

An Analysis on Commercial Real Estate Property Assessment and Property Tax in BC

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Project Background:

Every year, all property owners in BC have to pay property taxes – the single greatest operating expense. The property tax is determined based on property assessment, and property tax rate (mill rates). This project will be a value-add to the business in projecting commercial real estate property taxes, and providing tax and assessment insights for different neighborhoods/and or property types. If time allow, a statistical research question can be explored.

Project Objectives:

- To **predict** the property tax for a given property for the upcoming year.
- To invent an **automated** Model/Report to **show insights** on assessment values and trend for a given area and/or property type (preferably exportable to Excel.)
- **Hypotheses/Question:** What's the true relationship between property tax and assessment value in the past few years? eg. If the assessment has increased/decreased (for an area/municipality), will the property tax increase/decrease as well? If so, by how much?

Project Data (attached):

- Property Assessment Data will be provided (~200,000+ rows per year)
- Historical Property Rate will be provided (Mil Rate) Data
- Property Sales Data will be provided (if needed)
- Municipal Budgets (can be found online)

Current Tax Projection Example

2020 Property Tax Estimate		Property Assessment Details						
Eagle Creek I - 33 Helmcken Rd, Town of View Royal		Assessment History						
2019 Actual Tax	\$1,415,775	Year	Land	% Change	Improvements	% Change	Total	% Change
2020 Estimated Tax	\$1,471,000	2020	\$13,703,200	12.00%	\$104,784,970	9.00%	\$118,488,170	9.34%
% Change	3.90%	2019	\$12,235,000	17.76%	\$96,133,000	6.77%	\$108,368,000	7.91%
Class 1 Residential & Class 6 Business & Other		2018	\$10,390,000	4.90%	\$90,035,000	16.51%	\$100,425,000	15.19%
2020 Estimated Total Class 1*	\$22,036,123	2017	\$9,905,000	-6.29%	\$77,279,000	348.15%	\$87,184,000	213.45%
2020 Estimated Total Class 6*	\$96,452,047	2016	\$10,570,000	2.92%	\$17,244,000	762.20%	\$27,814,000	126.68%
Exemption	-\$10,000	2015	\$10,270,000	-	\$2,000,000	-	\$12,270,000	-
2020 Estimated Total Taxable	\$118,478,170	Notes Further review of tax estimate is recommended in fall of this year. AltusExpertServices						
2019 Mill Rate for Class 1	4.48340							
2019 Mill Rate for Class 6	15.02672							
2020 Estimated Mill Rate for Class 1**	4.25923							
2020 Estimated Mill Rate for Class 6**	14.27538							
2020 Estimated Tax	\$1,470,604							
* Assumes an average assessment value change of:	9.34%							
** Assumes an average mill rate change of:	-5.00%							

2020 Property Tax Estimate		Property Assessment Details						
8800 Glenlyon Parkway, City of Burnaby		Assessment History						
2019 Actual Tax	\$386,514	Year	Land	% Change	Improvements	% Change	Total	% Change
2020 Estimated Tax	\$403,000	2020	\$33,574,800	20.00%	\$9,737,500	-5.00%	\$43,312,300	13.30%
% Change	4.27%	2019	\$27,979,000	43.17%	\$10,250,000	-39.52%	\$38,229,000	4.76%
Class 6 - Business & Other		2018	\$19,543,000	23.81%	\$16,948,000	-8.19%	\$36,491,000	6.56%
2020 Estimated Total Assessment*	\$43,312,300	2017	\$15,785,000	31.26%	\$18,460,000	-5.77%	\$34,245,000	8.31%
Exemption	-\$10,000	2016	\$12,026,000	10.34%	\$19,591,000	0.45%	\$31,617,000	4.00%
2020 Estimated Total Taxable	\$43,302,300	2015	\$10,899,000	3.57%	\$19,503,000	-15.47%	\$30,402,000	-9.50%
2019 Mill Rate	10.0987	2014	\$10,523,000	3.71%	\$23,071,000	2.72%	\$33,594,000	3.03%
2020 Estimated Mill Rate**	9.29080	2013	\$10,147,000	-	\$22,459,000	-	\$32,606,000	-
2020 Estimated Tax	\$402,865	Notes Assume Sewer Parcel Tax same as in 2019 Further review of tax estimate is recommended in fall of this year. AltusExpertServices						
* Assumes an average assessment value change of:	13.30%							
** Assumes an average mill rate change of:	-8.00%							