

LETTER: Homeowners on easy street

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Dear Editor:

The whining has died down since West Vancouver assessments hit our mailboxes but still, it got me thinking.

Let's say you are retired on a fixed income and the house you bought years ago cost almost nothing compared to today's market values. In 2015 it was assessed at \$2 million, which resulted in about \$5,600 in property tax. Your 2016 assessment went up 25 per cent (ouch!) while the average in West Van was 15 per cent.

From an assessment point of view the taxes only increase by the amount your value increases compared to everyone else. Not counting a likely increase in the municipal budget (which is a separate topic that could also be whined about but this is about assessments) the 2016 tax would go up to \$6,100, an increase of nine per cent. That's a lot less than 25 per cent.

But that's not all. Our senior can defer his taxes. That would put a loan against the property, which currently is at an interest rate of one per cent. Let's say the house gets sold in 10 years for one reason or another (we could whine about some of those reasons too).

Actually it's \$3.258million since
 $2 \times (1.05)^{10} = 3.258$

The accumulated debt would be about \$64,000, which used to be a lot of money. We don't know how much the house value will be in 10 years but let's say five per cent inflation. That means it would sell for \$4.072 million. Reduce that by \$64,000, likely of the same order of magnitude as the real-estate commission, and our senior or his heirs net about \$4 million. If there is anyone who has a legitimate gripe, it is the young family that can't afford to live in the town they were born in and the general taxpayer who is lending our senior money at one per cent.

Steve Taylor

West Vancouver

What are your thoughts? Send us a letter via email by clicking [here \(http://www.nsnews.com/opinion/send-us-a-letter\)](http://www.nsnews.com/opinion/send-us-a-letter) or post a comment below.

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