

TO: CITY MANAGER

1999 January 12

FROM: DIRECTOR FINANCE

File: A73-2

SUBJECT: 1999 COMPLETED ASSESSMENT ROLL

PURPOSE: To provide Council with information on the 1999 completed roll.

RECOMMENDATION:

1. **THAT** this report be received for information

SUMMARY

The 1999 completed assessment roll for Burnaby shows the overall decrease in assessed value of \$667 million over the 1998 authenticated assessment roll. The overall increase from 1997 July to 1998 July represents \$372 million of new growth offset by a \$1,039 million market value decrease. The new growth could generate as much as \$2.7 million in new City taxes in 1999 (based on 1998 tax rates). The roll is subject to changes from the Court of Revision.

Market value changes for 1999 for the major property classifications were:

- ▶ Residential Decreased by 7.13%
- ▶ Utilities Decreased by 2.36%
- ▶ Major Industry Decreased by 1.88%
- ▶ Light Industry Increased by 5.98%
- ▶ Business/Other Increased by 1.75%

Changes in the assessed value will not necessarily result in increased or decreased City property taxes beyond the need to meet Burnaby's additional funding requirements stated in the 1999 Provisional Operating Budget (1% increase) and any adjustments to offset the recently announced elimination of Provincial Municipal Grants (\$1.6 million). Tax rates in 1999 will be adjusted to offset the effect of the average market value assessment changes in each property class. Property owners having an assessment change greater or smaller than the average market value assessment change in their property class will have greater or smaller tax impact as a result.

REPORT

1. THE 1999 COMPLETED ASSESSMENT ROLL

BC Assessment has released the 1999 completed assessment roll which establishes the market value of all properties as of 1998 July 01. The roll is subject to changes from appeals processed by the Property Assessment Review Panel. The last date to register an appeal is 1999 January 31.

The 1999 completed assessment roll shows a decrease in market value of \$1,039 million (5.3%) over the 1998 authenticated roll. Only light industry and business property classes exhibited market value growth during this period. Changes in property class are as follows:

Property Type	1998 to 1999	
	Market Value Change (\$)	% Change in Market Value
Residential	(1,100,354,450)	(7.13) %
Utilities	(3,685,674)	(2.36) %
Major Industry	(2,403,600)	(1.88) %
Light Industry	9,665,100	5.98 %
Business / Other	57,548,043	1.75 %
Recreation / Non-profit	(39,300)	(0.14) %
Farm	(400)	(0.06) %
TOTAL	(1,039,270,281)	(5.31) %

A comparison of the assessment rolls by property class for 1992 through 1999 is presented in Schedule A *attached*. Since 1992, total assessments have increased by 40%, however, 1999 was the first year since 1992 that total assessments decreased in value.

Residential property assessment has increased in importance relative to other property classes. Specifically, the distribution of property classes has changed since 1992 as follows:

- ▶ Residential - increase from 77% to 79%
- ▶ Utilities - decrease from 1.1% to 0.8%
- ▶ Major Industry - decrease from 1.3% to 0.7%
- ▶ Light Industry - modest increase from 0.75% to 0.92%
- ▶ Business/Other - decrease from 20% to 19%
- ▶ Recreation/Nonprofit - minor increase from 0.10% to 0.15%
- ▶ Farm - no change at negligible percentage rates

Schedule B *attached* compares 1999 and 1998 assessment rolls, and separates new growth from increases in market value. Most new growth has occurred in the residential and business classes. Total new growth was \$372.5 million for the period 1997 October 31 to 1998 October 31 and could generate as much as \$2.7 million in new City taxes in 1999 (assuming 1998 tax rates).

Schedule C *attached* illustrates how land and improvement values have changed for each class of property in 1999 over 1998. Reflecting real estate market trends, land values for residential, major industrial, and utilities have all declined while light industry and business land values have increased. Improvements have, generally, increased mainly due to the effect of new growth and a stable business and light industry real estate market.

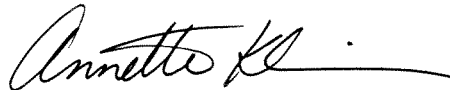
2. EFFECT OF THE 1999 ASSESSMENT ROLL ON 1999 TAXES

Changes in assessed value will not necessarily result in increased or decreased City property taxes for most property owners. The 1999 tax rates will be adjusted to offset the effect of the average market value changes. Therefore, property owners having assessment increases above the average market value change in their property class will have a tax increase caused by assessment. The actual tax impact of the assessment increase will only be known when the 1999 authenticated roll is released on 1999 March 31, and the 1999 annual budget is finalized.

Other factors which may affect local taxes include changes in the requirements (tax rates) of other rate setting bodies such as the Greater Vancouver Regional District, Greater Vancouver Regional Hospital District, the Greater Vancouver Regional Transportation Authority, and the Provincial Government (for schools).

3. THE ANNUAL ASSESSMENT ROLL

BC Assessment assesses all property in Burnaby annually. Roll release dates, Court of Revision dates and other key dates in the annual assessment cycle are shown in Schedule D *attached*.



Rick Earle
DIRECTOR FINANCE

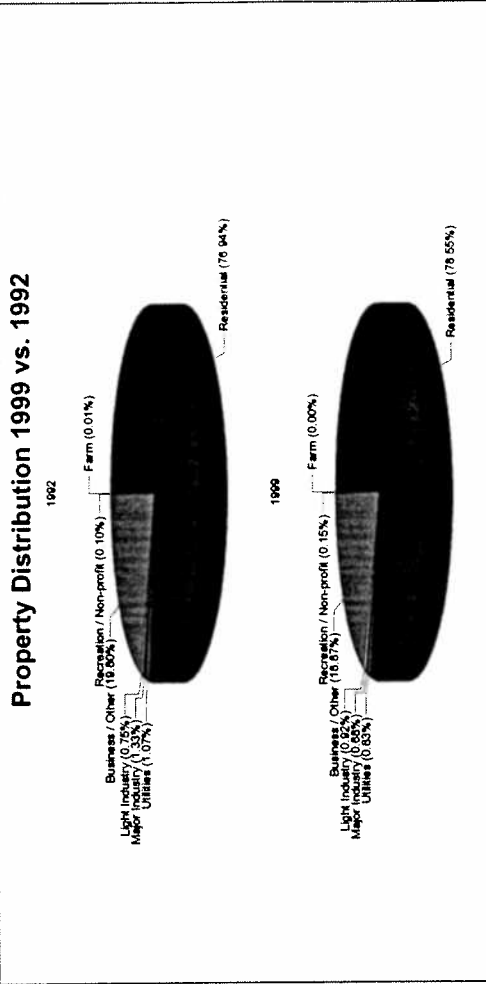
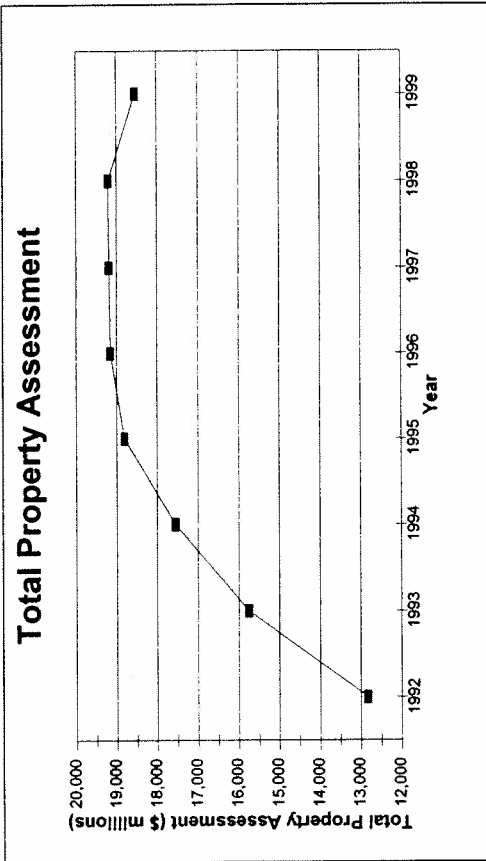
Attach.

AK.

cc: Director Engineering
Director Planning & Building
Director Parks, Recreation & Cultural Services
City Clerk
Area Assessor, BC Assessment

**BURNABY GENERAL PURPOSES ASSESSMENT ROLL BY PROPERTY CLASS
1992 THROUGH 1999**

	1992	1993	1994	1995	1996	1997	1998	Completed 1999
	\$	\$	\$	\$	\$	\$	\$	\$
Residential	9,870,615,523	12,214,753,949	14,067,347,487	15,273,063,170	15,544,561,128	15,535,182,580	15,439,960,450	14,555,247,300
Utilities	137,621,531	159,085,097	164,329,952	165,541,154	163,709,979	157,207,452	156,166,588	153,636,614
Major Industry	171,109,909	186,062,900	171,818,500	163,011,900	150,705,500	130,161,000	127,538,400	125,237,600
Light Industry	95,664,000	122,313,600	117,117,100	122,081,145	137,593,700	161,165,000	161,504,600	171,362,800
Business / Other	2,540,066,338	3,051,871,039	3,005,336,489	3,053,058,139	3,127,433,762	3,169,775,441	3,283,790,638	3,495,817,381
Recreation / Non-profit	12,903,300	15,942,300	24,297,700	28,821,800	24,934,400	28,675,900	27,665,800	28,514,800
Farm	782,200	762,000	844,400	872,289	683,100	693,900	665,700	665,200
TOTAL	12,828,762,801	15,750,790,865	17,551,091,628	18,806,449,597	19,149,621,569	19,192,861,273	19,197,292,176	18,530,491,695
Annual Percent Change		22.8%	11.4%	7.2%	1.8%	0.2%	0.1%	-3.5%
Cumulative Percent Change		22.8%	34.2%	41.4%	43.2%	43.4%	43.4%	40.0%



Note: Assessment rolls shown for 1991 through 1998 are those used to levy property taxes.

**1999 COMPLETED ROLL VS. 1998 ASSESSMENT ROLL USED TO LEVY TAXES
SHOWING MARKET VALUE CHANGES AND NEW GROWTH**

Property Class	1998 Assessment Roll *		Market Value Change		New Growth		1999 Completed Roll		Change 1999 vs. 1998 (Market Value) Plus New Growth	
	\$	%	\$	%	\$	%	\$	%	\$	%
Residential	15,439,960,450	(7.13)	(1,100,354,450)	(7.13)	215,641,300	1.40	14,555,247,300		(884,713,150)	(5.73)
Utilities	156,166,588	(2.36)	(3,685,674)	(2.36)	1,155,700	0.74	153,636,614		(2,529,974)	(1.62)
Major Industry	127,538,400	(1.88)	(2,403,600)	(1.88)	102,800	0.08	125,237,600		(2,300,800)	(1.80)
Light Industry	161,504,600	5.98	9,665,100	5.98	193,100	0.12	171,362,800		9,858,200	6.10
Business / Other	3,283,790,638	1.75	57,548,043	1.75	154,478,700	4.70	3,495,817,381		212,026,743	6.46
Recreation / Non-profit	27,665,800	(0.14)	(39,300)	(0.14)	888,300	3.21	28,514,800		849,000	3.07
Farm	665,700	(0.06)	(400)	(0.06)	(100)	(0.02)	665,200		(500)	(0.08)
	19,197,292,176		(1,039,270,281)	(5.31)	372,459,800	1.94	18,530,481,695		(666,810,481)	(3.47)

Note: "New Growth" includes: new construction, reclassification, rezoning, subdivision, etc.

*Authenticated Assessment Roll from April 1998

COMPARISON OF 1998 ASSESSMENT ROLL AND 1999 COMPLETED ROLL

	1998 Assessment Roll *			1999 Completed Roll			% Change (1998 to 1999)		
	Land	Improvements	Total	Land	Improvements	Total	Land	Impts.	Total
	\$	\$	\$	\$	\$	\$	%	%	%
Residential	10,455,263,300	4,984,697,150	15,439,960,450	9,542,813,000	5,012,434,300	14,555,247,300	(8.7)	0.6	(5.7)
Utilities	81,446,815	74,719,773	156,166,588	80,578,280	73,058,334	153,636,614	(1.1)	(2.2)	(1.6)
Major Industry	64,308,800	63,229,600	127,538,400	63,932,800	61,304,800	125,237,600	(0.6)	(3.0)	(1.8)
Light Industry	102,245,700	59,258,900	161,504,600	107,867,200	63,495,600	171,362,800	5.5	7.1	6.1
Business / Other	1,744,419,746	1,539,370,892	3,283,790,638	1,785,440,924	1,710,376,457	3,495,817,381	2.4	11.1	6.5
Recreation / Non-profit	24,868,300	2,797,500	27,665,800	25,775,900	2,738,900	28,514,800	3.6	(2.1)	3.1
Farm	665,700		665,700	665,200		665,200	(0.1)	0.0	(0.1)
	12,473,218,361	6,724,073,815	19,197,292,176	11,607,073,304	6,923,408,391	18,530,481,695	(6.9)	3.0	(3.5)

*Authenticated Assessment Roll from April 1998

Burnaby Finance Dept.
19-Jan-99
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ASSESSMENT CALENDAR

	<u>Key Dates</u>
Valuation date	July 1
Physical condition and use for valuation	Oct. 31
Bylaw deadline to granting tax exemptions	Oct. 31
Estimate of Total Assessed Value	Oct. 31
Completed Roll release date	Dec. 31
Assessment notices sent on	Dec. 31
Appeals to Property Assessment Review Panel	Jan. 31
Property Assessment Review Panel completes sitting by	Mar. 15
Section 19(8) Application Deadline	Mar. 31
Authenticated Roll release date	Mar. 31
Property Assessment Review Panel decisions sent on	Apr. 7
Authenticated Roll (incl. Court of Rev. and roll totals)	Mid April
Appeal to Assessment Appeal Board by	Apr. 30
Copy of appeal notice sent by	May 30
Supplementary assessments up to (following year)	Dec. 31
Burnaby's annual budget must be adopted by	
	May 15

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