

### **What's it worth? Property assessment notices**

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Property owners throughout BC will receive their 2008 property assessment notice in early January from BC Assessment (BCA).

Typically, there is a difference between the property value assessment on the assessment notice and the market value determined by a REALTOR. Home owners often want to know why. What accounts for this difference? There are two reasons. The first has to do with when. The second has to do with how.

*When:* The assessment notice is BCA's estimate of a property's market value as of July 1, 2007. In comparison, a REALTOR'S market value assessment is typically current. In our active local market, six months can mean thousands and even tens of thousands of dollars difference.

*How:* BCA has a database of 1.8 million properties. When a new property is created through zoning or construction, or an existing property changes, a BCA appraiser visits the site and reviews lot size, structure and other factors including whether the property is on a quiet street with backyard lanes or on a busy boulevard. BCA appraisers do not visit each property annually to update the database. Instead, they use what is called a mass appraisal system, calculating values by evaluating prices for homes sold in each neighbourhood, or of similar units in a strata complex as of July 1 and then applying the information to arrive at an assessed value. BCA analyzes a range of variables for each property including house type, square footage, age, heating, and even outbuildings such as garages, sheds and gazebos, as well as pools and spas.

REALTORS determine the value of a property by scrutinizing the most recent comparable data for homes sold in a neighbourhood on the MLS. REALTORS also examine the exterior and interior of a property in detail, noting alterations and major renovations, such as new kitchens or bathrooms that affect the value of a home. They also take into account view lines, architectural styles and landscaping.

Where every lot and every home on a street are generally the same, both BCA's value and the REALTOR'S value will be similar, assuming a stable market.

Differences will likely occur in neighbourhoods where every lot on every street is different, every home's architecture is unique and every view is distinct. Differences also occur when property owners make changes such as renovations that BCA does not know about.

BCA's assessment data are used to create the assessment roll, used by municipal governments to levy property taxes. Municipalities adjust their tax rates to reflect changes in assessments. Municipal budget requirements dictate the taxes raised by each class. Just because your assessment increases doesn't necessarily mean your property tax will increase by the same proportion.

## Assessed values are up

Home values have increase on this year's assessment roll, reflecting the continued strength of our real estate market.

"Most homes on this year's assessment roll are worth more than they were on the 2007 assessment roll, and market movement is strong again this year," says Jason Grant, the BC Assessment Regional Assessor for the Vancouver Sea to Sky region. "For example, increases of 10 to 20 per cent for single family homes and condominiums are common."

Grant says there are options for those who think their assessments don't reflect market value as of July 1, 2007 or see incorrect information on the assessment notice. "There is an appeal process," explains Grant. "Start by contacting the BCA office indicated on the assessment notice as soon as possible."



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