

# factsheet



## Valuation of Residential Strata Properties

BC Assessment

Strata lots are legal lots on a strata plan. For the purposes of assessment and taxation, each strata lot, together with its share of common property, facilities and other assessable assets, is separately assessed.

Strata properties are assessed in the following manner:

### (A) Market Value of Strata Unit

- BC Assessment calculates the market value of each strata unit by analyzing sales of similar units within a local market.
- When applying this approach, BC Assessment considers all factors that may affect value, including the size of the unit, view, location, number of bedrooms, construction quality, floor level and number of parking stalls.

### (B) Valuing Land and Improvements

- The depreciated building value of each unit is determined, taking into account the differences between units such as floor area, finishing and features.
- The depreciated building value of common properties (swimming pool, fitness centre, etc.) is determined and apportioned to each unit on the registered strata plan (or improvement value).
- Finally, the total depreciated building value of the unit is subtracted from the total market value of the unit. The difference is recorded as "land" on the assessment notice (or land value).

### Example assessment of a strata property

Total market value of unit	\$220,000 (A)
Less building value	(\$120,000) (B)
Land value	\$100,000

The assessment notice for the above property would show:

Land	\$100,000
Improvements	\$120,000
Assessed value	\$220,000

### I'm on the 10th floor: How can I be assessed for land?

The assessed value of your property must equal market value. If your strata unit could have sold for \$220,000 and the building portion is only worth \$120,000, the remaining \$100,000 is the underlying value of the land.

### We purchased our unit for much less than what other units sold for, but now, the assessments are very similar. Why?

When a strata development is initially marketed, the developer estimates the market response to each unit and often sells some units at a higher price. For example, units with advantages (view, location in the building, interior finish, etc.) may have originally cost more than other units. While these estimates may have been accurate at the time, the resale market can reveal that the value of some factors were over-or-under-estimated. As market conditions change, subsequent purchasers may not pay the higher price. Also, the assessment notice reflects what was happening in the market on July 1 of the preceding year.

**My unit appears to be identical to my neighbour's, yet my value is higher. Why?**

When determining your property's assessed value, BC Assessment considers the information found on the registered strata plan, including the unit's actual size. Although units may appear similar or identical, they may actually be different sizes and contain features that account for the difference in value. Your unit might have a better location in the building or view. There may also be differences in upgrades or finishing quality between the units.

For more information on the valuation of strata property, contact your local BC Assessment area office or visit [www.bccassessment.ca](http://www.bccassessment.ca).