

TAX ASSESSMENTS

By now all homeowners will have received their 2006 Property Assessment Notice. Shown on that notice is the British Columbia assessment appraisers' opinion of the market value of your home, as at July 1st of last year. However, it also takes into account any changes to the property's physical condition as of October 31st. An example of such a change would be if the home had added or enlarged a sundeck or put on an addition on the home or finished the basement. To arrive at an opinion of the market value of your home the assessor studies the recent sales figures from homes like yours in your immediate area or in a similar area. They do their best to compare zoning, size, age, condition and features. But remember, the assessors cannot go through every home, every year. The sheer magnitude of the task prevents it. So when they are comparing your home to homes that sold recently, they likely have not had a physical visit inside your home nor any of the sold properties used in the analysis. Add to that the fact that the opinion of value is several months old and therefore not up to date, and the result then is that the assessment is often only an approximation and is often inaccurate. One should never rely on the assessment information when trying to ascertain a fair sale or purchase price. It's just too risky.

If you feel that the assessment notice shows too high a value then you can appeal your assessment. But first, call the assessment office and have a chat with your assessor. They may have some valid data you are not aware of that will support their opinion. If that is not the case, you must provide a written notice of complaint to the local B.C. assessment office not later than January 31st 2006. After receiving your written complaint there can be an independent review before a Property Assessment Review Panel (PARP). If there is market data you feel is relevant to the question, you can provide that information to the Review Panel.

The accuracy of the assessment is important because it's this dollar value that is used in the formula which calculates your property tax bill each year. The city, or municipality figures out the dollars they need each year to fund schools, hospitals, fire and police services and to repair, maintain and improve roadways, utilities and cover every other similar expense. They factor that cost against the assessed values. This is known as the mill rate.

The system is considered fair to all, as the higher your assessed value is the more taxes you pay and the lower your value, the less taxes you pay.

Few people appeal their assessment when the assessed value shows lower than its real market value. Obviously if you are successful in having the assessed value raised it results in a higher tax bill. The only advantage would be if you were

selling and your buyer happens to consider the assessed value important. Just so you know, this is seldom the case.

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