CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date:	March 1, 2016
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Meeting Date:	March 9, 2016

TO: Standing Committee on City Finance and Services

FROM: Director of Finance

SUBJECT: 2016 Property Taxation: Targeted Land Assessment Averaging

RECOMMENDATION

A. THAT Council approve the application of targeted 3-year land assessment averaging for the purpose of calculating property taxes for Residential (Class 1), Light Industrial (Class 5), and Business & Other (Class 6) properties for 2016.

B. THAT, in addition to the standard exclusions as outlined in the annual Land Assessment Averaging By-laws, Council adopt a "threshold" of 10% above the property class average change for Class 1 and for Classes 5 & 6 to define eligibility for targeted averaging;

FURTHER THAT the 2016 property class average change for Class 1 and for Classes 5 & 6 be finalized upon receipt of the 2016 Revised Assessment Roll in April.

C. THAT Council instruct the Director of Legal Services, in consultation with the Director of Finance, to prepare a by-law authorizing the use of targeted 3-year land assessment averaging that reflects Council's decision on Recommendations A and B.

D. THAT, subject to adoption of the above-noted by-law, Council instruct the Director of Finance to make appropriate arrangements with BC Assessment for the production of the 2016 Average Assessment Roll at an estimated cost of $25,000 plus applicable taxes; source of funding to be the 2016 Operating Budget.

REPORT SUMMARY

The purpose of this report is to seek Council approval to use *targeted 3-year land assessment averaging* for the purpose of calculating property taxes for residential (Class 1), light industrial (Class 5), and business (Class 6) properties for 2016.

In 2015, the City transitioned from *across-the-board land assessment averaging* (which has been in place since 1993) to *targeted land assessment averaging* as per the Property Tax Policy Review Commission's ("PTPRC") recommendation.

Unlike *across-the-board averaging*, which is applied to the vast majority of residential, light industrial and business properties, whether or not the properties have experienced significant year-over-year increases in values, *targeted averaging* applies only to "hot" properties (defined as those that have experienced significant year-over-year increases in property values above the "threshold" set by Council). The intent of the policy is to reduce tax increases on the targeted properties until such time as the property is no longer "hot". *Targeted averaging* focuses only on "hot" properties above the "threshold", and properties below the "threshold" will be left untouched by averaging, and pay taxes based on their BC Assessment values.

The program functioned as intended: in 2015, approximately 9,900 (5.6%) residential properties and 1,300 (13%) light industrial and business properties were targeted for mitigation, resulting in varying degrees of temporary tax relief. Should Council approve the continuation of targeted averaging for 2016, it is anticipated that 15,770 (8.5%) residential properties and 2,680 (19%) industrial and business properties would benefit from the program.

Land assessment averaging is an optional tool available to Council under the *Vancouver Charter*. To date, Vancouver is the only municipality in British Columbia that uses land assessment averaging to phase in significant property tax increases arising from assessment volatility at a city-wide level.

- For eligible residential properties, this program complements other provincial measures such as Section 19(8) of the *Assessment Act*, Property Tax Deferment and the Home Owner Grant in alleviating significant year-over-year tax increases.
- For light industrial and business properties, this program is the only mitigating measure that provides businesses with short-term, multi-year relief to enable market adjustments and/or lease renegotiations.

Taken together, these mitigating measures have addressed major property tax increases for residents and businesses.

In May 2011, the Province enacted *2011 Municipalities Enabling & Validating Act (No. 4)* in response to the City of Richmond's request for specific authority to provide targeted, transitional tax relief to eligible light industrial and business properties in the Brighouse neighborhood. The program does not apply to other areas in Richmond or other municipalities in British Columbia. Staff is not aware of any other mechanisms being deployed elsewhere in the province.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Since 1993, it has been Council policy to apply *across-the-board* 3-year land assessment averaging for the purpose of calculating property taxes for residential (Class 1) and business

(Class 6) properties. In 2007, Council extended the program to light industrial (Class 5) properties.

Section 374.4 of the *Vancouver Charter* allows Council to consider the application of land assessment averaging each year. If Council decides to proceed, a by-law must be adopted before March 31 authorizing the use of such a mechanism. Each year, Council can also specify certain eligibility requirements for properties to be considered for averaging under the by-law.

In April 2013, the Province amended sections 374.4 (12) and (13) of the *Vancouver Charter* to allow Council to establish, by by-law, the number of preceding years to be applied in determining the average land value, up to a maximum of five years, for the purpose of land assessment averaging. Once the choice is made, the number of years used in the averaging formula must be held for five years. 2014 was the first year that the averaging program was governed by the amendment.

In May 2013, Council reconvened the PTPRC to provide an updated assessment of the City's property tax policy. To further address taxation impact arising from assessment volatility, in February 2014, the PTPRC recommended *targeted* land assessment averaging.

In March 2014, Council approved the continuation of *across-the-board* 3-year land assessment averaging pending staff analysis and a report back on the PTPRC recommendations. Under this amendment, a shift to 5-year land assessment averaging cannot be considered until 2019.

In July 2014, Council adopted the PTPRC recommendation and instructed staff to transition from *across-the-board* to *targeted* 3-year land assessment averaging for the 2015 tax year, subject to confirmation of authority from the Province. In February 2015, staff received such confirmation from the Province.

In March 2015, Council adopted the *2015 Land Assessment Averaging By-law* that authorized the use of *targeted* 3-year land assessment averaging for the purpose of calculating property taxes for residential (Class 1), light industrial (Class 5), and business (Class 6) properties.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The Acting City Manager RECOMMENDS approval of the foregoing.

The City plays a leading role in enabling a thriving business environment and building a world-class, sustainable community for its residents. Vancouver has consistently been ranked as one of the most livable cities in the world. It has also been heralded for having one of the best business tax environments in the world (KPMG 2014). In 2016-2019, Metro Vancouver is expected to lead the nation in economic growth (Conference Board of Canada). The City has also received one of the strongest credit ratings for a Canadian city (AAA/AA+). To build on this economic strength and sustain its competitiveness, the City works to maintain an affordable environment for businesses and residents.

While the City's property tax regime generally functions as intended, every tax system has inherent limitations and challenges. Over the years, tax share and assessment volatility have been key issues within the business community. The challenge of assessment volatility is more prevalent on "hot" properties with triple net leases, where landlords transfer the entire tax burden to small business tenants while benefiting from the increase in property value upon sale or redevelopment.

In its report to Council in February 2014, the PTPRC found no evidence of an increasing business tax differential between Vancouver and other parts of the region, or of business investment moving to neighboring municipalities. This suggests that the 5-year tax shift program (completed in 2012) was effective in bringing the City's business tax share in line with its peers, and no additional tax shift is currently contemplated. Staff continues to collect and refine the metrics recommended by the PTPRC, and has started incorporating these as part of the annual Budget Report (December) and Tax Distribution Report (April). The metrics would help guide future property tax policy decisions.

With regards to property tax predictability and stability, the City transitioned from *across-the-board averaging* to *targeted averaging* in 2015, as recommended by the PTPRC. The program functioned as intended, and mitigated significant tax increases arising from assessment volatility for ~11,200 properties. *Targeted averaging* is one of the few mitigating measures available for residential properties; but is the only tool for commercial properties at this point. The program provides short-term, multi-year tax relief to businesses to enable market adjustments and/or lease renegotiation. Taken together, these mitigating measures have addressed major property tax increases for residents and businesses. Given the significant assessment increases experienced across Vancouver for 2016, which could impact homeowners and businesses to varying degrees, staff recommend that Council support the *targeted averaging* approach again this year in order to provide the much needed temporary relief to those residential, light industrial and business properties that are most impacted.

As well, further to the recent BC Supreme Court ruling (Amacon case) on the application of split assessments on mixed use development, which could have significant impact on the assessment and classification of mixed use development going forward, and in response to the Council motion (dated February 23, 2016), staff will closely monitor the case and work with BC Assessment to i) complete the split assessment study and ii) clarify the "value-in-use" assessment methodology, both previously requested of BC Assessment in Fall 2014.

In addition to the significant progress made on the City's property tax policy, Council has taken proactive steps to enhance affordability and support economic development. This includes:

- keeping property tax, utility and user fees competitive within Metro Vancouver;
- lowering the business property tax share from 52% to 43% and improving the business tax rate ratio from 6 to 4.1 over the past 10 years, one of the most substantial improvements within Metro Vancouver;
- bringing transformative changes to enhance customer service, efficiencies and accountability;
- implementing the Vancouver Economic Strategy to attract global talent, companies and investment;
- implementing the 2012-2021 Housing & Homelessness Strategy to increase the availability and range of affordable housing choices for all residents;
- implementing the Transportation 2040 Plan to enable a sustainable, efficient transportation system;
- implementing the Greenest City 2020 Action Plan, which is positioning Vancouver as a global leader in urban sustainability; and
- adopting land use policies that preserve commercial, industrial and job space, promote affordable housing and childcare, and allow for accessible recreational facilities to attract and retain top talent.

Through these actions, Vancouver has experienced strong population growth, job creation and robust commercial development in recent years.

REPORT

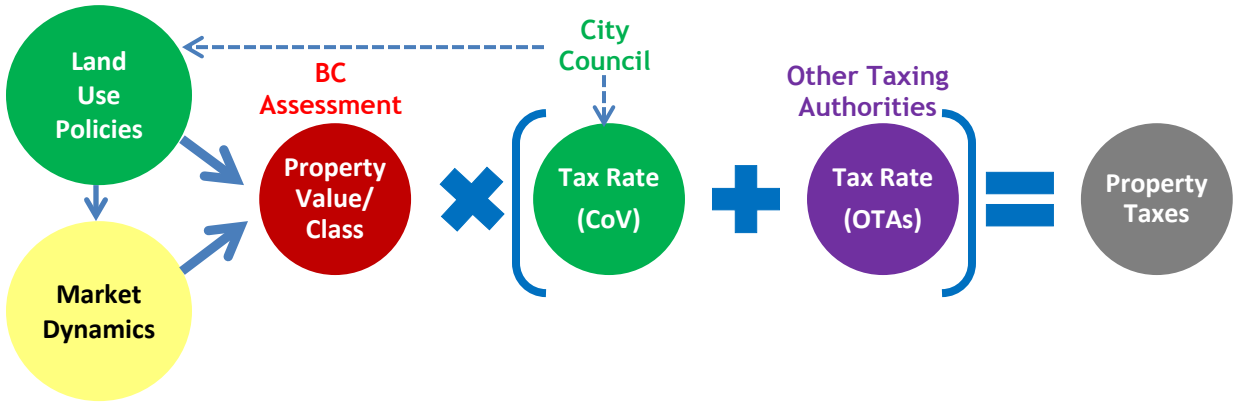
Background/Context

Property Taxation Framework

British Columbia's property taxation framework has been recognized as one of the best in class due mainly to the segregation of assessment and taxation functions that ensure objectivity and credibility; and the annual market valuation approach that ensures currency, equity and transparency.

Figure 1 below shows the key drivers and stakeholders within the property taxation framework.

Figure 1: Property Taxation Framework



Property taxes are levied by taxing authorities based on real property values, which are driven by zoning as defined in **land use policies** and by **market dynamics**.

BC Assessment determines the value of all real properties in BC based on their "highest and best use" as defined by zoning and market evidence, and assigns them to appropriate property class(es) based on their "actual use" in accordance with the *Assessment Act*. An *Assessment Roll* is produced annually for municipalities and other taxing authorities (OTAs) such as Provincial schools, Translink, Metro Vancouver, Municipal Finance Authority and BC Assessment to levy property taxes.

City Council sets land use policies that define zoning; determines the amount of general purpose tax levy required to support City operations; sets residential and business tax share and tax rates; and levies property taxes using the *Assessment Roll*. Council may also decide whether to apply mitigation tools such as land assessment averaging in any given year. The City's general purpose tax portion accounts for ~50% of the overall tax rate.

OTAs set tax share and tax rate for each property class, and levy property taxes using the *Assessment Roll*. If land assessment averaging is applied, the tax rates for the impacted property classes will be adjusted to ensure revenue neutrality. OTAs accounts for ~50% of the overall tax rate.

As a general rule, the extent of change in a property's taxes year-over-year is determined primarily by how that property's assessed value has changed relative to the average change within its property class. While changes in the overall *Assessment Roll* value will not change the total general purpose tax levy generated from each property class, differential changes among properties within the same class will result in differential shifts in taxes paid by individual property owners from year to year. This situation is particularly prevalent in neighborhoods with significant growth opportunities and/or development potential where property values could experience a much higher increase relative to other areas in the City and, as a result, pay higher taxes.

Figure 2 below outlines how volatility in a property's assessed value impacts its property taxes in general terms. It does not, however, reflect the impact of non-market changes (e.g. new construction, class transfers, rezonings) and tax shifts among property classes.

Figure 2: Impact of Property Value Changes on Property Taxes

If a property's value has increased…	…its property tax…
…*at the same rate* as the property class average change,	…will increase *at the same rate* as the property class average increase.
…*more* than the property class average change,	…will increase *more* than the property class average increase.
…*less* than the property class average change,	…will increase *less* than the property class average increase.

Mitigating Measures

Land assessment averaging is an optional tool available to Council under the *Vancouver Charter*. To date, Vancouver is the only municipality in British Columbia that uses land assessment averaging to phase in significant property tax increases arising from assessment volatility at a city-wide level.

- For eligible residential properties, this program complements other provincial measures such as Section 19(8) of the *Assessment Act*, Property Tax Deferment and the Home Owner Grant (described below) in alleviating significant year-over-year tax increases.
- For light industrial and business properties, this program is the only mitigating measure that provides businesses with short-term, multi-year relief to enable market adjustments and/or lease renegotiations.

Taken together, these mitigating measures have addressed major property tax increases for residents and businesses.

The following **Provincial tax relief measures** are available to residential property owners which can be applied independently or in combination to alleviate some taxation impact.

Assessment Act s19(8) - available to property owners who have continuously occupied their principal residence for at least 10 years; the land will be assessed based on current zoning rather than anticipated zoning and development potential. (2015: 517 properties)

Property Tax Deferment - available to property owners 55 years of age or older who occupy their principal residence and families with children under 18 years of age. (2014: 3,900 properties; 2015 applications in progress)

Home Owner Grant - available to property owners who occupy their principal residence of which the value falls within the qualifying range. (2014: 94,452 properties; 2015 applications in progress)

See Appendix E for the geographical distribution of properties that are under the above provincial tax relief programs.

Section 374.4 of the *Vancouver Charter* stipulates the legislative and administrative requirements for implementation of **land assessment averaging** as follows:

a) **Land Assessment Averaging By-law** - Must be adopted before March 31.

b) **Number of Preceding Years to be Applied in the Averaging Formula** – Subsections 12 & 13 (enacted in 2013) allows Council to establish, by by-law, the number of preceding years to be applied in determining the average land value, up to a maximum of five years, for the purpose of land assessment averaging. Once the choice is made, the number of years used in the averaging formula must be held for five years. 2014 was the first year that the averaging program was governed by the amendment. In March 2014, Council approved the continuation of *across-the-board* 3-year averaging pending staff analysis and a report back on the PRPRC recommendations. Under this amendment, a shift to 5-year land assessment averaging cannot be considered until 2019.

c) **Eligible Property Classes** - Residential (Class 1), light industrial and business (Classes 5 & 6) properties only.

d) **Eligible Properties** – Eligibility and exemption criteria are stipulated in the *By-law*. For *targeted averaging*, the *By-law* must stipulate a "threshold" to define "hot" properties eligible for averaging. As Council can only establish one tax rate for each class, properties that are not eligible for averaging are also subject to the averaged tax rates.

e) **Averaging Applies to All Taxes** - As averaging affects the taxable values for calculating taxes levied by the City as well as OTAs, a decision to apply averaging to a property class requires that adjustment be made to OTAs' tax rates to ensure revenue neutrality.

f) **Public Notification** - Must be published in two consecutive issues of a newspaper at least two weeks in advance of the adoption of the *By-law*. For 2016, the notice was placed in Courier on February 11 and 18, and has been on the City's website since February 22. A copy of the notice can be found in Appendix F.

g) **Appeal Process** - The *By-law* provides for a municipal Court of Revision for appeals that cannot be resolved within the administrative processes provided for in the *Vancouver Charter*.

Please refer to Appendix A for further details on the Provincial tax relief measures and the City's land assessment averaging program.

Strategic Analysis

Similar to other Metro Vancouver municipalities, Vancouver has experienced cycles of active real estate markets from neighborhood to neighborhood which resulted in uneven property value increases and therefore taxation impacts. Land assessment averaging is an optional mitigation tool available under the *Vancouver Charter* which complements the abovementioned provincial tax relief measures in alleviating tax impact on eligible properties. To date, Vancouver is the only municipality in British Columbia that uses land assessment averaging to phase in property tax impacts arising from assessment volatility at a city-wide level.

In May 2011, the Province enacted *2011 Municipalities Enabling & Validating Act (MEVA) (No. 4)* in response to the City of Richmond's request for specific authority to provide targeted, transitional tax relief to eligible light industrial and business properties in the Brighouse neighborhood. The program does not apply to other areas in Richmond or other municipalities in British Columbia. The intent of that policy was to address the high vacancies and job loss arising from volatility in assessments and property taxes in the area, which were triggered by changes in Richmond's Official Community Plan (adopted in mid-2009) allowing higher density residential development in and around that neighborhood. In addition to exempting municipal taxes under the *Revitalization Tax Exemption* provision, the *2011 MEVA (No. 4)* enables partial exemption of the provincial school tax. The program runs from 2012 to 2016, starting with only 39 eligible properties in 2012 and reduced to 29 properties in 2016.

Staff is not aware of any other mechanisms being used elsewhere in the province.

In 2013, Council reconvened the PTPRC to provide an updated assessment of the tax share and assessment volatility issues, and recommend further actions as appropriate for Council's consideration. In its report to Council in February 2014, the PTPRC remained concerned about "hot" spots in the commercial sector, assessment volatility and resulting tax impact on businesses, particularly those that rent space under triple-net leases which could be hard hit by assessment spikes with no ability of sharing any upside in property values upon redevelopment. The PTPRC defines "hot" spots as properties that experience an unanticipated, year-over-year increase in total assessed value before land averaging is applied, which exceeds the average increase for the property class by more than 10%. "Hot" spots may result from a number of different factors, including rezoning, speculation, market trends, infrastructure development (e.g. rapid transit), and assessment changes initiated by BC Assessment.

In determining which mitigation tool is the most appropriate, the PTPRC sets out the following guiding principles:

i) targeted
   - "hot" properties only, not all properties
   - unanticipated increases only, not owner-induced increases (rezoning, improvement upgrades)

ii) tailored mitigation to intensity of volatility
iii) time-limited to allow tenants time to react (re-negotiate, relocate)
iv) easy to understand
v) straightforward to administer
vi) minimize unintended consequences
vii) maintain market assessment as much as possible
viii) not to unduly defer redevelopment to highest and best use

The PTPRC concluded that the *targeted 5-year land assessment averaging* best meets the above guiding principles.

Unlike *across-the-board averaging*, which is applied to the vast majority of residential, light industrial and business properties whether or not the properties have experienced significant year-over-year increases in property values, *targeted averaging* applies to only "hot" properties (defined as those that have experienced significant year-over-year increases in property values above the "threshold" set by Council). The intent of the policy is to reduce the level of tax increases until such time as the property is no longer "hot". Properties below the "threshold" will be left untouched and pay taxes based on their BC Assessment values. For those properties that are below the "threshold" but have experienced significant shift in value between land and improvement, they could be significantly disadvantaged by *across-the-board averaging*. Under *targeted averaging*, those properties will be left untouched, thereby avoiding any unintended consequences.

Figure 3 below outlines the key differences between *across-the-board averaging* and *targeted averaging*.

Figure 3: Across-the-board Averaging vs. Targeted Averaging

Across-the-board Averaging (Classes 1/5/6)	Targeted Averaging (Classes 1/5/6)
• apply to all properties whether or not intervention is require	• apply only to "hot" properties above target threshold
• ongoing intervention	• intervene only when a property is "hot"
• ~half of all properties pay higher tax to subsidize the other half	• ~90% of properties pay slightly higher tax to subsidize ~10% properties
• property value could be adjusted higher	• property value will only be adjusted lower or unchanged, never higher
• intervention blind to severity of volatility	• tailored intervention to address severity of volatility • lower value towards, but not below, threshold

On February 20, 2015, the Province confirmed that, under section 374.4 of the *Vancouver Charter*, the City has the authority to use a "threshold" to define eligibility for *targeted averaging*. With this authority, the value of the target properties would be reduced through averaging, thereby reducing the level of tax increases. Depending on how the land values of individual target properties have changed over the recent three years, the impact of averaging will likely differ for each target property.

To ensure *targeted averaging* would not over mitigate a "hot" property, the City requires additional authority to limit the impact of averaging up to the "threshold" (10% above class average change). Without such authority, averaging could reduce the value of a target property below the "threshold". As a result, some target properties could have an undue advantage over those properties that are not eligible for *targeted averaging*. As well, a "hot" property is defined as having a year-over-year increase in property value (difference between the current year's BC Assessment value and the preceding year's averaged value) above the "threshold". If *targeted averaging* keeps reducing the value of a "hot" property below the "threshold", the year-over-year increase would be arbitrarily higher. As a result, a "hot" property could stay in the *targeted averaging* program for longer than required, and a higher subsidy is necessary from other properties. With Council support, staff will continue to pursue this request with the Province.

With regards to the potential use of *Revitalization Tax Exemption* to address "hot" properties in Vancouver, the PTPRC made the following comments:

- Current legislation does not envision the *Revitalization Tax Exemption* provision be used to combat hot spots.
- Exemptions only apply to municipal taxes; taxes levied by other taxing authorities are not exempt.
- Implementation would require the City to develop an onerous set of processes and procedures given the city-wide coverage and number of eligible properties.
- Relative to the program in Richmond, it would be more complicated for Vancouver as i) Richmond's program is focused only on one geographic area and ii) it only applies to light industrial and business properties that experienced more than 100% increase in land value from 2005-2011; whereas Vancouver's program would need to target "hot" properties that emerge as a result of assessment volatility in any given year across the city, including residential, light industrial and business properties.

IMPACT OF LAND ASSESSMENT AVERAGING

Staff has completed an analysis of the impact of *across-the-board averaging* and *targeted averaging* on properties within the residential (Class 1), light industrial and business (Classes 5 & 6) property classes based on the following:

a) **Data Source** - The 2016 *Completed Roll* available at the time of this report; the 2016 *Revised Roll* which incorporates updates from the Property Assessment Review Panel decisions will not be available until April.

b) **Eligibility Criteria** – The set of eligibility criteria and proxies used in the model is similar to those contained in the *By-law*, which excludes vacant land, new construction, class transfers, and other ineligible properties. For *targeted averaging*, a "threshold" of 10% above the class average increase is used to define "hot" properties as recommended by the PTPRC. Based on the *Completed Roll*, the average increase in property values (difference between the 2016 *Completed Roll* value and the 2015 *Average Roll* value) is 19.89% [2015: 8.77%] for the residential class and 21.1% [2015: 14.22%] for the light industrial and business classes, resulting in a "threshold" of 29.89% [2015: 18.77%] for Class 1 and 31.1% [2015: 24.22%] for Classes 5 & 6. The class average increase in property values will be finalized upon receipt of the *Revised Roll* in April.

c) **Impact on General Purpose Tax Levy Only** - While averaging is applicable to all taxes levied by the City as well as OTAs, only the City's general purpose tax levy is considered in the model as OTAs' tax rates are not available at the time of this report. However, a similar pattern would apply.

d) **Tax Shift** – None contemplated for 2016, which is consistent with the PTPRC's recommendations presented in February 2014 and adopted by Council in July 2014.

Subject to the 2016 *Revised Roll* as well as Council's decision on tax distribution in April 2016, the impact of land assessment averaging presented in this report could change.

I. Residential (Class 1) Properties

Compared to the 2015 *Revised Roll*, the 2016 *Completed Roll* indicates a year-over-year increase of $37.4 billion (18.5%) in the total assessed value for the residential property class,

of which $34.1 billion (16.8%) is from an increase in market value and $3.3 billion (1.6%) is from non-market changes (e.g. new constructions, inter-class transfers, rezonings) that may not be eligible for land assessment averaging.

In December 2015, Council approved an overall tax levy of $682.3 million. Assuming no tax shift in 2016, the tax levy to be collected from the residential property class would be ~$367 million. Tax rates are calculated based on the total taxable value on the *Assessment Roll*. As averaging reduces the total taxable value of a property class, the tax rate will be adjusted higher to collect the same amount of tax levy.

As illustrated in Figure 4 below, applying *targeted averaging* reduces the total taxable value slightly from $240 billion to $235 billion and increases the tax rate slightly from $1.54 to $1.57 per $1,000 taxable value (2%).

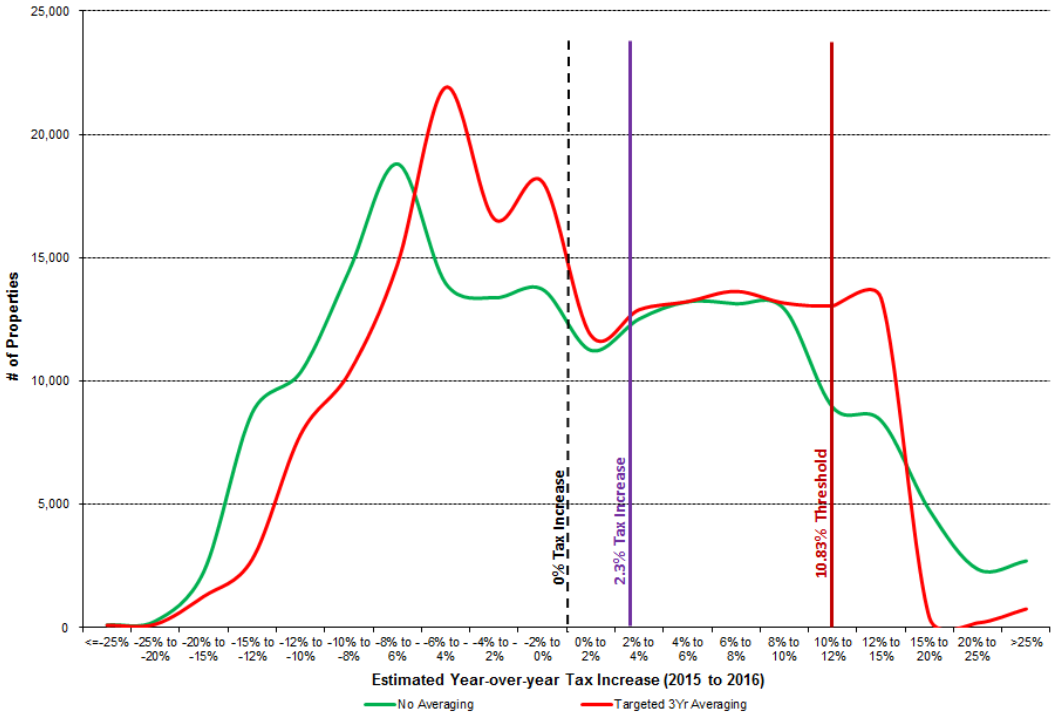
Figure 4: Residential (Class 1) Properties
Estimated Impact of Land Assessment Averaging on 2016 Taxable Value & Tax Rate

Class 1 - Residential	No Averaging (BCA Value)	Targeted 3-yr Land Assessment Averaging
Taxable Value	$240B	$235B
Tax Rate (per $1,000 Taxable Value)	$1.54	$1.57
(% adjustment in tax rate)	-	*(+2%)*
Target General Purpose Tax Levy	$367M	$367M

The City does not have authority to limit the impact of *targeted averaging* up to the "threshold" (10% above class average change). As such, *targeted averaging* could reduce the value of a "hot" property below the "threshold", resulting in a higher subsidy from the rest of the properties to offset the tax relief. If the City were granted this authority, the adjustment to the tax rate for residential (Class 1) properties from no averaging to *targeted averaging* could reduce from ~2% to ~1%. With Council support, staff will continue to pursue this request with the Province.

Figures 5 below demonstrates the estimated impact of land assessment averaging on property tax increases in 2016 for residential (Class 1) properties under targeted averaging. In December 2015, Council approved the 2016 budget with an estimated tax increase of 2.3%. However, individual properties could experience a tax increase different from the Council-approved tax increase, depending on how a property's value has changed relative to average change within its class.

Figure 5: Estimated Property Tax Increase – Residential (Class 1)
No Averaging vs. Targeted 3-yr Averaging



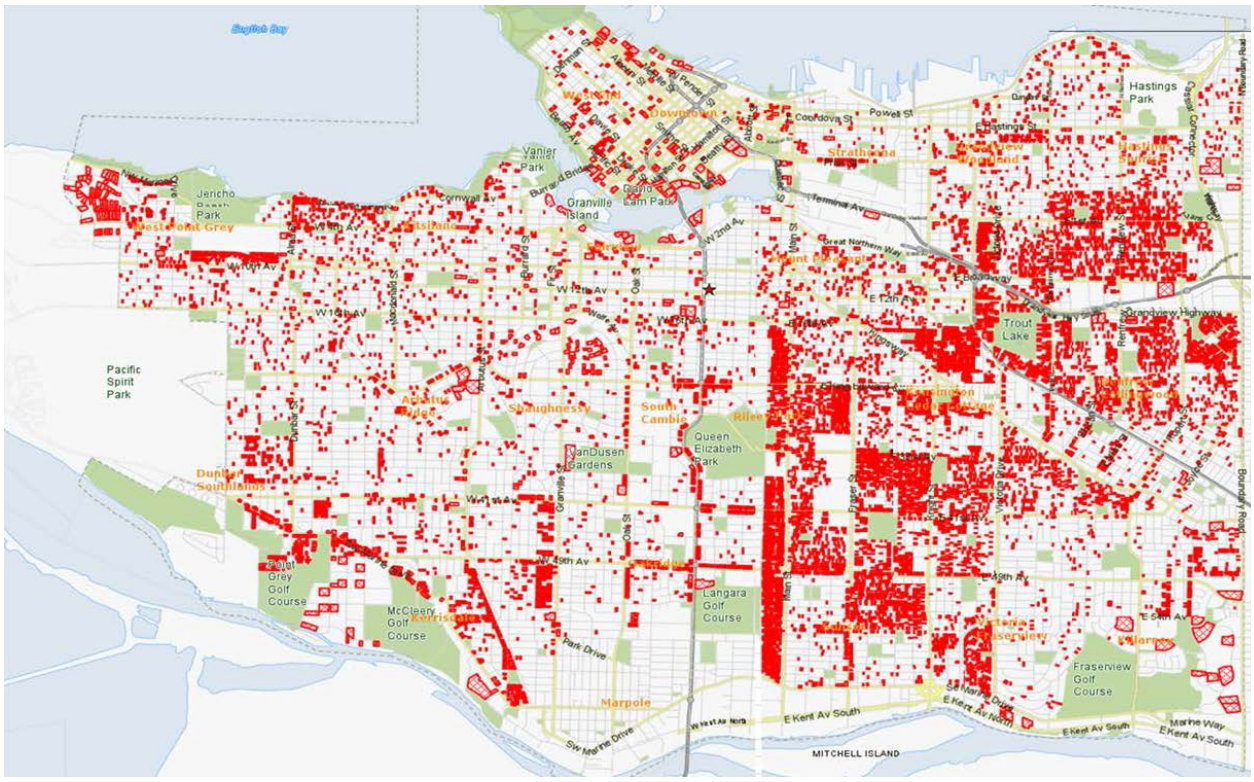
As shown in Figure 5, with *targeted 3-year averaging*, 15,770 properties (8.5%) [2015: 9,900 properties (5.6%)] are above the "threshold" and deemed "hot" and will be eligible for averaging. The vast majority of properties below the "threshold" will pay slightly higher taxes to subsidize the tax relief for those "hot" properties.

The PTPRC recommended a "threshold" of 10% above the class average increase be used to define "hot" properties. Based on the *Completed Roll*, the average increase in residential property values (difference between the 2016 *Completed Roll* value and the 2015 *Average Roll* value) is ~19.89% [2015: 8.77%], resulting in a "threshold" of ~29.89% [2015: 18.77%]. The class average increase in property values will be finalized upon receipt of the *Revised Roll* in April. If a residential property experiences an increase of ~19.89% in value (class average increase), it will receive a property tax increase of ~2.3% (average tax increase). If a residential property experiences an increase in value above 29.89% ("threshold"), it will receive a property tax increase above 10.83% before targeted averaging is applied.

The impact of *targeted* land assessment averaging on sample residential (Class 1) properties is presented in Appendix B.

Figure 6 below shows the geographical distribution of "hot" residential properties that have experienced a year-over-year increase in property values above the "threshold" and would be eligible for *targeted averaging*.

Figure 6: Geographical Distribution of Hot Residential Properties



II. Light Industrial & Business (Classes 5 & 6) Properties

Since 2000, the light industrial and business (Classes 5 & 6) properties have been "blended" for the purpose of calculating property taxes, i.e. the tax rates for these classes are the same.

Compared to the 2015 *Revised Roll*, the 2016 *Completed Roll* indicates a year-over-year increase of $7.8 billion (19.3%) in the combined assessed value for the light industrial and business property classes, of which $7.3 billion (18.0%) is from an increase in market value and $0.5 billion (1.3%) is from non-market changes (e.g. new construction, inter-class transfers, rezonings) that may not be eligible for land assessment averaging.

In December 2015, Council approved an overall tax levy of $682.3 million. Assuming no tax shift in 2016, the tax levy to be collected from the light industrial and business property classes would be ~$302 million. Tax rates are calculated based on the total taxable value on the *Assessment Roll*. As averaging reduces the total taxable value of a property class, the tax rate will be adjusted higher to collect the same amount of tax levy.

As illustrated in Figure 7 below, applying targeted averaging reduces the total taxable value from $48.4 billion to $45.9 billion and increases the tax rate from $6.3 to $6.6 per $1,000 taxable value (5.4%).

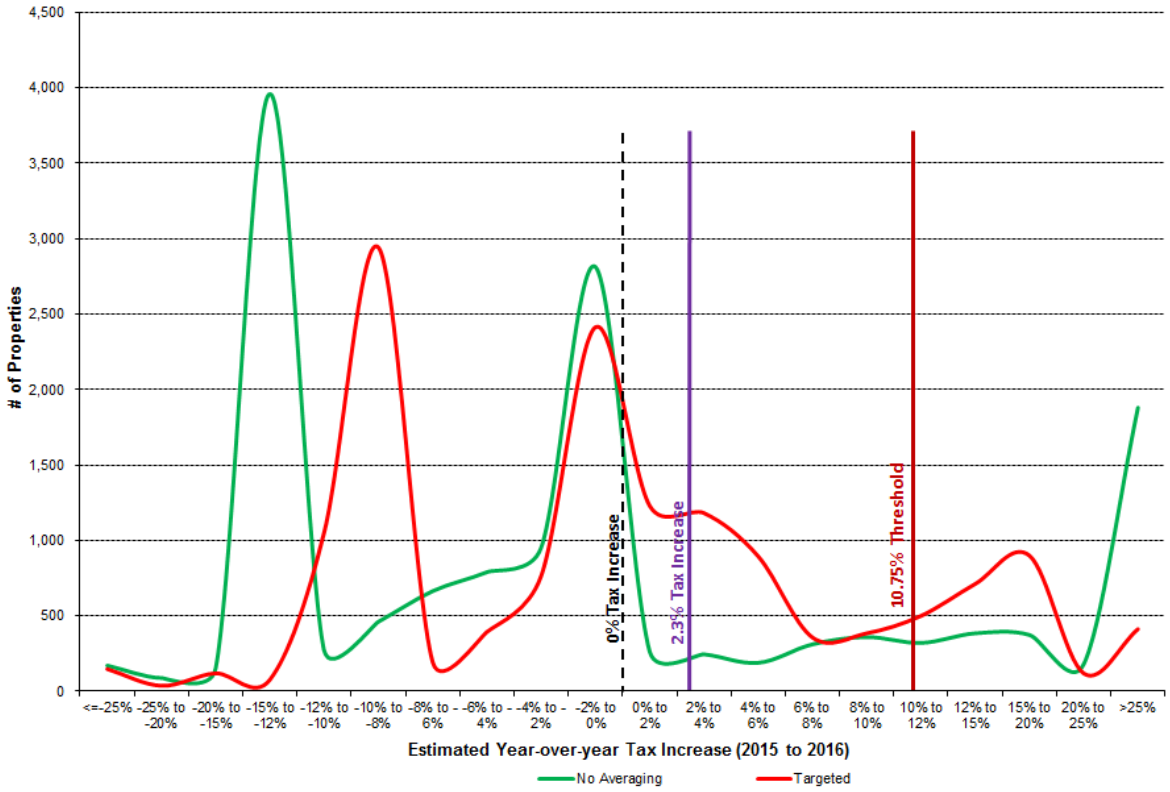
Figure 7: Light Industry & Business (Classes 5 & 6)
Estimated Impact of Averaging on 2016 Taxable Value & Tax Rate

Class 5 & 6 - Light Industrial & Business	No Averaging (BCA Value)	Targeted 3-yr Land Assessment Averaging
Taxable Value	$48.4B	$45.9B
Tax Rate (per $1,000 Taxable Value)	$6.27	$6.61
(% adjustment in tax rate)	-	*(+5.4%)*
Target General Purpose Tax Levy	$302.3M	$302.3M

If the City were granted the authority to limit the impact of *targeted averaging* up to the "threshold" (10% above class average change), the adjustment to the tax rate for light industrial and business (Classes 5 & 6) properties from no averaging to *targeted averaging* could reduce from ~5.4% to ~3.7%.

Figures 8 below demonstrates the estimated impact of land assessment averaging on property tax increases in 2016 for light industrial and business (Classes 5 & 6) properties under *targeted averaging*. In December 2015, Council approved the 2016 budget with an estimated tax increase of 2.3%. However, individual properties could experience a tax increase different from the Council-approved tax increase, depending on how a property's value has changed relative to average change within its class.

Figure 8: Estimated Property Tax Increase – Light Industry & Business (Classes 5 & 6)
No Averaging vs. Targeted Averaging



As shown in Figure 8, with *targeted 3-year averaging*, 2,700 properties (19%) [2015: 1,300 properties (13%)] are above the "threshold" and deemed "hot" and will be eligible for

averaging. The vast majority of properties below the "threshold" will pay slightly higher taxes to subsidize the tax relief for those "hot" properties.

The PTPRC recommended a "threshold" of 10% above the class average increase be used to define "hot" properties. Based on the *Completed Roll*, the average increase in light industrial and business property values (difference between the 2016 *Completed Roll* value and the 2015 *Average Roll* value) is ~21.1% [2015: 14.22%], resulting in a "threshold" of ~31.1% [2015: ~24.22%]. The class average increase in property values will be finalized upon receipt of the *Revised Roll* in April. If a light industrial/business property experiences an increase of ~21.1% in value (class average increase), it will receive a property tax increase of ~2.3% (average tax increase). If a light industrial/business property experiences an increase in value above 31.1% ("threshold"), it will receive a property tax increase above 10.75%.

The impact of *targeted* land assessment averaging on sample light industrial and business properties is presented in Appendix C.

Figure 9 below shows the geographical distribution of "hot" light industrial and business properties that have experienced a year-over-year increase in property values above the "threshold" and would be eligible for *targeted averaging*.

Figure 9: Geographical Distribution of Hot Light Industrial & Business Properties

Implications/Related Issues/Risk (if applicable)

Financial

Should Council approve the adoption of the targeted 3-year land assessment averaging program in 2016, the City will require an *Average Assessment Roll* for calculating property taxes.

Since 1993, BC Assessment has offered to produce an average or phased assessment roll to any municipal jurisdiction on a user-fee basis. The cost of producing an *Average Assessment Roll* in 2016 is estimated at $25,000 plus applicable taxes; source of funding to be the 2016 Operating Budget.

CONCLUSION

Based on the analysis, staff recommends that Council approve the use of *targeted averaging* in 2016 for the purpose of calculating property taxes for residential (Class 1), light industrial and business (Class 5 & 6) properties.

* * * * *

Over the last few decades, Vancouver has experienced cycles of a very active real estate market, particularly residential, from neighborhood to neighborhood which has resulted in uneven property value increases and taxation impacts across the City. There are a number of provincial and municipal mechanisms available for property owners which, when applied independently or in combination, could mitigate the taxation impact.

(i) ***Assessment Act* s19(8)** (property value reduction)
This option applies to properties within an area where there is a change in the land use policy involving "upzoning" and additional development potential which significantly increases the underlying land value. Under s19(8), residential property owners who have continuously owned and occupied the property as their principal residence for at least 10 years are eligible for a reduced property assessment. For eligible properties, the land portion of the assessed value will be based on current zoning rather than on anticipated future zoning and development potential. BC Assessment has been proactive in notifying potentially eligible property owners of this option. Any reduction in assessed values could shift tax burden among property owners, but the total general purpose tax levy remains the same; City revenue is not impacted.

(ii) **Property Tax Deferment** (tax deferral)
Eligible residential property owners who occupy their principal residence may defer all or a portion of the taxes owing net of home owner grant, if applicable. The Province finances the property tax payments at prescribed low interest rates and puts a charge against the property. Repayment is not required until ownership is transferred. Property tax deferment is available to individuals who are 55 years of age or older and, effective 2010, to families with children under 18 years of age. Financing is provided by the Province; City revenue is not impacted.

(iii) **Home Owner Grant** (tax reduction)
Residential property owners who occupy their principal residence are eligible for the Home Owner Grant if the value of their home falls within the qualifying range. The grant is applied first to offset school taxes, and any residual grant is then applied to reduce the general purpose tax levy. Effective 2006, individuals who are 65 years of age or older who fall within the lower income levels are able to claim the full senior home owner grant irrespective of the value of their property. Grants are funded by the Province; City revenue is not impacted.

CITY OF VANCOUVER MITIGATING MEASURE – LAND ASSESSMENT AVERAGING
(RESIDENTIAL & BUSINESS PROPERTIES)

Since 1993, it has been Council policy to apply the three-year land assessment averaging program for the purpose of calculating property taxes for Residential (Class 1) and Business & Other (Class 6) properties; in 2007, Council extended the program to Light Industrial (Class 5) properties.

This mechanism entails averaging three years of land value (current year and two prior years) to phase in year-over-year property tax impacts arising from land value changes and to reduce the number of properties that experience extreme volatility in property taxes driven by significant increases and decreases in land values. The current assessed improvement value is then added to the adjusted land value for calculating property taxes. Vancouver is the only municipality in British Columbia that applies land assessment averaging.

In 2007, the PTPRC recommended using up to five years of assessed land values (instead of the current three years) in the averaging formula to enhance property tax stability and predictability. In spring 2013, the Province enacted the necessary amendments to the *Vancouver Charter* to enable this approach.

Land assessment averaging is revenue neutral to the City as the total general purpose tax levy collected from each property class is the same with or without application of this mechanism.

Over the years, various independent studies by industry experts re-affirmed the effectiveness of land assessment averaging in enhancing property tax stability and predictability.

(i) In 1993, Council established the **Vancouver Task Force on Property Taxation** which, in their April 1994 report (*Property Tax Task Force Report*), recommended that *"Council support the ongoing use of three-year land value averaging as a tool to buffer the impacts of large assessed value changes."*

(ii) In 2006, Council established the **Property Tax Policy Review Commission** which provided their final recommendations to Council in September 2007 (*PTPRC Final Report*). Council instructed staff to seek an amendment to the *Vancouver Charter* to allow the City to use up to five years of assessed land values in the averaging formula (*RTS#6947*).

Calculating Property Taxes Using Land Assessment Averaging

Figure 14 below compares the calculation of property taxes under the market value approach and the land assessment averaging approach (same for *across-the-board averaging* and *targeted averaging*). The total general purpose tax levy for the City is the same under both approaches.

Figure 14: Property Tax Calculation

Market Value Approach		3-yr Land Assessment Averaging Approach (Across-the-board & Targeted)	
	2015 Land Value		Average of 2013/14/15 Land Value
+	2015 Improvement Value	+	2015 Improvement Value
=	2015 Taxable Value $_{Market}$	=	2015 Taxable Value $_{Average}$
x	2015 Tax Rate $_{Market}$	x	2015 Tax Rate $_{Average}$
=	2015 Total General Purpose Tax Levy	=	2015 Total General Purpose Tax Levy

As shown in Figure 14, application of 3-year land assessment averaging affects two components in the property tax calculation:

Taxable Value $_{Average}$ – The taxable value of a property is calculated using the average land value of the current year and the two prior years plus the current improvement value.

Tax Rate $_{Average}$ – For those property classes eligible for averaging, tax rates are recalculated based on the total average value of each class in order to generate the same amount of total general purpose tax levy. As targeted averaging *reduces* the total taxable value of a property class, the tax rate will be *higher when compared to the market value approach*.

Implementation – Legislative & Administrative Requirements

Section 374.4 of the *Vancouver Charter* stipulates the legislative and administrative requirements for the implementation of land assessment averaging:

(i) Land Assessment Averaging By-law
The by-law must be adopted by Council before March 31 each year.

(ii) Number of Preceding Years to be Applied in the Averaging Formula
Council must establish by by-law the number of preceding years to be applied, up to a maximum of five years, in determining the average land value for the purposes of land assessment averaging. Once the choice is made, the averaging formula needs to hold for five years.

(iii) Eligible Property Classes
Averaging is applicable to Residential (Class 1), Light Industrial (Class 5), and Business & Other (Class 6) properties only. It is not applicable to Seasonal & Non-Profit properties (Class 8) and other properties valued at special rates – Utilities (Class 2), Supportive Housing (Class 3), Major Industry (Class 4), and Farm (Class 9).

(iv) Eligible Properties
Council can determine in the Land Assessment Averaging By-law the eligibility of individual properties within the eligible property classes. Generally speaking, in cases where there is a substantial change in the characteristics and/or use of a property from one year to the next and where such changes tend to enhance the value of the property to the benefit of the owner, the property will not be eligible for the tax-phasing benefits that the program offers. Once a property is excluded from the program, it must regain its eligibility over time.

Below are sample properties that are not eligible for averaging:

- a property that carries no improvement value (i.e. vacant land)
- a property that has undergone a change in assessment class and/or zoning district
- a property of which the physical characteristics have been changed as a result of consolidation or subdivision

As Council can only establish one tax rate for each class, properties that are not eligible for averaging are also subject to the averaged tax rate.

(v) Calculation of All Tax Levies
Averaging is applicable to the calculation of taxes levied by the City and other taxing authorities on a revenue neutral basis. As averaging affects the taxable values used for calculating all taxes, a decision to apply averaging to a property class requires that

Council approves a resolution adjusting the tax rates determined by other taxing authorities to ensure revenue neutrality.

(vi) Notification to the Public

In accordance with the notification requirements set out in the *Vancouver Charter*, a notice to inform property owners on Council's intent to consider application of land assessment averaging and the resulting tax impacts on sample properties is required. The notice must be published in two consecutive issues of a newspaper at least two weeks in advance of the adoption of the Land Assessment Averaging By-law.

(vii) Appeal Process

Council is required to provide a process for property taxpayers to appeal the application of the Land Assessment Averaging By-law. The by-law provides for a municipal Court of Revision after the tax billing date for appeals that cannot be resolved within the administrative processes provided for in the *Vancouver Charter*. Any tax levy losses arising from the averaging appeal process are borne by the City. Since 1993, staff has been able to resolve the majority of appeals administratively; only a handful of appeals proceeded to the Court of Revision. In all cases, the Court of Revision concluded that the Land Assessment Averaging By-law had been correctly applied.

PROPERTY TAX IMPACT OF ACROSS-THE-BOARD VS. TARGETED LAND ASSESSMENT AVERAGING

SAMPLE RESIDENTIAL PROPERTIES (CLASS 1)

		TAXABLE VALUES			GENERAL PURPOSE TAX LEVY			$ CHANGE IN TAXES 2016 Estimate vs 2015 Actual		% CHANGE IN TAXES 2016 Estimate vs 2015 Actual	
Sample Property	Methodology	2015 Averaged	2016 Market	2016 Targeted Averaging	2015 Actual	2016 Market	2016 Targeted Averaging	2016 Market	2016 Targeted Averaging	2016 Market	2016 Targeted Averaging
Downtown											
Sample Property #1 (1st Quartile)	Not Targeted	$128,400	$128,400	$128,400	$943	$806	$849	-$138	-$94	-14.6%	-10.0%
Sample Property #2 (2nd Quartile)	Not Targeted	$156,500	$203,900	$203,900	$1,150	$1,279	$1,348	$130	$199	11.3%	17.3%
Sample Property #3 (3rd Quartile)	Not Targeted	$393,000	$446,000	$446,000	$2,887	$2,798	$2,949	-$89	$62	-3.1%	2.2%
West											
Sample Property #1 (1st Quartile)	Not Targeted	$286,800	$287,200	$287,200	$2,107	$1,802	$1,899	-$305	-$208	-14.5%	-9.9%
Sample Property #2 (2nd Quartile)	Not Targeted	$461,500	$461,400	$461,400	$3,390	$2,895	$3,051	-$495	-$339	-14.6%	-10.0%
Sample Property #3 (3rd Quartile)	Not Targeted	$742,000	$741,000	$741,000	$5,451	$4,649	$4,900	-$801	-$551	-14.7%	-10.1%
East											
Sample Property #1 (1st Quartile)	Not Targeted	$334,000	$335,000	$335,000	$2,454	$2,102	$2,215	-$352	-$238	-14.3%	-9.7%
Sample Property #2 (2nd Quartile)	Not Targeted	$534,000	$616,000	$616,000	$3,923	$3,865	$4,073	-$58	$151	-1.5%	3.8%
Sample Property #3 (3rd Quartile)	Not Targeted	$1,271,000	$1,276,000	$1,276,000	$9,337	$8,006	$8,438	-$1,331	-$899	-14.3%	-9.6%
Downtown											
Sample Property #1 (1st Quartile)	Targeted	$124,700	$163,900	$143,567	$916	$1,028	$949	$112	$33	12.3%	3.6%
Sample Property #2 (2nd Quartile)	Targeted	$111,900	$215,400	$215,400	$822	$1,351	$1,424	$529	$602	64.4%	73.3%
Sample Property #3 (3rd Quartile)	Targeted	$526,667	$711,000	$619,667	$3,869	$4,461	$4,098	$592	$229	15.3%	5.9%
West											
Sample Property #1 (1st Quartile)	Targeted	$1,721,000	$2,581,000	$1,861,333	$12,642	$16,194	$12,308	$3,551	-$334	28.1%	-2.6%
Sample Property #2 (2nd Quartile)	Targeted	$2,295,000	$3,442,000	$2,596,333	$16,859	$21,596	$17,168	$4,737	$309	28.1%	1.8%
Sample Property #3 (3rd Quartile)	Targeted	$2,762,500	$4,998,900	$3,614,233	$20,293	$31,364	$23,899	$11,071	$3,606	54.6%	17.8%
East											
Sample Property #1 (1st Quartile)	Targeted	$1,102,667	$1,509,000	$1,279,667	$8,100	$9,468	$8,462	$1,368	$362	16.9%	4.5%
Sample Property #2 (2nd Quartile)	Targeted	$1,504,137	$2,472,000	$1,960,667	$11,049	$15,510	$12,965	$4,461	$1,916	40.4%	17.3%
Sample Property #3 (3rd Quartile)	Targeted	$1,941,433	$3,278,500	$2,518,500	$14,262	$20,570	$16,654	$6,308	$2,392	44.2%	16.8%

PROPERTY TAX IMPACT OF ACROSS-THE-BOARD VS. TARGETED LAND ASSESSMENT AVERAGING

SAMPLE LIGHT INDUSTRIAL & BUSINESS PROPERTIES (CLASS 5 & 6)

		TAXABLE VALUES			GENERAL PURPOSE TAX LEVY			$ CHANGE IN TAXES 2016 Estimate vs 2015 Actual		% CHANGE IN TAXES 2016 Estimate vs 2015 Actual	
Sample Property	Methodology	2015 Averaged	2016 Market	2016 Targeted Averaging	2015 Actual	2016 Market	2016 Targeted Averaging	2016 Market	2016 Targeted Averaging	2016 Market	2016 Targeted Averaging
Downtown											
Sample Property #1 (1st Quartile)	Not Targeted	$128,400	$128,400	$128,400	$943	$806	$849	-$138	-$94	-14.6%	-10.0%
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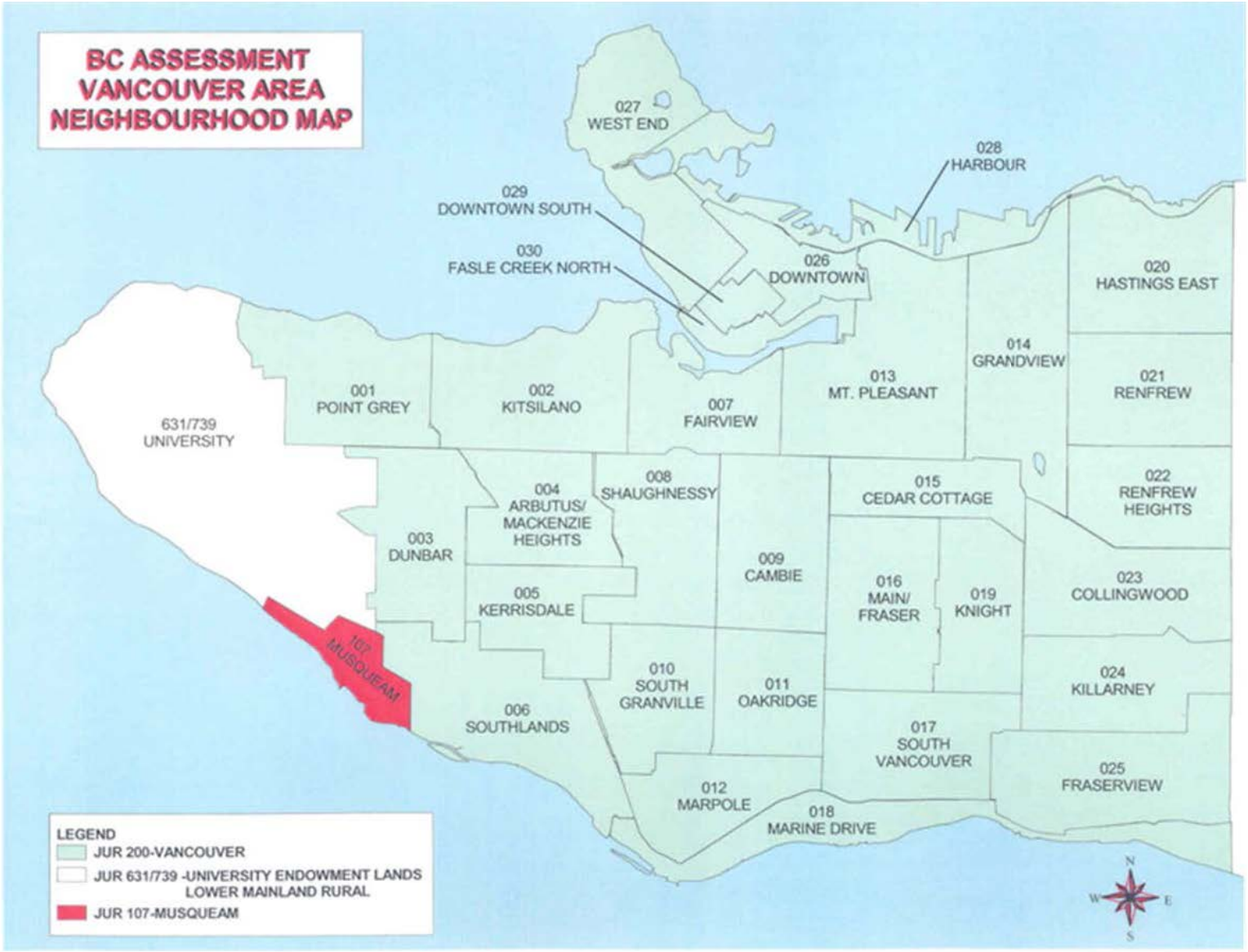
BC ASSESSMENT
VANCOUVER AREA
NEIGHBOURHOOD MAP
027
WEST END
028
HARBOUR
029
DOWNTOWN SOUTH
030
FASLE CREEK NORTH
026
DOWNTOWN
020
HASTINGS EAST
014
GRANDVIEW
021
RENFREW
013
MT. PLEASANT
001
POINT GREY
002
KITSILANO
007
FAIRVIEW
631/739
UNIVERSITY
004
ARBUTUS/
MACKENZIE
HEIGHTS
008
SHAUGHNESSY
015
CEDAR COTTAGE
022
RENFREW
HEIGHTS
003
DUNBAR
009
CAMBIE
016
MAIN/
FRASER
019
KNIGHT
023
COLLINGWOOD
005
KERRISDALE
107
MUSQUEAM
010
SOUTH
GRANVILLE
011
OAKRIDGE
024
KILLARNEY
006
SOUTHLANDS
017
SOUTH
VANCOUVER
025
FRASERVIEW
012
MARPOLE
018
MARINE DRIVE
LEGEND
JUR 200-VANCOUVER
JUR 631/739 -UNIVERSITY ENDOWMENT LANDS
LOWER MAINLAND RURAL
JUR 107-MUSQUEAM
N
W
E
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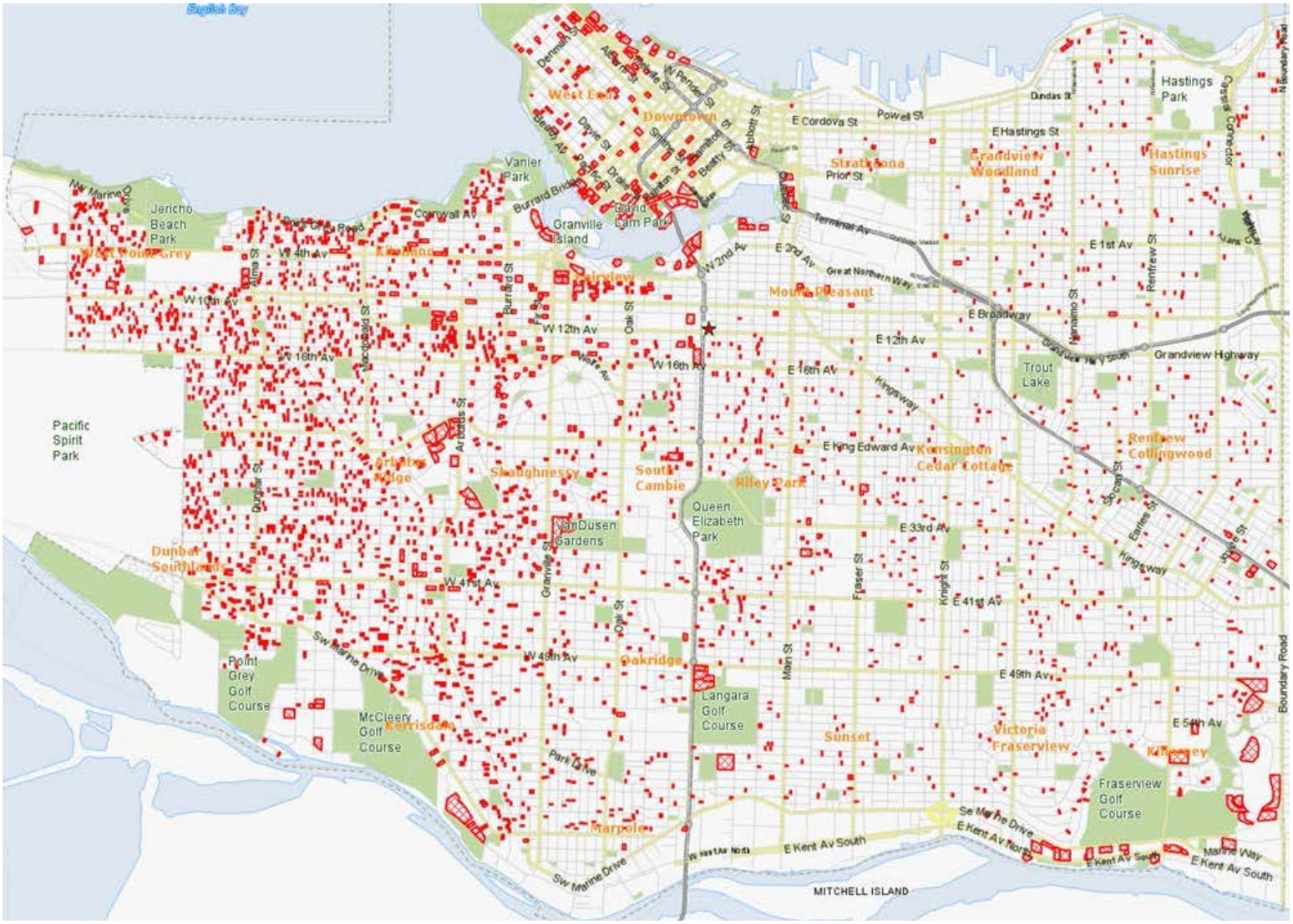
West End
Downtown
Stratacona
Grandview Woodland
Hastings Sunrise
Hastings Park
Vanier Park
David Lam Park
Granville Island
Jericho Beach Park
West Point Grey
Kitsilano
Fairview
Mount Pleasant
Trout Lake
Pacific Spirit Park
Arbutus Ridge
Shaughnessy
South Cambie
Riley Park
Queen Elizabeth Park
Kensington Cedar Cottage
Renfrew Collingwood
VanDusen Gardens
Dunbar Southlands
Point Grey Golf Course
McCleery Golf Course
Kerrisdale
Oakridge
Langara Golf Course
Sunset
Victoria Fraserview
Killarney
Fraserview Golf Course
Marpole
MITCHELL ISLAND
Cornwall Av
Point Grey Road
W 4th Av
W 10th Av
W 16th Av
W 12th Av
W 41st Av
W 49th Av
E Cordova St
Powell St
E Hastings St
Terminal Av
E 2nd Av
Great Northern Way
E Broadway
E 12th Av
E 16th Av
E King Edward Av
E 33rd Av
E 41st Av
E 49th Av
E 54th Av
Kingsway
Grandview Highway
Boundary Road
Sw Marine Drive
Se Marine Drive
E Kent Av South
E Kent Av North
Marine Way
Park Drive
Burrard Bridge
Dunbar St
Alma St
Macdonald St
Arbutus St
Granville St
Oak St
Fraser St
Main St
Knight St
Nanaimo St
Renfrew St
Slocan St
Earles St
Joyce St
Cassiar Connector
Nw Marine Drive


Jericho Beach Park
Vanier Park
Granville Island
David Lam Park
Pacific Spirit Park
Point Grey Golf Course
McCleery Golf Course
Langara Golf Course
Queen Elizabeth Park
VanDusen Gardens
Riley Park
Trout Lake
Hastings Park
Fraserview Golf Course
MITCHELL ISLAND
Downtown
West End
Kitsilano
Kerrisdale
Marpole
Oakridge
South Cambie
Sloughnessy
Dunbar Southlands
Kensington Cedar Cottage
Renfrew Collingwood
Hastings Sunrise
Grandview Woodland
Victoria Fraserview
Sunset
Mount Pleasant
Fairview
Burrard Bridge
Cambie Bridge
Granville Bridge
Lions Gate Bridge
Pacific Boulevard
Cornwall Av
W 4th Av
W 10th Av
W 12th Av
W 16th Av
W 41st Av
W 49th Av
W 2nd Av
E 2nd Av
E Cordova St
Powell St
Dundas St
E Hastings St
Prior St
Terminal Av
Great Northern Way
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E Broadway
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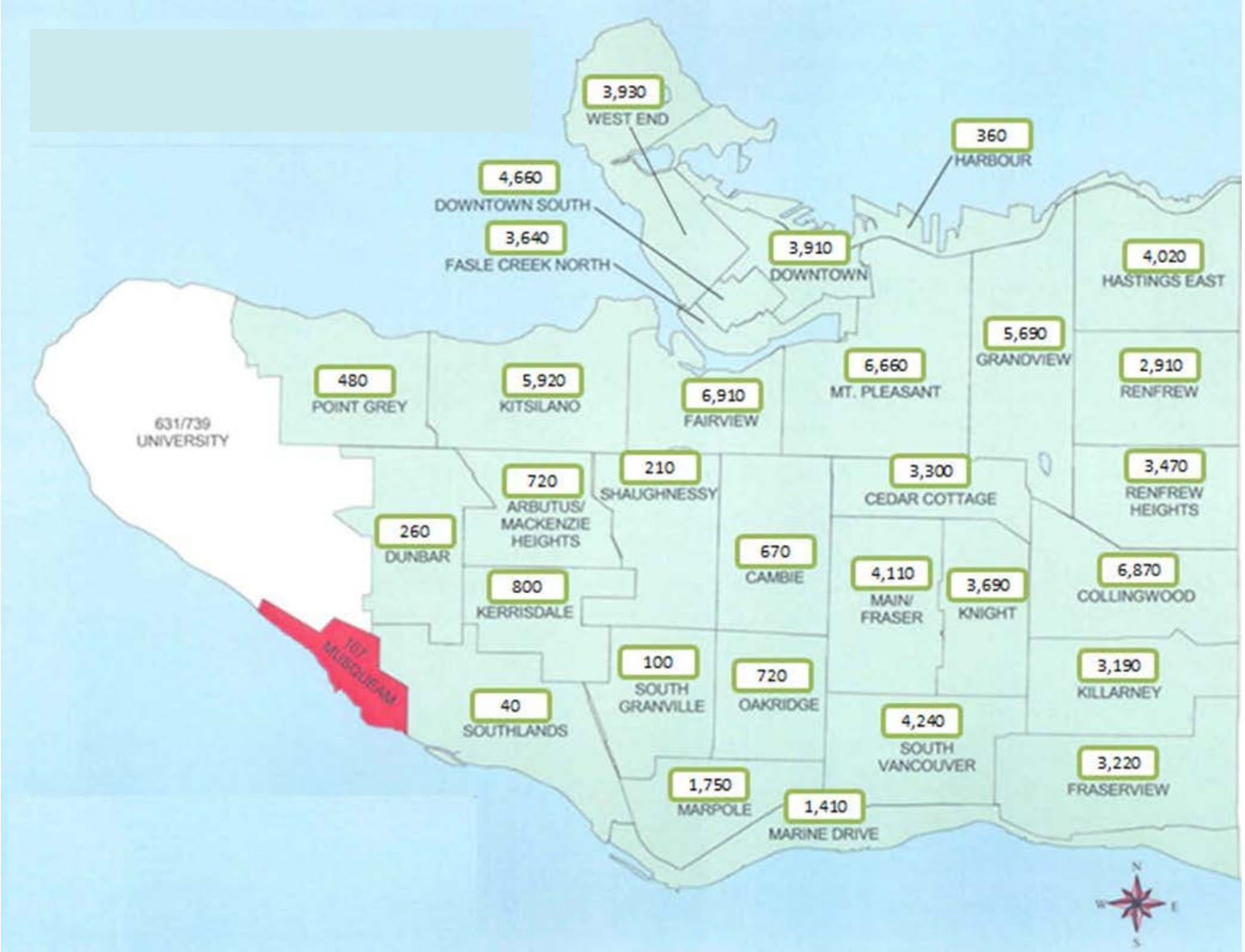
E 16th Av
Kingsway
E King Edward Av
E 33rd Av
E 41st Av
E 49th Av
E 54th Av
Grandview Highway
Renfrew St
Nanaimo St
Boundary Road
Cassiar Connector
Sw Marine Drive
Se Marine Drive
E Kent Av South
E Kent Av North
Marine Way
Park Drive
Dunbar St
Arbutus St
Granville St
Oak St
Main St
Fraser St
Knight St
Cambie St
Carles St
Slocan St
Beatty St
Abbott St
Cambie St
Burrard St
Nw Marine Dr


3,930
WEST END
360
HARBOUR
4,660
DOWNTOWN SOUTH
3,640
FASLE CREEK NORTH
3,910
DOWNTOWN
4,020
HASTINGS EAST
5,690
GRANDVIEW
2,910
RENFREW
480
POINT GREY
5,920
KITSILANO
6,910
FAIRVIEW
6,660
MT. PLEASANT
631/739
UNIVERSITY
720
ARBUTUS/
MACKENZIE
HEIGHTS
210
SHAUGHNESSY
3,300
CEDAR COTTAGE
3,470
RENFREW
HEIGHTS
260
DUNBAR
670
CAMBIE
4,110
MAIN/
FRASER
3,690
KNIGHT
6,870
COLLINGWOOD
800
KERRISDALE
TGT
MUSQUEAM
100
SOUTH
GRANVILLE
720
OAKRIDGE
3,190
KILLARNEY
40
SOUTHLANDS
4,240
SOUTH
VANCOUVER
3,220
FRASERVIEW
1,750
MARPOLE
1,410
MARINE DRIVE

CITY OF VANCOUVER

vancouver.ca

Important Notice to Property Owners: Land Assessment Averaging

In 2015, the City of Vancouver transitioned from across-the-board land assessment averaging (in effect since 1993) to targeted land assessment averaging (recommended by the Property Tax Policy Review Commission) to calculate property taxes.

Averaging does not generate any extra revenue for the City, but affects the amount of taxes paid by individual property owners.

Under the targeted averaging approach, only those properties facing significant year-over-year increases in property values above a certain threshold would be eligible for averaging. For eligible properties, the program calculates property taxes for the City and other taxing authorities using an average of the assessed land value for the current and prior two years, plus their current assessed improvement value. All others would pay property taxes based on the BC Assessment value instead of an averaged value.

The table below shows the estimated effect of targeted averaging on the City of Vancouver's general purpose taxes for sample properties based on the thresholds approved by Vancouver City Council for 2015 (subject to change for 2016). Amounts levied by other taxing authorities such as provincial schools, TransLink, BC Assessment, and Metro Vancouver are not included.

	Targeted Land Assessment Averaging					
	Sample properties BELOW targeting threshold (NOT eligible for averaging)			Sample properties ABOVE targeting threshold (eligible for averaging)		
	2016 Assessed Value	Est .Taxes **without** Targeted Averaging	Est .Taxes **with** Targeted Averaging	2016 Assessed Value	Est .Taxes **without** Targeted Averaging	Est .Taxes **with** Targeted Averaging
Residential ($)						
Downtown	430,000	660	674	1,037,000	1,592	932
	506,000	777	793	1,414,000	2,171	1,835
	620,000	952	972	2,038,000	3,129	2,663
West	681,400	1,046	1,068	2,172,000	3,334	2,901
	1,512,000	2,321	2,370	2,686,000	4,123	3,430
	2,247,000	3,449	3,522	3,376,000	5,183	4,488
East	579,000	889	908	1,080,000	1,658	1,485
	1,007,000	1,546	1,578	1,174,300	1,803	1,525
	1,185,000	1,819	1,857	1,291,000	1,982	1,670
Light Industrial and Business & Other ($)						
Downtown	128,400	806	849	163,900	1,028	949
	203,900	1,279	1,348	215,400	1,351	1,424
	446,000	2,798	2,949	711,000	4,461	4,098
West	287,200	1,802	1,899	2,581,000	16,194	12,308
	461,400	2,895	3,051	3,442,000	21,596	17,168
	741,000	4,649	4,900	4,998,900	31,364	23,899
East	335,000	2,102	2,215	1,509,000	9,468	8,462
	616,000	3,865	4,073	2,472,000	15,510	12,965
	1,276,000	8,006	8,438	3,278,500	20,570	16,654
Targeted Land Assessment Averaging						

On March 9, 2016, Vancouver City Council will consider whether to continue with targeted land assessment averaging for residential (Class 1), light industrial (Class 5) and business (Class 6) properties, and determine the appropriate thresholds for these property classes if targeted averaging is adopted. Should Council decide to continue with targeted averaging, a by-law will be adopted the same day. The report, which details the program and how it could impact property taxes, will be posted on our website at **vancouver.ca/averaging**

FOR MORE INFORMATION:
3-1-1 or **vancouver.ca/averaging**

COMMENTS?

Write to:
Mayor and Council
453 West 12th Avenue
Vancouver, BC V5Y 1V4

or email:
mayorandcouncil@vancouver.ca

SPEAK TO COUNCIL:
Prior to adoption of the bylaw, you may speak to Council in person at the Planning, Transportation and Environment meeting on March 9, 2016.
Phone **604-871-6355** to register.