

# 2009 Assessed Values and Budgeting for 2009

## Property Taxes

The Premier's intent was well meaning, in that his original proposal does give certainty. Taxes for 2009 would have been 2008 plus the additional % by which any municipality increases their budget. A second proposal to choose the lower of the 2008 assessed values or the 2009 assessed values, allowed those with lower values at July 1 2008 [2009 valuation date] to have lower taxes.

### What to expect

BC Assessment have not yet come out with all the rules and regulations; however, one might anticipate the following:

- Each Assessment Notice will have two values; the 2008 and 2009. The "roll value" will be the lower;
- In making an appeal, it should be possible to appeal both values, so that you can achieve the lowest, even if you did not appeal last year;
- The state and condition will be as at October 31, 2008 for the 2009 value and October 31, 2007 for the 2008 value;
- A property that has been physically changed as of October 31, 2008 should be assessed in the state that existed on that date but using [1] July 2007 values for land and [2] costs as at October 2007 for a 2007 value of the construction in place at Oct 31 2008;
- If you paid \$5,000,000 in 2007 and now find additional costs not previously anticipated - eg. poor soils, your value should be lower;
- If the zoning changed, a new value as of July 1, 2007 should be created;
- If the use changed, then a new classification might be merited, particularly properties that are in the development stage;
- New buildings should be assessed at 2007 costs for the 2008 roll;
- Improved properties where land averaging was in effect in the City of Vancouver will want to have the highest value on the roll;
- Properties not appealed last year, which in hindsight were too high, can be appealed;

### School Tax Reduction

Effectively, the mill rate for school taxes will be reduced for all class 4 and 5. The most relevant to an owner is the amount of space that can be classified 5 rather than 6 in an industrial building. It has been suggested that this reduction might continue for at least 3 years. For years, we have tried to keep tenant areas out of class 5 because the mill rate was higher. It seems as though there might now be a substantial benefit in attempting to reclassify areas to qualify for the discount.

### 2009 Tax Budgets

Unless the 2007 value (2008 Roll amount) for the property is lower than the 2008 value (2009 assessed value), your assessment will remain the same.

The mill rate will rise because:

- (a) Municipality will increase its budget;

(b) Some property values have fallen, thus decreasing the total assessed value on the 2009 Roll.

Mill rate = Taxes x 1,000 \_\_\_\_\_ Total Assessments

Thus, we will see an increase in the taxes equal to the proposed Municipal budget increase plus a "little". For properties whose values for the 2009 Roll (2008 values) are less than the 2008 Roll (2007 value), the increase will be less.

If you have any questions, please give me a call.

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