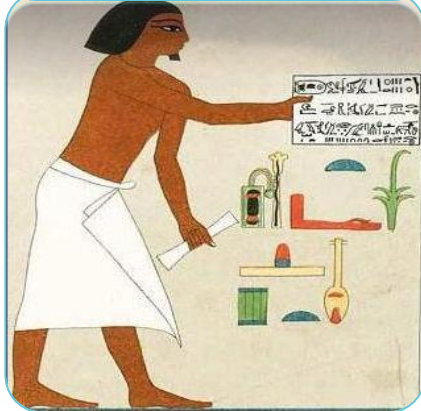
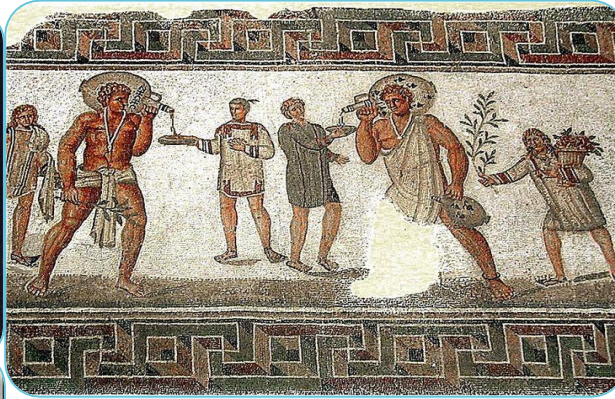
BC ASSESSMENT

Assessing 2 million properties annually: BC Assessment and Mass Appraisal.

Expropriation Association Conference October 2018.

Grant McDonald, Deputy Assessor, Vancouver Office.

History of property taxation



Property taxation


- International Association of Assessing Officers (IAAO) states:
Market value-based taxation results in values, & thus taxes, that are:
 - Uniform - like properties treated similarly
 - Fair - amount of taxes levied is related to ability to pay
 - Transparent - consistency in approach
 - Understandable
- “To maximize fairness & understandability in a property tax system, assessments should be based on current market value of a property...”

History of BC Assessment

- Established in 1974 under the *Assessment Authority Act* in response to the need for a fair, independent organization that valued all property in the province
- A provincial Crown corporation, independent of taxing authorities
- Head office in Victoria
- Statutes – Assessment Authority Act & Assessment Act.



Our product



BC ASSESSMENT

IMPORTANT INFORMATION FOR PROPERTY IDENTIFICATION

Area: 01 - Capital

Jurisdiction: 308 - District of Saanich (\$D61)

Roll: 51-9500-059

CONFIDENTIAL PIN: 0123

Bulk Mail: BMC1234
School District: 61 - Saanich
Neighbourhood: 051 - Wilkinson-Interurban

2018 PROPERTY ASSESSMENT NOTICE

Property Location & Description

1234 ANYWHERE STREET
LOT 5, PLAN VIP4888, SECTION 98, LAKE LAND DISTRICT
PID: 012-345-678

This is Not a Tax Notice.
Tax Notices Are Issued by Your Local Government.

This notice contains important information about your property. Please review and keep for your records.

No action is required unless you disagree with your assessment.

2018 Assessment - represents your property value as of July 1, 2017

	VALUE	CLASS
LAND	112,000	RESIDENTIAL
BUILDINGS	200,000	
2018 ASSESSED VALUE	\$312,000	
TAXABLE VALUE	\$312,000	

	2018	2017	2016	2015
YOUR PROPERTY VALUE HISTORY	+16%	-9%	+8%	+7%
	\$312,000	\$268,000	\$295,000	\$273,000

- Annual list of property values provides stable, predictable base for real property taxation in B.C.
- Under our provincial legislation value is defined as **“the market value of the fee simple interest in land and improvements”**
- Assess over 2 million properties with total value (2018) of **\$1.8 trillion**
- Identifies ownership, value, classification and exemptions for each property
- Provides stable base for local governments and taxing authorities to raise approximately \$7 billion annually in property taxes for schools and important local services

How we value different types of property

- **Market value as of July 1st**
 - Residential
 - Commercial
- **Traditional 3 Approaches all utilized:**
 - Direct Comparison
 - Cost
 - Income
 - Legislated (regulated values)



BCA determines 'Class' for all properties

Class	Title
1	Residential
2	Utilities
3	Supportive housing
4	Major industry
5	Light industry
6	Business other
7	Managed forest land
8	Recreational/non profit
9	Farm land



Roll Totals by Class

2018 ROLL TOTALS Completed Roll Provincial Totals

		ACTUAL VALUE TOTALS			
Property Class	Occurrences		Land	Improvements	Total
Residential Vacant	165,090	Gross	53,346,781,880		53,346,781,880
Residential Single Family	1,107,210	Gross	702,539,816,152	266,795,595,159	969,335,411,311
Residential ALR	55,473	Gross	18,189,768,780	1,821,100	18,191,589,880
Residential Farm	21,409	Gross	87	4,116,381,829	4,116,381,916
Residential Strata	510,369	Gross	207,032,162,914	85,591,534,414	292,623,697,328
Residential Other	45,801	Gross	67,823,575,210	40,071,670,799	107,895,246,009
1 - *Total Residential *	1,905,352	Gross	1,048,932,105,023	396,577,003,301	1,445,509,108,324
2 - Utilities	16,004	Gross	3,902,860,745	25,171,206,817	29,074,067,562
3 - Supportive Housing	309	Gross	309	309	618
4 - Major Industry	12,190	Gross	2,607,953,832	6,275,504,172	8,883,458,004
5 - Light Industry	27,858	Gross	14,868,375,296	9,398,381,723	24,266,757,019
6 - Business And Other	125,018	Gross	185,927,942,270	105,074,748,307	291,002,690,577
7 - Managed Forest Land	4,034	Gross	1,439,237,700		1,439,237,700
8 - Rec/Non Profit	24,327	Gross	57,322,197,373	2,411,943,909	59,734,141,282
9 - Farm	51,043	Gross	1,258,862,539		1,258,862,539
S.644LGA/398VC	1,301	Gross			
Totals for the Province		Gross	1,316,259,535,087	544,908,788,538	1,861,168,323,625
				(2,149,735,457)	Included in Utilities above

Folio Count:

Active: 2,044,482

References: 0

Total: 2,044,482

Exemptions

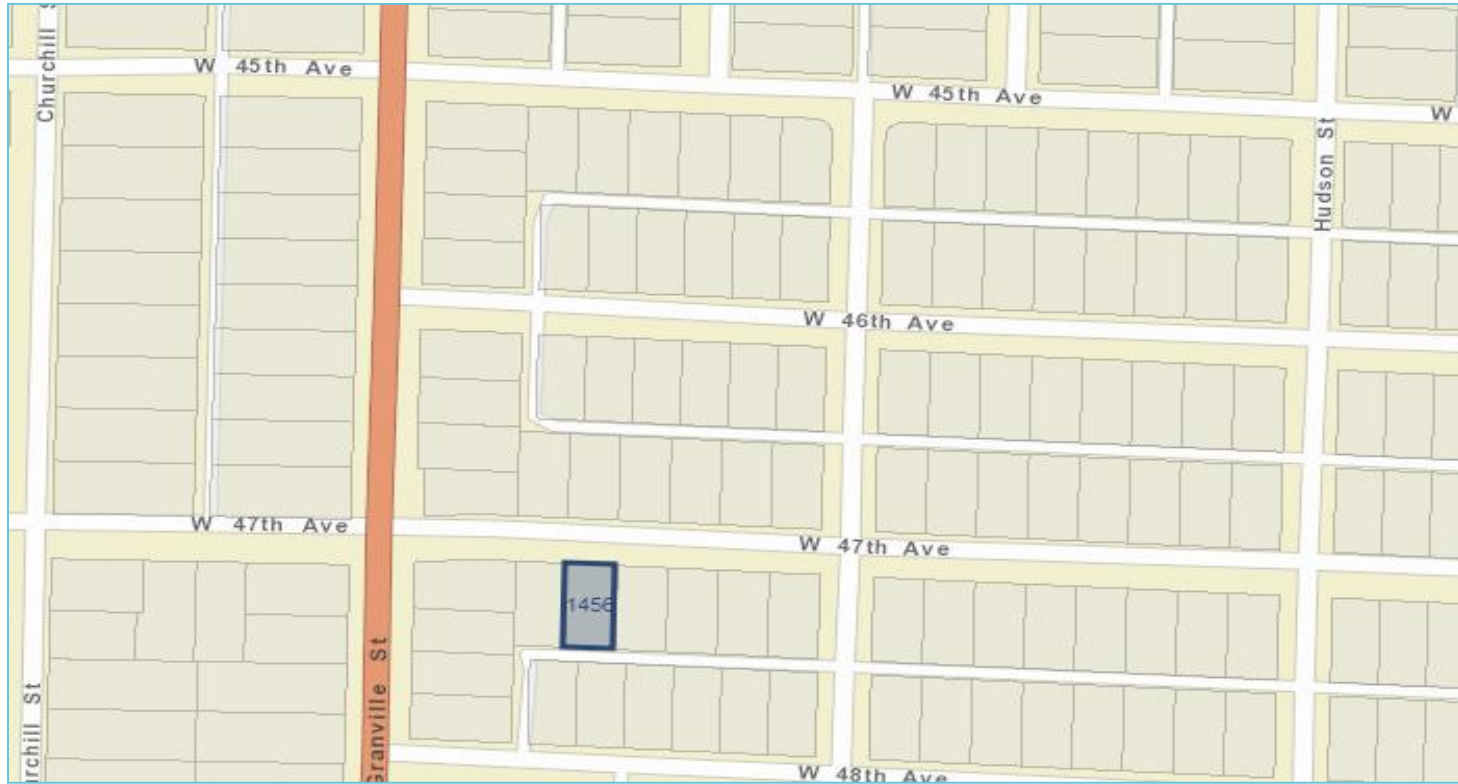
- An exemption is a release from paying all or a portion of a tax assessed*
- Common exemptions are:
 - **Permissive** – Local Government determines
 - **Statutory** – Often provincial legislation such as schools and hospitals



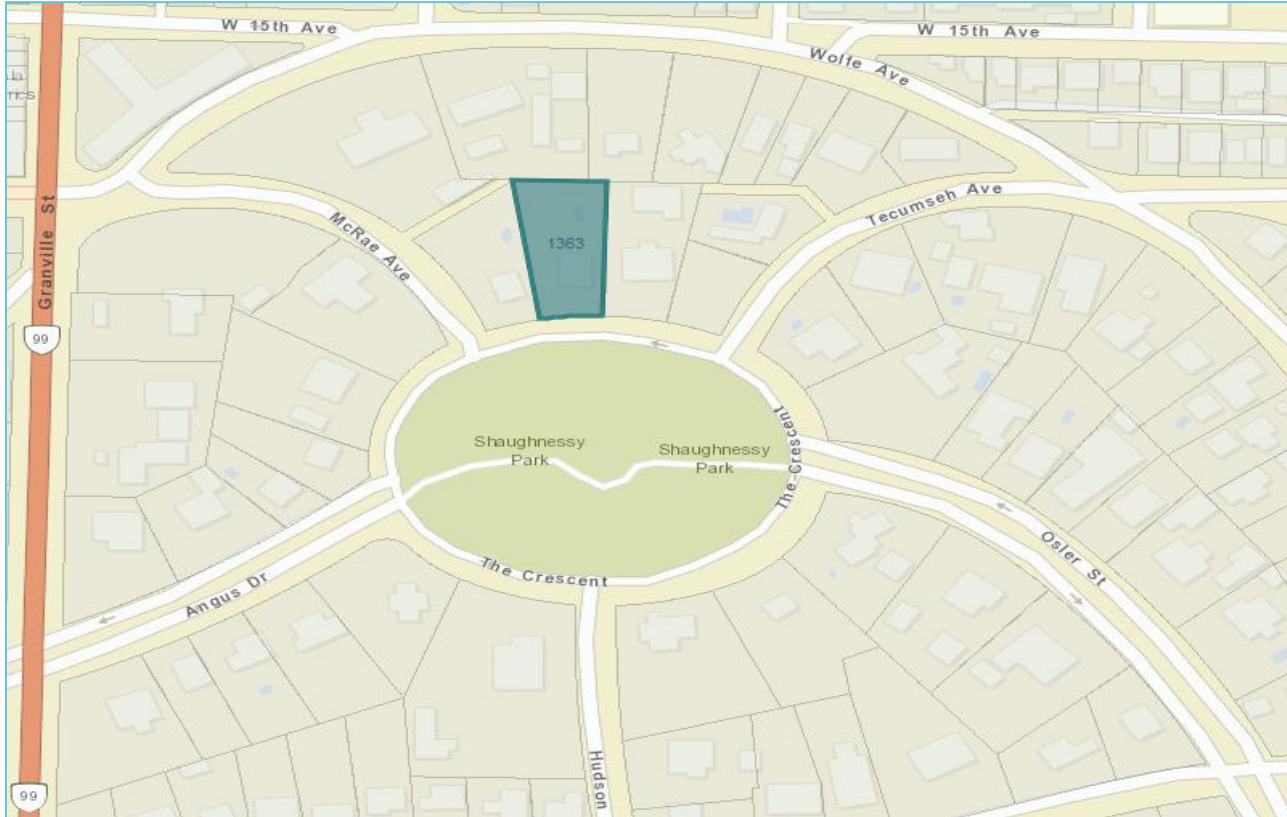
Mass Appraisal

- In order to be able to estimate the selling price for any property the modern mass appraiser needs some fundamental tools
- Up-to-date Land Titles sales and ownership information: ✓
- Efficient Local Government interface (subdivision, OCP/Zoning, permits, etc): ✓
- An extensive searchable database: ✓
- Linked GIS mapping database and high quality ortho'/pictometry imaging: ✓
- Analytical tools and mass appraisal modeling capability: ✓
- Sound appraisal education: ✓

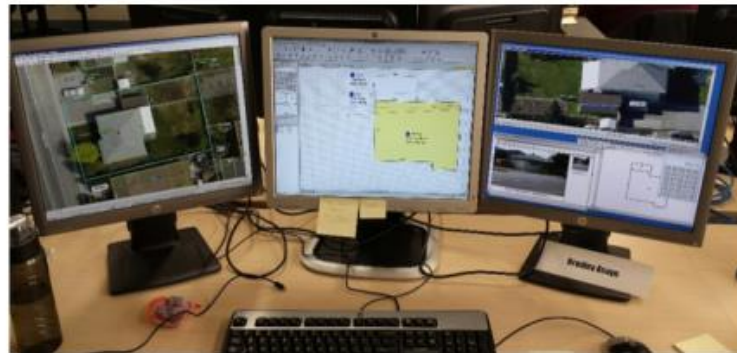
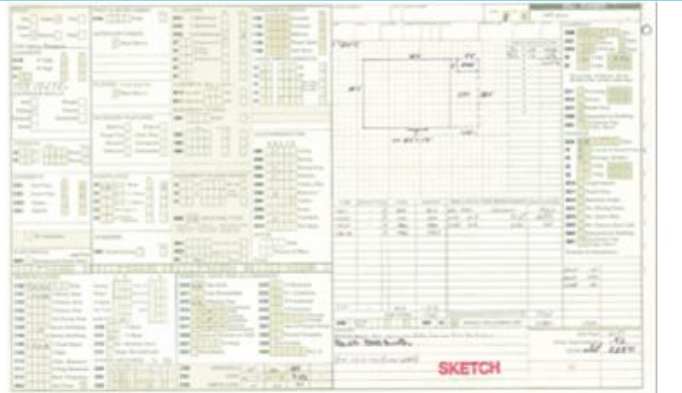
Single Family standard lot



Single Family low uniformity lots



Old methods vs. new technology



Single Family improved



Commercial or Investment properties

Predicated on the assumption that the value of a property is directly related to it's ability to generate income.

Includes everything from the little corner store up to the \$600m+ shopping centre, office complex, or hotel

Approach is the same even though the level of “mass” in the appraisal varies

Has to be reasonable, defensible and equitable

Roll quality measured by ratio studies; ASR, COD, PRD. To IAAO standards.

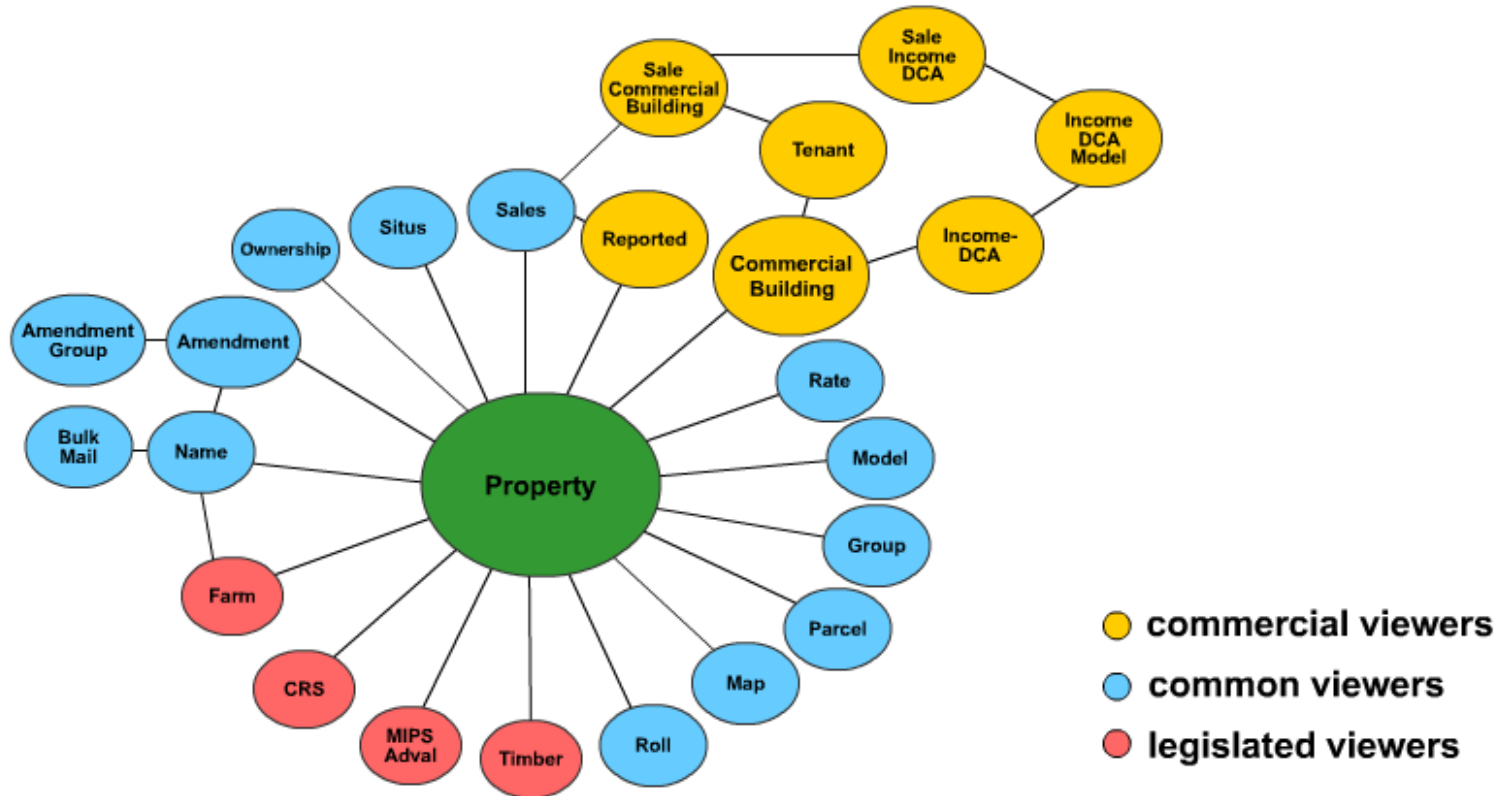


Income Approach

- Steps in the Mass Appraisal model building –
- Define your market area – be it a region, a city, or a neighbourhood – it will vary according to property type – a shopping centre or 5 star hotel will be different from a one storey retail building
- Ensure the underlying land value is accurate
- Ensure the improvements are correctly inventoried and costed
- Thoroughly analyze all the available transaction data
- Gather and analyze as much of the other market information as is humanly possible.



CAMA Architecture



Retail Rental Model

File Edit View Data Tools Links PETS Window Help

Save Cancel Roll Year Mark RS Unmark RS Model Summary IncomeDCA List Sale IncomeDCA List

Model Name RET765
 *** Area** Vancouver
 Roll Year 20

*** Method** Direct Capitalization
 Jurisdiction Vancouver (200)
 Region GRE

*** Model Type** Retail General
 NBHD
*** Status** Active

Primary Model Use RETAIL GENERAL
 Sub NBHD
Last Reviewed By Paul S

*** Model Description** WEST SIDE-EXCELLENT MODEL SEE NOTES FOR SUBMARKET DESCRIPTIONS
 Last Reviewed Date 29-No

Occupancies & Adjustments	Expenses	CAP / GIM	Result Set	IncomeDCA	Sale IncomeDCA	Attachment	Notes	Workflow
*Occupancy	*Quality	*Economic Rate	*Unit Of Measure	*Annualization	Vacancy / Occupancy			
▶ RETAIL GENERAL	Poor	\$33.00	RET NLA	Annual				
RETAIL GENERAL	Fair	\$36.00	RET NLA	Annual				
RETAIL GENERAL	Average	\$39.00	RET NLA	Annual				
RETAIL GENERAL	Good	\$42.00	RET NLA	Annual				
RETAIL GENERAL	Excellent	\$45.00	RET NLA	Annual				

General Vacancy / Occupancy 3.00
 General Expenses 5.00

Cap rate and adjustments

General Vacancy / Occupancy

General Expenses

Non-Variable Adjustments

	*Adjustment Type	*Attribute	*Value	Dollar Value	Percent
▶	Revenue	Corner	Y		0.00
	Revenue	Mezzanine	RETAIL		-55.00
	Revenue	Quality-Exceptional	Y	\$1.00	
	Revenue	Quality-Exceptional	N	\$-1.00	
	Revenue	Exposure-RET	POOR		-30.00

CAP / GIM

	*Quality	From Eff Year	To Eff Year	*Cap/GIM Rate
▶	Poor			5.25
	Fair			5.00
	Average			4.75
	Good			4.50
	Excellent			4.25

Variable Adjustments

	* Adj Type	*Attribute	*From Value	*To Value	Basic Range \$ Adj / Unit	Add Range \$ Adj / Unit Cumulative
	Revenue	Market Sub	10	10	\$25.00	
	Revenue	Market Sub	20	20	\$-5.00	
	Revenue	Market Sub	90	90	\$-5.00	
	Revenue	Market Sub	30	30	\$5.00	
	Revenue	Market Sub	40	40	\$-2.00	
	Revenue	Market Sub	50	50	\$3.00	

Increasing Complexity

- Triple A Office buildings, regional malls, Top tier hotels



- Power centres and shopping mall with office



- Mixed use, multi-tenant, multi-storey buildings



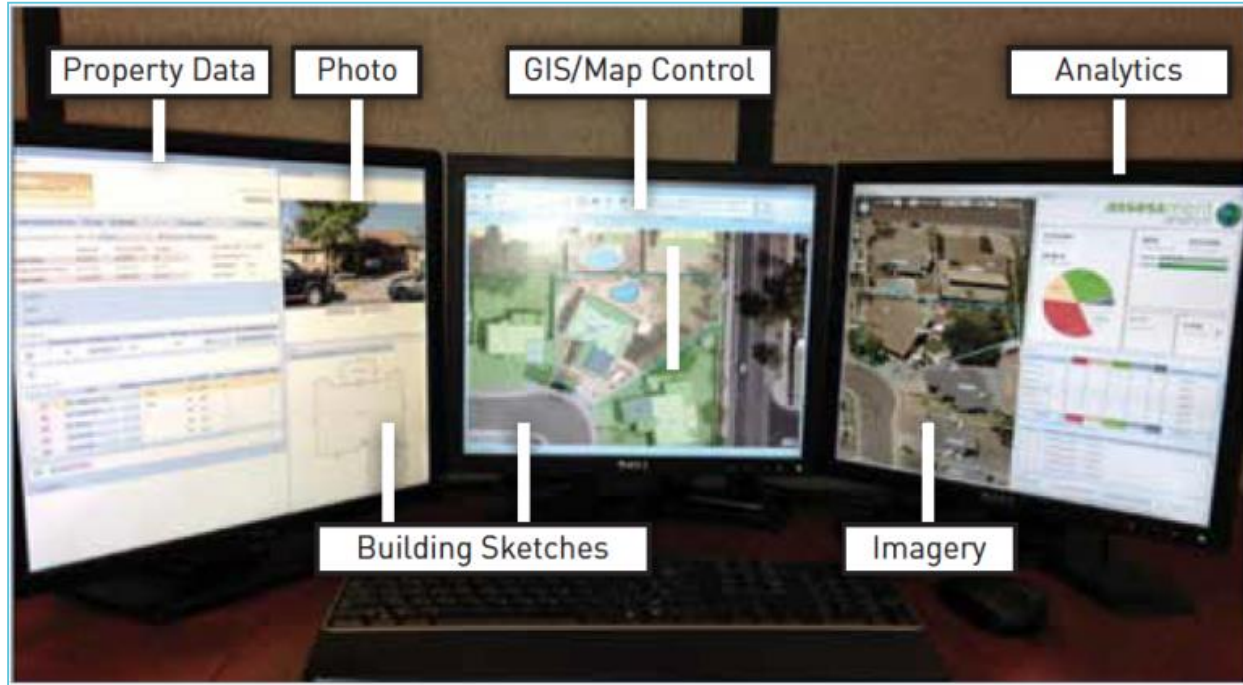
- Multi-tenant single storey retail tenant – strip-mall



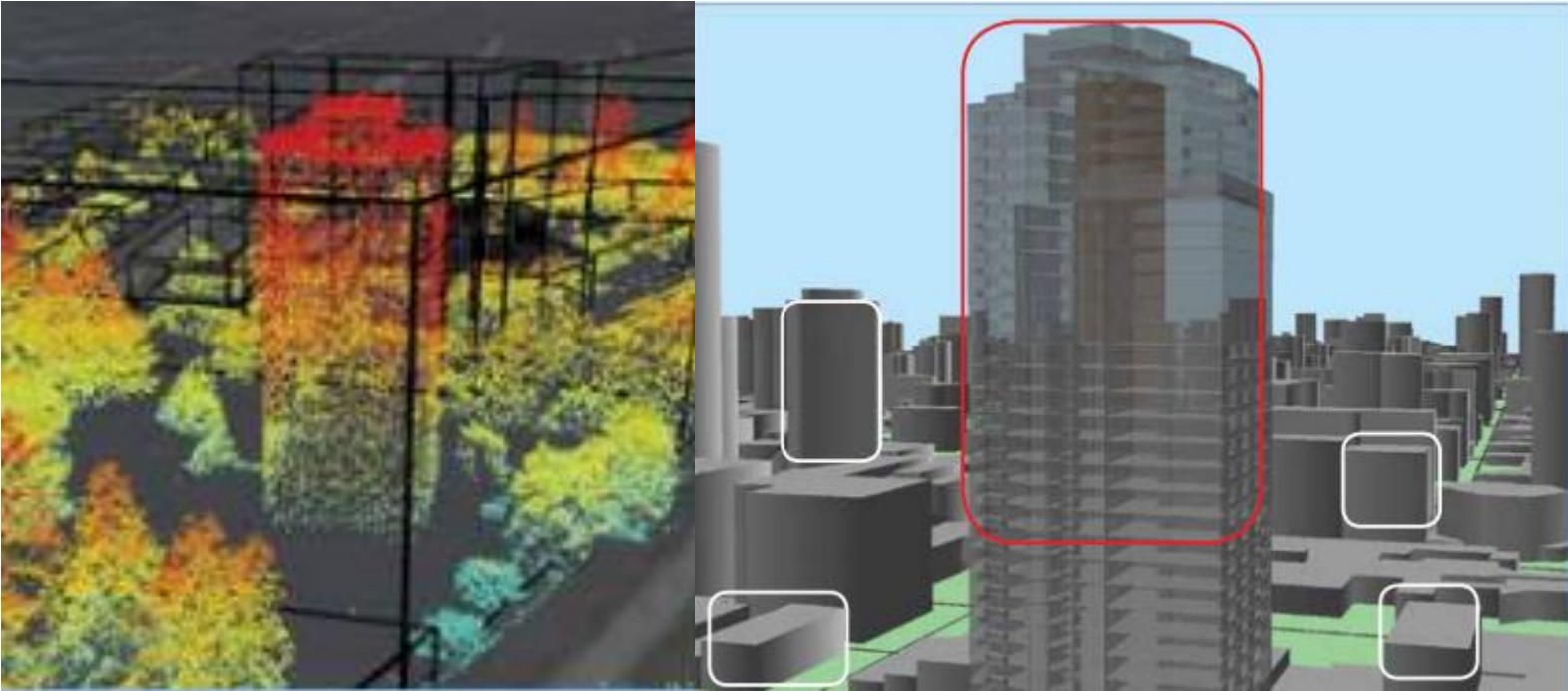
- Relatively homogeneous single storey single tenant retail



New technology and recent developments



3D GIS & Spatial Models




3D GIS & Spatial Models




A Word about Appeals in a Mass Appraisal world

- *[37] As the BC Court of Appeal set out in Assessor of Area 09 - Vancouver v. Michael Lount (1995), 10 B.C.L.R. (3d) 92 there is no absolute measure of actual value; rather, there is a range of values within which all values are actual value. Courts and the Board have regularly considered a five percent difference to be within the range of actual value. As the actual value I have determined is less than two percent from the current assessed value, I decline to order a change as there is no material difference between the actual value I have determined and the value currently entered on the roll.*

Additional resources



Search services and trends 

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Last year we assessed

2,044,482

properties across British Columbia

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Start typing in address (unit#-house# street name street type direction city/town)


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