

Property taxes vary wildly in boom time

Skyrocketing housing prices cause bill havoc

As homeowner Myles Lu faces a 20 per cent hike to the property tax he pays on his house in Burnaby, just a few blocks north, condo owner Rick McGowan is getting a tax break.



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REDEKOP Rick Evon of Port Moody says his property taxes have risen by 13 per cent over the past year.

Such tax tales are common across Metro Vancouver as skyrocketing prices play havoc with property assessments, especially for singlefamily detached homes, prompting mayors to call on the provincial government to allow different tax rates (known as mill rates) for houses and condominiums. All residential properties in B.C., whether single- or multi-family, are covered by one city-wide mill rate.

“What we’re looking to do is have the opportunity to separate (the mill rates) if a city wants to do it” so that single-family homeowners don’t bear too much of the tax burden, Langley City Mayor Ted Schafer said this week. “We’re kind of saying everyone should pay a little bit. We’re trying to make it fairer on all property owners.”

Property tax increases are based on how much the assessed value of a home has risen, year-over-year, compared with the municipal average. Burnaby, for instance, saw an assessment increase of 17 per cent on an average \$815,000 home this year, so if a homeowner's assessment has also gone up in that range, they will likely pay this year's tax increase of 2.65 per cent. If their increase is higher, they will pay more.

A property assessment that is higher than in previous years does not necessarily mean a higher tax rate. McGowan's Metrotown condo, for instance, saw a higher assessment this year, but he will be paying lower taxes.

The story is similar across the region. In Richmond, the average residential property tax rate increase is 3.11 per cent this year, but most condominiums — even high-end ones — will see taxes go down, according to city spokesman Ted Townsend.

Meanwhile, almost all of Richmond's single-family homes, regardless of neighbourhood, saw tax increases this year, he said.

City of North Vancouver Mayor Darrell Mussatto supports the idea of creating separate mill rates.

"We have to separate singlefamily homes from strata units. That's the big issue. There's such a wild increase in the value of single-family homes compared to others," Mussatto said. "It's great when you're selling, but it's not so great when you're just trying to pay your taxes."

In an emailed statement, Minister of Community, Sport and Cultural Development Peter Fassbender said: "Government is aware of concerns that property assessments have increased significantly in some areas of the province, particularly Metro Vancouver."

But he added that municipal governments already have tools to "mitigate the effects of dramatic increases in market-driven assessed values and in keeping property taxes at a manageable level."

District of North Vancouver Mayor Richard Walton said his own property taxes this year will increase more than twice as much as the district-wide average of three per cent.

He attributed this to a surge in development in his Upper Capilano neighbourhood, where, he said, "all the houses around me

are coming down, and the lots are selling for a lot."

When a 1950s-era rancher in the District of North Vancouver sells for \$2 million, only to be torn down and replaced by a new luxury home, it can affect the neighbours' assessments.

"These old houses are going for \$2 million, and that's just for the land," said Walton. "So if someone's sitting in a home that was valued at \$1.1 million three years ago, now that home has increased by three-quarters of a million dollars in three years, just because that's what people are paying for the lot. They want the dirt."

Property taxes are also influenced by other factors, such as school taxes and homeowner grants, which are being eliminated from homes worth more than \$1.2 million, said Jason Grant of B.C. Assessment. "It's all going to depend on how your property performs relative to the average for that community," he said. "The system is designed simply so more expensive properties do pay more taxes than lower (priced) properties."

Not so! It all depends on if your community has higher average SF home prices than \$1.2million. - cjk

Lu, who lives in Burnaby's South Slope, said his tax notice means he will have to pay \$4,200 — up from \$3,600 last year — for his split-level bungalow on a 7,800-sq.-ft lot. He could appeal the assessment, he was told, if he can prove other homes in his neighbourhood have a lower assessment.

“Does that mean I have to knock on all my neighbours' doors and ask for their assessment?” he said.

In fast-growing Port Moody, which has one of Metro's highest property tax increases this year, some homeowners are getting big bills. Neighbours Rick Evon and Craig Berezowski expected to see a 4.98 per cent boost (an extra \$149 for the year) tacked onto the annual notices. But they were shocked to see increases of 13 per cent and 21 per cent, respectively.

Evon's property taxes increased by \$415, while Berezowski's rose by \$645, yet they say they haven't seen any additional municipal services.

“When people got their bills, it said (property taxes) would go up \$149. I feel we were misled,” Evon said.

“You start thinking, ‘I want to be here for the long-term, but am I going to be able to afford living here in the next eight years?’ ”

McGowan, who lives in a 1,400-sq.-ft condo in Metrotown, said his building is still waiting to get food scrap collection. “I don't mind paying taxes, it's more about how they're spent,” he said.

Burnaby Mayor Derek Corrigan said he is just as frustrated as homeowners.

“I don't blame them. I got my tax form and I want to complain to me,” he said.

“Just because you have a singlefamily home doesn't mean you have money. The whole thing is unfair and the province seems to be turning a blind eye to it. The province's view is we should keep piling expenses on property owners.”