

2021 Appeal Process Toolkit

Note from Theodora Lamb, SBIA Executive Director

Dear Strathcona BIA Members,

The notice of your latest property assessment arrived the first week of January 2021. For tenants who have not seen a copy you can reach out to your property owner or manager or look up your assessment at bcassessment.ca. We've updated this toolkit for members to help guide you through your property assessment decision and navigate the appeal process if that's a step you choose to take.

We know that commercial taxation has been one of the greatest challenges facing local businesses in Strathcona. Two years ago we introduced the Strathcona Tax Empowerment Program (STEP). As part of STEP, we help members navigate the property assessment appeal process through workshops and education. We also work on commercial taxation advocacy issues in partnership with all 22 BIAs in Vancouver.

For example, the Provincial Government has still not decided whether they will repeat the 70% reduction in School Tax applied in 2020 as a COVID-19 relief measure. Since provincial taxes make up around 50% of what you pay (the other half being municipal taxes), without this rebate in place in 2021, property owners could experience up to a 35% jump compared to last year. Rest assured that the Strathcona BIA is actively advocating on this issue.

The intention of this tool kit is to equip you with the information and resources to investigate the appeal process. Working with a tax agent is also an option for those wanting professional support. Tax agents give you the option to pay a pre-determined rate, or work on a contingency basis. Please reach out to the SBIA office at 604-258-2727 or email theo@strathconabia.com if you would like an agent recommendation.

Please don't hesitate to reach out to the SBIA with any questions you have regarding the property assessment appeal process.

Warmly,



Theodora Lamb
Executive Director, Strathcona BIA




Strathcona Tax Empowerment Program

In this Tool Kit you'll learn about:

- Property Assessment vs. Property Tax
- Average Assessment Change
- Communication Between Tenants and Property Owners
- Key Dates & Appeal Process Stages
- How to Appeal Your Property Assessment
- Evidence: What to Consider
- Recent Strathcona Sales
- Key Concepts, Final Tips, and Resources



Property Assessment vs. Property Tax

	Your Property's Value Change	Property Tax Impact
1.	 LOWER than Average Change for Property Class	Taxes Likely* DECREASE
2.	 SIMILAR to the Average Change for Property Class	Taxes Likely* DO NOT CHANGE
3.	 HIGHER than Average Change for Property Class	Taxes Likely INCREASE

What you pay in property taxes in 2021 is based on how your assessment change compares to the average change for your property class. For example, if the average change from last year is a 10% drop in assessment value and your assessment has only gone down 5%, you could pay higher property taxes than last year. Those with property assessments that are higher than the average change from 2020 to 2021 will pay a greater share of total property taxes collected by the City this year.

Average Assessment Change by property class in Vancouver from 2020 to 2021

Residential Average Change: 4%

- Property Class 1 -

Business and Other Average Change: -6.2%

- Property Class 6 -

Light Industry Average Change: -7.9%

- Property Class 5 -



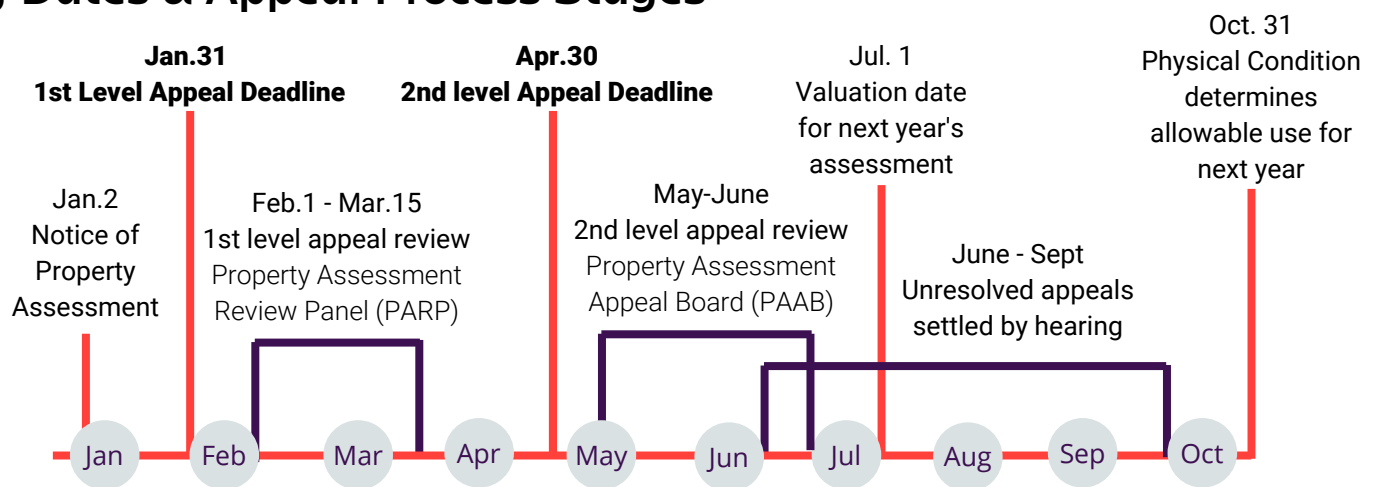
Property tax rates for each property class are set by the City and used to determine how much property tax you pay. It's important to understand BC Assessment has no control over the tax rate, only the assessment value of your property.

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Communication between Tenants and Property Owners

Property Owners are obligated to provide a copy of their property assessment to their tenants. Property assessments can also be looked up online at bcassessment.ca. Both tenants and property owners are allowed to file an appeal. We strongly recommend that tenants interested in the appeal process communicate ahead of time with their property owners or property managers, as you may learn they already intend to file appeals for the property. Tenants should also fully understand the terms of their specific lease before filing for appeal. There is no difference for tenants versus property owners in the process that follows after filing an appeal.

Key Dates & Appeal Process Stages



How to Appeal Your Property Assessment

Investigate grounds for appeal

File your appeal by Jan.31, 2021

Prepare Evidence

Attend Review Panel Hearing

Unhappy with decision? Appeal again by Apr.30, 2021



You can only appeal for the current assessment year (2021). First, investigate whether you have grounds for appeal. Next, you must file your appeal by January 31 by submitting a [Notice of Complaint Form](#) on the BC Assessment website. Once you have appealed for this level one stage you are given a hearing date with the Property Assessment Review Panel (PARP). It's important that you take time to prepare and gather evidence that you will present at your hearing. If you are unhappy with the decision at the first stage you can appeal again by April 30, 2021. This is considered the level two stage which involves appealing to a new entity, called the Property Assessment Appeal Board (PAAB).

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Level 1 Appeal Stage

Property Assessment Review Panel (PARP)

- The first level of appeal is where you file a "complaint" and are given a hearing date with this Panel.
 - Panel members are independent of BC Assessment and all local governments. They are appointed by the Minister of Municipal Affairs and Housing.
 - PARP complaint hearings take place between February 1st and March 15th each year.
 - Last year, PARP hearings changed to a teleconference call between all parties where you use a shared website to upload specific pieces of evidence.
 - Summary of a PARP Hearing:
 - Process and Introductions (4 min)
 - Complainant presents evidence to Panel (8 min)
 - BC Assessment presents evidence to Panel (8 min)
 - Questions and Deliberation (6 min)
 - Panel Decision communicated (4 min)
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Level 2 Appeal Stage

Property Assessment Appeal Board (PAAB)

- You can appeal to the PAAB only after filing a complaint to the PARP.
- Both sides involved in the PARP complaint, i.e. the complainant or BC Assessment, can file an appeal to PAAB regarding the PARP decision.
- The Appeal Board is an independent tribunal that hears assessment appeals throughout the year. Board members who decide appeal outcomes are appointed by Cabinet.
- An Appeal Management Conference (AMC) is held where parties discuss their evidence and position, chaired by a PAAB member. The purpose of an AMC is to attempt to resolve your appeal. At this stage if appeals are not settled they will be set for formal adjudication by a Board member through written submission or an in-person hearing.

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Evidence: What to Consider During Investigation

During the investigation stage, determine what kind of grounds you may have for a successful appeal. It is paramount that you support your grounds for appeal with evidence.

Common Grounds for Appeal

Assessed value is higher than market value

BC Assessment analyzes market value of properties. Sometimes properties are overassessed based on the sales.

Errors in income approach

For example, rents applied by BC assessment are not reflective of market rents for your property type.

Physical characteristics misrepresented

The assessor may have misrepresented the size of the building on a property or the lot size itself.

Equity

If you can demonstrate that you are not equal to your neighbouring properties similar to you this might warrant an appeal.

Improper classification

Classification determines your tax rate. If you think your property has been misclassified this would warrant an appeal.

Evidence Examples

Sales information of neighbouring properties

Demonstrate rents applied by BC assessment are not reflective of your rents

Photos of the building or architectural plans

Comparisons to neighbouring assessments within the same zoning

Rezoning application

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Key Concepts

Zoning:

- Common zoning types in Strathcona are:
 - Industrial: I-2, M-1, M-2: permit industrial uses that are generally incompatible with residential land use
 - Industrial: I-4: Specific to Railtown, permits light industrial uses, creative manufacturing, and limited office use
 - Downtown Eastside Oppenheimer District/DEOD: unique in the City of Vancouver, specific allowable uses and social housing development guidelines

When building your appeal case, make comparisons with properties and sales in the same zoning as your property.

Max FSR: Max Floor Space Ratio

Max Floor Space Ratio is the maximum permitted ratio of a building's floor area to the size of land the building sits on. A higher ratio is more likely to indicate dense or urban construction. The allowable use FSR has a huge affect on assessed value.

Final Tips

- As part of your investigation you can call BC Assessment and ask for the sales used to assess your property.
- Calculate your land assessment per buildable sq. ft. and compare to other neighbouring properties of the same zoning type.
- To build an equity case when your \$/sq.ft. buildable is similar to your neighbours, you can think about what specific things make your property different (and arguably less valuable). For example, a triangle lot, or infrastructure impediments.

Property Classification:

BC Assessment places property in one or more of nine classes, typically based on the property's type or use. Different classes are taxed at different rates. Most SBIA members belong to:

- Class 5: Light Industry
- Class 6: Business Other

All or portions of a property can also be Class 8: Recreational Property, Not-for-Profit Organization, which is taxed at a 60% lower rate. This is worthwhile to investigate if you think a portion of your property qualifies.

ASR: Assessment to Sale Price Ratio

Assessment to Sale Price Ratio is the ratio of the assessed value to the sale price of a property. A higher percentage means the assessment is higher than actual sale price. ASR can be a helpful metric to build grounds for appeal.

Resources

BC Assessment Contact Inquiry Form
or call BC Assessment at 1-866-825-8322

BC Assessment Interactive Maps

Register to the BC Assessment Site to:

- search and browse properties on a map
- create property comparisons

[Notice of Complaint \(Appeal\) Form 2021](#)

www.bccassessment.ca
(1st level of appeal)

www.assessmentappeal.bc.ca
(2nd level of appeal)

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Recent Strathcona Sales

Relevant sales transactions that likely had an impact on assessed values in the Strathcona BIA area this year:

Address	1209-1249 Adanac St	1395 Frances St	620 Clark Drive	1270 Frances St	748 & 750 E Hastings St	633 E Hastings St	276 E Pender St
Closing Sale Date	Mar-20	Nov-20	Sep-20	Sep-20	Aug-20	Mar-20	Jan-20
Sale Price	\$13,835,000	\$4,500,000	\$9,500,000	\$4,250,000	\$1,492,500	\$1,250,000	\$4,000,000
Site Area (sq.ft.)	19,821	5,743	14,490	6,689	3,050	3,050	3,050
Zone	I-2	I-2	I-2	I-2	M-1	DEOD	HA-1
Max FSR	3	3	3	3	2.5 to 4.5	1	Site Specific
Sq.Ft. Bldbl.	59,463	17,229	43,470	20,067	7,625 to 13,725	3,050	3,050
\$/Sq.Ft. Bldbl.	\$233	\$261	\$219	\$212	\$196 to \$109	\$410	\$1,311
Year Built	1969	1992	1959	1973	1932	1930	1987
Sq.ft. Building	30,500	6,056	12,383	5,617	1,800	1,950	2,737
Sale Price per sq.ft. Finished Area	\$454	\$743	\$767	\$757	\$829	\$641	\$1,461
2021 Assessment Land	\$18,101,600	\$3,311,000	\$8,917,000	\$3,828,000	\$1,471,000	\$1,220,000	\$2,342,000
2021 Assessment Improvement	\$31,600	\$9,900	\$14,300	\$6,200	\$3,500	\$4,600	\$238,000
2021 Total Assessment	\$18,133,200	\$3,320,900	\$8,931,300	\$3,834,200	\$1,474,500	\$1,224,600	\$2,580,000
Assessment Change 2020-2021	-1%	-0.01%	0.00%	-1%	0.01%	-24%	-17%
ASR	131%	74%	94%	90%	99%	98%	65%

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