IPTI Xtracts

Property Tax and Assessment News from Around the World

CANADA - January 2017

ONTARIO - Local cattleman call for moratorium on MPAC farm assessment increases

SPRING BAY—The Manitoulin Cattleman's Association and Manitoulin Island Soil and Crop Improvement Association are calling for a moratorium on any increases in farm land value assessments through the Municipal Property Assessment Corporation (MPAC), until all parties involved meet to come up with an understandable agreement on the true-realistic value of these lands as of 2015.

"I don't have any idea how many individuals are going to fight back on their property assessment," said Kagawong farmer Max Burt at the MCA-MSCIA annual general meeting last week in Spring Bay. "I don't know if we are doing anything as an organization, but we should."

"Farmland is being assessed at 200 percent more on the Island than last year," said Mr. Burt. "Maybe we should suggest that the municipal farm rating should be reduced to say 12.5 percent instead of 25 percent. But I'm wondering what we as an organization are going to do on a long-term basis on the assessments, if there is any lobbying or resolutions that have been put forward."

It was pointed out by Jeff Hietkamp that appeals to MPAC have to be in place by February 7.

"As an organization we need to put a resolution forward, the assessments are too high," stated Mr. Burt, adding that, "less than 50 percent of people will appeal and even if they do there is no guarantee they will win."

Neil Tarlton, of the Ontario Federation of Agriculture, said the province downloaded a lot of legislation and control onto municipalities. He pointed out one township in Bruce County appealed and the government lowered the farm land rating to eight percent.

Paul Skippen told the meeting that, "as an organization we should speak to the minister and province on our concerns."

It was pointed out by John McNaughton, chair of MCA-MSCIA, that the assessment on agricultural land seven or eight years ago was only 17 percent.

"How are we going to try and fix this?" asked Mr. Skippen. "If we have to pay what we are being assessed at under the new assessments, we might as well sell all of the land, it is not worth the assessment—and to appeal by each individual farm is ridiculous, we don't have the time. This should be done as a group."

Jeff Hietkamp noted, "some of you were out at the meeting in Burpee-Mills (prior to Christmas) with a representative of MPAC from Sudbury. She said they looked back five years to comparable sales of farm properties. She said they did not take into consideration say a doctor buying farm property (instead of a farmer)."

"I still don't believe anyone has sold or purchased farm property on the Island for $3,000 an acre," said Mr. Hietkamp. The MPAC representative said each farmer should go through their assessment and make sure the property they owned is at the correct classification.

During the December meeting about 25 landowners listened patiently as Mary Dawson-Cole, valuation and customer relations manager from the Municipal Property Assessment Corporation (MPAC), explained the details behind the revised assessment process and how property assessments are now determined.

"MPAC has extensively re-tooled the property assessment process," explained Ms. Dawson-Cole during that meeting. "When it comes to farm properties, we're careful to only include sales to genuine farmers as we assign values. We ignore sales at the top and bottom ends of the range. For Ontario as a whole, we reviewed about 36,000 sales across the province to determine current property values for this latest round of assessments. We're seeing farmers in southern Ontario selling land for $20,000 per acre and $3,000 per acre in Northern Ontario. Manitoulin used to be divided into three or four areas for assessment purposes. Now the whole Island is one."

She said all Manitoulin farm property assessments are based on 21 farm property sales that have occurred on the Island since 2012 and noted that prices from southern Ontario don't influence Manitoulin farm assessments.

Mr. Burt noted that one of his neighbours sold the farm next to his, however his assessment went up 200 percent when this increase should have been much smaller. “The assessments should remain status quo until all parties involved meet and agree on what the real-true assessment should be on these properties.”

The group passed a motion that the MCA and MSCIA lobby for a moratorium on any increase in farm assessment until all parties involved meet and come to an understandable agreement on true-realistic value on farm properties as of 2015. The motion will be forwarded to the province, cattleman’s and soil and crop organizations in the province for their support, as well as the Manitoulin

BRITISH COLUMBIA - Vancouver approves plan to put tax increase into fentanyl response

Vancouver's council has approved a plan to spend millions on the city's response to the escalating drug-overdose crisis, despite drawing sharp criticisms from different directions.

The proposal to use a small property-tax increase to fund community policing, a medic van and training for municipal staff comes as the city struggles to cope with a sudden increase in fatal overdoses, mostly in the Downtown Eastside neighbourhood. The city had more than 200 people die in 2016 in what was a record year across British Columbia. The death toll from fentanyl and other opioids continues to grow across the country.

The mayor's main opposition on council has objected to the entire response, which is expected to cost about $3.5-million, while others have criticized specific programs the money will fund.

For example, some Downtown Eastside residents showed up at the council meeting Wednesday to object to the plan to put $200,000 into a community-policing centre as part of the response, saying money should go into prevention, not enforcement.

"That's just for surveillance," said Karen Ward, who works with the Vancouver Area Network of Drug Users. "We've seen how the existing community patrols already push people to the side."

The city's three centre-right councillors opposed the whole plan, which also includes $1.9-million for the medic van and $10,000 to train city and park staff in dealing with drug overdoses and administering naloxone, a medication that can reverse overdoses. What to do with the remaining money will be decided later.

"It looks like a blank cheque to me," said NPA Councillor Melissa De Genova, saying that paramedics had never been consulted on where the money could be most effective and that even Downtown Eastside organizations were opposed to parts of the response plan. NPA Councillor George Affleck said the money will not solve the overwhelming problem of addiction that has been exacerbated by illegal drugs laced with the more powerful and deadly fentanyl.

In response, councillors from the dominant Vision Vancouver party repeated their earlier criticism of the provincial and federal governments for not doing more, and also took swings at the NPA councillors for wanting to delay the response.

"It's a call to do nothing," said Vision Councillor Kerry Jang, responding to his NPA colleagues' suggestion for more consultation. "We'll spend time talking, talking, talking and people will die, die, die, die."

Mayor Gregor Robertson added that "we cannot wait and delay action at this stage of the game."

"I'm really concerned at how slow the province has been to act. Hundreds and hundreds of people have died because governments are moving too slowly," the mayor said.

The provincial government declared a public-health emergency last year and it has been rolling out announcements about new measures, such as treatment beds, a special mobile medical unit in the Downtown Eastside and support for new supervised-consumption sites in Vancouver, Surrey and Victoria.

Ottawa has set up a national task force.

The Vision councillors and Green Party council member Adriane Carr did add motions to direct spending of the remaining $1.4-million the city has available, as well as approving the first $2.1-million for initial actions.

They agreed that money should go to front-line peer workers and "people with lived experience."

Ms. Carr also argued passionately that some of the future spending should go to enhanced mental-health support for some of the city's first responders, who have been dealing with hundreds of overdoses a month recently. The Vision councillors also supported that.

The mayor and others also urged people in the Downtown Eastside to work with the new Strathcona community-policing centre, saying that it will be a largely volunteer-run organization whose mandate is to support everyone in the neighbourhood.

"I really hope there is an engagement by all the groups with that centre," Ms. Carr said.

NOVA SCOTIA - Property Valuation Services explains assessment process

County council heard from the province’s property assessors last week.

Prior to last week’s meeting of council for the Municipality of the County of Antigonish, members heard from representatives of Property Valuation Services Corporation (PVSC). PVSC, the assessment authority for Nova Scotia, issued its annual property assessment notice to property owners on January 13.

Deputy Warden Owen McCarron said councillors field a lot of calls this time each year after residents receive their assessment notices and council asked PVSC to come in and explain the process.

“They gave us a good overview and the notices of assessment are going out now,” said McCarron. “They gave us an overview of what might trigger a change in assessment and it could be a sale or it could be a sub-division of property, a change of ownership.”

Property owners can view details about their property assessment by visiting: www.pvsc.ca. Those who want to appeal their assessment have until midnight, February 13, 2017.

"We had a very good meeting and an open discussion about the process and they seemed like they want to be there to work with the people of the municipality," said McCarron.

"If you don't [appeal] before the 13th, the municipality really can't do anything for you [in terms of assessment] in this upcoming year."

A release from PVSC states municipalities calculate property taxes based on a property's taxable assessed value, which reflects either a property's assessed value or capped assessment, whichever is the lowest.

BRITISH COLUMBIA - Soaring land values in Vancouver spark a 'property tax revolt'

Niels Bendtsen is one of Vancouver's longest-standing design and manufacturing success stories. He has been designing and making furniture in Vancouver since 1963 and his Ribbon Chair sits in the permanent collection of the Museum of Modern Art in New York. But a recent eye-popping property tax assessment has Mr. Bendtsen considering if he should relocate his business to another city.

Mr. Bendtsen owns warehouse, manufacturing and office space in Railtown, which is part of the Downtown Eastside. The rundown area near the city's industrial waterfront had long been ignored. But nearby residential real estate prices have skyrocketed, gentrification is pushing eastward, and even an area strictly zoned for industry is feeling the pressure of greater demand.

A couple of high-priced recent sales and increased interest in the area have meant major jumps in property values. Mr. Bendtsen's property at 365 Railway St. tripled in value: It was assessed this month at $12.245-million, compared with $3.93-million the year before. In 2016, he paid $60,307 in taxes on the property; based on the 2017 value, his taxes will climb to $147,000.

Mr. Bendtsen's property at 405 Railway was just assessed at $14.512-million, up from $5.751-million last year. In 2016, he paid $68,852 in taxes. Based on the 2017 value, his taxes will be an estimated $175,000.

Mr. Bendtsen says it's unfair to penalize small and mid-size businesses that bring manufacturing jobs to the city. He has 75 employees in Railtown; however, he is considering a move to Toronto, where commercial properties are much cheaper.

"[The city] says they want this type of business down there, and yet they are taxing us out of there," says Mr. Bendtsen.

"I was going to develop one of the properties, build on it and make a new building. But with these tax rates, there's no way of doing it," he says. "Of course I can sell them, but that's not really what I felt like doing. I want to be in business."

Paul Sullivan, of property tax consultants Burgess Cawley Sullivan & Associates, says he's preparing for what could turn into the "biggest tax revolt in Canadian history." Although Railtown was one of the hardest hit areas, Mr. Sullivan says Vancouver's insane property market is wreaking havoc for businesses throughout the city. In the West End, on major shopping streets like Denman, Robson and Davie streets, it's the small retailers getting hit hard.

Mr. Bendtsen and several other businesses around the city have hired Mr. Sullivan to appeal the assessments. He expects more to sign on to appeal before the deadline at the end of the month. He says his inbox is full of unread e-mails from angry businesses.

He cites a restaurant at 703 Denman St., that has risen in value by 268 per cent from last year, with new taxes estimated to increase to $614,000 from about $229,000. He says a public market building at 1610 Robson is also facing a 268-per-cent increase in value, with taxes estimated to rise to $727,000 from $272,000.

Tenants running small businesses, which make up most of Railtown, will be hardest hit, Mr. Sullivan says. The majority of leases in Vancouver are "triple net," which means the tenant pays the landlord the rent, but is also responsible for maintenance and property taxes. With an unexpectedly huge tax hike, many businesses won't survive, he says.

Mr. Sullivan says a couple of factors are at play in the industrial area: assessments in previous years were likely lower than actual market value and buyers are moving into the area and paying unexpectedly high prices.

He says part of the problem is that like many municipalities, Vancouver assessments are based on the potential for development of the property, as opposed to actual use. Also, city policies are having an impact. In the West End, the city has rezoned for significantly more high-density residential, which has driven up prices. The change could signal a similar move in the east side of the city.

"Density is good, but density drives value," says Mr. Sullivan. "In the case of the West End, what has happened is we've allowed residential density… and that has driven these values out of sight. You are going to destroy every local independent business during the process."

Mr. Sullivan has joined city councillors Geoff Meggs and Raymond Louie, as well as the Urban Development Institute – which represents the development industry – to ask the province to rewrite legislation on how small businesses are taxed. The goal, he says, is to bring property values in line with actual use.

"If we've got a cruddy little building that a guy is using for an incubator business, and that's all they can afford, the assessment should reflect that cruddy little building and not a beautiful redevelopment at three times the price," he says. "But half the values are based on redevelopment."

Mr. Louie, acting mayor and former finance chair, says the city's hands are tied because of the valuations made by BC Assessment, a Crown corporation that assesses all B.C. properties. Only a change in legislation can help small businesses, he says.

"I am worried about these small businesses continuing on, when the tax bill continues to rise because of the way BC Assessment assigns values to these properties … Ultimately, the resolution to this lies at the province's feet."

Jason Grant, BC Assessment's assessor for Greater Vancouver, says B.C.'s system is one of the purest examples of a market value system that is measured annually.

"At the end of the day, the taxes you pay relative to others are based on the market value of your property. If you have a property worth twice as much as someone else, you are going to pay twice as much in taxes."

He adds that he's open to hearing concerns, and "walking people through" their assessments.

As for Railtown, Mr. Sullivan believes that there's an inconsistency in the assessments, which will probably form the basis of their appeal.

Steven Fast, a commercial real estate broker and long-time landowner in Railtown, says he is among the businesses that will appeal. He believes the values are too high relative to similar buildings in gentrified mixed-use areas, such as Gastown and Yaletown.

“The increase is so dramatic I think somebody has made an error,” says Mr. Fast. “I’m sure every owner will appeal it. I expect everyone will.”

He also acknowledges that property owners are benefiting from the situation, since their values are tripling. On the downside, it means that anyone wanting to run a business is losing.

“The sad part is that Mr. Niels’ manufacturing business can’t survive on Railway. The unsad part is that his property has at least quadrupled in value.”

ONTARIO - MPAC assessment news unwelcome at Champlain Township

The Municipal Property Assessment Corporation’s (MPAC’s) 2016 assessment update was greeted unenthusiastically, to say the least, by members of Champlain Township at their regular meeting on January 10.
Councillors expressed dismay at increased assessments for farm properties and forested land and expressed concerns that local assessments are affected by other areas, where real estate sales might be more brisk than in this region.

MPAC’s assessments are important as municipal councillors must take assessment values into consideration when determining tax rates at budget-time. Even if it leaves its municipal tax rate the same, a municipality can rake in more taxes if, for example, assessments increase significantly from the previous year.

Across the province, residential property values have increased on average by 4.5 per cent annually since 2012. During the next four years, the average residential property will increase by 18 per cent, according to an MPAC report included with Champlain Township’s agenda package.

The increases are dramatic for farm properties. Since 2012, farm properties have increased in value by 16 per cent each year. Over the next four years, the average farm property will increase by 64 per cent.

The reasons cited for this increase is that farmland property sales have continued to increase provincially, demand for farmland outsweighs the supply and more land is needed, farmland sales are expanding in Eastern Ontario, interest rates are low, allowing farmers to expand and non-agricultural buyers are buying farmland. Other reasons include that the availability of soil types that support high-value crops is driving up demand and that lower-priced land is available in the Northern and Eastern regions of Ontario.

In the eastern part of the province (locally), farm land has increased in assessment value on average by 19 per cent from 2016 to 2017, according to the report.

Multi-residential properties

Since 2012, multi-residential assessment values have increased on average by seven per cent annually. During the next four years, it is expected that the average multi-residential property will increase by 28 per cent.

Champlain Township Mayor Gary Barton said that he worries that MPAC may be basing its increases by comparing less prosperous areas with areas where land and homes are “selling like crazy”. Barton mentioned some areas where rural land is selling fast for residential development.

Champlain Township CEO Paula Knudsen said that assessment hikes could cause property owners to seek reconsideration of upped assessments. As townships project tax revenues based in part on MPAC property assessments, a large number of successful reconsideration requests resulting in lower assessments could wreak havoc with municipal and county budgets, she related.

Referring to increased assessments for forested land, Barton said, "First they want you to plant trees, now they tax the h*** out of you."

When Knudsen suggested having an MP representative make a presentation at an upcoming council meeting, Longueuil ward councillor Normand Riopel expressed his disgust and said it would be pointless.

You can visit www.mpac.ca to find out more, look up your own property and find a link to apply for a reconsideration of MPAC's assessment of your property.

NEWFOUNDLAND & LABRADOR - Province mulling changes to property tax Assessment Act, consulting municipalities

Taxpayers want shorter assessment cycles, towns concerned about appeals

The Department of Municipal Affairs is considering options to respond to concerns raised about property assessments in Newfoundland and Labrador.

In an email to CBC on Thursday evening, communications manager Lynn Robinson said the department had received a "considerable" amount of feedback on the issue after the last assessments came into effect in 2016.

Municipal Affairs is working with the Municipal Assessment Agency, the City of St. John's and Municipalities Newfoundland and Labrador to finalize a review of the provincial legislation regarding property assessments province-wide.

Consultations were held in 2016 and the report included 61 written submissions from taxpayers, municipalities and industry associations.

Taxpayers voiced many concerns about the perceived inequality of assessments and a lack of information provided about how the assessors came to their conclusions.

They also made recommendations, such as shorter assessment cycles, a limit on property value increases and determining taxes based on services used instead of property owned.

Municipalities were concerned with the "burden and the outcomes" of the large number of appeals they were dealing with.

Taxpayers want shorter assessment cycle

When CBC compiled a list of the 100 cheapest homes for sale in St. John's, it found 68 of them were assessed above current market value. A dozen of those homes were assessed more than $50,000 above.

Assessments are done in three-year cycles, with evaluations based on market value on a fixed date.

The latest assessments, handed out in 2016, were based on values as of Jan. 1, 2014 — when the market was hot.

While the market had slowed down by the time the assessments came into effect two years later, they were still based on those inflated values.

Homeowners unhappy with St. John's property tax hikes

"There was a preference for a base assessment year closer to the actual year of taxation and therefore more reflective of current economic conditions," the Municipal Affairs report said. "Taxpayers recommended either two-year, or one-year cycles."

Feedback showed administrative concerns with using shorter cycles — the same number of homes would need to be assessed in less time.

The Assessment Act came into law in 2007, and was last amended in 2012.

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NEWFOUNDLAND & LABRADOR - 'Out of whack': City assessments overvalue cheap homes, lowball luxury homes in St. John's

City has gone to province with concerns about high assessments, councillor says

Chipped paint and splintered wood surround the cracked second-storey window of a rundown home on Power Street.

Looking up at the shack, its real estate agent offers a hopeful line: "It's a fixer-upper."

Despite its appearance, this home just found a buyer — but for far less than its list price of $89,900.

It's hard for Debbie Hanlon to believe this house was valued at $145,300 by the city last year — about three times what it eventually sold for.

"This home has been in this condition for a long time," said Hanlon, the agent for the listing. "I can't imagine that home being worth over $100,000 in the last 10 years."

The tattered home on Power Street is not alone. Among the list of the 100 cheapest houses on the market in St. John's, 68 of them are assessed above asking price.

Among homes available for less than $150,000, the average city assessment is $12,000 above list price. Twelve houses have assessments more than $50,000 above asking price.

According to Hanlon, the assessments are "totally out of whack."

The largest mismatch comes at 104 Carter's Hill, a dilapidated house on a dead-end street, with an overflowing mailbox.

The listing for the house has recently expired, the asking price of $80,000 just too much for a buyer to bear.

According to a city assessment, however, the home is worth $176,600.

"The assessment is just way, way, way off," said Catherine Murphy, the Re/Max agent tasked with selling the home.

The house has garnered plenty of interest due to its low cost and downtown location, Murphy said, but no deal has made it past an inspection.

Homeowners unhappy with St. John's property tax hikes

Based on the assessment, the homeowner will pay $1,289.18 in property taxes this year. If the home was assessed at $80,000, the bill would be $584.

The owner is currently considering renovating it, or having it torn down.

Under the provincial Assessment Act, properties are evaluated every three years, based on a fixed date. The last assessments came into effect in 2016, based on market values on Jan. 1, 2014.

Unfortunately for homeowners in the city, that date falls near the end of the province's economic and housing boom, when market prices were at a peak.

The next set of assessments will be based on market prices from this month, and will be implemented in 2019.

High-end houses appraised beneath market value

City assessments are not low across the spectrum, however.

Among the 51 houses for sale above $500,000, 39 were assessed below their selling price. On average, these homes have an asking price of $913,212 with an assessment $271,718 below asking price.

The major outlier is 55 Rennie's Mill Rd., also the most expensive house in St. John's. The property, listed for a whopping $2.5 million.

During renovations in March 2015, the owner said the staircase alone was worth $750,000.

Rennie's Mill mansion gets makeover, on market for $1.4M

In 2016, the house was assessed for $770,000.

No easy solution, councillor says

While the city admits there is an issue, Coun. Jonathan Galgay says they cannot fix it.

The city has made its problem known to the province, he said, but cannot do anything until the Assessment Act is amended.

"[Legislation] needs to get in line with the realities we are actually facing," said Galgay. "So we have been advocating for some time but we haven't seen a response from the province yet."

Emails to the province were not immediately returned.

Taxes, spending fall in 2017 St. John's budget

As the housing market continues to flatten out, Hanlon said it's becoming more apparent the system is broken and needs a fix before the next assessments take effect.

She holds the city responsible.

"It's archaic," she said. "If you're paying your taxes, you should be paying it on the realistic value of your home. Not an inflated value."

BRITISH COLUMBIA - Property assessments skyrocket

Port Edward homeowners are bracing for a massive hike in their property assessments.

Property assessments, due in the mail this week, will see the average Port Edward single-family dwelling unit jump nearly 15 per cent (14.86 per cent increase) from a 2016 valuation of $189,000 to a 2017 valuation of $222,000 – the highest increase of all communities in northern B.C.

Despite the major valuation increase, it is still below other major markets in the area, with Prince Rupert’s average single family home assessed at $260,000 (a 6.15 per cent increase), Terrace at $309,000 (remained the same), and Kitimat at $277,000 (a 4.69 per cent decrease).

In Prince Rupert, the residential class assessments (single- and multi-family dwellings, residential strata properties, rental apartment buildings and vacant land) increased overall by 5.69 per cent from last year, with business class properties (retail, offices and warehouses) increasing by 3.62 per cent.

Those same residential properties in Port Edward experienced an increase of 17.83 per cent, with a business class increase of 0.97 per cent.

“The majority of residential home owners within the region can expect a slight increase, compared to last year’s assessment,” said deputy assessor David Keough. “Most homeowners in the northern B.C. region will see changes in the zero per cent to plus-10 per cent range.”

Residents should have received their assessments in the mail this past week or in the coming days.

While industry in the surrounding area and speculation are not taken into account when evaluating properties, but rather sales of comparable properties, deputy assessor Geoff Radtke said that Port Edward has been attracting considerable interest.

“Sales in some communities, such as Port Edward, continue to attract a lot of interest from buyers, which is significantly increasing demand and the value of the property owner’s investment,” Radtke said.

“Although values can be affected by various economic factors, speculation does not play a role in the valuation process. The role of BC Assessment is to report the market value of each property based on sales of comparable properties as of July 1, 2016.”

Asked if there is a likelihood Port Edward valuations may catch up to those in Prince Rupert or Terrace in the near future, Radtke said it’s not possible to tell.

“With regards to the future value of single-family homes in Port Edward in comparison to the surrounding area, it is difficult to speculate what assessments in any community will look like until we are able to review the future sales that may affect value,” said the deputy assessor, adding that sales of comparable properties, rather than size of community, affects valuations.

BC Assessment’s Keough said that residents who have questions can check BC Assessment’s website or contact the agency this month.

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BRITISH COLUMBIA - - Nanaimo property assessments see 14-per cent rise

The median assessed value of a single-family home in Nanaimo rose 14 per cent this year, from $336,200 in 2016 to $385,000, according to B.C. Assessment.

In Lantzville, the median assessed value of a single-family home increased by nine per cent, from $404,800 to $442,000, while rural Nanaimo saw an increase of eight per cent.

Bill Dawson, deputy assessor, said the assessments reflect the real estate market value as of July 1, 2016, adding that most homeowners should expect to see an increase of some kind.

"The majority of residential single-family dwelling assessments are going to fall within that range of 10 per cent to 20 per cent within the City of Nanaimo," he said.

Dawson said Nanaimo assessments decreased between 2012-14, but have been on the rise since 2015. He said a one-year increase of more than 10 per cent is significant, adding increases can be attributed to a healthy real estate market.

"People are attracted to communities that have all the amenities that Nanaimo has," he said.

Janice Stromar, Vancouver Island Real Estate Board president, said it's important to remember that the assessment value is different from what the market value of a home might be, adding that the market increased by about 20 per cent for single-family homes this year.

"Market value and assessed value are completely different," she said.

Stromar said B.C. Assessment does not factor things such as renovations, unless its an extension of the home, into assessment values.

"[Assessments] are actually based on sales in your neighbourhood," she said. "If sales go up, prices go up, then everybody's assessments go up. They don't actually look at if you've done any renovations."

A property assessment increase does not automatically translate into an increase in property taxes, according to Diane Hiscock, manager of revenue services with the City of Nanaimo.

"It depends on the value of their [assessment] increase compared to the 2017 assessment increase for all properties in Nanaimo," she said.

Hiscock said when residential property assessments go up, typically the city's mill rate – the amount per $1,000 of property's assessed value – will decrease, adding increases can hinge on whether council officially adopts an approved tax rate increase of 1.5 per cent.

“It’s not an increase to the mill rate – it’s an increase to the dollars that they need to collect,” she said.

If that’s the case, homeowners who had their property assessment increase by 14 per cent would experience a tax increase.

“If the value of their property rose to 14 per cent then the only change to the City of Nanaimo taxes should be if there is a [property tax] increase,” she said. “You can pay the same amount of tax, but the rate per thousand will be lower because the assessment value has gone up,” she said.

B.C. reviewing homeowner grants amid soaring assessments

Property assessments are out, and as predicted many homes in Metro Vancouver have jumped by as much as 50 per cent

Although some homeowners in Metro Vancouver just saw their assessed property values rise by hundreds of thousands of dollars this year, the provincial government says people shouldn't panic.

In BC Assessment's newly released 2017 property assessments, some single-family homeowners saw the assessed value of their home shoot up by 30 to 50 per cent.

Vancouver, Squamish, Burnaby, Tri-Cities, Richmond, Surrey and the North Shore were among the areas with the highest increases.

The agency had already braced homeowners across the region for significant increases, and sent letters to some properties that it expected would see the biggest spike.

"The real estate market in the Lower Mainland and other parts of the province has been going up for some time, but certainly the numbers we're seeing here are pretty significant," said Assessor Jason Grant.

According to one example, a five-bedroom renovated near Commercial Drive saw its assessed value rise from $1.09-million to $1.46-million from 2015 to 2016.

But BC Assessment says increased values don't necessarily translate to a property tax increase.

Grant said taxes are affected by the assessment changes compared to the average change in your community.

"Cities do not collect a windfall in property taxes when assessments go up," he said.

"They adjust their tax rates downwards to only collect the funds they require for their operating budgets."

The new property values are calculated based on an assessment made in July 2016, a date many consider the peak of the B.C. real estate frenzy – and just before the 15 per cent tax on foreign homebuyers was announced.

Given the substantial hikes, B.C.'s Ministry of Finance said it would review which homeowners would qualify for its homeowner grant program – and whether it needs to increase the threshold.

Under current regulations, homes assessed under $1.2-million are eligible for a $570 grant to ease the owner's tax burden, provided they live in the residence.

That threshold was actually increased by $100,000 last year because of record-high real estate prices last year. At the time, the province said the threshold covered 91 per cent of homes in the province.

The ministry said homeowners concerned about the $570 grant can also consider whether they qualify for other property tax deferment programs, which allows homeowners to use the equity in their property to defer some or all of their annual property taxes.

Homeowners will receive their notices by mail in the coming days.

BC Assessment to announce 2017 property assessments

BC Assessment will issue regional news releases on Tuesday, January 3 with highlights of 2017 property assessment changes in local communities.

All news releases, as well as statistics and general information about the 2017 assessments, will be posted on bcassessment.ca on January 3 and can be accessed by selecting the Property Information & Trends tab at the top of the page.

The website will also list the 2017 Top Valued Residential Properties for all of British Columbia as well as by regional breakdown.

Background:

* As B.C.'s trusted provider of property assessments and property information, BC Assessment collects, monitors and analyzes property data throughout the year.

* Over two million property owners will receive their 2017 property assessment notice by mail in early January.

* Updated on January 3, 2017, the public can use the free, newly-enhanced e-valueBC search tool at bcassessment.ca to compare their 2017 property assessment to others. The public can also search, check and compare 2017 property assessments for any property within the province.

* The mandate of BC Assessment, a provincial Crown corporation, is to establish and maintain uniform property assessments throughout British Columbia in accordance with the Assessment Act.

* The Act requires that BC Assessment produce annual assessments, listing property information and market values as of July 1 (i.e. 2017 assessments are based on market values as of July 1, 2016).

* BC Assessment's assessment information provides the foundation for local and provincial taxing authorities to raise approximately $7 billion in property taxes each year. This revenue funds the many community services provided by local governments around the province, including the public school system.

B.C.'s highest court dismisses property assessment appeals by Walmart Canada and Home Depot

Walmart was seeking a break on its assessment so it could pay lower property taxes.

Two deep-pocketed retailing giants have struck out in the B.C. Court of Appeal.

Walmart Canada and Home Depot each sought leave to appeal a decision by the Property Assessment Appeal Board to value their stores based on their income rather than the cost approach.

In chambers, Justice Lauri Ann Fenlon ruled that neither applicant met the criteria for being granted leave to present its arguments.

This follows another ruling earlier this year, in which Justice Elaine Adair dismissed the two corporations' judicial-review applications in B.C. Supreme Court.

"The selection of one valuation method in preference over another is a question of fact, which is not reviewable by an appellate court unless there is no evidence to support it, or its application was so unreasonable that no properly trained assessor would have applied it," Fenlon stated in her recent ruling. "The Board exercised its judgment and weighed various factors and evidence in concluding...that generally the income approach is the preferable method for valuation of retail property."

Home Depot objected to assessments of between $22.9 million and $23.8 million for its Coquitlam store in each year over a three-year period to 2012. This was based on gross income of $1.65 million in each of those years.

Using the cost approach, this site would have been assessed at between $21 million and $21.9 million in each year of the three-year period, according to the B.C. Supreme Court ruling earlier this year.

Using the income approach, Walmart Canada's Squamish store was assessed at between $13.4 million and $16.2 million in each year over a four-year period until 2013. Using the cost approach, this site would have been assessed at between $13.5 million and $14.5 million in each year over a four-year period, according to Adair's decision.

Fenlon's more recent ruling has significant ramifications for municipal and regional governments and TransLink, which collect taxes based on property values. In addition, the outcome has an impact on the provincial government, which collects 21 percent of its expenditures on schools through taxes imposed on nonresidential property owners.

Last year, this amounted to $1.17 billion, according to the B.C. government website.

"There are currently 246 'big box' property assessment appeals pending before the Board for the taxation years 2010 through 2016," Fenlon noted in her ruling. "The primary issue on those appeals is whether this kind of property should be valued on a cost approach or income approach to value. All of these appeals are on hold pending final outcome of the present applications."

BRITISH COLUMBIA - To appeal or not to appeal? Expert advice for dealing with your new property assessment

According to a property tax agent, presenting solid evidence is the key to winning your appeal

Property assessments became available on the B.C. Assessment website this week — and the increases are substantial.

Single family detached homes jumped 30 to 50 per cent around Metro Vancouver, while strata properties went up 15 to 30 per cent.

The valuations, which are used to determine 2017 property taxes, were taken from July 1, before the province announced its foreign buyers tax and sales began to slow.

The increases have homeowners worried about their property taxes, and some may be considering appealing their assessments.

But should you?

Property tax agent Paul Sullivan shared some expert advice on how, and whether, you should file an appeal.

Pro-tip #1: Understand the system

Sullivan said the first step to determining whether you should appeal is making sure you understand how the system works.

"It's not the change in your value which counts — it's the value at July 1st. So just because you went up 30 per cent doesn't merit an appeal in itself. You have to determine whether that value was appropriate at the valuation date," he explained.

There are two arguments for an appeal: either that the assessed market value of your property is too high based on comparable sales, or that you were unfairly assessed in comparison to your neighbours.

Pro-tip #2: Complaining about tax increases won't help

The connection between your property taxes and your property's value is not as straightforward as some may think.

The important number isn't the per cent that your assessment increased, but how your property fared relative to others in your property class and local taxing jurisdiction.

For example, a house in Vancouver would be compared to other residential-class properties, including condos, in the city.

"Tax increases have nothing to do with B.C.'s system for evaluating properties and so an argument based on that will get you nowhere in front of a panel," said Sullivan.

Pro-tip #3: Be aware of the risks

Appealing your property assessment could backfire, as a second review of your property might find that you were initially under-assessed.

"Often people experiencing these significant increases have been under-assessed in the past, and they're seeing a bit of catch-up going on," said Sullivan.

It's also important to understand that while the interior and exterior of your house does add value, those features are unlikely to substantially affect the valuations of homeowners living in Metro Vancouver.

"Assessments are based on redevelopment values," Sullivan said. "There's very little relief for the homeowner in the west side of Vancouver because their value is all in the land."

Pro-tip #4: Do your research

Sullivan said that what matters the most is presenting better evidence than the initial assessor.

He recommended doing some digging on the e-valueBC website, to compare your assessment to those of your neighbours.

"You have to establish a point of comparison, say price per square foot of house or price per square foot of land and put together a persuasive argument. And if you have evidence, you may win," he said.

The deadline to file an appeal of your property assessment is January 31.

ALBERTA - Suburban businesses brace for business tax 'shock and awe'

A staggering $4 billion drop in the assessed value of downtown offices has caused a redistribution of non-residential property taxes, Calgary's acting city assessor said Thursday.

The shift means businesses outside the core will be slapped with significant tax increases to make up for the lower property assessments downtown where skyscrapers sit empty and vacancy rates have reached historic highs.

"It's going to be shock and awe when business owners open their assessment notices," said Richard Truscott, vice-president for Alberta and B.C. at the Canadian Federation of Independent Business.

"This is another hit to small business in Calgary. This is going to be a very difficult thing for many businesses to endure. Some will decide this is the final straw."

Harvey Fairfield, acting city assessor, said while the overall value of non-residential properties dropped six per cent over last year, growing vacancies mean downtown office properties and businesses have experienced a greater than average decrease.

But taxes still need to be collected and Fairfield said the market shift means "other property type groups that aren't experiencing the same decrease as the downtown office category," will be on the hook to pick up the slack.

"The small businesses, it's going to hurt them and we recognize that," said Coun. Ward Sutherland, noting council set aside $15 million from its rainy-day fund in November to cushion the blow for business owners when tax bills come.

Exactly how that aid will be doled out hasn't yet been determined.

While the city began mailing out residential and non-residential property assessments on Thursday, actual business tax bills won't land in mailboxes until February.

Samer Halasa, who co-owns an 1,800-square-foot coffee shop in a Royal Oak strip mall, said between the October increase to minimum wage, the economic downturn, the after-holiday lull and even the recent cold snap, operating a cafe is already difficult, without factoring in a potential tax increase.

"It's a struggle as is and anything added on top is going to make it harder," said Halasa.

Since opening the doors of Cafe Fresco in September 2015, Halasa has already seen a convenience store in the same suburban strip mall close and said it's obvious there's a recession in Calgary.

"For us, every dollar counts. Even a five per cent increase, we're going to feel it," he said.

"At the end of the day, we knew (running a business) was going to be hard. If it was easy, everyone would be doing it. You keep your head up and you do the best you can."

Adam Legge, president and CEO of the Calgary Chamber of Commerce, said the property tax redistribution will significantly impact smaller and mid-sized companies.

"I think it will result in many unfortunate decision, like layoffs, like lack of investment or companies experiencing a loss, owners and investors dipping into personal savings, those sorts of things," Legge said.

"There really is very little that can be done. What's important is that the city has stepped up with some modest amounts of money."

But Truscott said the $15 million in to-be-determined business relief isn't enough to provide meaningful help for businesses that need it.

"To quote the movie Jaws, I think we're going to need a bigger boat," he said.

"It's a nice gesture. It's a welcome move. But it's clearly not enough."

ALBERTA - Calgary property tax assessments 2017: what you need to know

The City of Calgary says over half a million property tax assessments will be mailed out on Thursday.

The assessments are an estimate of the market value of your home or business as of July 1, 2016, and are used to determine municipal property taxes.

On Thursday, the city said Calgary residential assessment values have decreased an average of four per cent in 2017 compared to the year before, while non-residential values have dropped by about six per cent.

“Many Calgarians, especially those owning residential properties, will see a decrease in their property assessments,” city assessor Harvey Fairfield said in a news release.

The median assessment for a single-family residential home dropped to $460,000 compared to $480,000 in 2016. Meanwhile, the median residential condominium assessment dropped to $270,000 compared to $280,000 in 2016.

According to the City of Calgary, downtown offices and businesses have experienced a greater than average decrease.

“On July 1, 2016, the non-residential market showed a decrease in the market value, especially of downtown properties, Fairfield added. “This has resulted in a redistribution of non-residential taxes to those non-residential properties with stable assessments.”

The 2017 property assessments reflect physical condition and characteristics of properties on Dec. 31, 2016.

Calgarians have 60 days to review their assessment, starting on Jan. 5 and ending March 6.