



CITY OF VANCOUVER

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ADMINISTRATIVE REPORT

Report Date: February 25, 2008
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VanRIMS No.: 05-4200-10
Meeting Date: March 13, 2008

TO: Standing Committee on City Services and Budgets

FROM: General Manager of Corporate Services / Director of Finance

SUBJECT: 2008 Property Taxation: Land Assessment Averaging Program

RECOMMENDATION

- A. *THAT Council approve the continuation of the three-year land assessment averaging program in 2008, for the purpose of calculating taxes for Residential (Class 1), Light Industry (Class 5) and Business/Other (Class 6) properties, by approving the bylaw that will come before Council later this day.*
- B. *THAT, subject to the approval of Recommendation A, the Director of Finance be authorized to make appropriate arrangements with the BC Assessment Authority for the production of an averaged 2008 taxation roll at an approximate cost of \$20,000; source of funding to be the 2008 Operating Budget.*

COUNCIL POLICY

Since 1993, Council has used three-year averaged land values in the calculation of property taxes for residential and business class properties, as a means of mitigating the impacts on property taxes of large year-over-year changes in land values. In 2007, Council extended the land averaging program to light industrial properties.

PURPOSE

The purpose of this report is to seek Council approval of the three-year land assessment averaging program as the method for calculating property taxes for Class 1 (Residential), Class 5 (Light Industry) and Class 6 (Business and Other) in 2008. The relevant bylaw will be brought forward at the Council meeting immediately following this City Services and Budgets Committee Meeting.

BACKGROUND

Since the late 1980s, Vancouver's active real estate market has led to sudden, large increases in market property values for some properties. While increases in the market value of a property do not translate into increased property tax revenue for the City, they do result in unexpected and sometimes significant increases in property taxes for individual properties.

Year-over-year volatility in property taxes paid by an individual property is not a function of how much a property's assessed value has increased over the prior year. Rather, the extent of the change in a property's taxes is determined primarily by how that property's value has changed relative to the average change of its property class. The following table shows the general rules of this relationship.

FIGURE 1. THE RELATIONSHIP BETWEEN ASSESSED VALUE AND PROPERTY TAX VOLATILITY

If a property's assessed market value has increased by ...	then ...
... the same percentage amount as the property class average,	→ taxes will not change from the prior year.
... <i>more than</i> the property class average percentage change,	→ taxes will <i>increase</i> over the prior year.
... <i>less than</i> the property class average percentage change,	→ taxes will <i>decrease</i> over the prior year.

NOTE TO TABLE: This table demonstrates the general rules of the relationship between assessed values and property tax volatility, and does not reflect the impacts of shifts in the tax distribution among classes, class transfers, or Council-approved tax increases.

In 1992, the provincial government enacted legislation which provided Council two options for mitigating the impact that large year-over-year increases in assessments can have on the calculation of property taxes.

- LAND ASSESSMENT AVERAGING: Land value assessment averaging (referred to in this report as "land averaging") allows Council to average the land value component of a property assessment over the current year and the two previous years for the purposes of calculating current taxes. Improvement values used in this calculation are always current-year values. Land averaging allows the tax impacts of large changes in

assessed land value (both increases and decreases) to be phased in over a number of years, for individual properties.

- **LAND ASSESSMENT PHASING:** The *Vancouver Charter* also gives Council the ability to use land assessment phasing (referred to in this report as "land phasing") in the calculation of property taxes. Land phasing allows Council to limit to some extent the year-over-year increase in land value for an individual property, for the purposes of property taxation. As with averaging, improvement values used in this calculation are always current-year values. Land phasing dampens the tax impact of sudden large increases in land values, for individual properties.

Council has chosen to apply the land averaging option in each year since 1993 for Class 1 (Residential) and Class 6 (Business), and in 2007 extended this program to Class 5 (Light Industrial). Statistical modelling undertaken by staff over several years has shown that land phasing has not been as effective as land averaging in mitigating the impacts of uneven assessment changes of properties within a property class, and Council discontinued consideration of this option several years ago.

Both land averaging and land phasing are revenue-neutral to the City, which means that the same total tax levy is collected from each property class, with or without the applications of these mechanisms. Appendix A contains a detailed history of Council's interventions in the market value-based taxation system since 1989.

DISCUSSION

LAND AVERAGING METHODOLOGY

The primary reason for using land averaging is to smooth the impact of year-over-year changes in assessed values when calculating taxes on individual properties. It is particularly effective where there are large increases in land values of individual properties, since the effect is to phase in the tax impact over several years. The following table compares the calculation of property taxes under the pure market value approach and under the averaged value approach.

FIGURE 2. PROPERTY TAX CALCULATION
MARKET VALUE OPTION VS THREE-YEAR LAND AVERAGING OPTION

MARKET VALUE OPTION	LAND AVERAGING OPTION
2008 Land Value	Average of 2006, 2007 & 2008 Land
+ 2008 Improvement Value	+ 2008 Improvement Value
= 2008 Taxable Value _(M)	= 2008 Taxable Value _(A)
x 2008 Tax Rate _(M)	x 2008 Tax Rate _(A)
= 2008 General Taxes _(M)	= 2008 General Taxes _(A)

NOTES TO TABLE

1. Land value and improvement value are based on assessed market value, as determined annually by the BC Assessment Authority.
2. 2008 Taxable Value _(M) is the taxable value based on market land value of the property; 2008 Taxable Value _(A) is the taxable value based on the averaged land value of the property.

Applying land averaging in a given year affects two components of the property tax calculation:

- **TAXABLE VALUE OF EACH PROPERTY:** The average of the current-year and two prior years' assessed land value is used in the calculation of property taxes, instead of only the current-year assessed land value. In any given year, the averaged land value of a property can be higher, lower, or the same as the current-year assessed market value of that property.
- **RECALCULATED TAX RATE:** For each class in which land averaging is applied, the tax rate is recalculated to ensure the same amount of taxes is collected from a property class as would otherwise be, without the application of land averaging. If the application of land averaging *decreases* the total taxable value of a property class, then in that year the tax rate will be higher than it would have been without averaging (as has been the case in most years averaging has been used). If the application of land averaging *increases* the total taxable value of a class, the tax rate will be lower.

In any given year, the taxes for an individual property may be higher, lower or the same as they otherwise would be without land averaging. The following general rules apply.

- Those properties with the most extreme increases or decreases in land value within the past two years will be most affected by the application of land averaging.
- A property that has experienced significant *increases* in assessed land value over the past one, two or three years will pay *lower* taxes as a result of the application of land averaging, compared to the taxes on that property without land averaging.
- A property that has experienced significant *decreases* in assessed land value over the past one, two or three years will pay *higher* taxes as a result of the application of land averaging, compared to the taxes on that property without land averaging.

LAND AVERAGING PROGRAM ELEMENTS

There are a number of legislative and administrative criteria that apply to the land value averaging program. The regulations for the design and application of the land averaging program are set out in the *Vancouver Charter*, and in each year that land averaging is applied, Council enacts a bylaw that defines the specific program elements.

- **ELIGIBLE PROPERTY CLASSES:** Averaging may be applied to any property class except the following, which are valued by special rates: Class 2 (Utilities), Class 4 (Major Industry) and Class 9 (Farm).

- ELIGIBLE PROPERTIES: Council has adopted a series of filters that determine whether a property is eligible for averaging, that are included in the *Averaging Bylaw*. For example, properties that are vacant or have had a change of use are not eligible for land averaging in the current year.
- OTHER TAXING AUTHORITIES: Because averaging affects the values used for calculating the taxes of all taxing authorities, a decision to average a class requires Council to approve resolutions adjusting these rates, in order to ensure revenue neutrality. (The term revenue-neutral means that the tax rate used with land averaging will produce the same amount of tax revenue as would be produced using pure market land values.) This introduces a disadvantage associated with land averaging, in that the City must bear any incremental costs associated with land averaging that may arise from assessment appeals on properties.
- NOTIFICATION: The *Vancouver Charter* requires the City to notify taxpayers that Council is considering the use of land averaging and of the impacts on sample properties, at least two weeks in advance of the adoption of the enabling bylaw. This notice must be published in two consecutive issues of a newspaper, showing the resulting taxes on sample properties within the City.
- LAND AVERAGING BYLAW: In the current year, the land averaging bylaw must be adopted before March 31, 2008.
- APPEAL PROCESS: Council is required to provide an appeal process for taxpayers who are dissatisfied with the application of the *Averaging Bylaw*. The bylaw provides for a municipal Court of Revision for appeals that cannot be dealt with administratively. To date, the City has been able to resolve appeals administratively and no Averaging Court of Revision has been necessary.

ANALYSIS OF LAND AVERAGING IN 2008

Staff has undertaken a statistical analysis comparing the use of land averaging versus a pure market approach to calculate 2008 taxes. These comparisons have been done for Class 1 (Residential), Class 5 (Light Industry) and Class 6 (Business/Other) properties.

In reviewing the results of this modelling, the following should be noted:

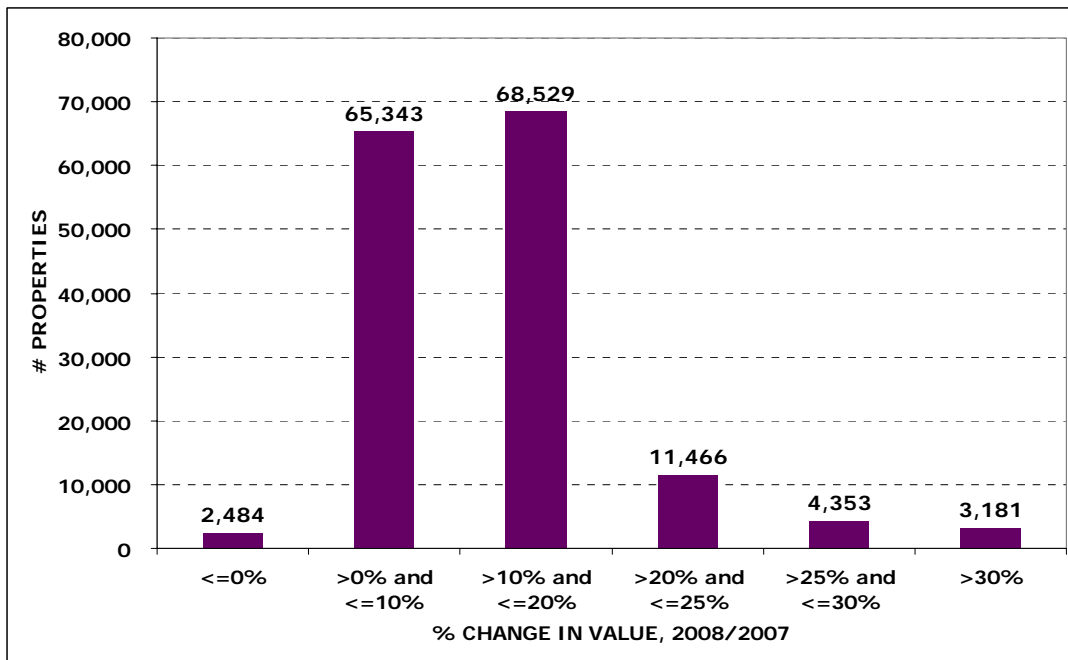
- Data for this analysis is derived from the Completed Assessment Roll that was recently produced by the BC Assessment Authority (BCAA). These values reflect the best information available at this time, and should come close to reflecting the 2008 property values for tax billing purposes, that will be reflected on the Revised Assessment Roll that is produced in early April.
- The statistical modelling contained in this report use a set of eligibility criteria that is similar to, but not exactly the same as, that in the *Averaging Bylaw*.
- The analysis looks at general purposes (municipal) taxes only, and does not consider those taxes the City collects on behalf of other taxing authorities. General taxes comprise roughly half of taxpayers' total property tax bill, and the analyses shown in this report present a reasonable indication of the impacts of averaging on Class 1, Class 5 and Class 6 properties.

- The tax rates used in the statistical modelling are based on 2008 tax rates that incorporate a 2.99% increase to the tax levy, and assume no redistribution of property taxes among classes.

RESULTS OF ANALYSIS: CLASS 1 RESIDENTIAL

The total value of the residential property class has increased by 15% over 2007, and almost all of this increase is related to market value change. Figure 3 shows the distribution of changes in taxable value from 2007 to 2008.

FIGURE 3. DISTRIBUTION OF VALUE CHANGE IN 2008, CLASS 1 RESIDENTIAL SAMPLE (N=155,356)



As in past years, applying land averaging to the residential class *decreases* the overall taxable value of the class, and correspondingly increases the tax rate over what it would be without averaging. As illustrated in Figure 4, the 2008 total value of Class 1 is 10% lower with land averaging than what it would be without averaging.

FIGURE 4. LAND AVERAGING IMPACTS, CLASS 1 RESIDENTIAL

	2007 ACTUALS: LAND AVERAGING	2008 ESTIMATES: MARKET VALUE OPTION	2008 ESTIMATES: LAND AVERAGING OPTION
Taxable Value	\$97.5 billion	\$130 billion	\$117 billion
Tax Rate (per \$1,000 taxable value)	\$2.42	\$1.91	\$2.12

The following are the key findings from the analysis of land averaging in the residential class, for 2008. Detailed results of the analysis of land averaging for the residential class are set out in Appendices B, C and D.

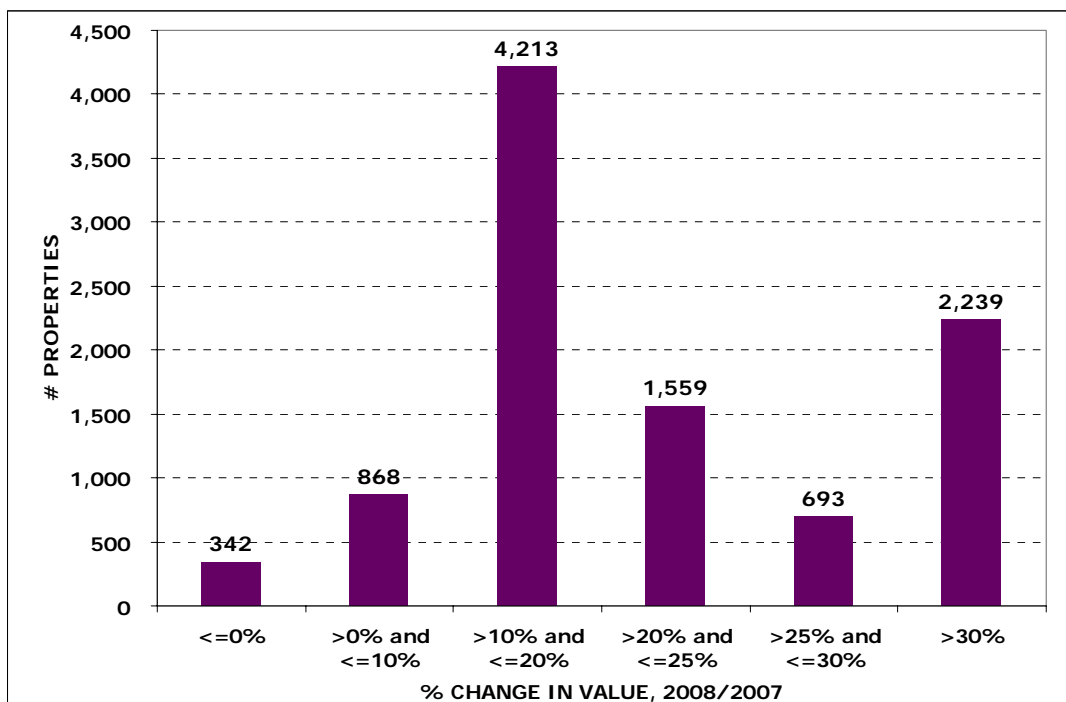
- **SIGNIFICANT TAX INCREASES WITHOUT AVERAGING:** Without the application of land averaging, approximately 26,000 (17%) of the properties eligible for averaging could experience an increase in taxes greater than 12%.
- **APPROXIMATELY HALF THE PROPERTIES BENEFIT FROM AVERAGING:** Approximately 77,000 of 155,000 residential sample could have lower taxes with land averaging than without it in 2008.
- **REDUCTION IN THE NUMBER OF PROPERTIES WITH LARGEST TAX INCREASES:** Applying the land averaging option would reduce the number of Class 1 properties with year-over-year tax increases of over 12% by approximately 5,100 properties (3.3% of total).

RESULTS OF ANALYSIS: CLASS 6 BUSINESS AND CLASS 5 LIGHT INDUSTRY

For the purposes of the analysis presented in this report, Class 5 (Light Industrial) and Class 6 (Business/Other) have been combined, since the two classes have been blended for the purposes of calculating property taxes since 2000.

The total value of the light industrial and business property classes has increased by 29% over 2007, and almost all of this increase is related to market value change. Figure 5 shows the distribution of changes in taxable value from 2007 to 2008.

FIGURE 5. DISTRIBUTION OF VALUE CHANGE IN 2008, CLASS 6 BUSINESS/OTHER SAMPLE (N=9,914)



As with the residential class, applying land averaging to the business and light industrial classes in 2008 *decreases* the overall taxable value, and increases the tax rate over what it would be without averaging. As illustrated in Figure 6, the 2008 total value of Classes 5 and 6 is decreased by 12%, compared to what it would be without averaging.

**FIGURE 6. LAND AVERAGING IMPACTS
CLASS 5 LIGHT INDUSTRIAL AND CLASS 6 BUSINESS CLASS**

	2007 ACTUALS: LAND AVERAGING	2008 ESTIMATES: MARKET VALUE OPTION	2008 ESTIMATES: LAND AVERAGING OPTION
Taxable Value	\$18.9 billion	\$ 27.5 billion	\$24.3 billion
Tax Rate (per \$1,000 taxable value)	\$13.35	\$9.64	\$10.86

The following are the key findings from the analysis of land averaging light industrial and business classes for 2008. The results of the analysis of land averaging for the light industrial and business classes are set out in Appendices E, F and G.

- **SIGNIFICANT TAX INCREASES WITHOUT AVERAGING:** Without the application of land averaging, approximately 2,300 (23%) of the properties eligible for averaging could experience an increase in taxes greater than 12%.
- **ALMOST HALF OF THE PROPERTIES BENEFIT FROM AVERAGING:** Approximately 4,600 of 10,157 light industrial and business sample could have lower taxes with land averaging than without it in 2008.
- **REDUCTION IN THE NUMBER OF PROPERTIES WITH LARGEST TAX INCREASES:** Applying the land averaging option could reduce the number of Class 5 and 6 properties with year-over-year tax increases of over 12% by approximately 1,150 properties (11% of total).

RECOMMENDED FOR 2008: LAND AVERAGING FOR CLASSES 1, 5 AND 6

Staff recommends that Council continue their policy of applying land averaging in the calculation of property taxes for Class 1 (Residential), Class 5 (Light Industrial) and Class 6 (Business/Other), for two reasons.

- The statistical modelling described in this report demonstrates that averaging continues to be effective in mitigating large year-over-year tax increases that are due to uneven changes in market value within property classes.
- The City has used land averaging in the calculation of property taxes for eighteen years, and there exists a strong argument for continually applying land averaging from year to year. Selectively employing land averaging in certain years and not in others could either advantage or disadvantage individual properties, depending on the market circumstances.

Ads informing the public that Council may consider land averaging for 2008 have been placed, according to *Vancouver Charter* requirements (Appendix I).

PRODUCTION OF THE AVERAGED ASSESSMENT ROLL

Should Council approve Recommendation A of the current report, Recommendation B authorises the Director of Finance to contract with the BCAA to produce the 2008 Averaged Assessment Roll, with funding provided from the 2008 Operating Budget.

In order to implement land averaging, the City requires the BC Assessment Authority to generate an Averaged Assessment Roll. Since 1993, the BCAA has provided this roll to the City at a cost of approximately \$20,000. This has been determined to be preferable to the alternative of having City staff duplicate the system design and programming work, using its own resources to produce a similar product.

FINANCIAL IMPLICATIONS

This report recommends that Council approve \$20,000 of funding from the 2008 Operating Budget, to engage the BC Assessment Authority to generate a 2008 Averaged Assessment Roll.

CONCLUSION

In 2008, land value averaging benefits a significant number of properties with the highest tax increases in the Residential Class (Class 1), Light Industrial Class (Class 5) and Business Class (Class 6). The details of the analysis that demonstrate these effects are contained in the appendices of this report. Staff recommends that Council authorise the continuation of land averaging in the calculation of property taxes for these three property classes.

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CITY OF VANCOUVER
PROPERTY TAXATION POLICY DECISIONS SINCE 1989

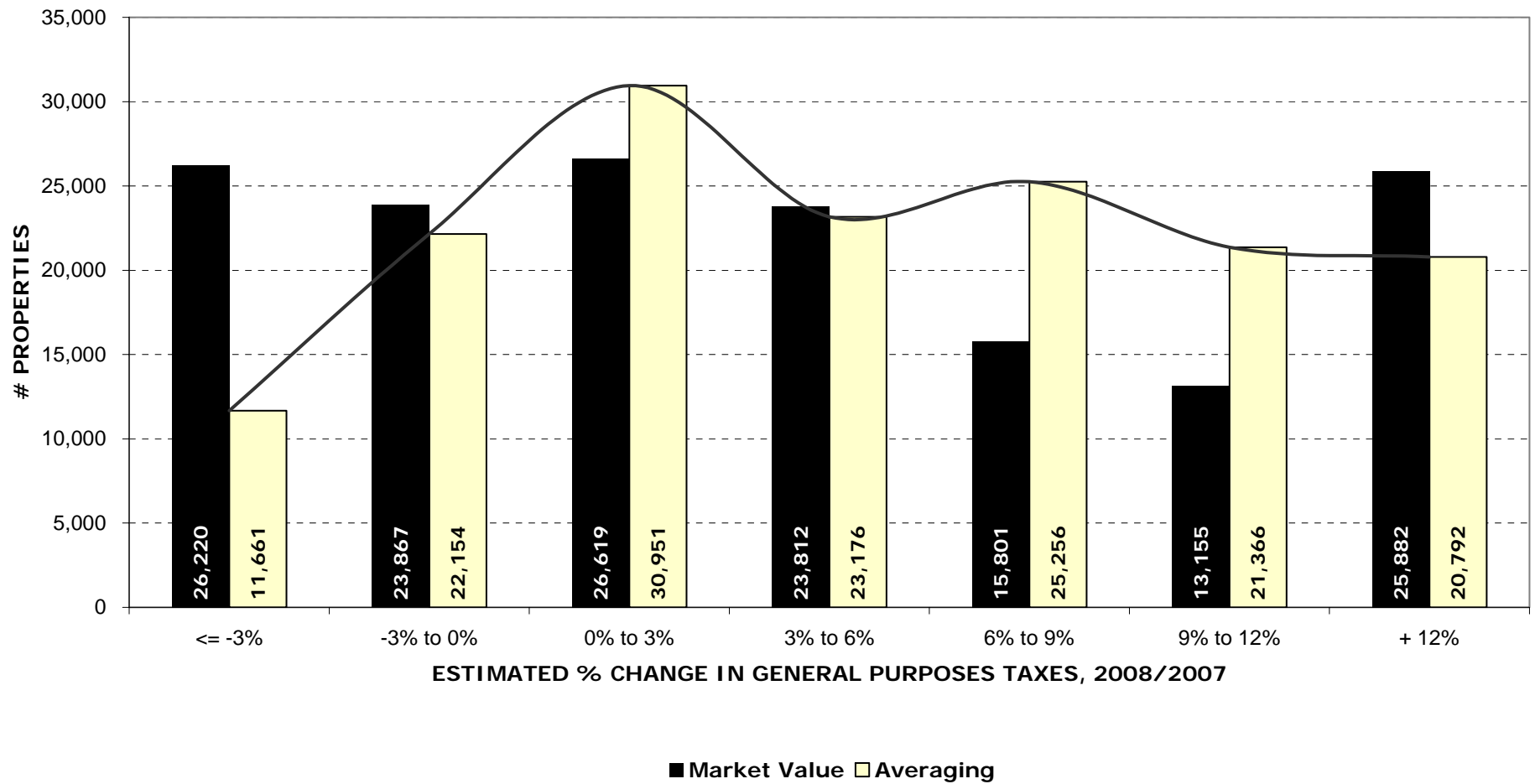
	CLASS 1 RESIDENTIAL	CLASS 6 BUSINESS/OTHER
1989	<ul style="list-style-type: none"> ▪ Capped land value increases at 61% 	<ul style="list-style-type: none"> ▪ Capped tax increases at 40%
1990	<ul style="list-style-type: none"> ▪ No adjustments 	<ul style="list-style-type: none"> ▪ Capped tax increases at 10.1%
1991	<ul style="list-style-type: none"> ▪ Capped tax increases at 5.5% ▪ No limit on tax credit 	<ul style="list-style-type: none"> ▪ Capped tax increases at 7.5% ▪ \$400,000 limit on tax credit
1992	<ul style="list-style-type: none"> ▪ Capped tax increases at 6.0% ▪ \$5,000 limit on tax credit 	<ul style="list-style-type: none"> ▪ Capped tax increases at 10.0% ▪ \$100,000 limit on tax credit
1993	<ul style="list-style-type: none"> ▪ Implemented three-year land value averaging ▪ Tax increases capped at 25% for select properties 	<ul style="list-style-type: none"> ▪ Implemented three-year land value averaging ▪ Tax increases capped at 25% for select properties
1994	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ Tax increases capped at 10% for select properties ▪ \$500 limit on tax credit 	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ Tax increases capped at 10% for select properties ▪ \$15,000 limit on tax credit
1995	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ No tax capping 	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ Tax increases capped at 15% for select properties under a phasing out methodology ▪ \$10,000 limit on tax credit
1996	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ No tax capping 	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ Tax increases capped at 20% for select properties under a phasing out methodology ▪ \$7,500 limit on tax credit
1997	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ No tax capping 	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ Tax increases capped at 25% for select properties under a phasing out methodology ▪ \$5,000 limit on tax credit ▪ Last year of tax increase capping
1998	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ Implementation of solid waste utility 	<ul style="list-style-type: none"> ▪ Continued three year land value averaging

	CLASS 1 RESIDENTIAL	CLASS 6 BUSINESS/OTHER
1999-2007	<ul style="list-style-type: none">Continued three year land value averaging	<ul style="list-style-type: none">Continued three year land value averaging

NOTES TO TABLE

1. Since 2007, land value averaging has been applied to Class 5 Light Industrial as well as Class 1 and Class 6.

APPENDIX B
DISTRIBUTION OF ESTIMATED CHANGES IN 2008 PROPERTY TAXES
WITH AND WITHOUT AVERAGING
CLASS 1 RESIDENTIAL



APPENDIX C: IMPACTS OF LAND AVERAGING BY NEIGHBOURHOOD, CLASS 1 RESIDENTIAL

This table shows the distribution of the percent change in property taxes from 2007 to 2008 by neighbourhood, with and without the application of land averaging.

NEIGHBOURHOOD (SEE BCAA MAP)	TOTAL # PROP	MARKET VALUE, RATE = \$1.91					LAND AVERAGING, RATE = \$2.12					IMPACT CHG IN +6% GROUP
		AVG CHG IN TAXES	<= 0%	0% - 3%	3% - 6%	+ 6%	AVG CHG IN TAXES	<= 0%	0% - 3%	3% - 6%	+ 6%	
001 - POINT GREY	3,946	11.1%	264	151	452	3,079	5.7%	197	525	1,608	1,616	(1,463)
002 - KITSILANO	12,793	5.4%	2,943	1,774	2,465	5,611	5.6%	1,238	1,799	3,676	6,080	469
003 - DUNBAR	4,497	17.0%	186	162	181	3,968	7.0%	101	363	1,101	2,932	(1,036)
004 - ARBUTUS	3,963	11.4%	413	263	442	2,845	6.4%	346	363	1,061	2,193	(652)
005 - KERRISDALE	3,794	9.3%	511	390	343	2,550	6.5%	151	511	1,143	1,989	(561)
006 - SOUTHLANDS	1,944	14.8%	42	57	167	1,678	5.9%	101	347	691	805	(873)
007 - FAIRVIEW	10,078	3.4%	3,403	1,736	1,554	3,385	8.0%	967	681	1,249	7,181	3,796
008 - SHAUGHNESSEY	2,364	12.3%	180	150	222	1,812	5.9%	244	454	596	1,070	(742)
009 - CAMBIE	3,940	8.1%	380	225	745	2,590	4.8%	292	871	1,577	1,200	(1,390)
010 - SOUTH GRANVILLE	2,559	12.0%	68	113	241	2,137	5.2%	119	447	1,016	977	(1,160)
011 - OAKRIDGE	2,329	4.4%	673	189	306	1,161	5.0%	212	625	804	688	(473)
012 - MARPOLE	4,421	3.0%	1,507	761	1,181	972	3.5%	1,372	1,454	473	1,122	150
013 - MT PLEASANT	7,347	7.0%	1,472	810	793	4,272	8.0%	1,098	849	956	4,444	172
014 - GRANDVIEW	8,213	10.9%	671	752	1,096	5,694	9.1%	857	1,783	1,591	3,982	(1,712)
015 - CEDAR COTTAGE	3,804	3.9%	766	1,033	898	1,107	2.7%	1,000	1,465	685	654	(453)
016 - MAIN/FRASER	5,632	3.8%	1,292	1,378	1,355	1,607	2.2%	1,879	2,311	814	628	(979)
017 - SOUTH VANCOUVER	5,822	-0.3%	3,240	1,811	638	133	0.0%	3,183	2,328	127	184	51
018 - MARINE DRIVE	1,535	1.7%	560	342	203	430	9.8%	21	54	347	1,113	683
019 - KNIGHT	4,770	0.0%	2,381	1,425	722	242	0.3%	2,370	1,910	195	295	53
020 - HASTINGS EAST	4,988	2.7%	1,272	1,353	1,400	963	1.7%	1,238	2,877	490	383	(580)
021 - RENFREW	3,324	2.8%	1,050	589	803	882	1.1%	1,296	1,573	249	206	(676)

NEIGHBOURHOOD (SEE BCAA MAP)	TOTAL # PROP	MARKET VALUE, RATE = \$1.91					LAND AVERAGING, RATE = \$2.12					IMPACT CHG IN +6% GROUP
		AVG CHG IN TAXES	<= 0%	0% - 3%	3% - 6%	+ 6%	AVG CHG IN TAXES	<= 0%	0% - 3%	3% - 6%	+ 6%	
022 - RENFREW HEIGHTS	4,351	1.6%	1,435	1,543	1,179	194	-0.1%	2,335	1,868	71	77	(117)
023 - COLLINGWOOD	8,724	1.4%	3,489	2,454	1,487	1,294	4.9%	2,792	2,747	221	2,964	1,670
024 - KILLARNEY	4,847	-1.3%	2,925	1,469	322	131	-1.1%	3,803	767	53	224	93
025 - FRASERVIEW	4,567	1.5%	2,142	722	962	741	1.7%	2,140	937	491	999	258
026 - DOWNTOWN	6,139	-2.1%	3,884	989	737	529	5.8%	1,224	26	201	4,688	4,159
027 - WEST END	7,760	1.7%	3,188	1,266	1,064	2,242	8.3%	752	283	773	5,952	3,710
028 - HARBOUR	1,319	0.4%	581	207	115	416	3.8%	306	35	141	837	421
29-DOWNTOWN SOUTH	8,136	-0.3%	4,698	1,459	1,013	966	8.2%	916	403	328	6,489	5,523
30-FALSE CREEK NORTH	7,450	-2.1%	4,471	1,046	726	1,207	5.3%	1,265	295	448	5,442	4,235
TOTALS	155,356	4.2%	50,087	26,619	23,812	54,838	5.0%	33,815	30,951	23,176	67,414	12,576

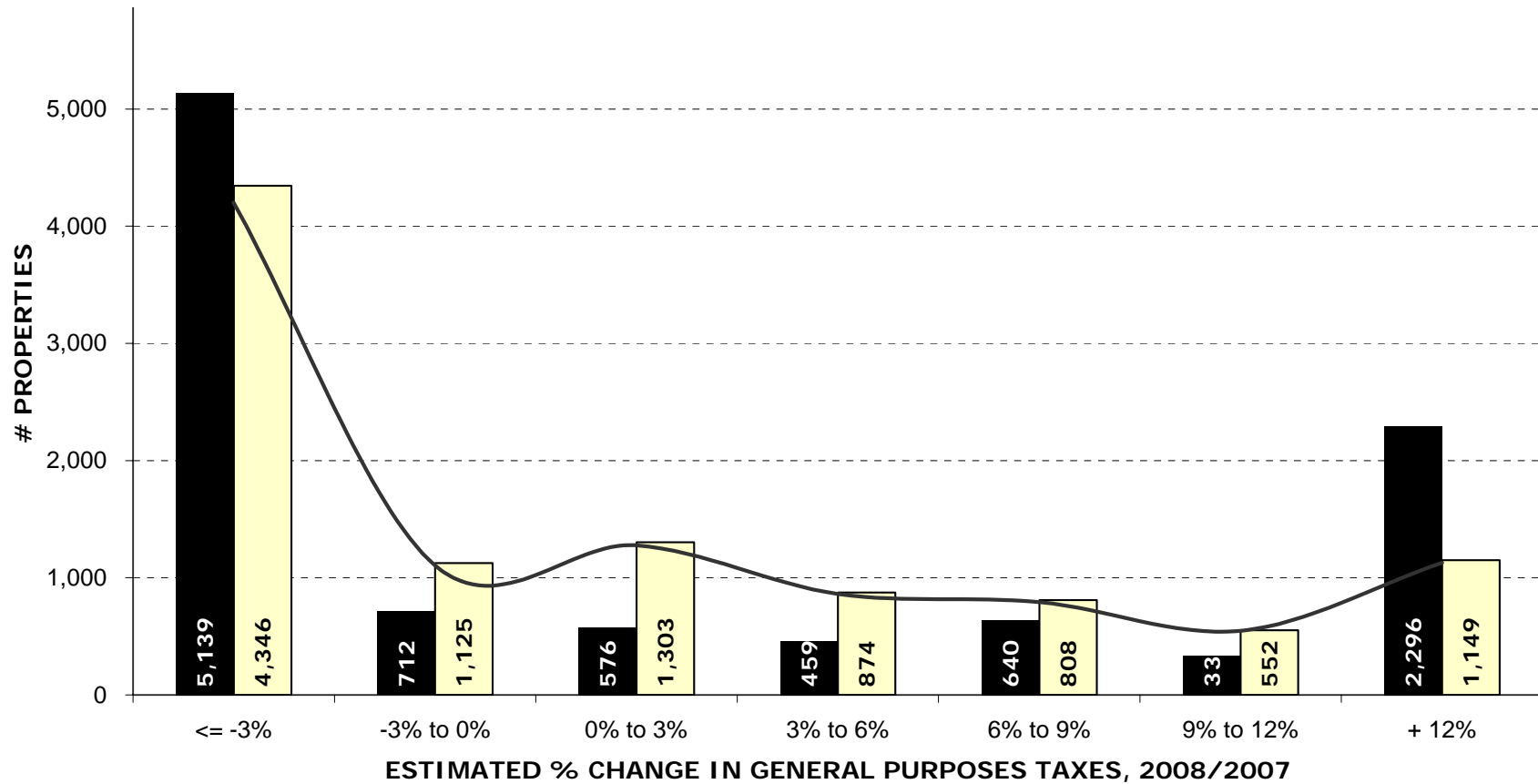
APPENDIX D: IMPACTS OF LAND AVERAGING ON MEDIAN PROPERTIES, CLASS 1 RESIDENTIAL

This table shows how the application of land averaging in 2008 would affect the median property in each neighbourhood.

NEIGHBOURHOOD (SEE BCAA MAP)	TAXABLE VALUES			GENERAL TAXES			\$ CHG IN TAXES		% CHG IN TAXES	
	2007 AVERAGED	2008 MARKET	2008 AVERAGED	2007 ACTUALS	2008 ESTIMATED MARKET	2008 ESTIMATED AVERAGED	USING 2008 MARKET	USING 2008 AVG'D	USING 2008 MARKET	USING 2008 AVG'D
001 - POINT GREY	\$942,000	\$1,314,000	\$1,112,333	\$2,280	\$2,515	\$2,363	\$235	\$83	10.3%	3.6%
002 - KITSILANO	\$467,367	\$614,000	\$551,000	\$1,131	\$1,175	\$1,171	\$44	\$39	3.9%	3.5%
003 - DUNBAR	\$803,500	\$1,278,500	\$1,008,167	\$1,945	\$2,447	\$2,142	\$502	\$197	25.8%	10.1%
004 - ARBUTUS	\$814,233	\$1,228,800	\$1,011,800	\$1,971	\$2,352	\$2,150	\$381	\$179	19.3%	9.1%
005 - KERRISDALE	\$753,867	\$1,213,900	\$951,233	\$1,825	\$2,323	\$2,021	\$498	\$196	27.3%	10.8%
006 - SOUTHLANDS	\$916,333	\$1,396,000	\$1,123,667	\$2,218	\$2,672	\$2,387	\$454	\$169	20.5%	7.6%
007 - FAIRVIEW	\$369,333	\$453,000	\$450,000	\$894	\$867	\$956	-\$27	\$62	-3.0%	6.9%
008 - SHAUGHNESSEY	\$1,146,667	\$1,849,000	\$1,440,000	\$2,775	\$3,538	\$3,059	\$763	\$284	27.5%	10.2%
009 - CAMBIE	\$717,267	\$973,400	\$842,733	\$1,736	\$1,863	\$1,790	\$127	\$54	7.3%	3.1%
010 - SOUTH GRANVILLE	\$1,204,667	\$1,597,000	\$1,428,333	\$2,916	\$3,056	\$3,035	\$140	\$119	4.8%	4.1%
011 - OAKRIDGE	\$694,167	\$944,300	\$812,967	\$1,680	\$1,807	\$1,727	\$127	\$47	7.6%	2.8%
012 - MARPOLE	\$567,667	\$748,000	\$651,333	\$1,374	\$1,431	\$1,384	\$57	\$10	4.2%	0.7%
013 - MT PLEASANT	\$310,667	\$394,000	\$386,667	\$752	\$754	\$822	\$2	\$70	0.3%	9.2%
014 - GRANDVIEW	\$411,333	\$545,000	\$490,667	\$996	\$1,043	\$1,042	\$47	\$47	4.8%	4.7%
015 - CEDAR COTTAGE	\$490,333	\$611,600	\$524,933	\$1,187	\$1,170	\$1,115	-\$16	-\$72	-1.4%	-6.0%
016 - MAIN/FRASER	\$473,567	\$626,300	\$548,967	\$1,146	\$1,199	\$1,166	\$52	\$20	4.6%	1.8%
017 - SOUTH VANCOUVER	\$475,367	\$615,200	\$548,867	\$1,151	\$1,177	\$1,166	\$27	\$16	2.3%	1.3%
018 - MARINE DRIVE	\$284,667	\$349,000	\$345,667	\$689	\$668	\$734	-\$21	\$45	-3.1%	6.6%
019 - KNIGHT	\$478,167	\$613,200	\$548,200	\$1,157	\$1,173	\$1,165	\$16	\$7	1.4%	0.6%
020 - HASTINGS EAST	\$437,867	\$595,200	\$511,867	\$1,060	\$1,139	\$1,087	\$79	\$28	7.5%	2.6%

NEIGHBOURHOOD (SEE BCAA MAP)	TAXABLE VALUES			GENERAL TAXES			\$ CHG IN TAXES		% CHG IN TAXES	
	2007 AVERAGED	2008 MARKET	2008 AVERAGED	2007 ACTUALS	2008 ESTIMATED MARKET	2008 ESTIMATED AVERAGED	USING 2008 MARKET	USING 2008 AVG'D	USING 2008 MARKET	USING 2008 AVG'D
021 - RENFREW	\$504,667	\$621,000	\$568,000	\$1,222	\$1,188	\$1,207	-\$33	-\$15	-2.7%	-1.2%
022 - RENFREW HEIGHTS	\$498,000	\$630,000	\$564,000	\$1,205	\$1,206	\$1,198	\$0	-\$7	0.0%	-0.6%
023 - COLLINGWOOD	\$407,033	\$527,300	\$473,967	\$985	\$1,009	\$1,007	\$24	\$22	2.4%	2.2%
024 - KILLARNEY	\$533,733	\$668,600	\$599,600	\$1,292	\$1,280	\$1,274	-\$12	-\$18	-1.0%	-1.4%
025 - FRASERVIEW	\$458,667	\$622,400	\$520,067	\$1,110	\$1,191	\$1,105	\$81	-\$5	7.3%	-0.5%
026 - DOWNTOWN	\$337,000	\$377,000	\$347,667	\$816	\$721	\$739	-\$94	-\$77	-11.6%	-9.4%
027 - WEST END	\$295,133	\$394,000	\$363,333	\$714	\$754	\$772	\$40	\$58	5.6%	8.1%
028 - HARBOUR	\$972,000	\$1,312,000	\$1,236,000	\$2,353	\$2,511	\$2,626	\$158	\$273	6.7%	11.6%
029 - DOWNTOWN SOUTH	\$267,000	\$345,000	\$334,333	\$646	\$660	\$710	\$14	\$64	2.2%	9.9%
030 - FALSE CREEK NORTH	\$463,000	\$550,000	\$575,000	\$1,121	\$1,053	\$1,222	-\$68	\$101	-6.1%	9.0%

APPENDIX E
DISTRIBUTION OF ESTIMATED CHANGES IN 2008 PROPERTY TAXES
WITH AND WITHOUT AVERAGING
CLASS 5 LIGHT INDUSTRIAL AND CLASS 6 BUSINESS



■ Market Value □ Averaging

APPENDIX F: IMPACTS OF LAND AVERAGING BY NEIGHBOURHOOD, CLASS 5 LIGHT INDUSTRY AND CLASS 6 BUSINESS

This table shows the distribution of the percent change in property taxes from 2007 to 2008 by neighbourhood, with and without the application of land averaging.

NEIGHBOURHOOD (SEE BCAA MAP)	TOTAL # PROP	MARKET VALUE, RATE = \$9.64					LAND AVERAGING, RATE = \$10.86					IMPACT CHG IN +6% GROUP
		AVG CHG IN TAXES	<= 0%	0% - 3%	3% - 6%	+ 6%	AVG CHG IN TAXES	<= 0%	0% - 3%	3% - 6%	+ 6%	
001 - POINT GREY	141	4.0%	67	6	22	46	3.6%	48	22	15	56	10
002 - KITSILANO	609	-0.4%	331	43	52	183	-0.6%	361	70	58	120	(63)
003 - DUNBAR	101	3.5%	50	2	2	47	0.3%	51	13	21	16	(31)
004 - ARBUTUS	33	0.0%	21	0	3	9	1.8%	13	1	7	12	3
005 - KERRISDALE	174	-3.9%	121	6	11	36	-2.6%	123	15	9	27	(9)
006 - SOUTHLANDS	8	0.0%	5	0	0	3	0.0%	5	2	0	1	(2)
007 - FAIRVIEW	816	-2.2%	515	33	21	247	-0.6%	433	125	111	147	(100)
008 - SHAUGHNESSEY	40	0.0%	35	2	0	3	0.0%	31	9	0	0	(3)
009 - CAMBIE	52	-9.8%	38	4	2	8	-5.2%	40	4	3	5	(3)
010 - SOUTH GRANVILLE	10	0.0%	5	0	0	5	-3.1%	7	1	1	1	(4)
011 - OAKRIDGE	7	-1.8%	2	2	1	2	0.0%	5	1	1	0	(2)
012 - MARPOLE	101	3.0%	56	3	6	36	0.2%	66	5	1	29	(7)
013 - MT PLEASANT	1,308	10.2%	500	70	82	656	2.8%	567	103	105	533	(123)
014 - GRANDVIEW	633	4.0%	358	38	22	215	-3.7%	447	42	45	99	(116)
015 - CEDAR COTTAGE	264	6.8%	117	7	14	126	-1.1%	143	23	24	74	(52)
016 - MAIN/FRASER	225	4.6%	103	9	14	99	-5.6%	160	30	9	26	(73)
017 - SOUTH VANCOUVER	123	-8.9%	98	5	5	15	-10.6%	95	18	5	5	(10)
018 - MARINE DRIVE	530	-1.7%	343	55	34	98	-1.9%	222	131	57	120	22
019 - KNIGHT	107	3.6%	50	8	7	42	-4.2%	79	5	11	12	(30)
020 - HASTINGS EAST	131	6.9%	66	6	5	54	-5.4%	82	19	8	22	(32)
021 - RENFREW	149	2.7%	89	9	7	44	-3.8%	88	31	3	27	(17)

NEIGHBOURHOOD (SEE BCAA MAP)	TOTAL # PROP	MARKET VALUE, RATE = \$9.64					LAND AVERAGING, RATE = \$10.86					IMPACT CHG IN +6% GROUP
		AVG CHG IN TAXES	<= 0%	0% - 3%	3% - 6%	+ 6%	AVG CHG IN TAXES	<= 0%	0% - 3%	3% - 6%	+ 6%	
022 - RENFREW HEIGHTS	34	0.0%	17	3	0	14	-11.5%	28	1	2	3	(11)
023 - COLLINGWOOD	279	1.4%	157	12	11	99	-1.9%	162	40	23	54	(45)
024 - KILLARNEY	92	-0.6%	62	1	4	25	-4.5%	75	4	5	8	(17)
025 - FRASERVIEW	16	0.0%	9	0	0	7	2.6%	5	2	4	5	(2)
026 - DOWNTOWN	2,684	-3.7%	1,758	137	94	695	-2.5%	1,474	427	200	583	(112)
027 - WEST END	299	-3.9%	202	15	7	75	-4.6%	213	24	18	44	(31)
028 - HARBOUR	61	0.0%	58	0	1	2	-5.2%	47	7	1	6	4
29-DOWNTOWN SOUTH	952	5.0%	458	86	31	377	6.3%	293	93	113	453	76
30-FALSE CREEK NORTH	178	-8.5%	160	14	1	3	-1.1%	108	35	14	21	18
TOTALS	10,157	0.9%	5,851	576	459	3,271	-0.9%	5,471	1,303	874	2,509	(762)

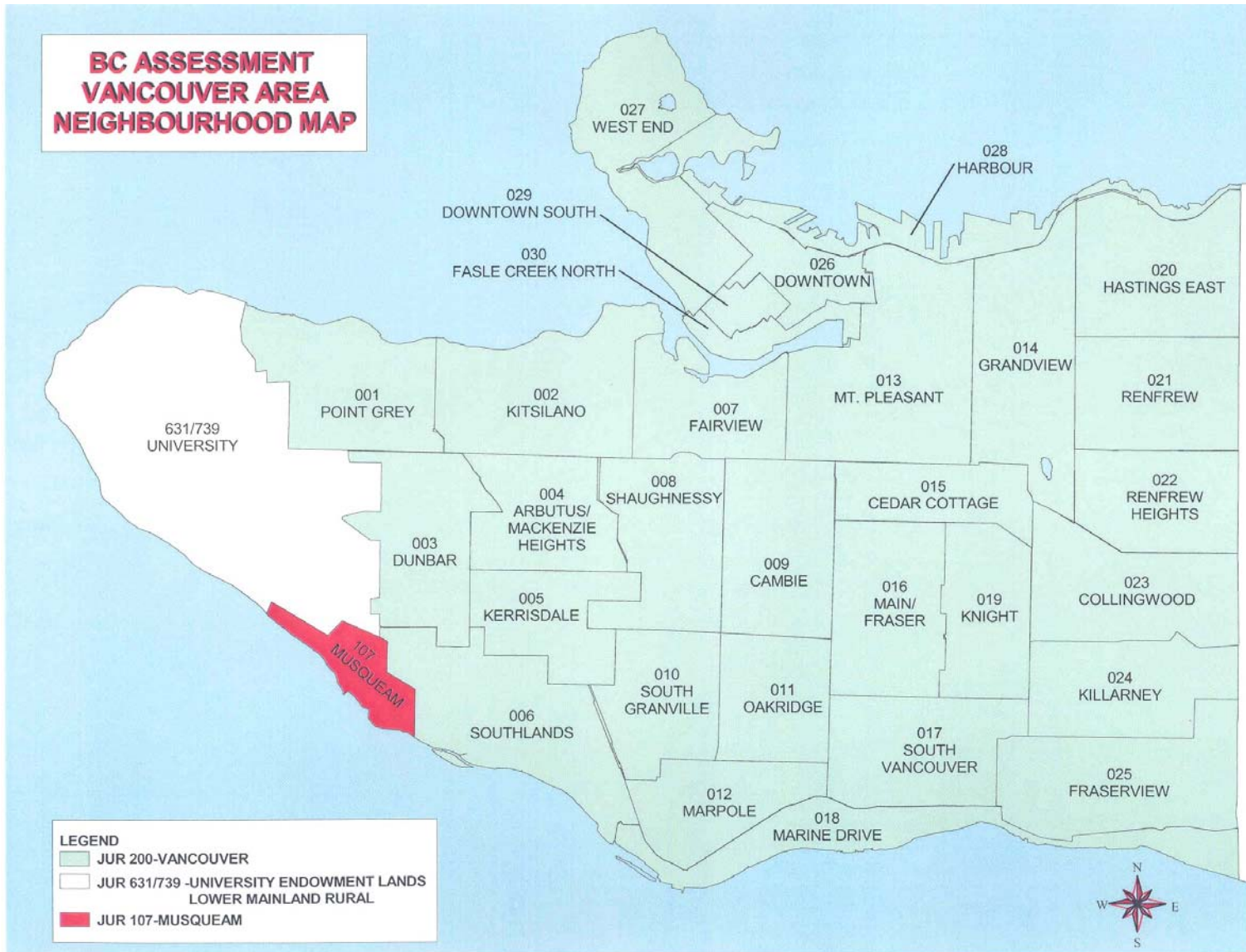
APPENDIX G: IMPACTS OF LAND AVERAGING ON MEDIAN PROPERTIES, CLASS 5 LIGHT INDUSTRIAL AND CLASS 6 BUSINESS

This table shows how the application of land averaging in 2008 would affect the median property in each neighbourhood.

NEIGHBOURHOOD (SEE BCAA MAP)	TAXABLE VALUES			GENERAL TAXES			\$ CHG IN TAXES		% CHG IN TAXES	
	2007 AVERAGED	2008 MARKET	2008 AVERAGED	2007 ACTUALS	2008 ESTIMATED MARKET	2008 ESTIMATED AVERAGED	USING 2008 MARKET	USING 2008 AVG'D	USING 2008 MARKET	USING 2008 AVG'D
001 - POINT GREY	\$367,100	\$446,000	\$429,333	\$4,900	\$4,298	\$4,662	-\$602	-\$238	-12.3%	-4.9%
002 - KITSILANO	\$850,000	\$1,084,200	\$903,200	\$11,345	\$10,448	\$9,808	-\$898	-\$1,537	-7.9%	-13.6%
003 - DUNBAR	\$397,333	\$440,000	\$464,667	\$5,303	\$4,240	\$5,046	-\$1,063	-\$258	-20.1%	-4.9%
004 - ARBUTUS	\$771,000	\$1,111,000	\$907,000	\$10,291	\$10,706	\$9,849	\$415	-\$442	4.0%	-4.3%
005 - KERRISDALE	\$752,667	\$1,013,000	\$1,035,333	\$10,046	\$9,762	\$11,243	-\$285	\$1,197	-2.8%	11.9%
006 - SOUTHLANDS	\$522,667	\$620,000	\$550,333	\$6,976	\$5,975	\$5,976	-\$1,002	-\$1,000	-14.4%	-14.3%
007 - FAIRVIEW	\$1,012,333	\$897,000	\$897,000	\$13,512	\$8,644	\$9,741	-\$4,868	-\$3,772	-36.0%	-27.9%
008 - SHAUGHNESSEY	\$223,367	\$270,900	\$259,567	\$2,981	\$2,611	\$2,819	-\$371	-\$163	-12.4%	-5.5%
009 - CAMBIE	\$837,000	\$1,059,000	\$1,013,333	\$11,172	\$10,205	\$11,004	-\$967	-\$168	-8.7%	-1.5%
010 - SOUTH GRANVILLE	\$2,013,000	\$3,107,400	\$2,449,733	\$26,869	\$29,944	\$26,602	\$3,076	-\$267	11.4%	-1.0%
011 - OAKRIDGE	\$3,566,033	\$5,042,100	\$4,067,433	\$47,598	\$48,588	\$44,169	\$990	-\$3,429	2.1%	-7.2%
012 - MARPOLE	\$649,667	\$1,196,000	\$1,018,333	\$8,671	\$11,525	\$11,058	\$2,854	\$2,387	32.9%	27.5%
013 - MT PLEASANT	\$486,567	\$830,000	\$590,333	\$6,494	\$7,998	\$6,410	\$1,504	-\$84	23.2%	-1.3%
014 - GRANDVIEW	\$409,333	\$756,000	\$566,667	\$5,464	\$7,285	\$6,153	\$1,822	\$690	33.3%	12.6%
015 - CEDAR COTTAGE	\$456,000	\$589,000	\$445,667	\$6,086	\$5,676	\$4,840	-\$411	-\$1,247	-6.7%	-20.5%
016 - MAIN/FRASER	\$627,333	\$831,700	\$559,700	\$8,373	\$8,015	\$6,078	-\$359	-\$2,296	-4.3%	-27.4%
017 - SOUTH VANCOUVER	\$599,667	\$666,000	\$523,333	\$8,004	\$6,418	\$5,683	-\$1,586	-\$2,321	-19.8%	-29.0%
018 - MARINE DRIVE	\$292,500	\$361,700	\$390,333	\$3,904	\$3,486	\$4,239	-\$419	\$335	-10.7%	8.6%
019 - KNIGHT	\$618,667	\$707,300	\$516,967	\$8,258	\$6,816	\$5,614	-\$1,442	-\$2,644	-17.5%	-32.0%
020 - HASTINGS EAST	\$594,000	\$713,600	\$477,267	\$7,928	\$6,877	\$5,183	-\$1,052	-\$2,746	-13.3%	-34.6%

NEIGHBOURHOOD (SEE BCAA MAP)	TAXABLE VALUES			GENERAL TAXES			\$ CHG IN TAXES		% CHG IN TAXES	
	2007 AVERAGED	2008 MARKET	2008 AVERAGED	2007 ACTUALS	2008 ESTIMATED MARKET	2008 ESTIMATED AVERAGED	USING 2008 MARKET	USING 2008 AVG'D	USING 2008 MARKET	USING 2008 AVG'D
021 - RENFREW	\$1,387,333	\$2,042,300	\$1,465,967	\$18,517	\$19,681	\$15,919	\$1,163	-\$2,598	6.3%	-14.0%
022 - RENFREW HEIGHTS	\$482,600	\$765,200	\$556,200	\$6,442	\$7,374	\$6,040	\$932	-\$402	14.5%	-6.2%
023 - COLLINGWOOD	\$357,000	\$527,700	\$408,033	\$4,765	\$5,085	\$4,431	\$320	-\$334	6.7%	-7.0%
024 - KILLARNEY	\$238,333	\$294,800	\$277,800	\$3,181	\$2,841	\$3,017	-\$340	-\$165	-10.7%	-5.2%
025 - FRASERVIEW	\$485,433	\$558,400	\$574,600	\$6,479	\$5,381	\$6,240	-\$1,098	-\$240	-17.0%	-3.7%
026 - DOWNTOWN	\$113,433	\$130,700	\$119,033	\$1,514	\$1,259	\$1,293	-\$255	-\$221	-16.8%	-14.6%
027 - WEST END	\$1,820,667	\$2,103,000	\$1,980,000	\$24,301	\$20,265	\$21,501	-\$4,036	-\$2,800	-16.6%	-11.5%
028 - HARBOUR	\$915,533	\$1,129,000	\$1,211,333	\$12,220	\$10,880	\$13,154	-\$1,341	\$934	-11.0%	7.6%
029 - DOWNTOWN SOUTH	\$175,533	\$265,000	\$232,000	\$2,343	\$2,554	\$2,519	\$211	\$176	9.0%	7.5%
030 - FALSE CREEK NORTH	\$419,333	\$528,000	\$490,000	\$5,597	\$5,088	\$5,321	-\$509	-\$276	-9.1%	-4.9%

APPENDIX H
BC ASSESSMENT AUTHORITY NEIGHBOURHOOD MAP



APPENDIX I
2008 LAND AVERAGING ADVERTISEMENT

Property Owners: Important Notice on Land Assessment Averaging

Vancouver City Council is considering the use of three-year land assessment averaging for residential, commercial and light industrial properties in Vancouver. Averaging smoothes out large, year-over-year property tax changes caused by uneven market value assessment changes. This program is revenue neutral to the City and has been in effect since 1993 for residential and commercial properties and since 2007 for light industrial properties.

Most Vancouver residential, commercial and light industry properties will have their land assessment values averaged. Eligibility for averaging and other procedural requirements will be set out in the averaging bylaw that will be submitted to City Council for adoption on March 13, 2008.

If approved, your 2008 taxes would be calculated on the average of your 2006, 2007 and 2008 assessed land values, plus your 2008 assessed improvement value. The table below shows the effect of averaging on sample properties, using 2008 projected general purpose taxes (prior to the final Council imposed increase). In these examples, the sample property is the median 2008 assessed value in each neighbourhood. These are only examples and impacts on other properties will vary.

For more information about the averaging program, contact the Property Tax Office at 604.873.7219. If you have comments to make about this proposed program, please direct them by mail to Mayor and Council, 453 West 12th Avenue, Vancouver, BC V5Y 1V4; by e-mail to mayorandcouncil@vancouver.ca; or register to speak at the City Service and Budget Committee meeting on March 13 by contacting Denise Salmon, 604.873.7269.

City of Vancouver General Purposes Taxes 2008

The table below does not include school and other taxes that are outside the control of City Council, although averaging will also apply to those taxes. Taxes exclude utility charges.

Typical Property by Neighbourhood

NEIGHBOURHOOD	RESIDENTIAL CLASS (\$)			BUSINESS CLASS (\$)		
	2008 TAXABLE VALUE	2008 TAXES AVERAGED	2008 TAXES NOT AVERAGED	2008 TAXABLE VALUE	2008 TAXES AVERAGED	2008 TAXES NOT AVERAGED
ARBUTUS	1,228,800	2,150	2,352	1,111,000	9,849	10,706
CAMBIE	973,400	1,790	1,863	1,059,000	11,004	10,205
CEDAR COTTAGE	611,600	1,115	1,170	589,000	4,840	5,676
COLLINGWOOD	527,300	1,007	1,009	527,700	4,431	5,085
DOWNTOWN	377,000	739	721	130,700	1,293	1,259
DOWNTOWN SOUTH	345,000	710	660	265,000	2,519	2,554
DUNBAR	1,278,500	2,142	2,447	440,000	5,046	4,240
FAIRVIEW	453,000	956	867	897,000	9,741	8,644
FALSE CREEK NORTH	550,000	1,222	1,053	528,000	5,321	5,088
FRASERVUE	622,400	1,105	1,191	558,400	6,240	5,381
GRANDVIEW	545,000	1,042	1,043	756,000	6,153	7,285
HARBOUR	1,312,000	2,626	2,511	1,129,000	13,154	10,880
HASTINGS EAST	595,200	1,087	1,139	713,600	5,183	6,877
KERRISDALE	1,213,900	2,021	2,323	1,013,000	11,243	9,762
KILLARNEY	668,600	1,274	1,280	294,800	3,017	2,841
KITSILANO	614,000	1,171	1,175	1,084,200	9,808	10,448
KNIGHT	613,200	1,165	1,173	707,300	5,614	6,816
MAIN/FRASER	626,300	1,166	1,199	831,700	6,078	8,015
MARINE DRIVE	349,000	734	668	361,700	4,239	3,486
MARPOLE	748,000	1,384	1,431	1,196,000	11,058	11,525
MT PLEASANT	394,000	822	754	830,000	6,410	7,998
OAKRIDGE	944,300	1,727	1,807	5,042,100	44,169	48,588
POINT GREY	1,314,000	2,363	2,515	446,000	4,662	4,298
RENFREW	621,000	1,207	1,188	2,042,300	15,919	19,681
RENFREW HEIGHTS	630,000	1,198	1,206	765,200	6,040	7,374
SHAUGHNESSY	1,849,000	3,059	3,538	270,900	2,819	2,611
SOUTH GRANVILLE	1,597,000	3,035	3,056	3,107,400	26,602	29,944
SOUTH VANCOUVER	615,200	1,166	1,177	666,000	5,683	6,418
SOUTHLANDS	1,396,000	2,387	2,672	620,000	5,976	5,975
WEST END	394,000	772	754	2,103,000	21,501	20,265

NEIGHBOURHOOD	LIGHT INDUSTRY CLASS (\$)		
	2008 TAXABLE VALUE	2008 TAXES AVERAGED	2008 TAXES NOT AVERAGED
FAIRVIEW	1,360,000	11,514	13,106
GRANDVIEW	673,000	6,049	6,485
MARINE DRIVE	759,000	6,396	7,314
MT PLEASANT	1,214,000	10,787	11,699

City of Vancouver website
vancouver.ca

