

ITEM ⁴
MANAGER'S REPORT NO. 66
COUNCIL MEETING 84/10/22

RE: 1985 ASSESSMENT ROLL.

MUNICIPAL MANAGER'S RECOMMENDATION:

1. *THAT the recommendation of the Director Finance be adopted.*

* * * * *

1984 October 16
File: A73-1

TO: MUNICIPAL MANAGER

FROM: DIRECTOR FINANCE

RE: 1985 ASSESSMENT ROLL

RECOMMENDATION

1. THAT this report be received for information purposes.

REPORT

INTRODUCTION

We have received the 1985 completed roll from the Area Assessor (see Attachment A) which includes the estimated value of new construction as well as an explanation of what has happened in the various classes. We have reconstructed the roll in Attachment B to exclude the value of machinery and equipment which does not affect municipal taxes and compared the 1985 roll, including new construction, to prior years' rolls in Attachment C. Using the value of new construction on the 1985 roll and the 1984 municipal tax rates, we have estimated the amount of new municipal purposes taxes that would be generated in 1985.

A recommended policy of tax relationship by class relative to the residential class for Burnaby will be the subject of a subsequent report when an analysis of selected municipalities' tax relationships is completed.

There are still a number of outstanding 1984 roll appeals which, after their hearings, may affect both 1984 and 1985 rolls. There are also potential 1985 appeals that may affect the 1985 roll.

1985 ASSESSMENT ROLL CHANGES

Attachment B compares the 1985 completed roll, including and excluding new construction, to the 1984 roll. The Area Assessor's letter, Attachment A, gives an explanation of the changes in the market value changes in each class. Excluding new construction, overall the market value increased by 7.3%. The greatest increase, 8.8%, occurred in the residential class, followed by 4.9% in business, and 2.2% in utilities. There were market value declines in the farm, industrial and recreation classes.

Including new construction, the 1985 roll increased by 10.1%. The largest increase occurred in the residential class, followed by utilities and recreation. Total new construction of \$157.2 million in 1985 adds about 2.8% to the 1985 roll and is comparable in value to the 1984 new construction added to the 1984 roll.

The 1985 roll reflects changes over one and a half years, 1982 December 31 to 1984 July 01, because of recent legislative changes, whereas the previous assessment change was every year. On future rolls, the change will reflect two years of market changes, but new construction and zoning changes every year. The rolls reflect changes to both land values and to improvements to show a net effect, so it is not possible to surmise the overall change in each of the land values or improvements.

COMPARISON TO PRIOR YEARS

The trend in assessment values from 1981 through 1985 is shown in Attachment C. As a percentage of the total roll, there is a decline for residential and industrial classes, and an increase for utilities and business classes. Historically, the residential class accounts for the major portion of the roll, followed by the business class.

The average annual compound rate of change over the four years is as follows:

<u>Class</u>	<u>Average Annual Compound Change (%)</u>
01 Residential	4.3
02 Utilities	23.8
05 Industrial	<0.5>
06 Business	9.0
08 Recreation	30.2
09 Farm	0.4

The changes reflect new construction and development, zoning and some classification changes and market values. The utilities show the greatest increase due to construction of the ALRT followed in order by recreation, business and residential. Industrial and farm classes show very little net change.

MUNICIPAL TAXES FROM NEW CONSTRUCTION

The \$157.2 million of new construction is expected to generate about \$2.0 million of additional general municipal purposes tax in 1985, calculated as follows:

<u>Class</u>	1985 Roll New Construction \$	1984 Municipal Tax Rate \$ per \$1000	1985 Projected Additional Municipal Taxes \$
01 Residential	80,526,591	6.0500	487,186
02 Utilities	48,387,509	23.9274	1,157,787
05 Industrial	2,450,844	18.4073	45,113
06 Business	24,186,096	12.7527	308,438
08 Recreation	1,643,880	5.8443	9,607
09 Farm	<u>43,850</u>	4.9612	<u>217</u>
	<u>157,238,770</u>		<u>2,008,348</u>

The projected additional taxes for 1985 assume that the tax rates will be similar to 1984. The \$2.0 million projected for 1985 is greater than the \$1.6 million of new taxes generated for 1984 because a larger proportion of the new growth for 1985 is in the utilities class which has the highest tax rate.


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TAX RELATIONSHIP BY CLASS

An analysis is currently being made of the assessments and variable tax rates of selected surrounding municipalities over the past several years. When this analysis is completed, it will be reported to Council with a recommended policy for tax relationship by class relative to the residential class.

Submitted for the information of Council.



Howard Karras
DIRECTOR FINANCE

Attach.

cc: Members of the Management Committee

Municipal Assessment Office
Burnaby, New Westminster
6301 - 4811 Canada Way OFFICE
Burnaby, British Columbia V5G 1M1
Telephone (604) 294-6441

September 25, 1984.

Mr. M. J. Shelley
Municipal Manager
Corporation of the District of Burnaby
4949 Canada Way
Burnaby B.C.
V5G 1M2

Dear Sir:

Re: 1985 Assessment Roll

We have now completed the 1985 Assessment Roll for the District of Burnaby and I would like to indicate some of the conditions which have affected it.

The two previous assessment rolls (1983 and 1984) both had values based on 31 December 1982. For the 1985 roll the valuation date is 1 July 1984, and the roll will be available and notices mailed by 1 October 1984. This roll will be in effect for two years, and the only changes in values permitted in the second year will be those due to new construction, new development or a change in zoning. For all other properties, the 1986 values will be the same as 1985.

In previous years with both roll publication and valuation date as of 31 December, we were in the position of having to forecast a market two months in advance, and this created the problems we experienced in 1982. Recent changes to the Assessment Act have eliminated this problem as we now have a valuation date of 1 July, which is three months ahead of the publication of the roll.

A summary of changes in value between 31 December 1982 and 1 July 1984 for the major classes is included below. The first column shows the change due to market activity, and the second the change due to new construction in 1984 only.

Class	Market Change	New Construction
1. Residential	+ 8.8	+ 2.0
2. Utilities	+ 2.2	+ 70.3
4. Machinery	- 2.7	- 0.7
5. Industrial	- 1.9	+ 1.0
6. Business/Other	+ 4.9	+ 1.9

The following is a brief explanation of what has happened in the various classes:

Residential

This class includes homes, stratas and apartments. There was a steady increase in value from late 1982 to the Fall of 1983. Values were then stable until the Spring of 1984, and since that time there has been a gradual decrease. The overall picture between the roll valuation dates of December 1982 and July 1984 is an increase in value.

Utilities

There is only a modest growth in the value of this type of property. The large amount of new construction is due to the A.L.R.T.

Machinery

This item is not taxable for general purposes and has declined in value for a number of reasons, such as plant closures and increased obsolescence due to changes in technology.

Industrial

The small reduction in value for this class of property is due to increased depreciation and obsolescence allowances.

Business/Other

This class is basically commercial properties and office buildings. Commercial properties on Kingsway, Hastings, Edmonds etc. were reassessed in 1984 - very few vacancies were found and rental values are being maintained. The overall picture is an increase in value between the two valuation dates.

The British Columbia Assessment Authority has now been in existence for 10 years. During this period, aside from producing annual assessment rolls and related appeal work, the staff have completed a full inventory of all properties in the Municipality. In addition, we have a full computer-assisted appraisal system in place which has enabled us to reduce the number of staff through attrition from 32 to 24, while the number of properties in the area during this period has increased from approximately 47,000 to 56,600.

Please contact me if you require any further information.

Yours truly,
E.C. Twining
Asst. Controller

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BURNABY GENERAL MUNICIPAL PURPOSES ASSESSMENTS - 1985 COMPLETED ROLL
 WITH AND WITHOUT NEW CONSTRUCTION VS. 1984

Class	1984 Authenticated Roll	1985 Roll Including New Construction	% Change vs. 1984	1985 Estimated New Construction	1985 Roll Excluding New Construction	% Change vs. 1984
01 Residential	4,053,259,268	4,490,099,367	10.8	80,526,591	4,409,572,776	8.8
02 Utilities	68,869,572	118,755,189	72.4	48,387,509	70,367,680	2.2
05 Industrial	242,652,357	240,597,850	<0.8>	2,450,844	238,147,006	<1.9>
06 Business	1,271,927,730	1,358,206,000	6.8	24,186,096	1,334,019,904	4.9
08 Recreation	18,424,000	20,044,100	8.8	1,643,880	18,400,220	<0.1>
09 Farm	799,740	814,033	1.8	43,850	770,183	<3.6>
TOTAL	5,655,932,667	6,228,516,539	10.1	157,238,700	6,071,277,769	7.3

BURNABY GENERAL MUNICIPAL PURPOSES ASSESSMENT ROLL AND % BY CLASS, 1981 THROUGH 1985

ATTACHMENT C

Class	1981 (1)		1982 (1)		1983 (2)		1984		1985	
	Authenticated \$	%	Authenticated \$	%	Authenticated \$	%	Authenticated \$	%	Completed \$	%
01 Residential	3,796,405,527	74.97	4,847,904,980	74.22	3,962,781,994	71.91	4,053,259,268	71.66	4,490,099,367	72.09
02 Utilities	50,549,180	1.00	82,754,660	1.27	59,865,912	1.09	68,869,572	1.22	118,755,189	1.91
05 Industrial	245,648,500	4.85	295,856,700	4.53	266,430,802	4.83	242,652,357	4.29	240,597,850	3.86
06 Business	963,476,882	19.02	1,294,838,233	19.83	1,212,997,060	22.01	1,271,927,730	22.49	1,358,206,000	21.81
08 Recreation	6,965,427	0.14	9,214,650	0.14	7,813,600	0.14	18,424,000	0.33	20,044,100	0.32
09 Farm	801,540	0.02	857,610	0.01	837,162	0.02	799,740	0.01	814,033	0.01
TOTAL	5,063,847,056	100.00	6,531,426,833	100.00	5,510,726,530	100.00	5,655,932,667	100.00	6,228,516,539	100.00

Note (1) Assessed values converted to market values using order-in-council conversion rates.

Note (2) Assessed values reflect market values starting in 1983.

ATTACHMENT C

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