

# Homework vital for appeals of property assessments

## Authority website is a good first step to compare property values

By James Kwantes, Vancouver Sun January 11, 2011

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# Assessments are based on the sale of similar homes within the area.

## Photograph by: Bill Keay, Vancouver Sun, Vancouver Sun

BC Assessment is taking a page from Google Street View in its quest to snap an accurate picture of property values.

The assessment agency is using a white van to photograph properties in Surrey as part of an initiative that will be expanded to other population centres, said Chris Danchuk, deputy assessor with BC Assessment.

And while sales of comparable properties by neighbourhood form the basis of BC Assessment's research, a Vancouver tax consultant says the assessments of neighbouring properties -- available at [bcassessment.bc.ca](http://bcassessment.bc.ca)-- are also key for homeowners who plan to appeal their notices.

Market-based assessments on \$1 trillion worth of B.C. property -- about 1.9 million properties -- went out last week.

Homeowners have until Jan. 31 to appeal.

"We look at the sale of similar homes within an area to determine what the market value as of July 1 each year is," Danchuk said in a phone interview. "The market sets the value, we report it."

Paul Sullivan, a property tax agent with Burgess Cawley Sullivan & Associates, said market value based on comparable sales is only one of two measures of fairness for property owners.

The other is the equity value, which is based on what your neighbour's property is assessed at. Case law dictates that the taxpayer gets the lesser of market value and equity value, he said.

To illustrate, if a person buys a house for \$5 million and the house is assessed at that value but all the neighbours' comparable houses stay assessed at \$3 million, that would be grounds for appeal, Sullivan said.

"Guess what, guys: Everybody's at \$5 million or I want \$3 million," he said. "In fairness, if you're going to put me at 100 per cent of market value, I want to know everybody's at 100 per cent of market value."

"I don't want the highest assessment on my block, unless it's justified."

Sullivan is already working on eight appeals from homeowners in the Shaughnessy area, where assessments increased by an average of 18 per cent.

The homeowners were hit with increases ranging from 10 to 30 per cent, or \$1 million to \$5 million, he said.

Improvements or construction projects that begin between July 1 and Oct. 31 may also be reflected in property assessments, he noted.

While Sullivan works with homeowners who think they've been wronged by BC Assessment, he said B.C.'s transparent system of property assessment -- and appeal -- is still the best in the country and possibly the world.

The Notice of Complaint form is available at BC Assessment's website ([bcassessment.ca](http://bcassessment.ca)), where properties are searchable by address. Appeals go to independent three-person tribunals called Property Assessment Review Panels, which hold hearings between Feb. 1 and March 15 and then mail out a decision.

A further appeal is possible for a \$30 fee.

Sullivan recommends that homeowners take three steps before launching an appeal. First, compare assessments by address. Secondly, phone BC Assessment and tell them why you think the property assessment is inaccurate. Finally, ask the assessor for the list of property sales that your assessment was based on.

"It pays to do some due diligence," he said. "Do not call up the assessor and say, 'I want 10 per cent off, I'm over-assessed, my value went up,'" he said.

"The amount of increase in your assessment is 100-per-cent irrelevant to its correctness. Increase is no grounds for appeal. Correctness is grounds for appeal."

Last year, 15,972 provincial property owners appealed their assessments, Danchuk said. Because some people appealed on more than one property, the number of appeals in 2010 was 27,598.