



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** January 6, 2010

**From:** Jerry Chong  
Director, Finance

**File:**

**Re:** 2010 Assessment Values

### Staff Recommendation

That the report from the Manager, Revenue on 2010 Assessment Values be received for information.

Jerry Chong  
Director, Finance  
(604-276-4064)

<b>FOR ORIGINATING DEPARTMENT USE ONLY</b>		
<b>CONCURRENCE OF GENERAL MANAGER</b>		
<b>REVIEWED BY TAG</b>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
<b>REVIEWED BY CAO</b>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

## Staff Report

### Origin

On January 4, 2010, BC Assessment sent out assessment notices to all property owners in British Columbia. At the same time, Completed Roll reports itemizing the number of folios and values per assessment class were released to each municipality.

The Completed Roll provides the total taxable values for a municipality before adjustments. Property owners have until January 31<sup>st</sup> to request an independent review of their assessment values before the Property Assessment Review Panel ("PARP"). PARP sits at various times throughout February to March 15<sup>th</sup> and decides upon requests for reviews brought before them. Any decisions affecting the assessment value will be included in the Revised Roll that is issued to all municipalities on March 31<sup>st</sup>.

Annual property taxes are calculated based on the Revised Roll of March 31<sup>st</sup>. The Completed Roll provides municipalities with the market values to derive the estimated tax revenue and taxes increases for the current year.

### Roll Analysis

A two year comparison of Richmond's assessment values (Appendix I) shows that on average, Richmond property values have increased in all assessment classes for 2010. Residential property values show an average increase of 2.14% from 2009. This is the largest increase in comparison to other municipalities in the Lower Mainland.

A majority of homeowners in Richmond saw a change in their property assessment in the -10% to +10% range. Changes in property assessments are reflective of movement in the local real estate market. Appendix II provides assessment value comparisons of representative properties in sample neighbourhoods in Richmond. It is important to note that the representative property value is not an indication of the average value for properties in that neighbourhood.

### Anticipated Risk to Roll

Roll values may be affected by PARP decisions which will be reflected in the Revised Roll and any appeal settlements throughout the year. PARP decisions are incorporated into the Revised Roll and tax rates are adjusted according to the annual property taxes collected for the year.

Annual appeal settlements directly affect property taxes collected. For the year ended 2009, approximately \$1.95 million in municipal taxes were refunded to successful appellants. The majority of the \$1.95 million was to settle City Centre 2008 and 2009 appeals. To date, thirteen 2009 appeals remain outstanding which represents a total risk of \$12.22 million in assessment value with possible tax refund of \$59,000.

BC Assessment advises that 2010 appeals are expected in the following areas due to assessment increases:

- YVR occupiers
- Development lands in the Odlin/Alexandra Area
- Richmond City Centre Commercial Stratas

Many of the changes are a result of changes in market demand, evidenced by properties changing hands at a higher price.

Aside from these identified appeal risk areas in Richmond, other sizable appeals may come to light due to appeal settlements in other jurisdictions. Often when a large appeal is settled by the judicial court system in a property owner's favour, other property owners with similar types of properties will file appeals in the hopes of a lower assessment value. The court case could have settled in a different country but property owners will try to use the same logic to appeal their Richmond properties. These types of appeals are common within the hotel industry.

Annually, consulting firms specializing in property tax are a major source of assessment appeals filed with BC Assessment. These firms operate on commission basis and it is to their benefit to generate a large volume of appeals.

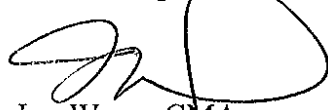
Changes in assessment values prior to the Revised Roll have little direct impact to the City's finances as tax rates are adjusted annually to meet tax requirements. However, changes in assessment values after the Revised Roll will result in changes to the taxes collected for the year.

### **Financial Impact**

None. Assessment increases do not automatically result in tax increases for the property owner or additional tax revenue to the City. Rates are adjusted annually to ensure that the current taxes collected will be the same as the previous year plus any tax increase announced for the current year. Properties with assessment increases less than the average may see a tax reduction or a tax increase that is less than the announced rate.

### **Conclusion**

That the report on 2010 Assessment Values be received for information.



Ivy Wong, CMA  
Manager, Revenue  
(604-276-4046)

IW:iw

## 2010 COMPLETED ROLL COMPARISON

Richmond					
	# of Folios	Net General Assessment Value	2010 Average Assessment Value by Class	2009 Average Assessment Value by Class	% Change in Average Assessment
Class 01 - Residential	63,071	\$ 32,802,327,201	\$ 520,085.73	\$ 509,186.72	2.14%
Class 02 - Utility	108	\$ 19,545,437	\$ 180,976.27	\$ 147,836.50	22.42%
Class 04 - Major Industry	19	\$ 108,220,900	\$ 5,695,836.84	\$ 5,483,873.68	3.87%
Class 05 - Light Industry	554	\$ 1,381,007,700	\$ 2,492,793.68	\$ 2,210,739.21	12.76%
Class 06 - Business/Other	6,453	\$ 7,581,012,618	\$ 1,174,804.37	\$ 1,167,250.82	0.65%
Class 08 - Rec/Non-Profit	436	\$ 107,044,300	\$ 245,514.45	\$ 241,354.74	1.72%
Class 09 - Farm	687	\$ 26,340,603	\$ 38,341.49	\$ 37,245.63	2.94%
<b>Total</b>	<b>71,328</b>	<b>\$ 42,025,498,759</b>			

Burnaby					
	# of Folios	Net General Assessment Value	2010 Average Assessment Value by Class	2009 Average Assessment Value by Class	% Change in Average Assessment
Class 01 - Residential	65,189	\$ 34,749,193,052	\$ 533,053.02	\$ 539,002.05	-1.10%
Class 02 - Utility	178	\$ 149,786,095	\$ 841,494.92	\$ 812,821.13	3.53%
Class 04 - Major Industry	21	\$ 154,761,600	\$ 7,369,600.00	\$ 7,107,765.00	3.68%
Class 05 - Light Industry	304	\$ 737,013,600	\$ 2,424,386.84	\$ 2,390,073.91	1.44%
Class 06 - Business/Other	3,661	\$ 7,923,718,529	\$ 2,164,359.06	\$ 2,053,430.34	5.40%
Class 08 - Rec/Non-Profit	553	\$ 40,498,500	\$ 73,234.18	\$ 97,688.52	-25.03%
Class 09 - Farm	54	\$ 1,310,571	\$ 24,269.83	\$ 22,909.88	5.94%
<b>Total</b>	<b>69,960</b>	<b>\$ 43,756,281,947</b>			

Coquitlam					
	# of Folios	Net General Assessment Value	2010 Average Assessment Value by Class	2009 Average Assessment Value by Class	% Change in Average Assessment
Class 01 - Residential	38,836	\$ 19,037,193,835	\$ 490,194.51	\$ 513,740.23	-4.58%
Class 02 - Utility	89	\$ 20,827,765	\$ 234,019.83	\$ 223,662.15	4.63%
Class 04 - Major Industry	2	\$ 18,836,900	\$ 9,418,450.00	\$ 10,272,600.00	-8.31%
Class 05 - Light Industry	163	\$ 259,353,800	\$ 1,591,127.61	\$ 1,357,662.35	17.20%
Class 06 - Business/Other	1,215	\$ 2,544,374,501	\$ 2,094,135.39	\$ 2,083,900.00	0.49%
Class 08 - Rec/Non-Profit	270	\$ 23,928,600	\$ 88,624.44	\$ 84,616.73	4.74%
Class 09 - Farm	18	\$ 779,676	\$ 43,315.33	\$ 42,010.67	3.11%
<b>Total</b>	<b>40,593</b>	<b>\$ 21,905,295,077</b>			

Delta					
	# of Folios	Net General Assessment Value	2010 Average Assessment Value by Class	2009 Average Assessment Value by Class	% Change in Average Assessment
Class 01 - Residential	30,723	\$ 15,073,759,716	\$ 490,634.37	\$ 494,446.40	-0.77%
Class 02 - Utility	108	\$ 18,075,830	\$ 167,368.80	\$ 169,407.12	-1.20%
Class 04 - Major Industry	23	\$ 228,518,900	\$ 9,935,604.35	\$ 8,475,108.00	17.23%
Class 05 - Light Industry	340	\$ 963,547,200	\$ 2,833,962.35	\$ 2,670,678.25	6.11%
Class 06 - Business/Other	1,755	\$ 2,429,514,252	\$ 1,384,338.61	\$ 1,297,010.15	6.73%
Class 08 - Rec/Non-Profit	256	\$ 60,173,800	\$ 235,053.91	\$ 144,937.89	62.18%
Class 09 - Farm	500	\$ 41,902,570	\$ 83,805.14	\$ 86,196.15	-2.77%
<b>Total</b>	<b>33,705</b>	<b>\$ 18,815,492,268</b>			

## 2010 COMPLETED ROLL COMPARISON

Surrey					
	# of Folios	Net General Assessment Value	2010 Average Assessment Value by Class	2009 Average Assessment Value by Class	% Change in Average Assessment
Class 01 - Residential	128,042	\$ 58,245,500,234	\$ 454,893.71	\$ 471,035.96	-3.43%
Class 02 - Utility	371	\$ 48,835,040	\$ 131,630.84	\$ 126,587.66	3.98%
Class 04 - Major Industry	47	\$ 100,406,200	\$ 2,136,302.13	\$ 2,116,540.00	0.93%
Class 05 - Light Industry	742	\$ 1,206,880,800	\$ 1,626,523.99	\$ 1,396,965.49	16.43%
Class 06 - Business/Other	6,835	\$ 7,513,075,926	\$ 1,099,206.43	\$ 1,030,055.41	6.71%
Class 08 - Rec/Non-Profit	969	\$ 111,067,300	\$ 114,620.54	\$ 112,416.97	1.96%
Class 09 - Farm	1,026	\$ 34,820,757	\$ 33,938.36	\$ 34,120.61	-0.53%
<b>Total</b>	<b>138,032</b>	<b>\$ 67,260,586,257</b>			

Vancouver					
	# of Folios	Net General Assessment Value	2010 Average Assessment Value by Class	2009 Average Assessment Value by Class	% Change in Average Assessment
Class 01 - Residential	171,938	\$ 134,868,323,434	\$ 784,400.91	\$ 781,793.77	0.33%
Class 02 - Utility	193	\$ 173,192,173	\$ 897,368.77	\$ 929,292.35	-3.44%
Class 04 - Major Industry	18	\$ 199,061,000	\$ 11,058,944.44	\$ 11,794,711.76	-6.24%
Class 05 - Light Industry	451	\$ 540,123,001	\$ 1,197,611.98	\$ 1,082,090.79	10.68%
Class 06 - Business/Other	13,865	\$ 26,873,619,469	\$ 1,938,234.36	\$ 1,906,315.18	1.67%
Class 08 - Rec/Non-Profit	893	\$ 265,853,500	\$ 297,708.29	\$ 294,576.67	1.06%
Class 09 - Farm	12	\$ 115,889	\$ 9,657.42	\$ 8,962.00	7.76%
<b>Total</b>	<b>187,370</b>	<b>\$ 162,920,288,466</b>			

### Representative Properties in Richmond Neighbourhoods

<b>Apartments</b>	<b>Year Built</b>	<b>2010 Value</b>	<b>2009 Value</b>	<b>Chg</b>
Blundell	1994	\$239,000	\$231,000	3%
Brighthouse/Lansdowne				
High Rise	1996	\$383,000	\$377,000	2%
Low Rise	1981	\$244,000	\$237,800	3%
Broadmoor				
High Rise	1982	\$299,000	\$293,000	2%
Low Rise	1991	\$295,000	\$292,000	1%
Cambie/Bridgeport	1986	\$375,000	\$353,000	6%
Seafair	1981	\$216,787	\$209,300	3%
Shellmont				
High Rise	2008	\$332,000	\$311,000	6%
Low Rise	1976	\$232,200	\$225,400	3%
Steveston	2005	\$326,000	\$316,000	3%
Thompson	1995	\$286,500	\$289,000	-1%

<b>Townhomes</b>	<b>Year Built</b>	<b>2010 Value</b>	<b>2009 Value</b>	<b>Chg</b>
Blundell	1986	\$393,000	\$402,000	-2%
Broadmoor	1987	\$416,000	\$422,000	-1%
Cambie/Bridgeport	1990	\$410,000	\$396,000	3%
Hamilton	1995	\$357,000	\$349,000	2%
Lansdowne	1989	\$353,000	\$346,000	2%
Seafair	1986	\$364,000	\$370,000	-2%
Shellmont	2005	\$449,000	\$431,000	4%
Steveston	2005	\$405,000	\$404,000	0%
Thompson	1996	\$440,000	\$433,000	2%

<b>Single Family</b>	<b>Year Built</b>	<b>2010 Value</b>	<b>2009 Value</b>	<b>Chg</b>
Blundell	1959	\$647,000	\$645,000	0%
Broadmoor	1997	\$1,000,000	\$994,000	1%
Burkeville	1944	\$385,900	\$371,600	3%
Cambie	1997	\$665,900	\$661,000	1%
Hamilton	2006	\$560,000	\$582,000	-4%
Seafair	1956	\$557,000	\$571,000	-2%
Shellmont	1969	\$651,000	\$644,000	1%
Steveston	2002	\$777,000	\$747,000	4%
Terra Nova	1966	\$615,200	\$591,500	4%