



A Mini-Guide to Monitoring Property Values

November 2000

Introduction

For many British Columbians, homeownership is the most significant investment they and their families will make. Homeowners are concerned that this important investment is secure and that they will receive a fair return on that investment when they choose to sell their homes. For this reason, rezoning and development applications that affect a community are often met with concern about negative effects on property values. Opposition to development based on concerns of devaluation of property is particularly strong when affordable or special needs housing is proposed. Often, this concern over the effect of non-market housing on property values is based on speculation rather than fact. Local resistance to the development of affordable housing based on

This guide outlines several ways local governments and community housing groups can monitor the effect of non-market housing on property values in their communities. The information gathered using this method can be used to help address homeowner concerns about the devaluation of their property due to the development of non-market housing.

speculation is referred to as the NIMBY (Not in My Back Yard) phenomenon. This resistance limits the ability of local governments and community groups to create livable and inclusive neighbourhoods for all British Columbians.

As part of a commitment to provide information and tools to assist local governments in encouraging affordable housing, the provincial government commissioned research on the effect of non-market housing on property values. The research was conducted in 1995 and continued in 1999. It involved the analysis of property values adjacent to non-market housing in comparison to values in a similar control area in which no non-market housing was located. No evidence of negative affects on property values was found in neighbourhoods where affordable or special needs housing was located.



Basic Method

The BC Assessment Authority provides summary data on current assessed property values by municipality. This is available from municipal administration offices and is publicly accessible. Usually, the summary data is available in booklet form for browsing “at the counter.”

The information is presented by street address, and only the current assessed value and the “folio number” are given. Should someone want more information than the assessed value of the actual property, they can use the more detailed “folio data” which are also filed with the municipality, either in paper or microfiche form.

To do this, use the summary data to identify a “folio number,” then turn to the “folio data” to find a specific record. The owner’s name and mailing address, size of property, previous assessed value and a breakdown between land and building values are found on this record.

For privacy reasons, some local governments do not make the assessment roll available to the public. The roll contains full names of property owners and can present a privacy concern if used inappropriately. Consult your local government about gaining access to the assessment roll to do legitimate research.

Optional Comparative Step

For comparative purposes, a housing sponsor or community group may also want to track changes in property assessments for a similarly sized area in the general vicinity that does not have non-market housing. This method would then



Margaret Heights was one of the areas studied as part of the Ministry of Social Development and Economic Security’s research on the effect of non-market housing on property values.

For the Margaret Heights study, the impact area was limited to the 57 closest single detached dwellings. Twenty-six dwellings were duplexes located opposite to the non-market housing development and 31 were detached homes to the south and east. The control area was located one block north of the development and contained 64 properties. It was selected because the lots and single detached dwellings were similar in size to those in the study area and because the level of amenity and mix of housing stock were similar to the study area.

BC Assessment Authority sales data show that 21 sales took place in the impact area during the study compared with 22 sales in the control area. The average sale price in the study area increased by about 30% over the study period while the control area showed no increase in average sales price.

provide property assessment information for both the “primary impact area” and a “control area.” If this comparative approach were taken, the steps would be exactly the same as set out above.

Purchase of Service Method

BC Assessment Authority provides various services on a “fee for service” basis. It also provides data on property assessments and sales via BC Online. BCAA charges for its services based on computer time or set transaction rates. Check with BCAA for cost estimates.

The primary drawback is that BCAA’s system is “folio-based” not address-based. The advance work, such as selection of primary impact and control areas and translating addresses into folio records, needs to be done by the customer (local government, housing sponsor, community group).

Additionally, it is important to note that the BCAA system doesn’t indicate the quality of the sales data. For example, a non-arm’s length transaction—estate transfer, family gifting—would likely appear in the computer file, with the potential to skew the data. Knowing this, the customer would need to closely review the data files to ensure suitable, reliable data with respect to sales.

Historical Data

Historical assessment data are available either through a custom report by BCAA, or in booklet or microfiche form for browsing at any of the 22 BCAA regional offices. Historical data allows local governments and community groups to begin monitoring changes in assessed property values in the past, rather than using the current assessment roll as a starting point. There may be a charge for this data. Contact your nearest BCAA office using the blue pages of your phone book.

Professional Appraisal

Property assessments are broad indicators, reflecting changes in the wider market as well as local trends. For more accurate assessments of the effect of neighbourhood change on property values, consult a professional appraiser. Professional appraisers are trained to consider both local and broad market influences in their assessments. Look for a professional with membership in a professional body, such as the Appraisal Institute of Canada, and with knowledge of the local real estate market.

Real Estate Listings Method

The Multiple Listings Service (MLS) is a marketing system used by the Canadian Real Estate Association that provides price and size details on properties being offered for sale. MLS listings can be used by local governments and community groups to get a general picture of property values and real estate prices in their area.

In major urban areas, the listings for houses, townhouses and condominiums are broken down into areas or subdivisions within municipalities. In Prince George, for example, listings are available for Prince George Central City, City North, and Rural West. In smaller urban centres, such as the Town of Golden, and in rural areas, listings are usually organised around the central town or city.

Real estate boards offer another source of general information regarding housing sales data. There are eight active real estate boards in BC that offer summarized sales data on the World Wide Web. This data is available at the municipal level, and is generally composed of monthly sales statistics.

Basic Steps

1. Define an impact area around a non-market housing development or special needs home. Generally, the primary impact area would include all properties falling within about 300 metres from a multi-family development and 100 metres of a special needs home. It is also important to consider natural barriers when defining the impact area. An example of a natural barrier is a major transportation corridor bordering a neighbourhood.
2. Prepare a list of all addresses within this primary impact area.
3. Repeat steps 1 and 2 for an appropriate control area. The control area should be nearby and similar in size to the impact area. It should have a similar level of amenity, but not have a non-market housing development.
4. Go to the municipal hall administration office to use BC Assessment Authority's summary data.
5. Note the assessed values for each address within the primary impact area.
6. Repeat the same sequence each year, following the release of BCAA's summary data. The authenticated assessment roll is available each year by the end of March.
7. Using a spreadsheet, track annual changes on an address basis. Make calculations of change year over year on an aggregate basis.

For more data:

- Look at the complete folio data in the assessment roll.
- Purchase data from the BC Assessment Authority.
- Look at real estate listings for price and sales data.
- Consult a professional appraiser.

For More Information

Ministry of Social Development
and Economic Security
Telephone: (250) 387-7088
website: www.sdes.gov.bc.ca

British Columbia Assessment Authority
Telephone: (250) 595-6211
website: www.bcassessment.bc.ca

Contact your local government using the blue pages of your phone book.



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Ministry of Social Development
and Economic Security

Charting the Course

This chart may assist you in monitoring property values. By filling out one page for each year, you can easily compare property values and see changes in your community. You may wish to track your property values using a spreadsheet or other computer application.

Year	Address	BCAA assessment	Sales data	Notes, special features
Control area				
	1.			
	2.			
	3.			
	4.			
	5.			
	6.			
	7.			
	8.			
	9.			
	10.			
	11.			
	12.			
	13.			
	14.			
	... 45.			
Impact area				
	1.			
	2.			
	3.			
	4.			
	5.			
	6.			
	7.			
	8.			
	9.			
	10.			
	11.			
	12.			
	13.			
	14.			
	... 45.			

Fictitious Example

This is an example of how to use the chart on tracking property values. A small sample is used for illustrative purposes only. In actual practice, more properties should be included.

Year	Address	Assessed value	Sales data	Notes, special features
Control area				
1996	1. 566 Your Road	\$158,000		
	2. 589 Your Road	\$163,000		
	3. 572 Your Road	\$155,000		
1997	1. 566 Your Road	\$160,000		
	2. 589 Your Road	\$163,000	\$159,500	sold in August
	3. 572 Your Road	\$157,000		
1998	1. 566 Your Road	\$157,000		
	2. 589 Your Road	\$159,500		
	3. 572 Your Road	\$175,000		added secondary suite
1999	1. 566 Your Road	\$165,000		new bus service introduced
	2. 589 Your Road	\$164,000		
	3. 572 Your Road	\$173,000		homeowner appealed assessment
2000	1. 566 Your Road	\$169,000		added new deck
	2. 589 Your Road	\$164,000		
	3. 572 Your Road	\$173,000		
Impact area				
1996	1. 743 Nearby Place	\$155,500		
	2. 756 Nearby Place	\$162,000		
	3. 777 Nearby Place	\$165,000	\$169,000	sold in June
1997	1. 743 Nearby Place	\$160,000		
	2. 756 Nearby Place	\$162,000	\$145,900	estate sale in April
	3. 777 Nearby Place	\$169,000		
1998	1. 743 Nearby Place	\$156,000		****new non-market housing opened in neighbourhood this year
	2. 756 Nearby Place	\$172,000		renovation
	3. 777 Nearby Place	\$170,000		
1999	1. 743 Nearby Place	\$163,000		new library opened
	2. 756 Nearby Place	\$175,000		
	3. 777 Nearby Place	\$171,000		
2000	1. 743 Nearby Place	\$163,000		
	2. 756 Nearby Place	\$175,000		
	3. 777 Nearby Place	\$171,000		