



PVSC: TAKING THE LONG VIEW

NSFM FALL CONFERENCE - NOVEMBER 2, 2022



PVSC PANEL

- Ashley Wu, Chief Data Scientist
- Adam Hanna, Assistant Director, Roll and Data Maintenance
- Dion Regular, Sr. Commercial Assessor

AGENDA

1. About PVSC
2. Mass Appraisal in Nova Scotia
3. Impacts of Fiona
4. Market Analysis
5. Panel Q&A
6. Audience Q&A

ABOUT PVSC



Created under the *Property Valuation Service Corporation Act* and responsible for assessing all property in Nova Scotia as per the *Nova Scotia Assessment Act*



Municipally funded



Governed by a Board of Directors



130 employees working remotely across 62 communities around Nova Scotia

WHAT WE DO & DON'T DO

PVSC does:

- Deliver an Assessment Roll to all 49 NS municipalities by December 31 each year
- Deliver ~630,000 Assessment Notices to NS property owners each January
- Administer the Capped Assessment Program (CAP) and Seasonal Tourist Business Designation program on behalf of the NS government

PVSC does **NOT**:

- Have the authority to:
 - Set tax rates
 - Collect taxes
 - Create tax policy
 - Provide tax relief

MARKET VALUE

The *Nova Scotia Assessment Act* requires that we assess property at **market value**:

“... 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”

AND

“The assessment shown on the roll shall be the assessment that reflects the state of the property as it existed on the first day of December immediately preceding the filing of the roll”

Assessment Act

CHAPTER 23 OF THE REVISED STATUTES, 1989

as amended by

1990, c. 19, ss. 7-34; 1990, c. 24; 1992, c. 11, s. 35;
1993, c. 11, s. 53; 1996, c. 5, ss. 2, 3; 1998, c. 4; 1998, c. 13, s. 2;
1998, c. 18, s. 547; 2000, c. 4, s. 4; 2000, c. 9, ss. 2(b), (d) &(e),
3-5 & 8-19; 2000, c. 28, s. 2; 2001, c. 3, ss. 2, 3; 2001, c. 6, s. 98;
2001, c. 14, s. 1; 2002, c. 15, ss. 1-3; 2004, c. 10; 2004, c. 24, s. 15;
2004, c. 27, s. 12; 2005, c. 9, ss. 2-5; 2006, c. 15, ss. 2-6; 2006, c. 19, s. 53;
2006, c. 24; 2007, c. 9, ss. 2, 3; 2008, c. 11; 2008, c. 36, ss. 2, 3;
2008, c. 48; 2009, c. 8, s. 1; 2012, c. 16; 2019, c. 9, s. 7; 2019, c. 10



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FIONA IMPACTS

- Additional aerial imagery of areas most affected
- Assessment staff are out in the field capturing damage sustained by hurricane Fiona
- Reconciling reports with municipalities and media
- Working with other agencies to share and collect information

The car wash in Glace Bay. (Tom Ayers/CBC)



IMPORTANT DATES

BASE DATE

Value on **January 1, 2022**
Based on sales that took
place over the **2021**
calendar year

**as per section 42 (2)*



STATE DATE

The characteristics and
physical state of properties
on **December 1, 2022**

**as per section 52 (2)*

ASSESSMENT ROLL

Delivery of Notices
January 9, 2023

APPEAL PERIOD

Appeals must be submitted
within **31 days** of the
Notice of Assessment
delivery



MARKET ANALYSIS



2023

BASE DATE:

LOOKING BACK

TO 2021

April 20, 2021

allNOVASCOTIA

Soaring Material Costs Aren't Slowing Builders

May 7, 2021

The
ChronicleHerald

Home prices and sales to remain high- CMHC

Home prices could climb 14.4 per cent on average in 2021, the Canada Mortgage and Housing Corporation forecast in its spring market outlook.

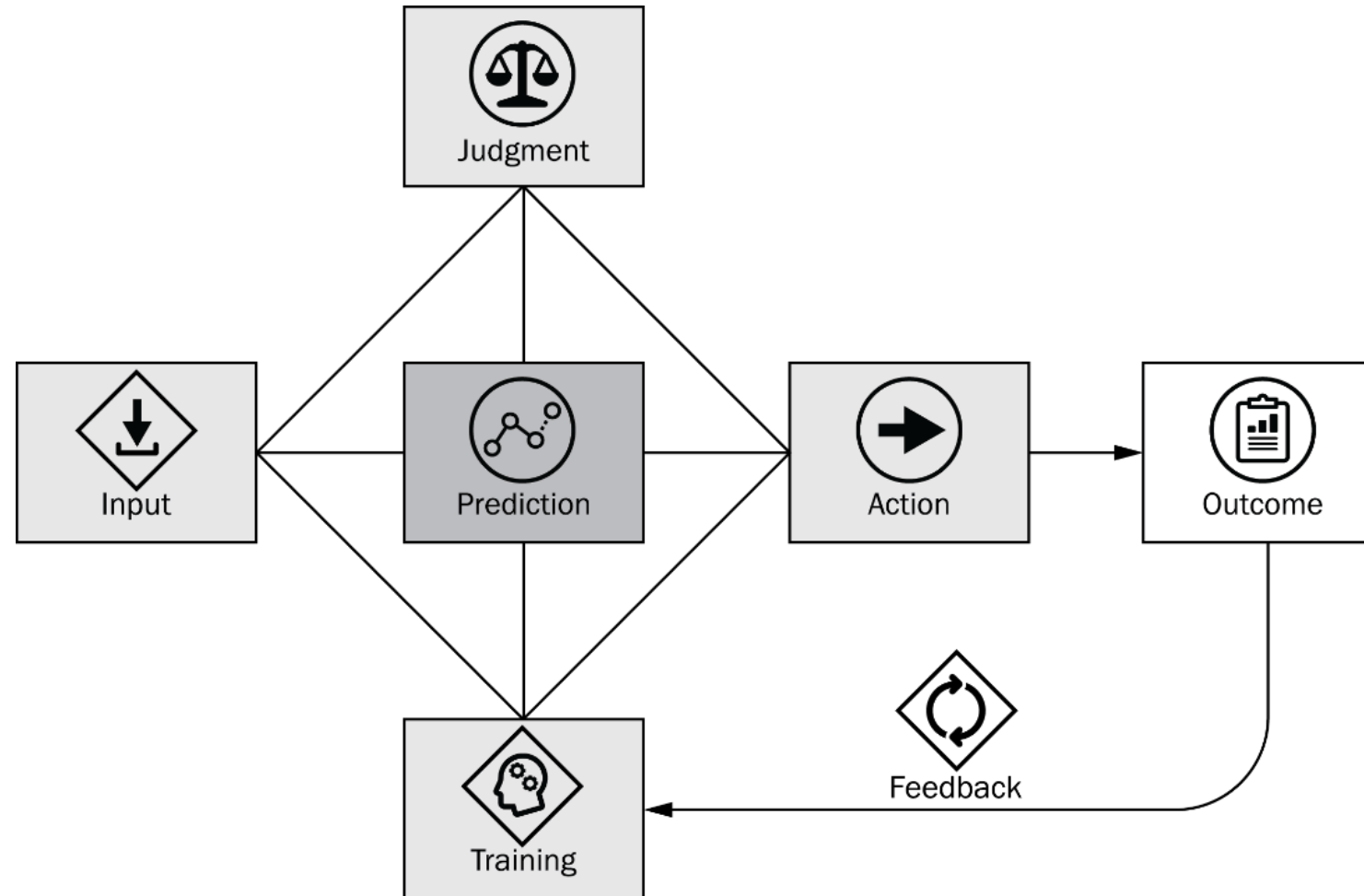
November 15, 2021

 CBC

This is the busiest year ever for the housing market, with prices up 18%

Average selling price rises to \$716,585 across the country

ANATOMY OF A DECISION



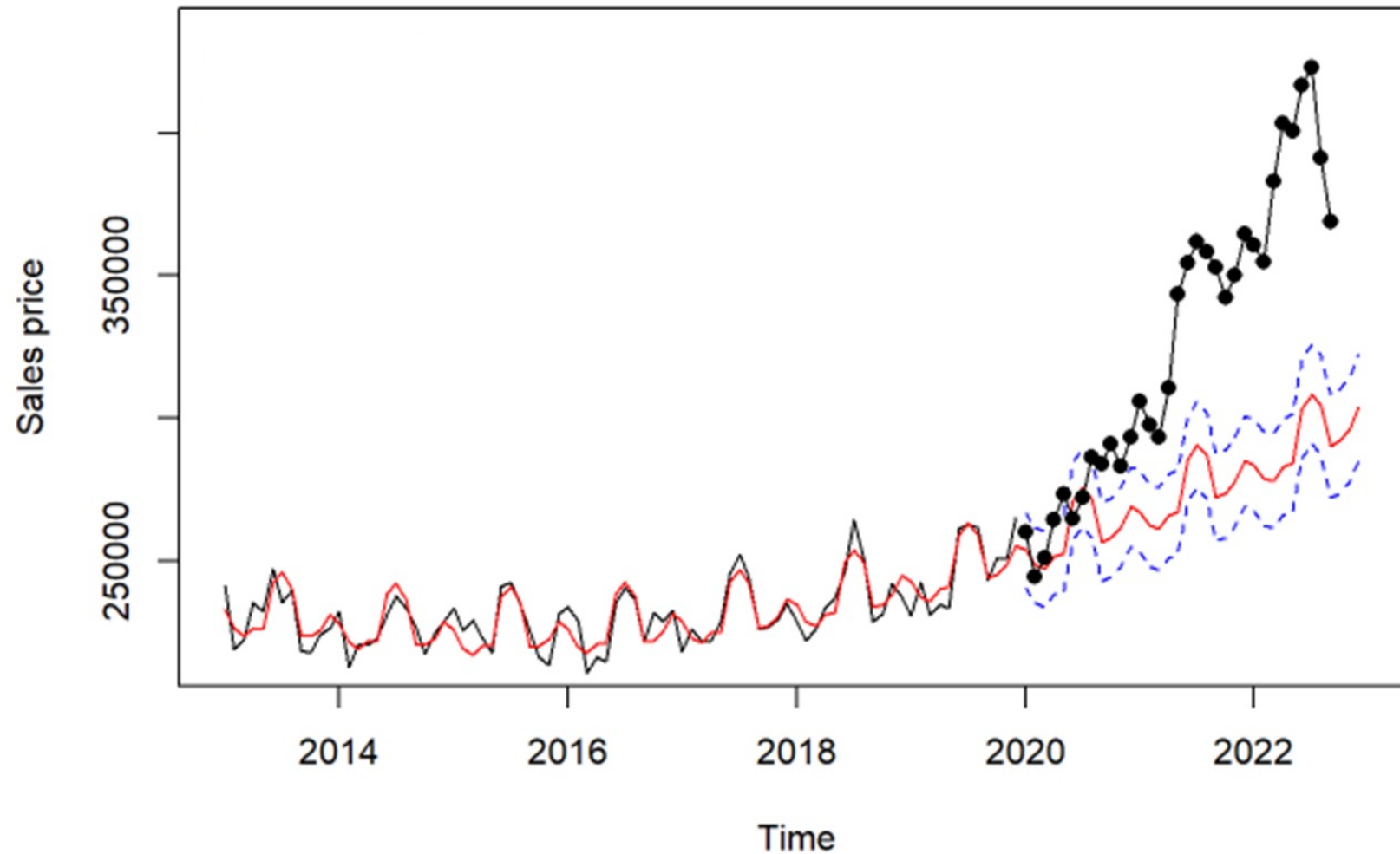
ASSUMPTIONS VS DATA INSIGHTS

- Our 2020 assumption:
 - With provincial lockdowns, social restrictions, and economic hardship, COVID-19 would have a negative impact on the real estate market
- What the data confirmed:
 - Nova Scotia saw fierce competition and elevated sale prices
 - Fast-rising real estate prices were not limited to NS but were also observed in other Atlantic provinces and at the national level

QUESTION 1

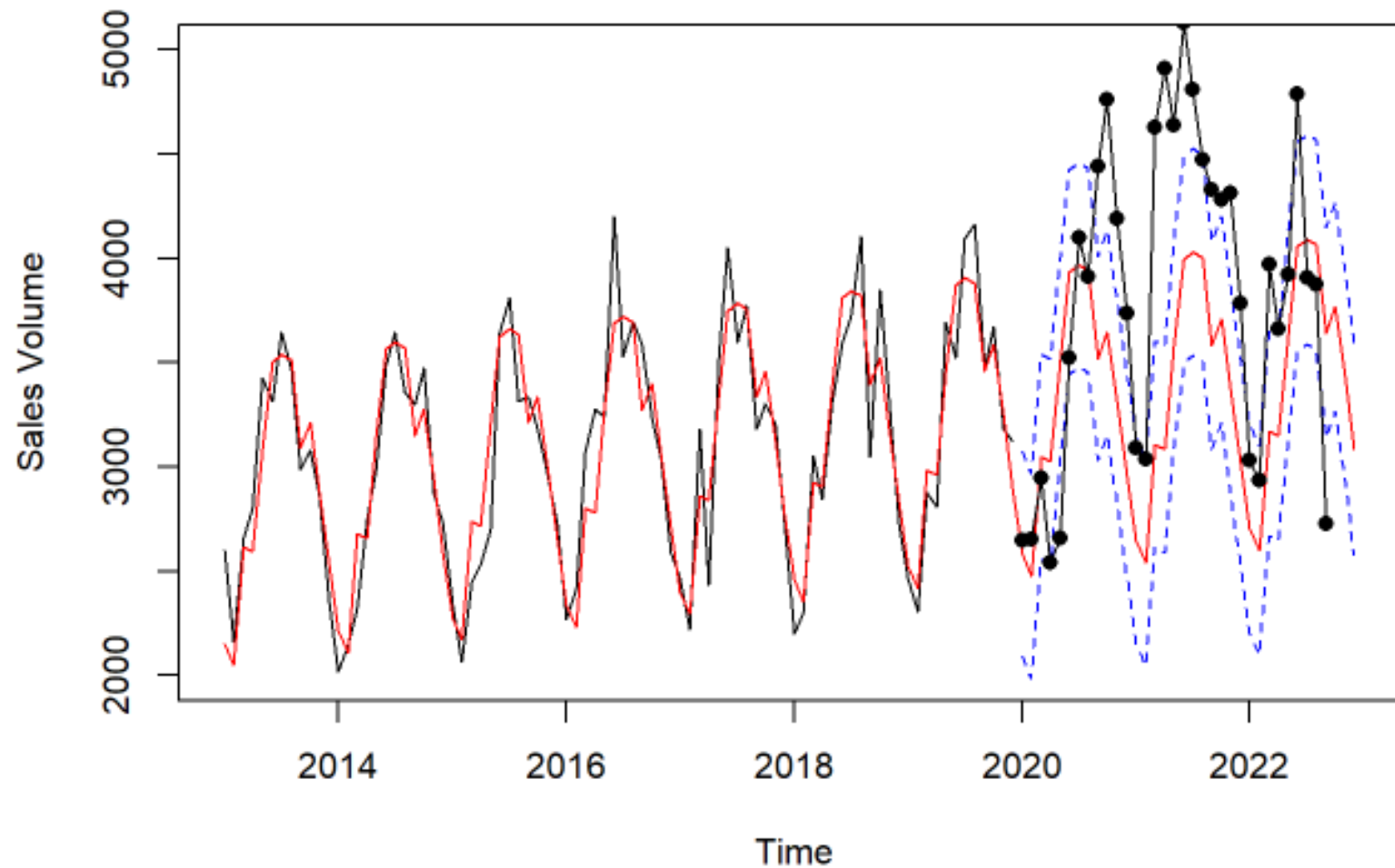
- Was the pandemic impacting the real estate market?

DATA INSIGHTS: SALES PRICE



Data as of Oct. 14, 2022

DATA INSIGHTS: SALES VOLUME



Data as of Oct. 14, 2022

QUESTION 2

- What factors contributed to escalated market prices?

AN ECONOMIC LENS

- The COVID Real Estate Boom: An Exploratory Analysis for the Province of NS (Nov. 2021)
 - contributors: PVSC and Talan Iscan, Dalhousie University, Department of Economics
 - Factors explored: immigration, inter-provincial migration, Bank of Canada Interest rates

DATA INSIGHTS

Immigration



Inter-Provincial
Migration



Bank of Canada
Interest Rates



QUESTION 3

- What is the impact of COVID-19 on property assessment and taxation?

INDUSTRY EXPERTISE

- International Property Tax Institute
 - Recognized as the world's leading not-for-profit organization on property tax policy and practice



BEST PRACTICES

- A “one year out” base date model is an industry best practice
 - 12 months of sales, property data, and income and expense information
 - Section 42 of the NS Assessment Act: all property is assessed at market value so *“taxation falls in a uniform manner”* for the fair distribution of the tax base
- Immediate, short-term tax relief measures for property taxpayers (e.g., payment deferrals, waiver of late payment penalties, etc.)

IMPORTANCE OF THE LONG VIEW

- The long view ensures we don't make decisions with unintended consequences:
 - Impacts on municipal budgets, tax bill delivery, and tax collection
 - Market value is based on evidence
 - Assessments are defensible



MODERATED Q&A





WHAT IS THE DIFFERENCE BETWEEN
MARKET VALUE AND SALES PRICE?





WHY WOULD ASSESSMENTS BE DIFFERENT IN
THE SAME NEIGHBOURHOOD?





WHAT IS THE CAPPED ASSESSMENT PROGRAM?





HOW IS PVSC MONITORING THE
RECOVERY OF THE TOURISM INDUSTRY
FROM THE PANDEMIC?





HOW DO YOU ASSESS HEAVY INDUSTRIAL PROPERTIES?





DOES A PERMIT'S VALUE
TRANSLATE TO ASSESSED VALUE?



We continue to finalize the 2023 Assessment Roll

We are hosting virtual Assessment 101 seminars for elected officials and municipal staff

We will deliver a fair, accurate, and defensible Roll

We are prepared for an increase in appeals should they occur

WHAT'S AHEAD



QUESTIONS?

