

## NEWSLETTER

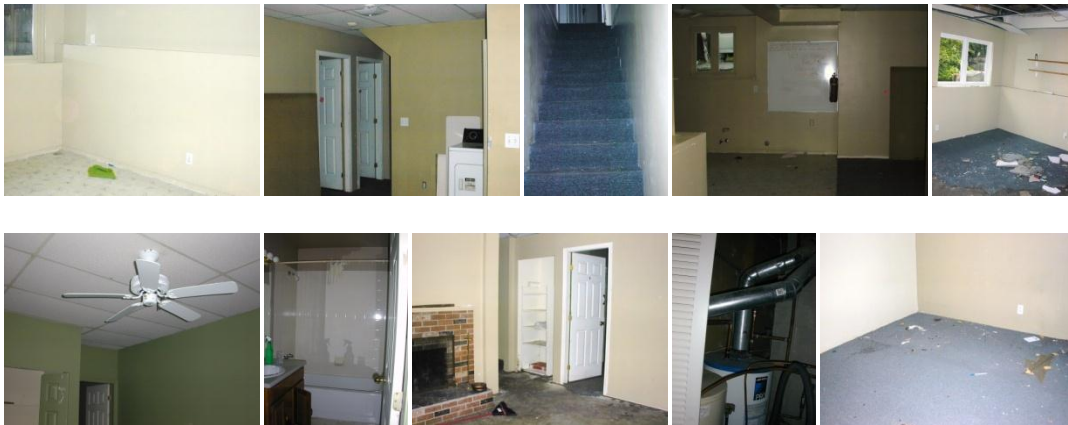
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MARCH, 2009

### WHY THE ASSESSMENT VALUE OF A PROPERTY IS WRONG!



The home, which has suffered fire damage was constructed between 1915 and 1925, was a fine home in its era. Over the years, it has seen several improvements, as well as a conversion of use.



The interior has recently been converted to a half way house, which would be similar in design to a bed and breakfast.





The exterior has received a new metal roof, vinyl siding to the walls and a general spruce up. Although the exterior was well hidden with the vinyl siding, some areas indicate that the sheathing is rotten from water damage penetrating it from the exterior, thus resulting in poor condition.



It is in our opinion that the existing basement was added in the sixties which added approximately 4 feet to the ceiling height in the basement. It probably was finished at that time for recreation purposes.

However we must point out that the entire structure has not been totally damaged and there is some sound building components left undamaged. Some just need some cleaning and treatment.



The photo above represents the quality of original construction. The current Assessment Authority assessment for improvements shows \$ 59,900 below.

**BC Assessment System** **Data Display**  
 For: [ PA53103 ] [ INTEGRAL ENTERPRISES INC. ] Nov 24, 2004  
11:51:01 AM  
  

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Folio:  
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 Area: 10 Jur: 301 Roll No: 2690-7505-0000 Neigh: 005 Sch Dist: 41  
 Owner: LIU CHI T No of Owners: 3  
 Owner Address: 8511 ALLISON ST  
 RICHMOND BC  
 V6Y 3H9  
 Property Address: 7505 KINGSWAY  
 End of Report

Area: 10 Jurisdiction: Roll Year: 2004 Transaction: Roll No. Query  
(# req'd) (# req'd)

**BC Assessment System** **Data Display**  
 For: [ PA53103 ] [ INTEGRAL ENTERPRISES INC. ] Nov 26, 2004  
01:34:48 PM  
  

|                               |                              |                              |                                     |                       |                        |
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Folio:  
 Legal Description: LOT 4, PLAN LMP9177, DISTRICT LOT 29, GROUP 1, NEW WESTMINSTER GROUP 1 LAND DISTRICT, 4400-7378 .  
 2004 Value  

|                |         |              |                    |
|----------------|---------|--------------|--------------------|
| Property class | Land    | Improvements |                    |
| RESIDENTIAL    | 235,000 | 59,900       | Total Actual Value |
|                |         |              | 294,900            |

 2003 Value  

|                |         |              |                       |
|----------------|---------|--------------|-----------------------|
| Property class | Land    | Improvements |                       |
| RESIDENTIAL    | 236,000 | 58,400       | Previous Actual Value |
|                |         |              | 294,400               |

 Manual Class: 1 1/2 STY SFD - BEFORE 1930 - STD  
 Area: 10 Jurisdiction: Roll Year: 2004 Transaction: Assessment Roll Query  
(# req'd) (# req'd)

It is our opinion, subject to a co-insurance penalty, that the actual cash value for this loss is \$67,838.68 which represents 37% of the \$178,522.86 bid by the Restoration Company if they are going to restore the building prior to the loss and not to reconstruct the whole building. If they are not going to restore the building, we would suggest that the cash out amount be adjusted to reflect no overhead or profit on the repairs for the same bid.

\$137,887.42 plus GST of \$9,651.41 for a sub total of \$147,538.83 less the depreciated amount of \$92,949.46 equals total cash out of \$54,589.37.

In summary, the \$59,900 by the Assessment Authority is the real value of the improvements based upon actual use and not reproduction costs. Thus the \$ 178,538.83 represents the repairs of the building to put it back in the same condition it was before the loss and not the reproduction cost of the building. So by comparison the Actual Cash Value of \$59,900 shown on the assessment notice is close to the Actual Cash Value of \$ 54,589.37 for a partial loss in this case, and the Improvements shown on the assessment notice should not be used in a situation that has only a partial loss. As in this case it is only coincidental.



If your BUILDING has suffered a LOSS or has DETERIORATED due to AGE, WEAR & TEAR or OCCUPANCY USE and are considering a RESTORATION, RENOVATION or REMODELING Project, then Please contact our office at (778) 239 - 6808 or email us at [integral@shaw.ca](mailto:integral@shaw.ca) for a FREE CONSULTATION. Let us help you.



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