

October 2, 1937

Mr. Harold W. Balfour  
Municipal Manager

Re: Comparison of Taxable Values of Real Property

An analysis has been made of Burnaby real property assessments for 1937 to determine taxable values. In doing this, consideration has been given to the fact that 100% of the assessed value of land and 75% of the assessed value of buildings are taxable for both school and general purposes, that 75% of the assessed value of machinery is taxable for school purposes only, and that a variety of specialized properties are taxable on an individual basis laid down by statute.

The results have been tabulated on page 2 to show the proportion of the tax burden supported by Residential and Industrial & Commercial properties and how relative values have changed from year to year.

The current figures have been used to extend the graph on page 3 to indicate the changes that have taken place in the taxable values of land, building, and machinery components since 1962.

Last year predictions were made of values to be expected in 1967 and as only one value out of five differed significantly from those actually recorded, we are encouraged to make some further predictions for 1968.

The predicted level in 1968 of the five components of real property are indicated by dotted lines on the graph. The following observations are pertinent regarding these new levels.

(A) The market value of land has continued to increase at a rapid rate because of the buoyant real estate market, but extreme changes in value are not directly reflected in taxable values because of the 5% statutory limitation on increases.

(B) Taxable values of buildings, although also restricted to an increase of 5%, are rising more rapidly than those of land because new construction is an additional factor influencing these values.

41.7% of the tax burden will be carried by Industrial & Commercial properties in 1938. If the rate of change in tax burden continues to shift in the future at the same rate that it has in the last three years equal sharing between Residential and Industrial & Commercial properties will occur 17 years hence. This interval will be cut in half - to 8 years - if returns from the Business Tax are considered. (This tax has been applied since 1935 when it was introduced following a statutory change which exempted machinery from general purpose taxation.) Its effect in 1937 is to change the apparent proportion of the tax burden supported by Industrial & Commercial properties from 41.2% to 44.6% of the total.

If the two value system of assessments is instituted in Burnaby for 1963 significant changes in taxes will occur where assessments of individual properties have been restrained out of proportion to adjacent properties by the 5% limitation. However, we do not anticipate that any great change will result in the relation between the tax burden supported by Residential and Industrial & Commercial properties as the totals will most likely mask these individual changes.

HJC:pm

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H. J. Goode,  
MUNICIPAL ASSESSOR.

A COMPARISON OF TAXABLE VALUES OF DIFFERENT TYPES OF REAL PROPERTY IN BURNABY FOR 1967

	LAND		BUILDINGS and MACHINERY (Improvements)		Total Amount Taxable (5)=(2)+(4)	1967	1966	1965	1964	1963
	Assessed Value (1)	Amount Taxable (2)	Assessed Value (3)	Amount Taxable (4)						
Industrial & Commercial	\$35,914,000	\$34,680,000*	\$113,509,000	\$ 70,392,000*	\$105,072,000	41.2	40.7	40.2	40.0	40.0
Residential	65,661,000	65,661,000	111,352,000	83,514,000	149,175,000	58.5	59.0	59.4	58.4	59.4
Miscellaneous**	448,000	448,000	448,000	336,000	784,000	0.3	0.3	0.4	0.3	0.3
	<u>\$102,023,000</u>	<u>\$100,789,000</u>	<u>\$225,309,000</u>	<u>\$154,242,000</u>	<u>\$255,031,000</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

\* Includes amounts received in lieu of taxes from B.C. Hydro and taxes from other Utility Companies.

\*\* Miscellaneous items include Agricultural, Church and G.V.S. & D.D. Properties.

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AMOUNTS TAXABLE  
OF  
REAL PROPERTY COMPONENTS  
IN  
BUILDINGS

