

County of Inverness

February 5, 2018

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Agenda

- About PVSC
- Key Dates
- Municipal Profile, 2018 Assessment Roll
- Mandate
- Valuation Process
- Value-Added Shared Services
- Questions

About PVSC

- Municipally funded, independent, not-for-profit organization that provides assessment services for 50 municipalities in Nova Scotia
- Governed by a Board of Directors
- 135 employees across the province
- ~ 620,000 assessment accounts
- Provides annual assessment rolls to municipalities and annual assessment notices to property owners
- 2017-18 Municipal Funding: \$17.4 Million → minimal increase of ~\$250k, first increase in 6 years

PVSC Quality Measures

- Ongoing or annual quality measures:
 - Audits and Statistical Testing
 - Publishing Preliminary Assessments
 - Property Owner Satisfaction Surveys
 - Appeal Surveys
 - Municipal Satisfaction Surveys
- Achievements:
 - **One of six** Canadian organization to be awarded **Gold** by Excellence Canada for meeting and exceeding criteria in its *Excellence, Innovation and Wellness* standard
 - Transitioned from a two-year to a one-year base date (for 2017 assessments)
 - Certified by the International Property Tax Institute (IPTI) for adherence to assessment best practice, industry quality standards and our legislative mandate. Final report score: 89.5/100
 - Great Place to Work Certified by *Great Place to Work, Canada*

Key Dates

- **Base date:** January 1st of the previous year (2018 assessments are based on market value as of January 1, 2017).
- **State date:** December 1st, prior to sending assessment notices—reflects the physical state of a property
- **Preliminary assessments:** October each year
- **Roll transmitted to municipalities:** Last week of December
- **Assessment notices mailed to property owners:** January 15, 2018
- **31 Day Appeal Period:** 31 days from the date on the assessment notice (February 15, 2018)
- **Income and Expense Request for Information:** end of February with 30 days return period

2018 Assessment by the Numbers



\$ 106.6 Billion in Assessed Value in Nova Scotia

50 Municipalities in Nova Scotia

623,799 Properties in Nova Scotia

589,664 Residential Properties

328,463 Residential Properties with a Capped Assessment

34,135 Commercial Properties

Activity for 2018 Assessments

40,238	14,418
Sale Transactions	Permit Reviews
28,729	9,207
Client Inquiries	2017 Appeals

In 2017...

\$14,000

raised for Make a Wish
Foundation

Assessed Value By Region

Region	Residential	Residential with CAP	Commercial	Total
South (I)	\$11,626,651,700	\$10,723,268,600	\$2,708,655,700	\$14,335,307,400
Central (II)	\$57,655,058,400	\$52,487,468,900	\$17,093,889,100	\$74,748,947,500
East (III)	\$13,441,744,100	\$11,609,090,200	\$4,115,494,300	\$17,557,238,400
Provincial Total	\$82,723,454,200	\$74,819,827,700	\$23,918,039,100	\$106,641,493,300

Map can be found at the end of the presentation

Assessment Overview

Properties and Assessment Overview:

	Filed Year: 2018	Filed Year: 2017	Change \$	Change %
All Residential Assessed Value	\$1,221,082,800	\$1,190,782,000	\$30,300,800	2.54%
Total Residential Taxable Assessed Value	\$796,640,100	\$773,223,700	\$23,416,400	3.03%
Total Residential Taxable Assessed Value not eligible for the CAP	\$278,988,000	\$272,777,200	\$6,210,800	2.28%
Total Residential Taxable Assessed Value eligible for the CAP	\$517,652,100	\$500,446,500	\$17,205,600	3.44%
Total Resource Taxable Assessed Value	\$157,429,600	\$152,452,200	\$4,977,400	3.26%
Total Residential Exempt Assessed Value	\$138,726,000	\$138,425,900	\$300,100	0.22%
All Commercial Assessed Value	\$227,380,600	\$224,688,700	\$2,691,900	1.20%
Total Commercial Taxable Assessed Value	\$100,726,700	\$98,431,900	\$2,294,800	2.33%
Total Commercial Exempt Assessed Value	\$126,653,900	\$126,256,800	\$397,100	0.31%

Assessed Value reflects market value as of a specific point in time (base date).

Taxable Assessed Value is used to calculate property taxes and includes eligible **Capped Assessments**.

2018 Billable Assessment

Residential with CAP Taxable	\$796.6 Million
Commercial Taxable	\$100.7 Million
Resource Taxable	\$157.4 Million

Municipal Profile

2018 Assessment Roll

Number of Accounts		
	2018	2017
Residential	20,180	20,012
Commercial	926	918
Apartments	17	16

- Base Date Sale Transactions

Year	Residential	Apartment	Commercial
2018	456	0	10
2017	373	0	3

Note: The sales used in this section are base year sales, excluding \$0 , \$1 and unqualified sales.

- Appeals

Year	Residential	Apartment	Commercial	Other (Land Registry, Exempt)
2017	152	0	14	26
2016	143	0	31	40

- Review and Analyze Permits

Year	Total Permits That Resulted in a Change in Assessment
2018 Assessment Roll	277
2017 Assessment Roll	331

Sample 2018 Assessment Notice

Dwelling Unit(s): 1

Municipality: MUNICIPALITY OF PROPERTYVILLE

Property taxes will be based on *Taxable Assessed Value* (and/or *Acres* in the case of partially exempt forest property).

2018 PROPERTY ASSESSMENT		<i>Carlos Resendes for the Director of Assessment</i>		
Classification	Assessed Value	Capped Assessment	Acres	Taxable Assessed Value
RESIDENTIAL TAXABLE	\$264,800	\$232,300		\$232,300
2018 TOTAL	\$264,800	\$232,300		\$232,300

Assessed Value: is based on market value as of January 1, 2017 and reflects the property's physical state as of December 1, 2017.

Capped Assessment: the capped assessment value of the property, if eligible.

Taxable Assessed Value*: is used to calculate property taxes and is either the Assessed Value or the Capped Assessment, which ever is lower.

*partially exempt forestry property is based on acreage.

PVSC Mandate

Legislated mandate

- Nova Scotia Assessment Act
- Property Valuation Services Corporation Act

Section 42 Nova Scotia Assessment Act:

“All property shall be assessed at its market value, such value being the amount which in the opinion of the assessor would be paid if it were sold on a date prescribed by the Director in the open market by a **willing seller to a willing buyer**, but in forming his **opinion the assessor** shall have regard to the assessment of other properties in the municipality so as to ensure that, subject to Section 45A, **taxation falls in a uniform manner** upon all residential and resource property and in a uniform manner upon all commercial property in the municipality”

Valuation Process

- PVSC uses **mass appraisal**, analyzing the market factors that would affect the value in any given area. There are three internationally accepted valuation methods:
 1. Cost
 2. Income
 3. Direct Comparison
- PVSC also takes into account individual property characteristics to reflect the uniqueness of each property within the framework of the broader analysis of the local market, such as:
 - Land characteristics (size, topography, zoning, etc.)
 - Building characteristics (depreciation, vacancies, additions, renovations, damage due to flooding, fire, contamination, etc.)

Cost Approach Methodology

- Property types:
 - Owner occupied property (residential)
 - Special purpose properties (commercial)
- Most commonly used valuation method in Nova Scotia
- Based on the assumption that a potential owner would pay no more for a property than what it would cost for them to acquire the land and build themselves



**Replacement
Building Costs**

— **Depreciation** +



Land Value

= **Value**

Income Approach

- Property types:
 - Office Buildings
 - Hotels/Motels
 - Apartments
 - Retirement Homes
 - Manufactured Home Parks
 - Retail Complexes
 - Industrial (Warehouses)



- Typical investors buy income producing properties, not for the value of the bricks and mortar, but for the income that they are capable of generating
- The income approach is based on determining the amount of income that a property can earn, after expenses, and converting that net operating income into an estimate of market value
- Income producing property owners are sent a request for income and expense information each February

Direct Comparison Approach

- Property types:
 - Condos
 - Land
- Used to value homogenous properties with a significant number of sales



Property Attributes

- Property attributes that are taken into consideration when determining a property value are:
 - Location
 - Construction quality and method
 - Quality of construction materials
 - Condition, size, age and utility of building
 - Proximity to other value influences (nuisances)
 - Damage from fire, flood, etc.
 - Other factors that could affect sales price, with the exception of landscaping

Capped Assessment Program Overview

- Provincial Legislation - places a "cap" on the amount that residential property assessments can increase year over year
- The capped assessment value increases each year by the Nova Scotia Consumer Price Index (CPI).
 - This means that even if the assessed value of a property did not increase, the capped assessment value (if eligible) will increase in accordance with the CPI
 - 2018 CPI = 0.9%
 - 2017 CPI = 1.4%
 - 2016 CPI = 0.3%
 - 2015 CPI = 2.1%
 - 2014 CPI = 0.9%
- When a residential property is purchased, provided it was not an eligible family transaction, the CAP on that property is removed. The CAP, if eligible, is placed back on the property after one year, using the assessed value as it's base.

CAP Eligibility

- **Eligible**
 - At least 50% owned by a Nova Scotia resident
 - Residential property with less than four dwelling units or vacant resource
 - Annual increase in market value greater than the Nova Scotia Consumer Price Index
 - Ownership remained within the family
 - Owner occupied condominium
 - Manufactured home
 - Manufactured home park, co-operative housing, residential or resource portions of commercial farm
- **Not Eligible**
 - Majority owned by an out of province resident
 - Commercial property
 - New construction
 - Transfer in ownership during the year unless to a close family member
 - Non-owner occupied condominium

Value-Added Municipal Services

- Integrated Property Services Council (IPSC)
 - Responsible for overseeing the operation of *existing* value-added municipal shared services and supporting the development of *new* services
 - Authorizing authority is the UNSM, AMA and PVSC
- Current Initiatives:
 - **Open Data:** A single source Open Data Portal for municipal government and assessment data, www.thedatazone.ca
 - **Permit Data eXchange (PDX):** An online repository where municipalities and PVSC can share permits and inspection data, including documents and photos
 - **eDelivery:** eDelivery allows municipalities, utilities and PVSC to provide their customers with the option to receive assessment notices, tax bills and utility bills online through Canada Post's epost™ service
 - **Single Address Initiative (SAI):** The Single Address Initiative (SAI) was established to improve the management and sharing of civic and mailing address data for property services

Questions?

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