IPTI Xtracts
Property Tax and Assessment News from Around the World

CANADA – December 2022

CONTENTS

ALBERTA

Alberta mountain towns facing steep tax hikes as municipalities deal with outside pressures

Residents of mountain towns west of Calgary could be facing steep tax increases as municipalities face increased financial pressures coming out of the COVID-19 pandemic.

Banff's city administration has proposed a 10.2 per cent increase in this year's municipal budget, while those living in Canmore could see a 12.3 per cent jump. Meanwhile, their urban neighbour Calgary recently approved a smaller 4.4 per cent property tax increase over the next year followed by 3.3 per cent increases in the rest of the budget cycle.

Canmore Mayor Sean Krausert said his administration has brought forward a budget that despite the large percentage hike, represents a status quo budget as third-party costs on the municipality have increased.

"It's important that you don't just look at the percentage," said Krausert. "They don't tend to tell the whole story. It's actually a 12.5 per cent tax increase that the administration put to us for a status quo budget. . . for the average assessed home, that relates to $18.50 a month increase. Whereas if you look at Calgary, a 4.4 per cent tax increase, so one-third of ours, amounts to a $12.08 increase."

Krausert said his community is facing a number of third-party cost increases that are driving the jump in their tax proposal. He said contractually they are taking on a bigger share of policing costs with the RCMP as their population has grown as well as having to account for inflation. The municipality also has to account for issues arising from the COVID-19 pandemic, which has added a 2.4 per cent jump by itself.

"Those uncontrollable third-party expenses relate to a 5.8 per cent increase to our taxes, the cost of living adjustments for employees due to inflation, that represented a 4.2 per cent increase to our taxes," said Krausert. "Then higher interest rates amount to 1.07 per cent increase, all of that added together is over 13-and-a-half percent."

Banff Mayor Corrie DiManno said her municipality is facing similar external pressures after their communities economy was drastically hit by COVID-19. She said they have also previously committed to adding police officers that they need to account for while also ensuring town staff is fairly compensated amid record inflation levels.

"Really, this 10.2 per cent tax increase is showing a coming out of that deep cut that we made (during the pandemic)," said DiManno. "This budget really shows us trying to bring those reserve levels back from what we cut, as well as inflation, as well as focusing in on the significant cost of bringing our staff wages up to comparator municipality levels."

DiManno said the silver lining is that the town is bouncing back from COVID-19 as tourism continues to rebound and they are able to welcome more guests. She said they anticipate they will be in a healthier financial position moving forward.

Despite the jumps, Krausert said he believes residents understand the pressures municipalities are facing and understand that the budgets as presented are to keep services at current levels.

“The amount of taxes that I pay each month on my home is less than my cellphone bill and I get so much more with my taxes, based on garbage collection and street clearing and administrating the community in which I live,” said Krausert.

Paul McLaughlin, president of the Rural Municipalities of Alberta, said the situation in the Bow Valley communities is not dissimilar from other small municipalities around Alberta. He said while there have been increases coming from outside the province, there has also been a downloading of costs from the province onto municipalities and a reduction in funding.

“I would say that 40 per cent of the problem is directly attributed to lack of transfers from the provincial government to municipalities, urban and rural, across the province,” said McLaughlin.

He said that as municipalities are facing higher costs, they also have less of a windfall stemming from a number of changes the province has made. He called on the UCP government to restore funding to prior levels, to the tune of approximately $800 million, in the 2023 provincial budget.
Requests for comment sent to the province were not returned Saturday.

These Alberta cities have the highest and lowest property taxes

If you are looking to make the move to Alberta or find a new pad in the province, Zoocasa has rounded up the highest and lowest property rates of 25 cities.

Zoocasa looked at the most recent property tax rates and found that an Albertan homeowner in Wetaskiwin—which has the highest property tax rate in the province at 1.2847%—would pay $3,900.96 more in taxes on a home valued at $500,000 than someone in Canmore, which has the lowest property tax rate at 0.504508%.

Calgary had the second lowest property tax rate in Alberta, with Edmonton settling in 13th place.

The highest five property tax rates in Alberta:

Lacombe: 1.11092%
Brooks: 1.133452%
Cold Lake: 1.13849%
Grande Prairie: 1.25747%

Wetaskiwin: 1.2847%

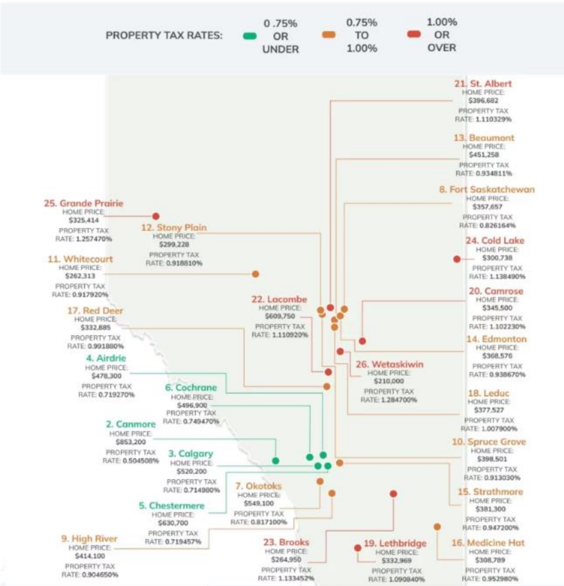
The lowest five property tax rates in Alberta:

Canmore: 0.504508%
Calgary: 0.71498%
Airdrie: 0.71927%
Chestermere: 0.719457%
Cochrane: 0.74947%
Zoocasa

Alberta Cities With the Lowest and Highest Property Tax Rates for 2022

Zoocasa compiled the residential property tax rates for 25 municipalities in Alberta and ranked the regions based on the lowest to the highest rates.

Property tax rates are levied annually by a municipality and are usually calculated as a percentage of a home's assessed value. These taxes, usually in the thousands of dollars, can be significant carrying costs for homeowners and are often overlooked during the buying process.



MUNICIPALITY (RANKED BY LOWEST TO HIGHEST PROPERTY TAX RATE)	2022 PROPERTY TAX RATE	SAMPLE PROPERTY TAXES			
		TAX ASSESSED ON A HOME AT AVG HOME PRICE	TAX ASSESSED ON A HOME AT $500,000	TAX ASSESSED ON A HOME AT $1 ,000,000	TAX ASSESSED ON A HOME AT $1 ,500,000
1. CANMORE	0.504508%	$4,304.46	$2,522.54	$5,045.08	$7,567.62
2. CALGARY	0.714980%	$3,719.33	$3,574.90	$7,149.80	$10,724.70
3. AIRDRIE	0.719270%	$3,440.27	$3,596.35	$7,192.70	$10,789.05
4. CHESTERMERE	0.719457%	$4,537.62	$3,597.29	$7,194.57	$10,791.86
5. COCHRANE	0.749470%	$3,724.12	$3,747.35	$7,494.70	$11,242.05
6. OKOTOKS	0.817100%	$4,486.70	$4,085.50	$8,171.00	$12,256.50
7. FORT SASKATCHEWAN	0.826164%	$2,954.83	$4,130.82	$8,261.64	$12,392.46
8. HIGH RIVER	0.904650%	$3,746.16	$4,523.25	$9,046.50	$13,569.75
9. SPRUCE GROVE	0.913030%	$3,638.43	$4,565.15	$9,130.30	$13,695.45
10. WHITECOURT	0.917920%	$2,407.82	$4,589.60	$9,179.20	$13,768.80
11. STONY PLAIN	0.918810%	$2,749.34	$4,594.05	$9,188.10	$13,782.15
12. BEAUMONT	0.934811%	$4,218.41	$4,674.06	$9,348.11	$14,022.17
13. EDMONTON	0.938670%	$3,459.71	$4,693.35	$9,386.70	$14,080.05
14. STRATHMORE	0.947200%	$3,611.67	$4,736.00	$9,472.00	$14,208.00
15. MEDICINE HAT	0.952980%	$2,942.70	$4,764.90	$9,529.80	$14,294.70
16. RED DEER	0.991880%	$3,301.82	$4,959.40	$9,918.80	$14,878.20
17. LEDUC	1.007900%	$3,805.09	$5,039.50	$10,079.00	$15,118.50
18. LETHBRIDGE	1.090840%	$3,632.16	$5,454.20	$10,908.40	$16,362.60
19. CAMROSE	1.102230%	$3,808.20	$5,511.15	$11,022.30	$16,533.45
20. ST ALBERT	1.110329%	$4,404.48	$5,551.65	$11,103.29	$16,654.94
21. LACOMBE	1.110920%	$6,773.83	$5,554.60	$11,109.20	$16,663.80
22. BROOKS	1.133452%	$3,003.08	$5,667.26	$11,334.52	$17,001.78
23. COLD LAKE	1.138490%	$3,423.87	$5,692.45	$11,384.90	$17,077.35
24. GRANDE PRAIRIE	1.257470%	$4,091.98	$6,287.35	$12,574.70	$18,862.05
25. WETASKIWIN	1.284700%	$2,697.87	$6,423.50	$12,847.00	$19,270.50

Sources

Home Prices: Home prices were sourced from real estate boards including the Calgary Real Estate Board, Edmonton Association of REALTORS, and Alberta Real Estate Association. Home Prices are all average prices for November 2022.

Property tax rates. Property tax rates were sourced from each municipality's website.

“The residential tax rate of individual cities is determined based on their specific budgets, so they have considerable leeway when setting them,” Zoocasa stated.

“The quantity and value of the city’s real estate are two of the many variables that affect the tax rate. For example, local governments frequently have more freedom to maintain a low tax rate when they have a sizable tax base and a thriving housing market.”

So, there you have it.

If you are in the market for a new home, certainly take into account the property tax rate wherever you may be buying. You’ll be paying for it in the long run!

Edmonton city council approves 5% property tax hike next year

Property owners in Edmonton can expect to pay about five per cent more in taxes in each of the next four years after city council approved the 2023-26 operating and capital budgets Friday.

Administration had proposed a 3.9 per cent property tax increase when it presented the operating budget in mid-November.

Amendments to the capital and operating budgets over the past week added to the tax levy.

Council voted 9-4 in favour of the $7.9-billion capital budget. Those voting against included Tim Cartmell, Sarah Hamilton, Jennifer Rice and Karen Principe.

The operating budget passed 8-5 with Cartmell, Hamilton, Rice, Principe and Andrew Knack voting against it.

The operating budget for 2023 is $3.29 billion. As approved, it will be $3.34 billion in 2024, $3.48 billion in 2025 and $3.56 billion in 2026.

Mayor Amarjeet Sohi said the budgets help create a more affordable city for lower-income residents by freezing users fees for recreation centres and increasing on-demand public transit and off-peak transit service.

He also lauded council's decision to invest in the bike lane implementation.

"I wish we were at a lower rate," Sohi told reporters after the vote. "But we worked hard and we tried to balance the needs of keeping services affordable."

Coun. Aaron Paquette noted that tax increases in the past few years were low and can change as council adjusts the budgets twice a year.

"When it comes to mowing, there's another opportunity in the spring to change the budget," Paquette said.

"Budgets are fluid. There's a continuum."

It translates to a 4.96 per cent tax increase in 2023 and 2024, 4.95 per cent in 2025 and 4.39 per cent in 2026.

The owner of a typical household can expect to pay about $725 in 2023 for every $100,000 of assessed home value, an increase of $34 from 2022, the city says.

Divisive vote on transit

Knack, who's been on council for nine years, was emotional during closing comments Friday morning.

"I never had such a hard time with my comments during budget because I know approving budget increases is hard, even when it's smaller," Knack said. "And for the first time, I was entering this debate very split specifically in regards to the operating budget."

One of the most divisive votes was Wednesday night, when council voted 8-5 against funding Edmonton's portion of a regional transit system — a plan that's been in the works for eight years.

Knack was a councillor representative on the Edmonton Metropolitan Transit Services Commission and voted to support the $13-million a year regional service.

Cartmell said he was voting against the budgets in part because of the decision to withdraw from the regional transit plan.

"Make no mistake, trust has been lost," Cartmell told council. "We've lost the trust of our collective communities around us."

Coun. Sarah Hamilton said in her five years as a councillor, she's never voted against a budget.

"I'm afraid with our decision to leave the transit commission this week, we have set a dangerous precedent that Edmonton will be proceeding alone," she said, calling the move "the death of regionalism."

This week, council had proposed and debated over 100 amendments to the operating budget, including a 36-part omnibus amendment.

Climate action

Administration had not included funding for several climate action projects, which council introduced and passed in the amendment process.

Those include $53 million for energy retrofits of city facilities, $34.5 million to develop district energy networks and $11.2 million toward an emissions-neutral fleet of vehicles.

Coun. Ashley Salvador said she was proud of what council accomplished.

"We have had hard discussions, there have been hard decisions -- very hard decisions and compromise," Salvador said. "In this budget, I see that we are a city that takes climate action seriously."

City looks behind the numbers of a recent property tax rate report

Grande Prairie's Chief Financial Officer says a recent report on property tax rates in the province doesn't look beyond the mill rate. Danielle Whiteway says the context behind the percentages in the report is the budget and taxes set by different municipalities throughout the province are based on different factors.

"One example is we pay for our storm infrastructure, and maintenance and repair work from property taxes," Whiteway says. "Whereas a lot of municipalities charge for it as a separate utility, so you wouldn't see that in the property tax rate of another municipality, but you would see it in ours. So sometimes there needs to be added information to put context to the numbers."

Something else to look at is the average column, which shows the average house rate in a municipality because it is a better indicator to look at. When you look at Grande Prairie specifically Whiteway says 'okay yes we have one of the higher rates, but we have average home prices around $320,000,' so when you look at municipalities like Canmore or Calgary, they may have lower tax rates but they also have higher average home prices. In Canmore specifically, the average home price is around $850,000.

So while the report is correct using the mill rate metric, Whiteway says she wants to emphasize home values and property assessments are the driving forces behind taxation revenue.

She adds for those who look at a report from a source like Zoocasa, which is a brokerage and online real estate company because they are looking at possibly moving or relocating to Grande Prairie, there are other factors to consider such as quality of life. She explains that living somewhere like Calgary or Edmonton could mean a commute to work of 45 minutes to an hour every day, while in Grande Prairie getting to work from one side of the city in the morning to the other side is generally pretty quick. Another factor that could be considered is Grande Prairie has a generally low living wage requirement.

“You know living wage is one of those statistics we look at for affordability and Grande Prairie is one of the lower in the province,” Whiteway says. “So when it comes to what a person does need for a living wage, we are around $19.65, which I believe is the second lowest of most comparable municipalities.”

The numbers from the Zoocasa are from statistics pulled in 2022, which Whiteway explains does not take into account the 2023 budget that most municipalities either have already or are in the process of passing. Grande Prairie City Council passed their budget for the upcoming year back in November, which included a 1.71% increase in property taxes. If you look at inflation over the last five years Whiteway says the city’s tax rates have decreased since 2019, while inflation has accumulated by almost 16%.

“So one other thing we have been looking at is where these other municipalities have been settling their 2023 budget. So the council was able to settle on the 1.71% which from what I have seen from across the province already is the lowest tax rate increase for our comparator.”

Airdrie, Medicine Hat, and Red Deer are municipalities that are closer in population to Grande Prairie so they are considered to be comparable municipalities.

Fort Saskatchewan changes property tax schedules

A few changes to how Fort Saskatchewan assesses properties are coming in 2023.

Fort Saskatchewan residents should expect a slight tweak to how they receive their property tax assessments.

Last Wednesday (Dec. 21) the city sent out a notice that outlines a few changes to the property tax assessment and notification schedule.

"It will be mid-February that property owners will receive the assessment notice for their property," said Trish Norman, revenue service coordinator with the city. "In the middle of May, they will receive the actual property tax notice."

This is a change from the combined notices the city sent out in previous years.

Norman indicates the change should help residents be more prepared.

"Separating the property assessment notice from the property tax notice gives property owners the opportunity to review what their actual assessment is separate from their property taxes," said Norman. "If [residents] have any concerns over the assessment of their property then they can reach out to the city, and we would put them in contact with the property assessor."

"It was a move the city made to align ourselves with what other municipalities in the province are doing."

The earlier assessment notices will also help to streamline the city's budgeting process.

"When we know the completed assessment earlier in the year, it assists with the budgeting process," said Norman. "We have a more accurate picture of what our assessment base is earlier in the year."

Property taxes are due on June 30, 2023.

BRITISH COLUMBIA

BC Assessment - 2023 Property Assessments Will Reflect July 1st Values

Based on trends in the real estate market as of July 1, 2022, most homes are expected to be up in value with BC Assessment's soon-to-be released 2023 property assessments.

"Most homeowners around the province can generally expect about a 5 to 15% rise in assessment values when they receive their notices in early January," says Assessor Bryan Murao. "I want to emphasize that assessments are based on July 1 values of this year, meaning that when similar properties were sold up to and around July 1, those market value sales are used to calculate your assessed value."

"Since July 1, we know that the real estate market has changed as interest rates continue to rise and overall sales volume has declined," adds Murao. "As a result, your next property assessment will likely be higher than what the current market value might be, but that will be the same for everyone."

"An increase in assessment value does not, however, necessarily result in an increase in property taxes. Taxes are typically only affected if you are above the average value change for your community. Our job is to make sure your assessment is a fair and accurate reflection of market value sales based on July 1st."

As a leading source of property information, BC Assessment analyzes the real estate market shifts throughout the year and reminds property owners that their annual property assessment values are determined as of July 1 each year to ensure all properties are valued fairly in relation to each other.

All British Columbia property owners will receive their annual property assessment notices in early January 2023.

The content of this news release is based on preliminary property assessment information. Confirmed 2023 property assessment information is finalized and released to the media and the public on January 3, 2023.

Visit bcassessment.ca on January 3 to access 2023 assessment information including searching and comparing 2023 property assessments as well as regional news releases with detailed assessment value changes by community, lists of top valued homes and other market movement trends.

Forecast for B.C. property assessments in 2023

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Assessment shock: Which property values in Metro Vancouver and B.C. will be most out of whack?

Those assessment notices coming in January will reflect property values on July 1, 2022, when the real estate market was hot

B.C. Assessment has advised homeowners that the value of their property as listed early in the new year will likely be very different from the reality of the current housing market.

That's because January's annual assessments are based on market values on July 1, 2022, a time when the British Columbia real estate market was hot. Now, with sales volumes and prices slumping and interest rates on a steady climb, the real value of single-family houses, townhouses, condos and apartments is dropping — in many cases by a lot.

Jeff Tisdale, the CEO of Landcor Data Corporation, says sales data shows the B.C. real estate market hit a "consensus peak" in March 2022 and has been sliding — both in number of sales and prices — since the assessments were done in July. His firm ran some data on how much values have changed from that March peak to now in Metro Vancouver and B.C. municipalities, and in many places the drops were significant.

For instance, the median sale price for a detached home in Surrey back in March was $1.83 million. Now? $1.45 million, a drop of just over 20 per cent. Single-family homes in Vancouver dipped from $2.34 million to just over $2 million, a decrease of nearly 14 per cent.

Other cities with March-to-December drops of roughly 20 per cent for detached homes include Burnaby, New Westminster, Maple Ridge, Delta, Langley City, Abbotsford and Chilliwack.

The average drop for detached homes across the province over those nine months was 24 per cent, with a handful of smaller, more rural communities on Vancouver Island and in the B.C. Interior losing a third or more of their properties' values.

A few Lower Mainland communities have fared better. Detached homes in Richmond dipped only five per cent ($2 million median price), Burnaby dropped just under six per cent ($1.9 million) and Coquitlam eased just under five per cent to $1.66 million.

The drops haven't been precipitous for all communities and housing types. Condominiums and apartments have only slumped a bit, and are unchanged in the city of Vancouver proper. The average drop for condos across B.C. was just over eight per cent, and about 11 per cent for attached homes (townhouses).

Even among detached homes, there are outliers. Pricey West Vancouver has continued to climb, with the median house value in March of $2.85 million leaping to $3.87 million today, an increase of $1 million. Single-family homes in Kelowna are up 14 per cent to just over $1.3 million.

Landcor uses B.C. Assessment data to do these kinds of reports for banks, credit unions, appraisers and other institutions that need to know where the market stands in making decisions on mortgages, interest rates and valuations. While the gap between assessed and real value can be a shock, it isn't directly linked to what property owners pay in taxes.

That's because a community's property values tend to go up and down in lock-step, explains Tisdale, and municipal mill rates are adjusted as values rise or fall so tax revenues remain consistent despite the vicissitudes of volatile real estate markets.

Still, Tisdale says there has been discussion around making assessments more reflective of real-time data. He says he recently talked to colleagues about "leveraging big data and artificial intelligence to make market adjustments" after July 1, so those January assessment notices are more in keeping with up-to-the-moment property values.

For now, though, homeowners are going to have to take next month's assessments with a grain of salt. In most cases, it will misrepresent what the home would really sell for in today's market — that is, if it sells, in a much slower sales environment.

The silver lining is that your neighbours are all going through the same assessment shock, and it's not likely to have a major effect on your property taxes come 2023.

Divorcing couple appeals B.C. home assessment, arguing it's both too high and too low

A Denman Island homeowner's appeal of her 2022 property assessment succeeded in reducing the home's value by a few thousand dollars, but not before her ex joined the appeal and attempted to raise the assessment by nearly $300,000.

Property Assessment Appeal Board panel chair Kenneth Wm. Thornicroft began his written decision on the appeal – which was posted online on Dec. 9 – by noting its "unusual" nature.

"The two property owners have significantly different views about the actual value of the property," Thornicroft wrote.

The home in question is a one-storey wood-frame cabin with two enclosed porches and "a detached garage/carport," situated on a little more than 10 acres of land on Keith Wagner Way on Denman Island.

Owner Veronica Gventsadze appealed the property's $878,000 assessed value for 2022, arguing that it was too high.

"The property is jointly owned by the appellant and Peter Scheunert (the 'co-owner'), and the two of them are currently embroiled in divorce and property division proceedings," Thornicroft's decision reads.

"The co-owner says that this 'appeal was initiated by the appellant … without my knowledge, as part of a strategy to obtain an "unequal distribution of the assets" in the settlement of our divorce,'" it continues. "The appellant, for her part, says (and I agree) that 'the details of our divorce are not relevant to this appeal.'"

Gventsadze and the assessor reached an agreement to reduce the assessment to $850,500, a roughly three-per-cent reduction, according to Thornicroft.

Scheunert objected to this, however, arguing that "a substantial increase" in assessed value was justified. He submitted that the value should be raised to $1,171,000 to reflect work that had been done on the home since the then-couple purchased it on May 9, 2020.

Among the work Scheunert said should result in a higher value was, according to the decision:

- Painting and staining the residence and the garage/carport
- "Repair and preventative maintenance of the roofs, gutters and rainwater catchment systems"
- New fencing
- Resurfacing the driveway
- "Burying the previously on grade electrical armoured teck cable from the road to the buildings on the property"
- Removal of dead or dying trees that enhanced the ocean view

"The co-owner estimates that this work 'took at least 1,280 hours and would have cost over $111,000 if contracted to outside contractors,'" Thornicroft wrote.
In response, Gventsadze told the appeal board that Scheunert had "significantly exaggerated the scope of the work he undertook," alleging that there were "numerous features that are either not up to code or that require additional work to be operational," according to the decision.

The panel chair noted that none of the parties involved in the appeal had provided a direct sales comparison for the property's value, nor did Scheunert provide an independent appraisal to support his preferred assessment.

Ultimately, Thornicroft concluded that "the only cogent market evidence" presented was the price the then-couple paid for the property when they bought it, time-adjusted for increases in the overall real estate market since then.

"I also note that (Scheunert) appears to have an economic incentive to argue in favour of a higher assessment in light of the owners' ongoing divorce and property division proceedings," Thornicroft wrote.

"The assessor, who is an independent party, submits that the actual value should be fixed at $850,500, a figure accepted by the appellant."

GENERAL

New Rules and Reporting Requirements Coming for the Real Estate Sector

As 2022 comes to a close, we draw your attention to certain new and proposed legislation that the Canadian federal government has introduced and that will have important implications for Canadian residential real estate and the Canadian real estate sector more broadly. Specifically, we offer high-level comments on (i) the prohibition on the purchase of residential property by non-Canadians, (ii) the underused housing tax and (iii) new limitations on interest deductibility that are particularly relevant to the real estate sector.

Prohibition on the Purchase of Residential Property by Non-Canadians

On June 23, 2022, Parliament adopted the Prohibition on the Purchase of Residential Property by Non-Canadians Act (Prohibition Act).

The Prohibition Act prohibits non-Canadians from purchasing (directly or indirectly) residential property (as that term is defined in the Prohibition Act) in Canada for a period of two years starting on January 1, 2023. The prohibition applies to "non-Canadians," which generally means (i) individuals who are not Canadian citizens, permanent residents of Canada, or registered as an Indian under the Indian Act, (ii) corporations that are not incorporated in Canada, and (iii) corporations that are incorporated in Canada but are "controlled" by non-Canadians.

By virtue of regulations released on December 21, 2022:

- a "purchase" includes the acquisition (with or without conditions) of a legal or equitable interest or a real right in a residential property and thus can apply to the acquisition of lesser rights in a property than the right of ownership, with limited exceptions;

- “control” of a corporation or entity is expansively defined to mean direct or indirect ownership of shares or interests representing 3% or more of the value of the equity or carrying 3% or more of the voting rights;
- “residential property” includes vacant land if it is located in an urban area and is zoned for residential or mixed use; and
- the prohibition does not apply to residential properties that are located in certain non-urban areas.

The prohibition does not apply if the non-Canadian becomes liable or assumes liability under an agreement of purchase and sale of the residential property before January 1, 2023.

Underused Housing Tax

The underused housing tax (UHT) is a new national 1% tax imposed annually on the value of non-Canadian-owned residential property that is considered by the legislation to be “underused.” These new rules are in force for the 2022 calendar year and may have implications for certain Canadian owners of Canadian residential real estate (as well as for non-Canadian owners), even if the residential property may not actually be “vacant” or “underused” as those terms are understood in ordinary parlance.

Filing obligation. Every person that is an owner of a residential property (as defined in the legislation) on December 31 of a calendar year is required to file a UHT return for the calendar year by April 30 of the following calendar year unless the owner is an “excluded owner.” One category of excluded owners consists of individuals who are Canadian citizens or Canadian permanent residents, provided that they own the residential property directly in their personal capacity. However, if the individual owns the property through a corporation, trust or partnership, that entity is generally not an excluded owner and has a UHT filing obligation even if the property is not “underused” for purposes of the UHT.

Tax liability. An owner (other than an excluded owner) of a residential property on December 31 of a calendar year is subject to a 1% tax on the “taxable value” of the residential property unless exempted. In general terms, exemptions are available under certain conditions for Canadian ownership, new owners (i.e., where the residential property was acquired in the calendar year), residential properties that meet “qualifying occupancy” requirements, “seasonally inaccessible” residential properties, residential properties that are uninhabitable for certain periods due to disasters or renovation, and vacation properties in non-urban areas. There are also exemptions that apply depending on the moment in the calendar year that the construction of the residential property was substantially completed.

Persons that are owners on December 31, 2022 of properties that are “residential properties” for purposes of the UHT legislation should be mindful that they may be required to file a return and, unless exempted, pay the 1% tax by April 30, 2023.

New Interest Deductibility Rules

On November 3, 2022, the Department of Finance (Canada) released revised draft legislation on the proposed rules regarding excessive interest and financing expenses limitation (EIFEL). Briefly, the EIFEL rules limit the deduction, for income tax purposes, of "interest and financing expenses" of corporations and trusts (that are not "excluded entities") to a fixed percentage, or "fixed ratio," of earnings before interest, taxes, depreciation and amortization (EBITDA). Subject to the application of the group ratio rules, the ratio will be 40% for taxation years beginning on or after October 1, 2023, and 30% for taxation years that begin on or after January 1, 2024.

The revised EIFEL rules generally do not address their disproportionate impact on certain capital-intensive industries, such as real estate. The only potential relief is for qualifying consolidated groups that may elect under the group ratio rules. These rules are very complex and generally require audited consolidated financial statements. It remains to be seen whether Canada will adopt similar explicit exceptions for all real estate and infrastructure investment, such as is the case in the United States. Failure to do so may lead to investors increasing investment outside Canada and reducing investment in Canada.

Relief is generally provided for sale-and-leaseback transactions in respect of buildings, but uncertainty remains in respect of sale-and-leaseback transactions in respect of land or land and buildings.

NEW BRUNSWICK

U.S. oil refineries pay property taxes 5 times higher than what N.B. refinery pays

Saint John seeks authority to set higher property tax rates on industry in the future

A soon to be published study on levies and taxes paid by the petroleum industry in the United States shows property taxes charged on oil refineries south of the border average several million dollars more than what the Irving Oil refinery in Saint John has been paying.

That could soon be a significant issue in Saint John, where multiple local political leaders have been signalling an interest in raising more tax revenue from large industry, if the province follows through on a commitment to give municipalities more authority over setting tax rates and categories.

"Council would definitely move it," Coun. Gerry Lowe said about whether the city would raise tax rates beyond current levels on its biggest businesses if allowed.

"More people talk about this all the time now, you know, and you're getting a council now that's very pro getting something done."

In the 2018 provincial election, New Brunswick Progressive Conservatives made a commitment to "empower municipalities to have greater control over their own affairs, including greater powers over taxation."

That was in response to New Brunswick municipalities, including Saint John, asking for the ability to independently set different property tax categories, with separate property tax rates for those categories, like most other Canadian communities already do.
High stakes for companies, communities

It's an issue the New Brunswick government committed to consider between 2023 and 2025 after new rural communities are fully restructured and up and running in January.

"This reform process is over four years," Local Government Minister Daniel Allain announced last year.

"We have to work on restructuring and the regional collaboration piece first. The pillars on taxation and land-use planning come after."

It is unclear what individual New Brunswick communities would do differently with extensive control over their own property taxes, but new information suggesting the oil refinery in Saint John is currently among the least taxed on its property in North America shows how high the stakes could be for both companies and communities.

According to a working paper version of a study done by the Washington-based research group Resources for the Future, a review of property taxes paid by 19 large U.S. refineries in six states shows the average amount paid by oil companies to local communities in 2020 was $71.86 US for every barrel per day of processing capacity.

That suggests a facility the size of the Irving Oil refinery, with a capacity of 320,000 barrels per day, would on average have paid a U.S. host community $23 million US in property taxes in 2020.

It is about five times the $6 million Cdn that New Brunswick and Saint John collected in property taxes in 2020 on the refinery and related infrastructure, including the Canaport oil storage and off-loading facility.

There are more than 130 oil refineries in the United States, but half of those process fewer than 100,000 barrels per day. In an interview, the lead author of the study, Daniel Raimi, said instead of documenting property taxes paid by every one, it was decided to look at a group of the largest.

"Ideally, we would have gotten data on every refinery in the United States and been able to report the tax revenue they were paying each year, but it's very difficult to access that data," said Raimi.

"What we did is we went on basically a scavenger hunt to try and find local property tax records from local property tax assessors that reported property taxes paid for some of the largest refineries in the United States. We ended up identifying what I think is a pretty reasonable number of refineries and aggregating data for them."

There were large differences in amounts of property taxes charged to individual facilities in the study, but none of the 19 refineries paid their local communities less than what Irving Oil is charged.

The final study has been accepted for publication in the U.K.-based Review of Environmental Economics and Policy, but Raimi said there are no substantial differences from what has already appeared in the working paper.

Tax burden shifting toward homeowners, says Lowe

Lowe has expressed frustration for several years over a lack of growth in the assessed value of industrial properties in Saint John that has been causing a shift in the city's tax burden toward homeowners, as the value of their properties accelerate.

The main Irving Oil refinery property in east Saint John has been part of that trend.

It is assessed for taxes by Service New Brunswick to be worth $107 million Cdn for 2023. That has increased just $10.2 million in the last 10 years, about half the rate of inflation.

The tax bill that generates has been shrinking in real terms and is on the small side, not just in comparison to U.S. and western Canadian oil refineries, but also compared to other large New Brunswick operations.

The Point Lepreau nuclear generating station has a property tax bill this year of $7.3 million, more than one per cent of the $500 million worth of electricity the plant produces each year.

Output at the Irving Oil refinery is 20 times greater, more than $10 billion per year, but its property tax bill is still $1 million lower.

Higgs promised review

In 2019, New Brunswick Premier Blaine Higgs promised a review of how Service New Brunswick values the refinery for taxes, but that was cancelled earlier this year by former Service New Brunswick minister Mary Wilson.

She told the legislature the agency did not think the undertaking would reveal any hidden taxable value.

"Following ongoing discussions with the Service New Brunswick Property Assessment services team and a review of current information, government has been assured that the current assessment of the Irving Oil refinery falls within the acceptable range of value and that a review is not recommended at this time," said Wilson.

Without a higher assessment, the only way to raise more revenue from a property is through a higher tax rate.

In Burnaby, B.C., the city charges its local oil refinery a property tax rate 8.2 times higher than the city's residential rate to generate revenues similar to those charged on U.S. refineries. In New Brunswick, municipalities are not allowed to charge heavy industry a tax rate more than 1.7 times what homeowners pay.

Lowe said if the province loosens those rules, it will be important not to charge businesses property tax amounts they cannot afford, but he believes there is a lot of room still to generate more money for the city in some areas.

"To me you'd have to distinguish between heavy industry and industry, because you don't want to put anybody out of business," said Lowe.

"You got to be careful of the damage that you do. But, I mean, if you're an operation that makes billions, then I don't think it's going to hurt too much. If we could get $20 million in taxes out of the refinery, you know, the property tax for residential people that are living here, lived there all their lives would drop drastically."
Irving Oil did not respond to a request for comment about local property taxes paid by U.S. refineries, but in previous statements it has said it pays sufficient taxes already that are similar to amounts paid by six Canadian refineries in Quebec and Ontario.

"Our per barrel taxes paid are much higher than our competition and above average in the market," said the company in a presentation to a legislature committee in 2019.

In a statement Thursday, the Department of Local Government and Local Governance Reform said potential municipal financial changes are already being discussed with municipalities, and there will be a summit next fall with municipal leaders on "reform and the financial questions.

"We will continue to examine the property tax system for potential improvements," said the statement.

Saint John approves residential tax rate decrease in 2023 operating budget

Non-residential and heavy industrial tax rates increase by about 19 cents

Saint John's residential tax rate will decrease by nine cents in the city's newly approved 2023 operating budget.

The budget was approved by city council on Monday night. The residential tax rate will decrease to $1.62 from $1.71 per $100 of assessed value.

It is the second year in a row that the residential tax rate has decreased. The 2022 operating budget report said $1.71 was the lowest tax rate since 1998, which would make the 2023 rate the lowest in 25 years.

"We're approving the biggest investment in our community this council's ever made," said Coun. David Hickey. . Combined with the largest tax rate decrease this century. That's massive.

The 2023 general operating budget is $177,287,500 is a 7.63 per cent increase from the 2022 budget.

Despite the decrease in tax rate, the city's revenue from residential taxes is expected to increase by 6.3 per cent in 2023 due to property assessments.

"I don't think everybody is happy, but I don't think any of us are unhappy," said Coun. Gary Sullivan, who leads the city's finance committee.

"And that's a bit of a signal that we're moving in the right direction."

Heavy industrial class and non-residential class see rate increase

Sullivan said the residential tax rate reduction reflects the property assessment increases.

"We're respecting those that have continued to express their belief in our city and their continued desire to live here," he said. "[It's] the right thing to temper their increased assessments with a moderate reduction in tax rate."

Tax rates for properties in the heavy industrial class and non-residential class will both increase year-over-year. Both classes will be taxed at $2.754, an increase of about 19 cents. Those taxes are determined by multiplying the residential rate by 1.7.

With those increases and the residential assessment bump, the city will see an increase in annual property tax revenue of 8.08 per cent or about $10.6 million.

Where the money will go

A large part of the budget will go toward wages and benefits. Of the $84 million earmarked for that category, 58 per cent is going toward public safety, according to Kevin Fudge, the city's chief financial officer.

Within public safety, $23.7 million is for the police force's wages and benefits, $22.5 million is for the fire department and $2.6 million is for the Public Safety Communications Centre, Fudge said.

More than half of the city's wage budget is going toward public safety departments. (Lane Harrison/CBC)
Fudge said the budget hits a lot of strategic priorities.

"I mapped out, really, all the items in that [10-year strategic] plan that are being funded within this budget and there was almost 40 of them," he said.

Fudge said the budget funds all of the 2023 actions listed in the city's affordable housing action plan. These include $220,000 to expand a grant to encourage development of vacant lots and upper floors in the city's central peninsula, $200,000 to develop a plan for the north end neighbourhood and $110,000 to establish the role of an affordable housing planner.

It also includes money for service improvements, such as traffic calming projects. As well as five new recreational programs.

ONTARIO

Mississauga mayor warns of property tax hike due to Ontario’s new housing bill

Mississauga homeowners could see their property taxes increase as a result of a recently passed provincial housing bill, Mayor Bonnie Crombie warned on Wednesday.

At a news conference, Crombie said Bill 23, or the More Homes Built Faster Act, "will be a big hit to your wallet," noting that the average property tax could go up by five or 10 per cent or approximately $300 to $600.

The legislation reduces and exempts fees developers pay to construct affordable housing, non-profit housing and inclusionary zoning units. While waiving fees could encourage more housing to be built, Crombie argued that nothing in the legislation guarantees that they would not be passed onto homeowners.

"Under Bill 23, property taxpayers will be funding developer profits. While we can agree and certainly appreciate the province's desire to incentivize affordability, it can't be done on the backs of cities and our taxpayers," Crombie said.

"None of this is fair to our property taxpayers or our residents."

She indicated that property taxes could further increase as the Region of Peel is likely to implement a hike that is "equal or greater to the one we're facing here at the city," which means one household may see an average total hike of between $600 and $1,200.

Crombie said the City of Mississauga could lose up to $885 million over 10 years in development charges due to the housing law.
"That is equal to losing 20 per cent of our capital budget. The numbers are devastating. And they're baffling and deeply concerning," Crombie said.

Municipalities have sounded the alarm about the implications of Bill 23 on their finances. The Association of Municipalities of Ontario said the legislation could leave their members short $5 billion. On Wednesday, Toronto Mayor John Tory warned that if the Ontario government does not come up with a plan to help municipalities to cover the shortfall caused by the legislation, "we will ramp up our campaign against this legislation."

Meanwhile, Steve Clark, Ontario's municipal affairs and housing minister, wrote a letter to Tory saying that "the City of Toronto is made whole when it comes to the impact" of Bill 23. He also announced Wednesday that the province would launch a third-party audit of city finances to determine if Toronto will suffer a revenue shortfall due to the housing law.

While Clark has not indicated if other municipalities will undergo the same audit, Crombie said she would welcome the province to do so. She noted that it is not true that municipalities are sitting on large amounts of reserves.

"I would welcome the opportunity to correct the record and run the province through our numbers. We are fiscally responsible in Mississauga. I would also welcome a similar commitment that Mississauga be compensated for any losses from Bill 23," Crombie said.

"We want to work with the province to achieve our shared goal of addressing affordability and building more homes. We just need to get on the same page as to how we get there."

On top of the impacts of Bill 23, Crombie said Mississauga is also facing a $52 million deficit in 2023 due to the COVID-19 pandemic.

"It will be a very challenging year, one in which we'll have to look at reducing services or programming or delaying our capital expenditures, delaying our capital budget and our capital plans," she said.

Anybody home? Toronto brings in vacant house and condo tax

Toronto property owners are getting notices about a new annual tax that could easily top $10,000 — on top of their property taxes — if their residence sits empty more than six months a year.

While Toronto council approved the Vacant Home Tax at a 2021 meeting, 400,000 notices were just sent out last week and another 425,000 went out this week to tell property owners that they must submit a declaration of occupancy status by Feb. 2 or pay 1% of the assessed value every year in additional tax.

“Can you imagine people across the city now will have to proactively declare that their home wasn’t vacant,” Councillor Stephen Holyday — the only member of council to vote against the tax — said Tuesday. “And if they don’t, they’re going to be hit with a huge tax bill in the tens of thousands of dollars.”

The Toronto version is modelled on the Empty Homes Tax in Vancouver which began with a 1% levy in 2017 growing to 5% in 2023, enforced through compliance audits.

Vancouver says the tax has created 4,000 additional homes in its relatively short life.

Mayor John Tory said in a statement Tuesday that the vast majority of Toronto property owners will not pay this tax, as their properties are not vacant.

The practical way to determine whether a home is unoccupied is through self-declaration, so owners were notified with forms, he said.

“Several cities have brought in this tax in recent years to encourage people to either rent or sell their vacant properties to help open up more housing options for residents,” Tory said. “Residences are meant for people to live in, not to sit empty during a housing crisis.”

The experience in other cities is that while some residents will declare their homes vacant and pay the tax, thousands will make their homes available for rent, he said.

“The vacant home tax is projected to generate between $55 million and $66 million of revenue for the city per year — funding that will be invested into creating more affordable housing so people who work in Toronto can live in Toronto,” Tory said.

Holyday said the Empty Homes Tax in Vancouver did initially free up some properties for rent, mainly condos, but there has been a diminishing return on the cost of administering the tax.

He noted the city online portal for self-declaration was not open when the notices were mailed.

"Can you imagine how many appeals there's going to be after this?" Holyday said. "I've already heard some stories of people who live between here and Florida and if they're not here for six months plus a day, they are suddenly now paying double."

Toronto council has moved away from the idea that a person's home is their savings, something for retirement and possibly something to pass onto one's children, he said.

Toronto Vacant Home Tax Occupancy Declarations Due Before February 2, 2023

In 2021, the City of Toronto introduced an annual tax to be levied on vacant Toronto residential property, payable beginning in 2023. A Vacant Home Tax of one per cent (1%) of the Current Value Assessment of the property will apply to residences that are vacant or deemed vacant. Residential property is considered vacant where the property has been unoccupied for a total of six months throughout the previous year or is otherwise deemed vacant under the City of Toronto bylaw unless an eligible exemption applies. Eligible exemptions include the death of the registered owner and where the principal resident is in a hospital, long-term or supportive care facility.

All residential property owners in Toronto are required to declare the occupancy status of their property or properties, even if the property is occupied. The City of Toronto has sent yellow notices by mail containing the information required to make a declaration.

A late declaration or failure to make a declaration will result in a minimum fine of $250 and may result in your property being deemed vacant. Once deemed vacant, your property will be subject to the Vacant Home Tax and you will be issued another notice. The declaration of occupancy status is made through the City of Toronto's online declaration portal or a paper declaration form that can be obtained by contacting 311 – Toronto at Your Service. The paper declaration form must be completed and received by the City of Toronto before February 2, 2023.

New homes outvalue ICI in 2022 MPAC report

Ontario's property inventory grew by more than $37.8 billion as valued by new assessments, reported the Municipal Property Assessment Corporation (MPAC).

The new value includes new construction and improvements to existing properties. Residential homes made up over $28.6 billion of the increase, while commercial and industrial properties comprised $4.6 billion according to a release.

The assessed value of Ontario's 5.5 million properties is now estimated to be more than $3.08 trillion. MPAC summarized the changes in the annual assessment rolls that it delivered to Ontario's municipalities.

Over the course of the year, Ontario added more than 48,000 residential homes. While the number of new detached homes increased 10.5 per cent year over year (25,727, up from 23,279), the number of new residential condominiums dropped by 37.4 per cent (7,097, down from 11,331). There was also a small increase in new townhouses, coming in at approximately 1.3 per cent (10,484, up from 10,350).

"The slowdown we see in new residential condominiums is attributed to construction delays arising from changing economic considerations and supply issues," said MPAC president Nicole McNeill in a statement. "Despite this slowdown in new residential condominiums, we did see year-over-year growth in other property types."

Across Ontario, more than 55 per cent of new property value was located in 10 municipalities. Toronto led the way for another year at $8.7 billion (down from $10.7 billion in 2021), followed by Ottawa at $4.4 billion (up from $3 billion), then Mississauga at $1.2 billion (down from $1.6 billion), Vaughan at $1.1 billion (down from $2 billion) and Oakville at $1.1 billion (holding steady) for another year.

When looking at the growth rates for small municipalities (under 15,000 population), Blue Mountains had the largest overall growth this year ($140.2 million) despite a drop in new seasonal properties from the previous year (down to $29.3 million from $32.7 million). Muskoka Lakes followed with $120.3 million, then Middlesex Centre with $103.7 million, North Perth with $90.9 million and Carleton Place with $89.9 million.

Property assessments for the 2023 property tax year will continue to be based on Jan. 1, 2016 assessed values.

SASKATCHEWAN

'Not equitable nor transparent': Moose Jaw business owners protest property tax increase

Small business owners in Moose Jaw are claiming that recent property tax increases are unfair.

Brenda McLaughlin runs the M & M Hair Salon. Her taxes have nearly doubled from $6,000 a year to almost $11,000.

"They went to darn near $4000 and I'm thinking okay they made a mistake," she told CTV News.

"You figure that can't be right."
The reason for the increase is due to the estimated value of McLaughlin's property going up, according to the Saskatchewan Assessment Management Agency.

McLaughlin said her property has a higher assessed value than much nicer buildings downtown.

Several property owners have launched appeals. Bernie Dombowsky, of Charlotte's Catering, is one of them.

"45 out of 46 appeals that were launched were lost," Dombowsky said, regarding to the legal process.

"They all lost their deposit and all of the money that they put into filing that appeal, legal fees [and] consultants."

Building owners affected by the increase have said the problem is widespread and more so in Moose Jaw than in Regina.

"It's all of the small retail received the same sort of treatment," Kristy Van Slyck of Viridian Properties explained.

"It's not equitable nor transparent."

The City of Moose Jaw has said it's taking this matter very seriously and has forwarded the property owners concerns to the Saskatchewan Assessment Management Agency.

The City said it hopes a resolution can be found.

Council approves property tax hike of 4.62% for next year

During a special budget meeting on Dec. 14, Council voted 6-1 to approve the 2023 operating budget and 2023-27 capital and equipment reserve budgets as amended.

City council has approved the 2023 budget, which includes a mill rate increase of 4.62 per cent that will — at minimum — add $74 more onto most homeowners' bills.

During a special budget meeting on Dec. 14, Council voted 6-1 to approve the 2023 operating budget and 2023-27 capital and equipment reserve budgets as amended, while it authorized city administration to tender and award the capital and equipment purchases set out for next year in those reserve budget schedules.

Coun. Dawn Luhning was opposed.
From the pocket, most taxpayers will pay an extra $16.15 a month or $193.76 for the year based on this budget.

Meanwhile, council voted unanimously to take $1.6 million from the traffic safety reserve and allocate it to the general capital reserve's capital budget to fund paving programs and to designate the 16th Avenue feeder main program as the city's 2023 federal municipal gas tax-funded program.

The mill rate hike includes the municipal property tax increase of 3.60 per cent and an increase of 1.02 per cent for the Moose Jaw Police Service Budget.

Both of those combined add an extra $6.15 per month or $73.80 per year onto homeowners' bills. Separately, the municipal tax increase is an extra $4.79 per month or $57.48 per year and the police service increase is an extra $1.36 per month or $16.32 per year.

This mill rate increase is expected to generate an additional $1,541,977 for the city's operating and capital budgets next year.

Furthermore, council voted 6-1 to approve a parks and recreation infrastructure levy of $65 per taxable property and on every dwelling unit in a multi-unit building, with Luhning opposed.

This levy — to support renewing all recreation venues and the new outdoor pool — is expected to generate $1,081,279, which should address a shortfall in the general capital reserve portion of the capital budget. It also equals an extra $5.42 per month on bills.

The amount of money this levy is expected to generate is equal to a tax hike of 3.27 per cent, considering one percentage point of taxation this year is worth $330,701.

Furthermore, during a previous budget meeting, council voted in favour of increasing the waterworks utility rates by four per cent and sanitary sewer utility rates by three per cent.

The waterworks increase would add an extra $2.86 per month or $34.32 per year to taxpayers' bills, while the sanitary sewer increase would add an extra $1.72 per month or $20.64 per year to bills.

That would be an extra $4.58 per month or $54.96 per year for both utilities.

Globally, if all these figures are combined — the municipal tax hike, the police request, infrastructure levy, waterworks, and sanitary sewer — they would equal a total tax hike of 14.89 per cent.

From the pocket, most taxpayers will pay an extra $16.15 a month or $193.76 for the year.

Be Fair SAMA…

Protest raised because of frustration over property assessment taxation hike.

A protest rally took place in front of Charlotte's Catering on Dec. 12 because of a frustration over property assessment tax hikes by the Saskatchewan Assessment Management Agency (SAMA).

"Tonight is just the tremor in the earthquake that's to come," said Bernie Dombowsky, co-owner of Charlotte's Catering. "This was planned on the absolute spur of the moment when I found out the total losses of the appeals."

He said the board is delivering decisions that 46 out of 47 appeals will be denied because of a lack of evidence. Everyone had the same rubber stamp: denied due to lack of evidence up to the appellant. They say it is not enough evidence and they (SAMA) are the judge and jury. Dombowsky said there was one successful appellant, and it was Walmart. "So, you know, who's in control here," he said.

"They fired the old board of revision because that board had given some positive decisions. They fired the board and put in a new board; it's now called Western Municipal Consulting," Dombowsky said.

He also said, Brenda's hair salon shop next door is assessed higher, and she pays more property tax compared to a local dentist's office. Dombowsky says Charlotte's kitchen is assessed higher than Fifth Avenue Jewellery's head office.

Dombowsky said SAMA has jacked up the appraised value on small businesses of residents that have retail businesses and restaurants and assessed lower for high-earning businesses.

He said there used to be only one standard cap rate before and now this cap rate gives the best rates to doctors, lawyers, dentists and investment brokers only.

“Their rate (seems to be) three times better than the rate they give to small businesses. What’s happening is that businesses that were hurt the hardest with COVID lockdowns are now being crushed with huge property tax increases,” he said.

He mentioned that a high rise on High Street is 27 feetwide with three storeys, but the top two stories are abandoned, and the main floor needs a lot of work. However, the taxes are assessed higher than another property on High Street that is 50 feet wide and has two floors of office space.

A retail shop on Main Street pays about 96 per cent of its projected rental income to pay the property tax, which only leaves four per cent to pay all the other bills and earn a living. On the other hand, another business pays only 16 per cent of its projected income to pay property tax. “That’s a 500-per-cent difference and that’s why we are here tonight,” said Dombowsky. "It’s an unhealthy climate to start a business.”

“(The) appeal assessment system is complicated. The problem lies with the fact they did not use enough data and they altered it; when I asked them if they used actual data, they replied we use the actual adjusted numbers, so those two words can go together,” property owner Kristy Van Slyck said.

She said she is doing this for the community, and it is hard to go through the system and somebody must stand up for it. She says SAMA analyzed 56 sales in four years and determined 14 different cap rates and 17 or 18 different categories with three to four sales per category. Since the analysis began, she claims three sales have already been rejected and it was re-analyzed again then another one got rejected.

“I have dissected their data and system; there’s not enough data. This had an effect of a 34-per-cent decrease in the assessed value of one of my properties,” said Van Slyck. “So, if one sale can make that kind of variance in value, I think you need to check the system.”

She also said she is grateful and impressed with all the support.

“The earthquake needs to come again in January so that we can get organized. So once again, thanks so much for coming out and keep your ears posted for what’s coming in January,” Dombowsky said.