

BOMA Reports Government Affairs

ENSURING BOMA BC is proactive in advocating on behalf of the industry requires constant meetings with key government officials throughout the year. With many new issues arising around climate action, carbon reduction and energy efficiency, BOMA had a busier than normal year with activity at all levels of government.

At the Provincial Level...

BOMA staff spent significant time meeting with senior provincial government officials in the Ministry of Energy and Mines and the Ministry of Environment to press for additional support to help with energy efficiency upgrades for BOMA members as new climate action goals are set.



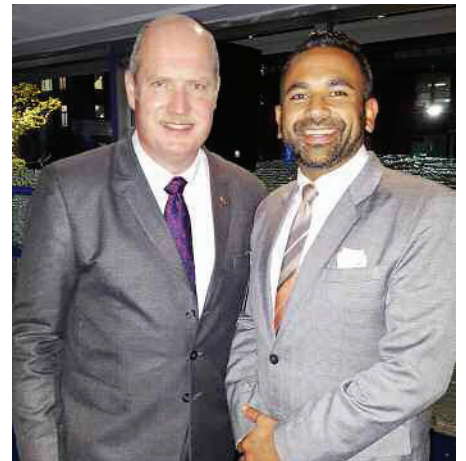
We also worked closely with the Ministry of Jobs, Tourism, Skills Training and Ministry Responsible for Labour to conduct a labour market study for the commercial real estate industry in BC. We are in the second phase of the five phase Labour Market Partnership Program and have gained a much better understanding of the workforce profile and requirements of our industry. The Minister spoke directly to our industry as our keynote speaker at our Luncheon during Buildex 2016.



BOMA sits on the Coalition of BC Businesses to help build relations and advise the government on issues related to labour and the economy.



BOMA met with the Minister of State for Emergency Preparedness, Honourable Naomi Yamamoto, to discuss how the BOMA Alert emergency mass notification system can help our industry save lives and limit damage.



BOMA spoke with the Minister of Finance to see how commercial real estate professionals can be better served and governed with the new changes to the Real Estate Act.



BOMA met privately on several occasions with the Minister of Energy and Mines, Hon. Bill Bennett, to discuss energy issues. The Minister spoke at our November Luncheon to address our issues.

At the Municipal Level...

BOMA has been working with the City of Vancouver to improve processes related to permitting and building improvements. The Chief Building Officials met with BOMA's Board and addressed members at the May Luncheon to help improve the lines of communication between the City and our members. Vancouver Police Chief Constable Adam Palmer attended the March Luncheon to speak about policing priorities and to provide tips on how to keep our buildings safe.

BOMA holds a seat at the City of Vancouver Urban Design Panel to help ensure the interests of the commercial real estate industry are given priority on new development applications.

BOMA BC has been added to the Vancouver Office of Emergency Management's emergency notification contacts list so that members can benefit with timely information in the event of an emergency through the BOMA Alert emergency mass notification system.



At the BC Federal Level...

BOMA met with BC Caucus Chair and Vancouver Centre MP Dr. Hedy Fry to advocate for federal support for environmentally conscious building management programs, such as BOMA BEST®, ahead of the federal budget process. BOMA also engaged with other BC federal MPs to discuss new regulations introduced by our national government.

BOMA continues to advocate for pragmatic policies that support commercial real estate members and their business tenants. ■

Taxation

BOMA BC CONTINUES TO MONITOR all tax issues affecting our commercial property management industry. BOMA's Tax Committee Chair has provided this update report on property taxes for 2016.

The latest assessment roll for BC commercial buildings showed the largest increase in recent history at about 25%. This is both good news and bad news. The good news is that asset values have increased dramatically. The further good news is that City of Vancouver tax rates have come down considerably and are estimated at some \$12 million for the 2017 taxation year. In budgeting for tax increases, it is important to note how assessed value changed relative to the average change on the assessment roll. Tax rates are reduced by the same percentage change as the roll value change so as to not over recover on property taxes. That said, an offset to this would be any increase in the municipal budget change. For example, if your property increased in value this year by 20%, you would expect a reduction in taxes by 5%, however, offsetting this would be any increase in the municipal budget change, typically 5% to 10%.

Of concern is that the assessment roll continues to show a wide disparity in value changes between different types of properties. The effect of this can be significant shifts in the tax burden within the class. Several years in a row now, we have seen dramatic increases in land value at some 30% to 50% and modest increases in income-producing properties closer to 10% to 15%. Interim use properties such as community retail are those which are valued at land value. There continues to be a significant shift in the tax burden to our community retail and lower quality improved properties.

The provincial government is working with industry organizations to resolve the unfair tax distribution. Land values are anticipated to see further significant increases and the tax distribution situation has reached a crisis level. ■