



August 4, 2020

Ref: 255002

Her Worship Mayor Lisa Helps
City of Victoria
1 Centennial Sq
Victoria BC V8W 1P6

Dear Mayor Helps:

Thank you for your letter inquiring about changes to property assessments for residential units. The Province of British Columbia shares the City of Victoria's interest in initiatives to address rental housing supply and affordability and I always appreciate suggestions.

While there are benefits and drawbacks to different property assessment approaches, the market approach is used by the vast majority of taxing jurisdictions in North America and there is consensus that it is overall the most fair and equitable system. Consistent with this approach under the Assessment Act, BC Assessment (BCA) must value properties at their actual market value.

In the case of rental properties, these properties sell based on their ability to produce an income stream, a widely accepted and broadly applied appraisal method to value apartments. BCA reviews information provided by property owners to determine how the income streams for the properties are changing. In addition, sales of apartment properties are also analyzed to determine the market value. Any property owner that disagrees with their assessment is encouraged to contact BCA for an explanation of their valuation. The appeal process is also available to property owners who believe their assessment does not reflect market value.

I am sure you can appreciate that any changes to how rental properties are assessed must be carefully evaluated and considered, as a change would result in a fundamental shift in the assessment system. Any such change would require a careful, multi-year consultation process, with consideration and evaluation from many perspectives, including the impact on other property types and both provincial and municipal revenue. Such a change would also require significant legislative amendments to the Assessment Act. At this time, our priority is to continue to build on Government's current initiatives and programs to develop and promote affordable housing and we are not currently considering a fundamental change to the assessment system.

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Thank you again for taking the time to write.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S. Robinson', is written over a light blue rectangular background.

Selina Robinson
Minister

pc: Jason Grant, President and Chief Executive Officer, BC Assessment