

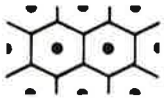
Volume 2, No. 9

November 1983

Assessment

## Assessment Appeals

### Ask Us!



**TURNER DRAKE  
+ PARTNERS LTD.**  
real estate consultants and appraisers  
6182 north street  
halifax, n.s. b3k 1p5  
tel. (902) 429-1811

Next year is reassessment year in Nova Scotia. Most of the Real Estate and Business Occupancy Assessments will change.....upwards. There should also be a fall in the tax rates too, so your taxes will not necessarily increase in the same proportion as your assessment. However, inevitably, most taxpayers will be facing higher taxes.

In order to assist you over the coming months, we have prepared the enclosed brochure. It contains a thumbnail sketch of the assessment process and the various levels of appeal.

*If you are already a client of ours* the re-assessment should pose no problem to you. We advise you to appeal your assessment before contacting us. You only have 21 days from receipt

of your assessment notice in which to appeal. Once you have contacted us, we should be able to advise you, on the basis of our previous appraisal of your property, whether you should proceed with the appeal. You can always withdraw your appeal before it proceeds to Court if an appeal is not warranted.

*If you are not already a regular client*, you may wish to file an appeal within the 21 day period following receipt of your assessment notice. The enclosed brochure will aid you in deciding whether to do so. We will, of course, be glad to act for you should you decide to file an appeal. However, we would emphasize that you lose your right of appeal for 1984 unless you file within the 21 day appeal period.

Basis for Assessment

The first part of Section 38 of the Assessment Act stipulates that all property has to be assessed at its market value. The first question you have to answer is therefore "is my property assessment higher than its market value?". If it is, then you should be able to successfully appeal your assessment. If it is not, *you may still be able to successfully appeal* because of the second part of Section 38 which deals with "uniformity".

Every property has to be *uniformly* assessed i.e. its assessment/sale price ratio should be the same as the other properties in the Municipality. It is impossible logistically for the Provincial Assessment Department to reassess all properties in the Province each year, so they compromise and revalue the properties for assessment purposes every 3 years. All assessments for 1984, 1985 and 1986 are, therefore, based on the value levels pertaining at the base valuation date, 1st January 1983. If your property has increased in value since that date, it could still be overassessed even though its assessment is less than its market value.

The Courts have made it quite clear over the past few years that they regard "uniformity" rather than market value as the criteria on which the assessment must be based. However, it must be established that the assessments in the Municipality show a degree of uniformity and also that your property is overassessed by comparison. The Courts have now laid down a formula for determining whether your property is uniformly assessed. It is known as the "general level of assessment method". In many cases, it differs from the "base date" method initially employed by the Provincial Assessors. The general level of assessment method compares the assessments of all of the properties sold in the Municipality during the preceeding year with their sale prices during that year, to derive a sale price/assessment ratio. For example, if the property assessments during 1983 were 90% of their sale price, then any property which has an assessment greater than 90% of its market value in 1984 will be overassessed.

To understand the impact of the "uniformity" rule, consider a property which has a market value of \$100,000 on the 1st January 1983. If that property does not rise in value at the same rate as the other properties in the area, its assessment should fall each year as illustrated below:

<u>Other Properties in Municipality</u>		<u>Your Property</u>		
<u>Year</u>	<u>Sale Price/ Assessment Ratio</u>	<u>Assessment Year</u>	<u>Market Value</u>	<u>Correct Assessment</u>
1983	0.9	1984	\$100,000	\$90,000
1984	0.8	1985	\$100,000	\$80,000
1985	0.7	1986	\$100,000	\$70,000

#### What Does It Cost?

There is obviously some risk involved with any assessment appeal. It is possible that after incurring appraisal fees, we may have to advise you that your property is correctly assessed. However, we do attempt to mitigate the fees, and risk. If we consider that your property is overassessed, we can open negotiations with the Director of Assessment with a view to agreeing on a reduced assessment prior to the Court hearing. This is particularly important at the first stage of appeal, since the Regional Assessment Appeal Court has no power to award you costs, even if you win your case. It is, therefore, to your benefit if the matter can be settled without the expense of a Court action. We can also give you an estimate of the appraisal fees involved before you retain us, so you will be able to weigh the respective risks, costs and benefits. We will also keep you informed at each stage of the proceedings. If the case is appealed from the Regional Assessment Court to the Municipal Board, you may be awarded your costs if you win your case before them.

Our fees are calculated on a per diem plus expenses basis. Appraisal fees, like the leaves, fall in the fall (sorry!) for competitive reasons (appraisers aren't so busy but they still like to eat!). An analysis of our fees in previous years indicates that our hourly rates for non-residential appraisals are 15% lower in November and December than the rest of the year.

#### Expropriation

There was a strong demand for our brochure on the Expropriation Act (really!). We have a few left (about 1500) and can be seen any day of the week at the corner of North and Windsor Streets in Halifax, passing them out to passersby. We're usually mistaken for a fundamentalist Christian sect and, of course, the title of the brochure, "Beware of Strangers Bearing Gifts", doesn't help at all. The weather is turning colder now and we'd like to get back indoors, so please don't be reticent, phone Linda (tel. 429-1811) and order your free copies. We still reserve the right to limit quantities (but we're not as reserved as we were 2 months ago!).