



ADMINISTRATIVE REPORT

Report Date: February 24, 2009
Contact: Grace Cheng
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RTS No.: 7735
VanRIMS No.: 08-2000-20
Meeting Date: March 5, 2009

TO: Standing Committee on City Services and Budgets
FROM: Director of Finance
SUBJECT: 2009 Property Taxation: Land Assessment Averaging Program

RECOMMENDATION

- A. THAT Council approve the continuation of the three-year land assessment averaging program in 2009 for the purpose of property tax calculations for Residential (Class 1), Light Industrial (Class 5) and Business & Other (Class 6) properties;

AND FURTHER THAT Council instruct the Director of Legal Services, in consultation with the Director of Finance, to prepare a bylaw authorizing the use of such a mechanism and bring it forward to Council for consideration on March 24, 2009.

- B. THAT, subject to approval of Recommendation A, Council instruct the Director of Finance to make appropriate arrangements with the BC Assessment Authority for the production of an Averaged 2009 Assessment Roll at an estimated cost of \$20,000; source of fund to be 2009 Operating Budget.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of the foregoing.

COUNCIL POLICY

In 1993, Council implemented three-year land assessment averaging for the purpose of calculating annual property taxes for Residential (Class 1) and Business & Other (Class 6) properties; in 2007, Council extended the same to Light Industrial (Class 5) properties.

Section 374.4 of the *Vancouver Charter* requires that Council consider the continuation of the three-year land assessment averaging program each year and, if Council decides to proceed, a bylaw be adopted, before March 31, authorizing the use of such a mechanism.

PURPOSE

The purpose of this report is to seek Council approval to continue the application of three-year land assessment averaging for the calculation of 2009 property taxes for Residential (Class 1), Light Industrial (Class 5), and Business & Other (Class 6) properties. Staff will prepare the associated bylaw and bring it forward to Council for consideration on March 24, 2009.

BACKGROUND

In the late 1980's, a very active real estate market resulted in uneven property value increases in both residential and business property classes and, consequently, significant shifts in the property tax burden among individual properties within these classes. The trend continued into the early 1990's when some residential properties faced up to 100% tax increases and some business properties up to 300% tax increases.

Since 1989, Council has taken various means of intervention in the market value-based taxation system each year to mitigate the impacts of large shifts in property tax burden within the residential and business property classes. In 1992, the provincial government enacted legislation which provided Council with two options to mitigate the impacts of uneven year-over-year assessment changes on property taxes and to improve the year-over-year stability and predictability of property taxes. The two options are:

Three-year Land Assessment Averaging - This mechanism smoothes the property tax impact of changes, both increases and decreases, in assessed land values. It entails using the average land value of the current year and that of the two prior years plus the current assessed value of property improvements for calculation of property taxes.

Land Assessment Phasing - This is a "peak shaving" mechanism that applies to current year's assessed land value based on a formula established by the provincial legislation. Council has discretion in deciding the amount of land value to be sheltered from property taxation, which ranges from 50% to 66% of an individual property's land value increase in excess of the average change in land value for the entire class. The current assessed improvement value is then added to the adjusted land value for calculation of property taxes.

Both land assessment averaging and land assessment phasing are revenue neutral to the City in that total tax levies collected from each property class are the same with or without application of any of these mechanisms.

Since the enactment of the legislation, staff have undertaken statistical analyses to demonstrate property tax impacts using both options. In 1993, Council implemented three-year land assessment averaging for the calculation of annual property taxes for Residential (Class 1) and Business & Other (Class 6) properties. Over the years, staff's analyses consistently demonstrated that land assessment averaging is more effective than land assessment phasing in mitigating the property tax impacts of uneven year-over-year assessment changes. In 1998, Council stopped considering land assessment phasing as a taxation option. In 2007, Council extended the use of three-year land assessment averaging to Light Industrial (Class 5) properties. A history of Council's interventions in the market value-based taxation system since 1989 can be found in Appendix A.

Over the years, various studies were conducted to address property tax distribution, volatility, and other taxation issues:

- 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.”
- In 2006, Council established the Property Tax Policy Review Commission which provided their final recommendations to Council in September 2007 ([PTPRC Final Report](#)). Based on staff’s analysis and comments ([RTS#6947](#)), 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. The amendment will be submitted to the provincial government by June 2009 with possible enactment in Spring 2010.

DISCUSSION

Relationship between Assessed Value and Property Tax Volatility

Property assessment and property taxation is a two-part process. First, the BC Assessment Authority assesses the market value of a property on an annual basis. Second, the City sets the tax rate for each property class which is applied to the assessed values to generate a fixed amount of property tax levies in order to meet the City’s operating budget needs as approved by Council. While changes in assessed values do not result in increases or decreases in the overall property tax revenue for the City, they can result in significant shifts in taxes paid by individual properties within each class.

Table 1 below lays out 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) and Council-approved tax increases and redistribution of taxes among property classes.

Table 1: Relationship between Assessed Value and Property Tax Volatility

If a property’s assessed value has increased by...	the % share of the property taxes...
...the <i>same</i> % as the property class average % change,	...will be the <i>same</i> as the prior year.
... <i>more</i> than the property class average % change,	...will <i>increase</i> over the prior year.
... <i>less</i> than the property class average % change,	...will <i>decrease</i> over the prior year.

As a general rule, the extent of change in a property’s taxes is determined primarily by how that property’s assessed value has changed relative to the average change in its property class.

Land Assessment Averaging Methodology

Land assessment averaging is intended to provide temporary relief to property owners by phasing in the year-over-year tax impact as a result of volatility in land values (both increases and decreases). It does not provide permanent reduction in property taxes for individual properties. Averaging is a “zero-sum” mechanism - some taxpayers will pay more tax than they otherwise would without the application of averaging while some will pay less. Any tax

savings enjoyed by some properties in a given year are redistributed among other properties, yet the total property tax levies collected by the City remain the same.

Table 2 below compares the calculation of property taxes under the market value approach and under the averaged value approach.

Table 2: Property Tax Calculation
Market Value Option vs. Three-Year Land Assessment Averaging Option

Market Value Option	Land Assessment Averaging Option
2009 Land Value	Average of 2007/08/09 Land Value
+ <u>2009 Improvement Value</u>	+ <u>2009 Improvement Value</u>
= 2009 Taxable Value _{Market}	= 2009 Taxable Value _{Averaged}
x <u>2009 Tax Rate</u> _{Market}	x <u>2009 Tax Rate</u> _{Averaged}
= 2009 Total General Purpose Taxes	= 2009 Total General Purpose Taxes

NOTES

1. The 2009 Total General Purpose Taxes amount is the same under both options.
2. On November 27, 2008, the provincial government passed the Economic Incentive and Stabilization Statutes Amendment Act (Bill 45) which provides special valuation rules for the purpose of the 2009 tax year. Part 3 of Bill 45 stipulates that properties valued at market value will, on the 2009 Assessment Roll, be valued at the actual value calculated using either a July 1, 2007 or July 1, 2008 valuation date, whichever is lower. In the case of the land assessment averaging option, it means that of the three years of land values used in the averaging formula, the 2009 land value will be equal to or less than the 2008 land value.

As shown in Table 2, application of land assessment averaging affects two components in the property tax calculation:

Taxable Value _{Averaged} - The taxable value of a property is calculated using the average land value of the current year and that of the two prior years plus the current improvement value. In any given year, the averaged taxable value could be higher, lower, or the same when compared to the market value of that property.

Tax Rate _{Averaged} - For those property classes eligible for averaging, the tax rate is recalculated based on the averaged taxable value in order to generate the same amount of property tax levies. Therefore, if averaging *reduces* the total taxable value of a property class, the tax rate will be *higher*. If averaging *increases* the total taxable value of a property class, the tax rate will be *lower*.

Consequently, application of land assessment averaging may increase, decrease, or have no impact on the property tax for an individual property when compared to the market value option.

Below are general rules with regards to land assessment averaging:

- Properties with extreme volatility in land values (both increases and decreases) within the past two years will be most affected by averaging.
- As land values increase, averaging slows the rate of increase of property taxes over time; as land values decrease, averaging slows the rate of decrease of property taxes over time.
- Properties with current land values higher than their past values are averaged down; properties with current land values lower than their past values are averaged up.
- A property that has experienced significant increases in land value over the past one, two or three years will pay lower taxes as a result of averaging; a property that has experienced significant decrease in assessed land value over the past one, two or three years will pay higher taxes as a result of averaging.
- Averaging applies to all properties that meet the eligibility requirements outlined in the *Land Assessment Averaging Bylaw*; not just properties that experience large increase in land values.

In deciding whether to continue with land assessment averaging, Council must weigh the impact of intra-class tax shifts as a result of averaging against the benefit of mitigating extreme year-over-year volatility within a property class.

Land Assessment Averaging Program Implementation

Section 374.4 of the *Vancouver Charter* stipulates the legislative and administrative requirements for the implementation of three-year land assessment averaging. Key elements include:

Eligible Property Classes - Averaging is currently applied to Class 1 (Residential), Class 5 (Light Industrial), and Class 6 (Business & Other). It does not apply to Class 8 (Seasonal & Non-Profit) and other property classes valued at special rates - Class 2 (Utilities), Class 4 (Major Industry), and Class 9 (Farm).

Eligible Properties - Eligibility criteria for individual properties are outlined in the *Land Assessment Averaging Bylaw* adopted by Council each year. For example, a property which has had a change in use is not eligible for averaging in the current year.

Calculation of All Tax Levies - Averaging is applicable to the calculation of tax levies for the City and other taxing authorities on a revenue neutral basis. Because averaging affects the taxable values used for all tax levy calculations, a decision to average a property class requires that Council approve a resolution adjusting the tax rates of all taxing authorities to ensure revenue neutrality. Any tax levy losses arising from assessment appeals on properties that are averaged are borne by the City.

Land Assessment Averaging Bylaw - The bylaw must be adopted by Council before March 31 each year.

Notification to the Public - Property taxpayers must be notified of Council's intent to consider the application of three-year land assessment averaging and the resulting tax impacts on sample properties. 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 Bylaw*.

Appeal Process - Council is required to provide a process for property taxpayers to appeal the application of the *Land Assessment Averaging Bylaw*. The bylaw 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*. To-date, staff has been able to resolve all appeals administratively and hence no Court of Revision has been necessary. Any tax levy losses arising from the averaging appeal process are borne by the City.

Analysis of Land Assessment Averaging in 2009

Similar to prior years, staff have undertaken a statistical analysis comparing the application of the market value option versus the land assessment averaging option for the Residential (Class 1), Light Industrial (Class 5), and Business & Other (Class 6) property classes.

Data Source - The analysis uses the assessed values on the *2009 Completed Roll* available at the time of this report, which should come close to those in the *2009 Revised Roll* to be published in early April which incorporates updates from Court of Revision and Appeal Board decisions.

Averaging Eligibility Criteria - The analysis adopts a set of eligibility criteria similar to those in the *Land Assessment Averaging Bylaw*, which excludes new construction, class transfers, and other properties that are not eligible for land assessment averaging.

Municipal General Purpose Tax Levies - While averaging is applicable to the calculation of tax levies for the City and other taxing authorities, the analysis considers only the City's general purpose taxes as data from other taxing authorities is not available at the time of this report. However, the results should present a reasonable indication of the impacts of averaging as the same pattern would apply to other tax levies.

Key Assumptions - The analysis assumes a property tax level which is being considered by Council and the continuation of the 1% tax redistribution from non-residential to residential properties. Depending on Council's final decision in April 2009, the impact of property tax increase may be different.

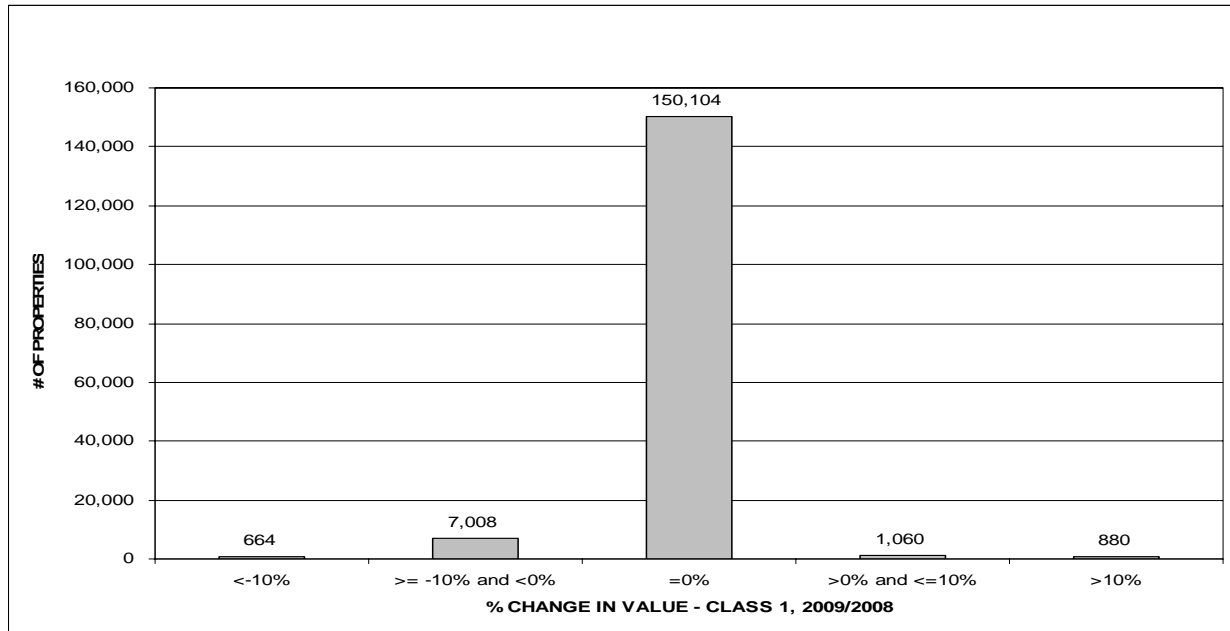
In 2009, the great majority of residential, light industrial and business properties have no change in their property value over 2008 due to the enactment of the provincial *Economic Incentive and Stabilization Statutes Amendment Act (Bill 45)* in November 2008 which stipulates that properties be valued on the *2009 Assessment Roll* using either a July 1, 2007 or July 1, 2008 valuation date, whichever is lower.

Class 1 - Residential

The 2009 Completed Roll indicates an overall increase of \$2.13 billion (1.6%) in assessed value for Class 1 (Residential), of which \$0.52 billion (0.4%) represents a reduction in market values and \$2.61 billion (2%) non-market changes which include new construction and class transfers that are not eligible for land assessment averaging.

Table 3 below shows the distribution of changes in assessed values from 2008 to 2009.

Table 3: Distribution of Changes in Assessed Value
Class 1 - Residential (Sample Size = 159,716)



Consistent with the continued growth in the assessment base, applying land assessment averaging to the residential property class decreases the overall taxable value of the class and hence increases the tax rate over what it would be without averaging. As illustrated in Table 4 below, the 2009 total taxable value of Class 1 is 2% lower with averaging than what it would be without averaging.

Table 4: Land Assessment Averaging Impacts
Class 1 - Residential

	2008 Actuals Averaged	2009 Estimates Market	2009 Estimates Averaged
Taxable Value	\$117.4 billion	\$132.1 billion	\$129.0 billion
Tax Rate (per \$1,000 Taxable Value)	\$2.13	\$2.10	\$2.15

Key findings from the analysis are:

28% of Class 1 Properties Face Significant Tax Increases without Averaging - Without averaging, approximately 45,330 of Class 1 properties would experience tax increases in excess of 12%.

7% Fewer Class 1 Properties Face Significant Tax Increases with Averaging - Applying averaging reduces the number of Class 1 properties with year-over-year tax increases in excess of 12% by approximately 11,400 (7%).

29% of Class 1 Properties Benefit from Averaging - Of 159,720 Class 1 properties, 45,790 (29%) would pay lower taxes with averaging than they otherwise would without averaging; 54,500 (34%) would pay higher taxes with averaging than they otherwise

would without averaging; and 59,430 (37%) would pay approximately the same amount of taxes (within \$12 differential) with or without averaging.

Results of the analysis for Class 1 (Residential) can be found in Appendices B, C and D.

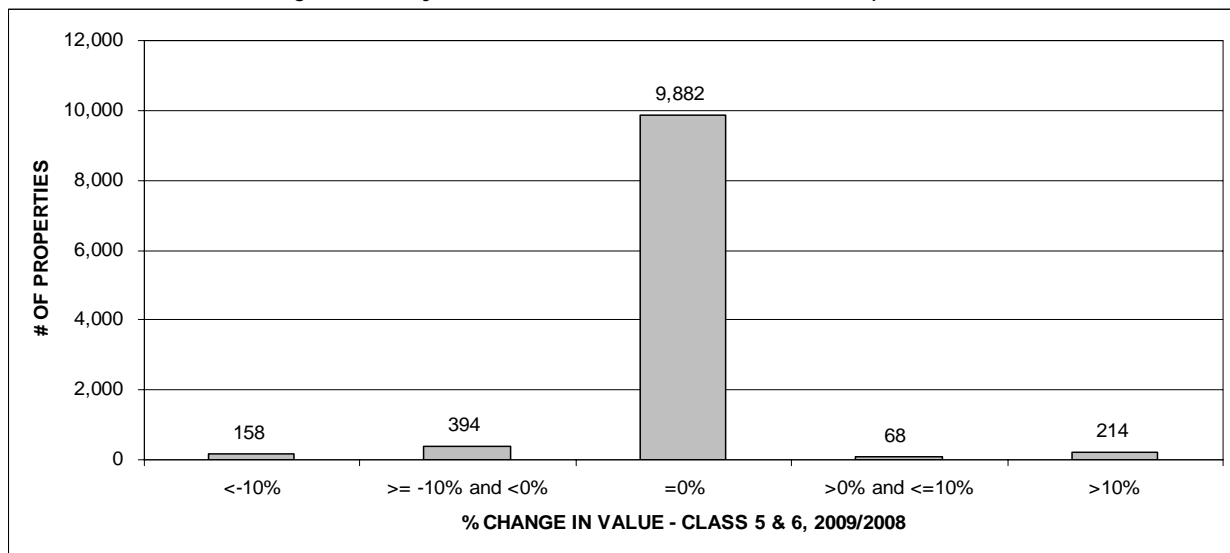
Class 5 and 6 - Light Industry and Business & Other

Since 2000, Class 5 (Light Industry) and Class 6 (Business & Other) have been “blended” for the purpose of calculating property taxes. This means the tax rates for these classes are the same.

The 2009 Completed Roll indicates a combined decrease of \$0.16 billion (0.6%) in assessed value for Class 5 and 6, of which \$0.14 billion (0.5%) represents a reduction in market values and \$0.09 billion (0.3%) non-market changes which include new construction and class transfers that are not eligible for land assessment averaging.

Table 5 below shows the distribution of changes in assessed values from 2008 to 2009.

Table 5: Distribution of Changes in Assessed Values
Class 5 - Light Industry and Class 6 - Business & Other (Sample Size = 10,716)



Consistent with the continued growth in the assessment base, applying land assessment averaging to the light industrial and business & other property classes decreases the overall taxable value of the class and hence increases the tax rate over what it would be without averaging. As illustrated in Table 6 below, the 2009 total taxable value of Class 5 and 6 is 4% lower with averaging than what it would be without averaging.

Table 6: Land Assessment Averaging Impacts
Class 5 - Light Industry and Class 6 - Business & Other

	2008 Actuals Averaged	2009 Estimates Market	2009 Estimates Averaged
Taxable Value	\$23.5 billion	\$26.7 billion	\$25.6 billion
Tax Rate (per \$1,000 Taxable Value)	\$10.82	\$9.92	\$10.32

Key findings from the analysis are:

27% of Class 5 & 6 Properties Face Significant Tax Increases without Averaging - Without averaging, approximately 2,920 of Class 5 and 6 properties would experience tax increases in excess of 12%.

6% Fewer Class 5 & 6 Properties Face Significant Tax Increases with Averaging - Applying averaging reduces the number of Class 5 and 6 properties with year-over-year tax increases in excess of 12% by approximately 670 (6%).

35% of Class 5 & 6 Properties Benefit from Averaging - Of 10,720 Class 5 and 6 properties, 3,720 (35%) would pay lower taxes with averaging than they otherwise would without averaging; 3,660 (34%) would pay higher taxes with averaging than they otherwise would without averaging; and 3,340 (31%) would pay approximately the same amount of taxes (within \$60 differential) with or without averaging.

Results of the analysis for Class 5 (Light Industry) and Class 6 (Business & Other) can be found in Appendices E, F and G.

Overall Observation

The statistical analysis contained in this report demonstrates that land assessment averaging continues to be effective in mitigating significant year-over-year property tax increases resulting from volatility in assessed land values. However, in the current year, the benefits of averaging are less pronounced due to the enactment of the provincial *Economic Incentive and Stabilization Statutes Amendment Act (Bill 45)* in November 2008 which stipulates that properties be valued on the *2009 Assessment Roll* using either a July 1, 2007 or July 1, 2008 valuation date, whichever is lower.

Council has applied three-year land assessment averaging in the calculation of property taxes for Residential (Class 1) and Business & Other (Class 6) properties since 1993; and for Light Industrial (Class 5) properties since 2007. There is a strong justification for continual application of averaging from year to year on the basis of consistency and equity. Land assessment averaging helps ease property tax increases resulting from land value increases and delay property tax decreases resulting from land value decreases. Not applying averaging would reintroduce significant volatility in year-over-year property taxes. Selective application of averaging in some years but not in others could either advantage or disadvantage individual properties, depending on the market circumstances.

Staff therefore recommend the continuation of three-year land assessment averaging in 2009 for the purpose of property tax calculations for the Residential (Class 1), Light Industrial (Class 5), and Business & Other (Class 6) property classes.

A notice to inform property owners on Council's intent to consider the application of three-year land assessment averaging in 2009 has been placed in the Province, the Courier, and on the City's website since February 27, 2009 in accordance with the notification requirements set out in the *Vancouver Charter*. A copy of the notice can be found in Appendix I.

Production of an Averaged Assessment Roll

Should Council approve the continuation of three-year land assessment averaging in 2009, the City will require an *Averaged Assessment Roll* for the calculation of property tax levies. Since 1993, BC Assessment has offered to produce an averaged or phased assessment roll to any municipal jurisdiction on a user-fee basis at the cost of \$0.12 per folio, or approximately \$20,000 for the City. The City has been purchasing this service each year since 1993 as it is preferable to the alternative that requires the City to duplicate the system design and programming work internally to produce a similar product.

FINANCIAL IMPLICATIONS

The cost of engaging BC Assessment to produce an *Averaged 2009 Assessment Roll* is estimated at \$20,000; source of fund to be 2009 Operating Budget.

CONCLUSION

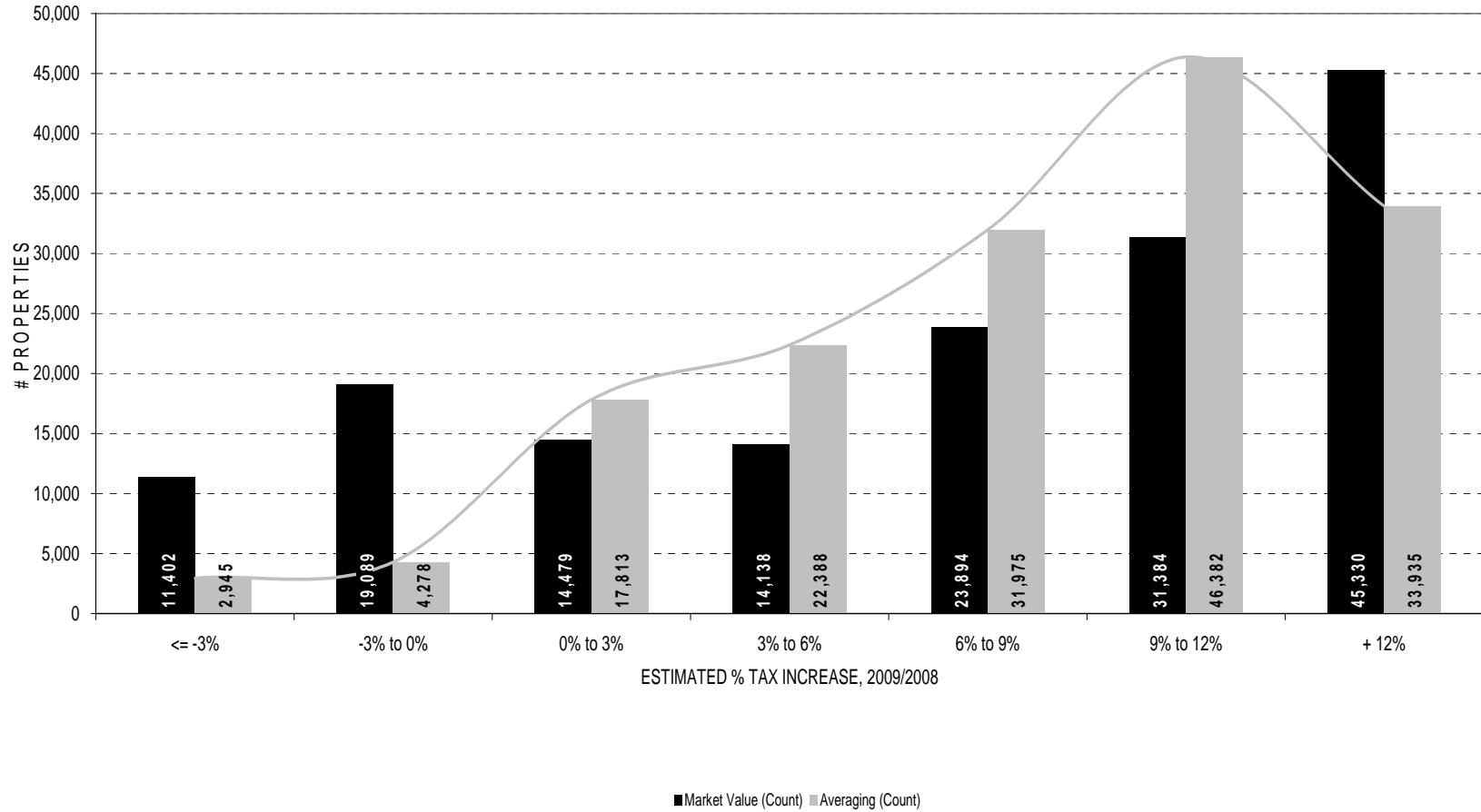
Staff recommend that Council approve the continuation of three-year land assessment averaging in 2009 for the purpose of property tax calculations for Residential (Class 1), Light Industrial (Class 5), and Business & Other (Class 6) properties.

* * * * *

Year	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 averaging Capped tax increases at 25% for select properties 	<ul style="list-style-type: none"> Implemented three-year land averaging Capped tax increases at 25% for select properties
1994	<ul style="list-style-type: none"> Continued three-year land averaging Capped tax increases at 10% for select properties \$500 limit on tax credit 	<ul style="list-style-type: none"> Continued three-year land averaging Capped tax increases at 10% for select properties \$15,000 limit on tax credit
1995	<ul style="list-style-type: none"> Continued three-year land averaging No tax capping 	<ul style="list-style-type: none"> Continued three-year land averaging Capped tax increases 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 averaging No tax capping 	<ul style="list-style-type: none"> Continued three-year land averaging Capped tax increases 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 averaging No tax capping 	<ul style="list-style-type: none"> Continued three-year land averaging Capped tax increases 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 averaging Implemented solid waste utility 	<ul style="list-style-type: none"> Continued three-year land averaging
1999-2008	<ul style="list-style-type: none"> Continued three-year land averaging 	<ul style="list-style-type: none"> Continued three-year land averaging

NOTE: Since 2007, land assessment averaging has been extended to Class 5 (Light Industry).

DISTRIBUTION OF ESTIMATED CHANGES IN 2009 PROPERTY TAXES WITH AND WITHOUT AVERAGING
 CLASS 1 RESIDENTIAL



**PROPERTY TAX IMPACTS OF LAND ASSESSMENT AVERAGING BY NEIGHBOURHOOD
CLASS 1 RESIDENTIAL**

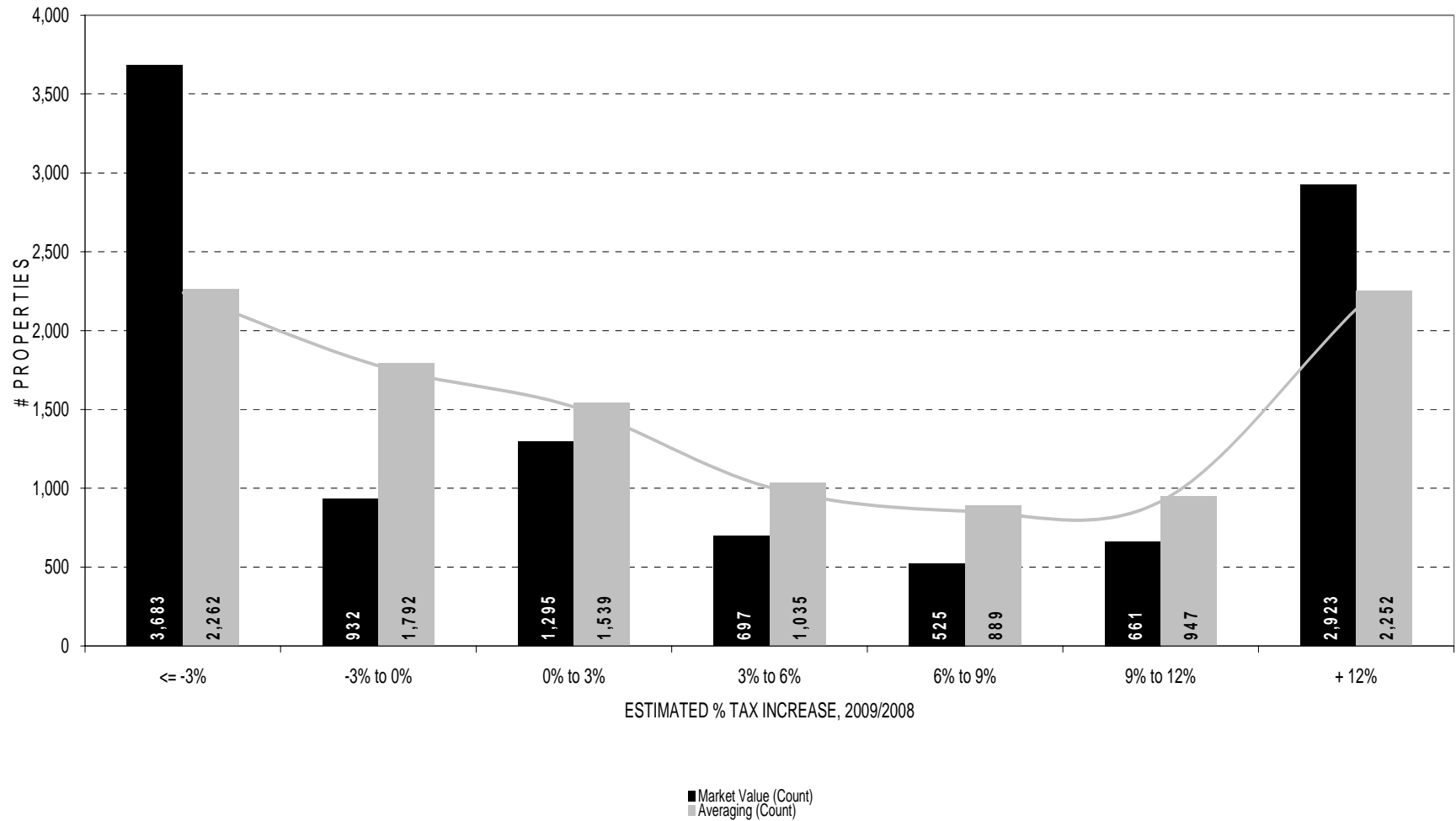
This table shows the distribution of change in property taxes from 2008 to 2009 by neighborhood with and without land averaging.

NEIGHBOURHOOD (SEE BCAA MAP)	TOTAL # PROP	MARKET VALUE RATE = \$2.09605						AVERAGING RATE = \$2.14593						IMPACT OF AVERAGING CHG >9% CATEGORY
		AVG CHG IN TAXES	<= 0%	0% - 3%	3% - 6%	6%-9%	>9%	AVG CHG IN TAXES	<= 0%	0% - 3%	3% - 6%	6% - 9%	>9%	
001 - POINT GREY	3,948	14.1%	164	134	177	182	3,291	11.8%	75	84	182	344	3,263	(28)
002 - KITSILANO	12,894	7.4%	1,029	1,506	1,857	2,165	6,337	7.0%	464	499	2,154	3,236	6,541	204
003 - DUNBAR	4,487	16.7%	122	91	74	37	4,163	14.0%	18	97	119	79	4,174	11
004 - ARBUTUS	3,964	12.9%	383	177	185	286	2,933	10.6%	3	279	268	479	2,935	2
005 - KERRISDALE	3,801	11.5%	453	283	202	221	2,642	9.8%	158	258	371	386	2,628	(14)
006 - SOUTHLANDS	1,975	18.0%	30	1	12	20	1,912	13.2%	30	9	5	108	1,823	(89)
007 - FAIRVIEW	10,365	2.8%	2,769	1,458	2,239	1,827	2,072	3.8%	799	1,967	2,502	2,831	2,266	194
008 - SHAUGHNESSEY	2,380	15.3%	15	68	74	151	2,072	11.9%	2	5	86	252	2,035	(37)
009 - CAMBIE	3,947	12.2%	237	172	158	122	3,258	10.5%	21	78	266	396	3,186	(72)
010 - SOUTH GRANVILLE	2,570	16.1%	8	4	39	132	2,387	12.5%	13	8	28	229	2,292	(95)
011 - OAKRIDGE	2,345	7.7%	476	95	154	268	1,352	7.8%	45	368	239	381	1,312	(40)
012 - MARPOLE	4,463	7.5%	243	589	279	560	2,792	7.2%	64	142	622	962	2,673	(119)
013 - MT PLEASANT	7,627	6.3%	1,474	745	1,132	1,318	2,958	7.0%	172	870	1,191	1,538	3,856	898
014 - GRANDVIEW	8,321	9.7%	527	372	783	1,061	5,578	9.1%	216	322	496	1,406	5,881	303
015 - CEDAR COTTAGE	3,908	9.5%	334	365	75	290	2,844	9.4%	85	181	300	416	2,926	82
016 - MAIN/FRASER	5,639	10.3%	143	83	313	667	4,433	9.3%	69	90	157	943	4,380	(53)
017 - SOUTH VANCOUVER	5,824	5.9%	135	61	221	2,293	3,114	6.7%	38	104	58	2,027	3,597	483
018 - MARINE DRIVE	1,533	0.7%	629	612	157	40	95	3.2%	29	384	666	343	111	16
019 - KNIGHT	4,772	5.6%	134	152	22	2,008	2,456	6.3%	22	21	203	1,797	2,729	273
020 - HASTINGS EAST	4,996	8.6%	155	53	291	1,040	3,457	9.3%	97	16	166	696	4,021	564
021 - RENFREW	3,590	10.6%	47	84	36	446	2,977	9.4%	9	11	86	520	2,964	(13)
022 - RENFREW HEIGHTS	4,368	9.4%	12	17	36	819	3,484	8.9%	12	11	6	845	3,494	10
023 - COLLINGWOOD	9,245	3.1%	2,656	396	614	2,600	2,979	5.0%	437	1,087	1,500	2,702	3,519	540
024 - KILLARNEY	4,860	5.6%	97	57	111	2,149	2,446	6.3%	18	67	71	1,878	2,826	380
025 - FRASERVIEW	4,575	6.9%	224	201	322	1,159	2,669	6.1%	141	73	334	1,568	2,459	(210)
026 - DOWNTOWN	7,212	-0.4%	4,257	1,755	749	257	194	1.0%	1,319	2,537	1,998	1,093	265	71
027 - WEST END	7,753	1.4%	2,684	1,407	1,580	1,272	810	3.3%	573	1,596	2,276	2,135	1,173	363
028 - HARBOUR	1,398	1.8%	491	310	285	145	167	2.6%	161	360	290	402	185	18
29-DOWNTOWN SOUTH	9,284	0.4%	5,890	1,816	983	215	380	2.3%	1,689	2,776	3,468	847	504	124
30-FALSE CREEK NORTH	7,672	0.0%	4,673	1,415	978	144	462	2.4%	444	3,513	2,280	1,136	299	(163)
TOTALS	159,716		30,491	14,479	14,138	23,894	76,714		7,223	17,813	22,388	31,975	80,317	3,603

**PROPERTY TAX IMPACTS OF LAND ASSESSMENT AVERAGING ON MEDIAN PROPERTIES
CLASS 1 RESIDENTIAL**

This table shows how the application of land averaging in 2009 would affect the median property in each neighborhood.

NEIGHBOURHOOD (SEE BCAA MAP)	TAXABLE VALUES			GENERAL TAXES			\$ CHANGE IN TAXES 2009 Estimated vs 2008 Actuals		% CHANGE IN TAXES 2009 Estimated vs 2008 Actuals	
	2008 Averaged	2009 Market	2009 Averaged	2008 Actuals	2009 Market	2009 Estimated Averaged	Using 2009 Market	Using 2009 Averaged	Using 2009 Market	Using 2009 Averaged
001 - POINT GREY	\$1,136,667	\$1,316,000	\$1,254,000	\$2,422	\$2,758	\$2,691	\$336	\$269	13.9%	11.1%
002 - KITSILANO	\$560,000	\$617,000	\$602,000	\$1,193	\$1,293	\$1,292	\$100	\$99	8.4%	8.3%
003 - DUNBAR	\$1,038,600	\$1,242,200	\$1,190,867	\$2,213	\$2,604	\$2,556	\$391	\$342	17.6%	15.5%
004 - ARBUTUS	\$1,029,667	\$1,234,000	\$1,159,000	\$2,194	\$2,587	\$2,487	\$392	\$293	17.9%	13.4%
005 - KERRISDALE	\$1,058,333	\$1,217,000	\$1,166,333	\$2,255	\$2,551	\$2,503	\$296	\$248	13.1%	11.0%
006 - SOUTHLANDS	\$1,123,667	\$1,396,000	\$1,293,333	\$2,394	\$2,926	\$2,775	\$532	\$381	22.2%	15.9%
007 - FAIRVIEW	\$418,000	\$447,000	\$439,000	\$891	\$937	\$942	\$46	\$51	5.2%	5.8%
008 - SHAUGHNESSEY	\$1,631,667	\$1,856,000	\$1,766,333	\$3,477	\$3,890	\$3,790	\$413	\$313	11.9%	9.0%
009 - CAMBIE	\$854,000	\$974,000	\$939,000	\$1,820	\$2,042	\$2,015	\$222	\$195	12.2%	10.7%
010 - SOUTH GRANVILLE	\$1,302,467	\$1,607,800	\$1,509,133	\$2,775	\$3,370	\$3,238	\$595	\$463	21.4%	16.7%
011 - OAKRIDGE	\$855,000	\$941,000	\$921,000	\$1,822	\$1,972	\$1,976	\$150	\$154	8.3%	8.5%
012 - MARPOLE	\$648,067	\$745,400	\$723,400	\$1,381	\$1,562	\$1,552	\$181	\$171	13.1%	12.4%
013 - MT PLEASANT	\$339,733	\$397,000	\$389,000	\$724	\$832	\$835	\$108	\$111	14.9%	15.3%
014 - GRANDVIEW	\$467,733	\$544,400	\$520,733	\$997	\$1,141	\$1,117	\$144	\$121	14.5%	12.1%
015 - CEDAR COTTAGE	\$536,133	\$607,800	\$597,800	\$1,142	\$1,274	\$1,283	\$132	\$140	11.5%	12.3%
016 - MAIN/FRASER	\$537,833	\$627,500	\$601,500	\$1,146	\$1,315	\$1,291	\$169	\$145	14.8%	12.6%
017 - SOUTH VANCOUVER	\$559,167	\$617,500	\$605,500	\$1,192	\$1,294	\$1,299	\$103	\$108	8.6%	9.0%
018 - MARINE DRIVE	\$334,000	\$347,000	\$350,667	\$712	\$727	\$753	\$16	\$41	2.2%	5.7%
019 - KNIGHT	\$557,667	\$615,000	\$602,333	\$1,188	\$1,289	\$1,293	\$101	\$104	8.5%	8.8%
020 - HASTINGS EAST	\$537,667	\$596,000	\$585,667	\$1,146	\$1,249	\$1,257	\$104	\$111	9.0%	9.7%
021 - RENFREW	\$557,000	\$614,000	\$606,333	\$1,187	\$1,287	\$1,301	\$100	\$114	8.4%	9.6%
022 - RENFREW HEIGHTS	\$565,000	\$632,000	\$616,333	\$1,204	\$1,325	\$1,323	\$121	\$119	10.0%	9.9%
023 - COLLINGWOOD	\$462,467	\$517,800	\$506,800	\$985	\$1,085	\$1,088	\$100	\$102	10.1%	10.4%
024 - KILLARNEY	\$612,000	\$670,000	\$658,000	\$1,304	\$1,404	\$1,412	\$100	\$108	7.7%	8.3%
025 - FRASERVIEW	\$554,900	\$623,900	\$607,900	\$1,182	\$1,308	\$1,305	\$125	\$122	10.6%	10.3%
026 - DOWNTOWN	\$363,667	\$378,000	\$388,333	\$775	\$792	\$833	\$17	\$58	2.2%	7.5%
027 - WEST END	\$387,667	\$395,000	\$401,667	\$826	\$828	\$862	\$2	\$36	0.2%	4.3%
028 - HARBOUR	\$1,261,000	\$1,312,000	\$1,278,000	\$2,687	\$2,750	\$2,742	\$63	\$55	2.3%	2.1%
029 - DOWNTOWN SOUTH	\$333,667	\$347,000	\$349,333	\$711	\$727	\$750	\$16	\$39	2.3%	5.4%
030 - FALSE CREEK NORTH	\$555,333	\$555,000	\$565,000	\$1,183	\$1,163	\$1,212	-\$20	\$29	-1.7%	2.5%



**PROPERTY TAX IMPACTS OF LAND ASSESSMENT AVERAGING BY NEIGHBOURHOOD
CLASS 6 BUSINESS & OTHER**

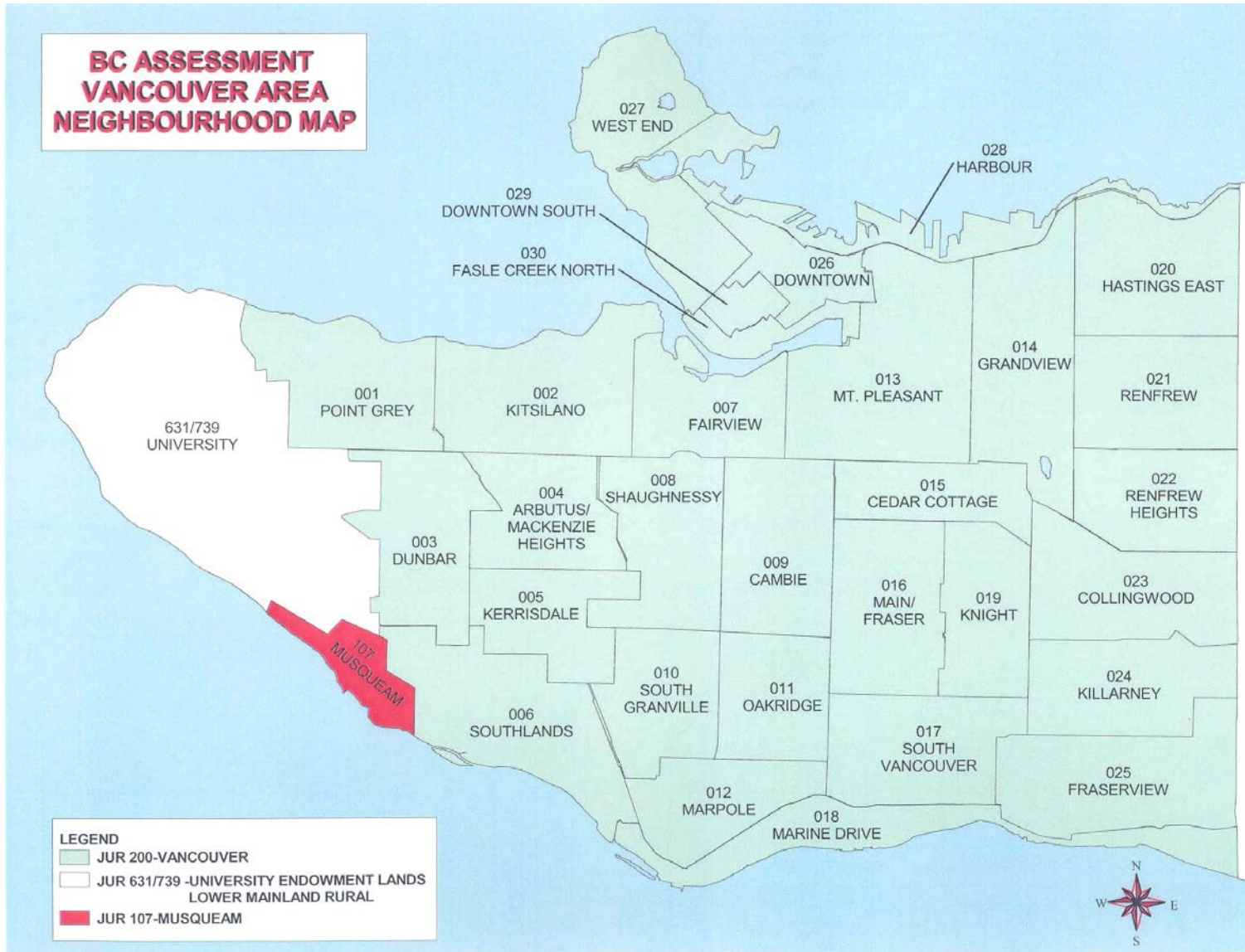
This table shows the distribution of change in property taxes from 2008 to 2009 by neighborhood with and without land averaging.

NEIGHBOURHOOD (SEE BCAA MAP)	TOTAL # PROP	MARKET VALUE RATE = \$9.9164						AVERAGING RATE = \$10.32354						IMPACT OF AVERAGING CHG >9% CATEGORY
		AVG CHG IN TAXES	<= 0%	0% - 3%	3% - 6%	6%-9%	>9%	AVG CHG IN TAXES	<= 0%	0% - 3%	3% - 6%	6%-9%	>9%	
001 - POINT GREY	146	3.5%	84	8	3	4	47	3.2%	56	36	8	7	39	(8)
002 - KITSILANO	613	2.7%	276	69	52	47	169	3.4%	248	62	81	72	150	(19)
003 - DUNBAR	100	5.9%	50	0	2	1	47	3.8%	43	9	1	10	37	(10)
004 - ARBUTUS	33	1.7%	17	3	0	0	13	2.2%	17	1	2	2	11	(2)
005 - KERRISDALE	176	0.9%	100	21	16	9	30	2.0%	64	47	29	10	26	(4)
006 - SOUTHLANDS	6	7.0%	2	0	1	0	3	4.1%	2	0	1	1	2	(1)
007 - FAIRVIEW	897	-1.9%	547	38	40	40	232	1.8%	472	66	63	72	224	(8)
008 - SHAUGHNESSEY	46	-2.5%	31	6	3	2	4	-0.5%	30	2	8	3	3	(1)
009 - CAMBIE	53	-2.6%	37	5	2	2	7	-0.6%	33	8	5	1	6	(1)
010 - SOUTH GRANVILLE	8	6.7%	1	0	1	3	3	5.3%	1	1	1	2	3	0
011 - OAKRIDGE	4	-1.6%	1	1	1	1	0	2.6%	1	1	1	0	1	1
012 - MARPOLE	107	5.0%	43	5	12	9	38	4.4%	35	11	14	15	32	(6)
013 - MT PLEASANT	1,323	9.7%	392	82	94	77	678	6.8%	362	102	131	116	612	(66)
014 - GRANDVIEW	601	10.3%	119	31	45	66	340	7.1%	116	38	90	69	288	(52)
015 - CEDAR COTTAGE	280	11.8%	92	3	5	6	174	8.2%	78	9	15	19	159	(15)
016 - MAIN/FRASER	248	13.5%	58	6	5	13	166	8.9%	40	24	15	34	135	(31)
017 - SOUTH VANCOUVER	122	0.2%	54	2	9	8	49	1.3%	53	7	15	9	38	(11)
018 - MARINE DRIVE	533	1.2%	354	8	4	6	161	1.9%	278	78	20	22	135	(26)
019 - KNIGHT	106	10.8%	37	0	3	1	65	8.2%	36	1	4	3	62	(3)
020 - HASTINGS EAST	133	16.0%	47	2	0	1	83	9.3%	49	0	1	9	74	(9)
021 - RENFREW	153	11.8%	46	0	7	8	92	7.5%	46	6	8	10	83	(9)
022 - RENFREW HEIGHTS	34	21.4%	1	1	0	0	32	12.2%	2	0	0	2	30	(2)
023 - COLLINGWOOD	296	5.9%	125	13	3	5	150	4.6%	116	18	10	13	139	(11)
024 - KILLARNEY	96	8.1%	57	0	2	0	37	5.6%	54	4	2	0	36	(1)
025 - FRASERVIEW	16	8.2%	8	0	0	0	8	4.6%	8	0	0	1	7	(1)
026 - DOWNTOWN	2,756	0.8%	995	831	305	134	491	1.6%	1,079	653	269	258	497	6
027 - WEST END	350	3.3%	177	24	27	22	100	2.5%	158	45	39	39	69	(31)
028 - HARBOUR	68	-5.6%	63	1	0	0	4	-2.3%	60	2	1	1	4	0
29-DOWNTOWN SOUTH	961	1.3%	608	93	36	33	191	2.4%	350	252	156	56	147	(44)
30-FALSE CREEK NORTH	183	-4.7%	149	24	6	1	3	-1.8%	131	33	16	0	3	0
TOTALS	10,448		4,571	1,277	684	499	3,417		4,018	1,516	1,006	856	3,052	(365)

**PROPERTY TAX IMPACTS OF LAND ASSESSMENT AVERAGING ON MEDIAN PROPERTIES
CLASS 6 BUSINESS & OTHER**

This table shows how the application of land averaging in 2009 would affect the median property in each neighbourhood.

NEIGHBOURHOOD (SEE BCAA MAP)	TAXABLE VALUES			GENERAL TAXES			\$ CHANGE IN TAXES 2009 Estimated vs 2008 Actuals		% CHANGE IN TAXES 2009 Estimated vs 2008 Actuals	
	2008 Averaged	2009 Market	2009 Averaged	2008 Actuals	2009 Estimated Market	2009 Estimated Averaged	Using 2009 Market	Using 2009 Averaged	Using 2009 Market	Using 2009 Averaged
001 - POINT GREY	\$411,333	\$426,000	\$425,333	\$4,449	\$4,224	\$4,391	-\$225	-\$58	-5.0%	-1.3%
002 - KITSILANO	\$1,391,100	\$1,054,600	\$1,467,600	\$15,046	\$10,458	\$15,151	-\$4,588	\$105	-30.5%	0.7%
003 - DUNBAR	\$441,500	\$430,000	\$437,667	\$4,775	\$4,264	\$4,518	-\$511	-\$257	-10.7%	-5.4%
004 - ARBUTUS	\$907,000	\$1,111,000	\$1,043,000	\$9,810	\$11,017	\$10,767	\$1,207	\$957	12.3%	9.8%
005 - KERRISDALE	\$1,106,167	\$1,025,500	\$1,136,167	\$11,964	\$10,169	\$11,729	-\$1,795	-\$235	-15.0%	-2.0%
006 - SOUTHLANDS	\$564,467	\$809,800	\$706,800	\$6,105	\$8,030	\$7,297	\$1,925	\$1,191	31.5%	19.5%
007 - FAIRVIEW	\$584,000	\$640,000	\$615,333	\$6,317	\$6,346	\$6,352	\$30	\$36	0.5%	0.6%
008 - SHAUGHNESSEY	\$290,667	\$297,000	\$295,667	\$3,144	\$2,945	\$3,052	-\$199	-\$92	-6.3%	-2.9%
009 - CAMBIE	\$1,049,667	\$1,129,000	\$1,096,667	\$11,353	\$11,196	\$11,321	-\$158	-\$32	-1.4%	-0.3%
010 - SOUTH GRANVILLE	\$2,771,700	\$3,122,700	\$2,888,700	\$29,979	\$30,966	\$29,822	\$987	-\$157	3.3%	-0.5%
011 - OAKRIDGE	\$8,091,334	\$9,271,500	\$8,830,833	\$87,517	\$91,940	\$91,165	\$4,423	\$3,649	5.1%	4.2%
012 - MARPOLE	\$981,667	\$1,147,000	\$1,095,667	\$10,618	\$11,374	\$11,311	\$756	\$693	7.1%	6.5%
013 - MT PLEASANT	\$593,267	\$827,600	\$728,267	\$6,417	\$8,207	\$7,518	\$1,790	\$1,101	27.9%	17.2%
014 - GRANDVIEW	\$566,667	\$755,900	\$652,900	\$6,129	\$7,496	\$6,740	\$1,367	\$611	22.3%	10.0%
015 - CEDAR COTTAGE	\$502,000	\$653,000	\$590,667	\$5,430	\$6,475	\$6,098	\$1,046	\$668	19.3%	12.3%
016 - MAIN/FRASER	\$697,133	\$852,100	\$823,767	\$7,540	\$8,450	\$8,504	\$910	\$964	12.1%	12.8%
017 - SOUTH VANCOUVER	\$565,000	\$662,900	\$613,900	\$6,111	\$6,574	\$6,338	\$462	\$227	7.6%	3.7%
018 - MARINE DRIVE	\$254,667	\$339,000	\$302,667	\$2,755	\$3,362	\$3,125	\$607	\$370	22.0%	13.4%
019 - KNIGHT	\$499,400	\$706,400	\$624,733	\$5,402	\$7,005	\$6,449	\$1,603	\$1,048	29.7%	19.4%
020 - HASTINGS EAST	\$507,200	\$761,200	\$650,533	\$5,486	\$7,548	\$6,716	\$2,062	\$1,230	37.6%	22.4%
021 - RENFREW	\$1,325,233	\$1,875,900	\$1,631,567	\$14,334	\$18,602	\$16,844	\$4,268	\$2,510	29.8%	17.5%
022 - RENFREW HEIGHTS	\$556,200	\$765,200	\$674,200	\$6,016	\$7,588	\$6,960	\$1,572	\$944	26.1%	15.7%
023 - COLLINGWOOD	\$397,567	\$532,900	\$474,233	\$4,300	\$5,284	\$4,896	\$984	\$596	22.9%	13.9%
024 - KILLARNEY	\$311,667	\$304,000	\$308,667	\$3,371	\$3,015	\$3,187	-\$356	-\$184	-10.6%	-5.5%
025 - FRASERVIEW	\$574,600	\$558,400	\$569,067	\$6,215	\$5,537	\$5,875	-\$678	-\$340	-10.9%	-5.5%
026 - DOWNTOWN	\$117,600	\$129,200	\$121,533	\$1,272	\$1,281	\$1,255	\$9	-\$17	0.7%	-1.4%
027 - WEST END	\$1,548,333	\$1,847,000	\$1,757,667	\$16,747	\$18,316	\$18,145	\$1,569	\$1,398	9.4%	8.4%
028 - HARBOUR	\$1,066,000	\$1,066,000	\$1,072,333	\$11,530	\$10,571	\$11,070	-\$959	-\$460	-8.3%	-4.0%
029 - DOWNTOWN SOUTH	\$257,667	\$264,000	\$264,667	\$2,787	\$2,618	\$2,732	-\$169	-\$55	-6.1%	-2.0%
030 - FALSE CREEK NORTH	\$519,333	\$534,000	\$532,667	\$5,617	\$5,295	\$5,499	-\$322	-\$118	-5.7%	-2.1%



Property Owners: Important Notice on Land Assessment Averaging

On March 5, 2009, Council will consider whether to continue the use of three-year land assessment averaging for the calculation of property taxes for properties in Class 1 Residential, Class 5 Light Industrial and Class 6 Business and Other. The City has used land assessment averaging since 1993. The program is revenue neutral to the City but could affect the amount of tax paid by individual properties as indicated in the table below.

The report describing the program is available at vancouver.ca. For more information, please contact the **Property Tax Office at 604.871.6893**. Comments can be directed to the Mayor and Council by mail to: 453 West 12th Avenue, Vancouver, BC V5Y 1V4, via e-mail: mayorandcouncil@vancouver.ca or in person at the City Service and Budget Committee meeting on March 5 by contacting Lori Isfeld at 604.871.6355.

Example of Averaging Impact on Typical Vancouver Properties*

NEIGHBOURHOOD	RESIDENTIAL CLASS (\$)			BUSINESS CLASS (\$)		
	2009 TAXABLE VALUE	TAXES AVERAGED	TAXES NOT AVERAGED	2009 TAXABLE VALUE	TAXES AVERAGED	TAXES NOT AVERAGED
Arbutus	1,234,000	2,487	2,587	1,111,000	10,767	11,017
Cambie	974,000	2,015	2,042	1,129,000	11,321	11,196
Cedar Cottage	607,800	1,283	1,274	653,000	6,098	6,475
Collingwood	517,800	1,088	1,085	532,900	4,896	5,284
Downtown	378,000	833	792	129,200	1,255	1,281
Downtown South	347,000	750	727	264,000	2,732	2,618
Dunbar	1,242,200	2,556	2,604	430,000	4,518	4,264
Fairview	447,000	942	937	640,000	6,352	6,346
False Creek North	555,000	1,212	1,163	534,000	5,499	5,295
Fraserview	623,900	1,305	1,308	558,400	5,875	5,537
Grandview	544,400	1,117	1,141	755,900	6,740	7,496
Harbour	1,312,000	2,742	2,750	1,066,000	11,070	10,571
Hastings East	596,000	1,257	1,249	761,200	6,716	7,548
Kerrisdale	1,217,000	2,503	2,551	1,025,500	11,729	10,169
Killarney	670,000	1,412	1,404	304,000	3,187	3,015
Kitsilano	617,000	1,292	1,293	1,054,600	15,151	10,458
Knight	615,000	1,293	1,289	706,400	6,449	7,005
Main/Fraser	627,500	1,291	1,315	852,100	8,504	8,450
Marine Drive	347,000	753	727	339,000	3,125	3,362
Marpole	745,400	1,552	1,562	1,147,000	11,311	11,374
Mt Pleasant	397,000	835	832	827,600	7,518	8,207
Oakridge	941,000	1,976	1,972	9,271,500	91,165	91,940
Point Grey	1,316,000	2,691	2,758	426,000	4,391	4,224
Renfrew	614,000	1,301	1,287	1,875,900	16,844	18,602
Renfrew Heights	632,000	1,323	1,325	765,200	6,960	7,588
Shaughnessy	1,856,000	3,790	3,890	297,000	3,052	2,945
South Granville	1,607,800	3,238	3,370	3,122,700	29,822	30,966
South Vancouver	617,500	1,299	1,294	662,900	6,338	6,574
Southlands	1,396,000	2,775	2,926	809,800	7,297	8,030
West End	395,000	862	828	1,847,000	18,145	18,316

* General purpose taxes only; table does not reflect impact of averaging on school or other tax levies.

NEIGHBOURHOOD	LIGHT INDUSTRY CLASS (\$)		
	2009 TAXABLE VALUE	TAXES AVERAGED	TAXES NOT AVERAGED
Cedar Cottage	675,000	6,518	6,694
Fairview	166,700	1,931	1,653
Grandview	619,300	5,956	6,141
Marine Drive	759,000	7,058	7,527
Mt Pleasant	1,144,100	10,844	11,345

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