



Volume 2012 - #08 – July 28, 2012 ALL* Very short version re Property Assessments [5 pages]
Publication dates – only as required

Professionalism & Dedication Knowledge

Ethics

Integrity

Enthusiasm



Hi everyone

Property Assessments – this is quite weird. As some of you know I am writing my book, '**Stay out of Real Estate Jail**' which will be in 'word' so you can just copy and paste everything including the statements, subjects, clauses and phrases. During my research I found the statement below and put it in my notes for the book and then we all received the Legally Speaking Article from Jennifer Clee regarding Property Tax Assessments. You might want to consider adding the following to your 'Statements in most Contracts'.

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LEGALLY SPEAKING Number 455, July 2012

VERIFYING ASSESSMENT DATA

It has been customary for licensees to rely upon BC Assessment and MLXchange for the assessed value of properties offered for sale. A recent decision of the BC Supreme Court illustrates the danger of licensees relying upon that information without ensuring that the information is current, particularly where the information was generated prior to the expiration of the assessment appeal period.

The case involved the purchase of an East Vancouver condominium in June 2006. The buyers knew the property was a "leaky condo" and purchased it on speculation. The buyers paid \$154,000 for the property, \$92,000 for repairs and ultimately sold the property for \$415,000. The buyers sued the seller's representative and her brokerage for failing to provide accurate property information. The buyers alleged that the seller's agent was negligent in failing to disclose the existence of a 1999 engineering report dealing with water ingress and the significant cost of repairs.

The buyers also claimed that the seller's representative **negligently misrepresented the assessed value of the property as \$216,000 when it had been reassessed at \$83,700**. The buyers claimed that the misinformation provided to them by the seller's representative influenced the price they were willing to pay for the property, with the result that they overpaid by \$104,000. The buyers argued that the property was only worth \$50,000 when they bought it.

The seller's representative (who offered no agency to the buyers) had agreed to provide the buyers with the strata documents normally provided, including the previous two years of strata meeting minutes, engineering reports and the tax assessment information. The seller's representative provided the buyers with a copy of tax information obtained from MLXchange, which indicated the property's assessed value as \$216,000. Unbeknownst to the seller's representative, **the sellers had appealed the assessment** prior to listing the property which resulted in the assessed value of the property being reduced from \$216,000 to \$83,700. The information on MLXchange had not been updated.

The seller's representative never confirmed the assessment information through BC Assessment, or asked the seller whether they had appealed the property's assessment and the results of that appeal. **The court held a reasonable and prudent licensee would have done so, particularly when the buyers had asked for confirmation of the assessed value.** The court took into consideration the fact that the initial property assessment issued in January of each year is not considered an "authenticated" assessment, and does **not** become so until the assessment appeal period has expired.

The court commented that even if the industry practice of Vancouver licensees was not to verify information provided by MLXchange, that practice is not acceptable when a buyer wishes to have the assessed value confirmed. **The court consequently found the seller's representative negligent in failing to verify the assessment information with the seller or BC Assessment.** The court also found the seller's representative negligent in failing to obtain and provide the buyers with a copy of the 1999 engineering report when she had undertaken to do so. Notwithstanding the court's findings, the buyers' claim against the selling representative was dismissed due to the buyers' inability to prove damage.

Licensees using MLXchange should be aware that there may be a delay in MLXchange receiving, and thus publishing, updated assessment information from BC Assessment. Accordingly, where a buyer wishes to have the assessed value confirmed, licensees seeking to minimize their risk should verify assessment information from MLXchange with BC Assessment, or directly with the seller, to establish whether an appeal has been taken and the result of that appeal.

Jennifer A. Clee B.A., LL.B.

So, from the above you can see why I was quite amazed that during my research for my book 'Stay out of Real Estate Jail' which I hope you will purchase when it is published [it's been 3 years in the making and is in word'] I had entered this statement as a suggestion for you to include in the 'Statements in Most Contract of Purchase and Sale'. Obviously, it is your call to do so or not. Hope it is of some help though.

TAXES | PROPERTY ASSESSMENTS

*The Sellers and Buyers accept and acknowledge that *[your Province/your Authorities/Regulators may]* have a system in place for assessment of properties and that the subject property may be reviewed and/or re-assessed on an annual basis. The Sellers and Buyers warrant and guarantee that no claims will be made against the Sellers or Buyers Agents/Representatives/Brokerages for any changes in the property tax as a result of any review or re-assessment of the property.

Thanks
Warm regards

UPCOMING SEMINARS WITH BARB

Please spread the word to your friends, Associates and colleagues – it is lots more fun to take seminars with friends/associates. The seminars are informal but hopefully you will find them informative. *I hope I will see some of you soon so please register early!*



Please note new people do not have to take the courses in order - you are welcome to take them in any order that works with your schedule.



Writing Enforceable Contracts 101, 102 & 103 and Multiple Offers
Please contact your Board if you don't see what courses you do want to take.

UPCOMING SEMINARS FOR 2012 – Please sign up early

MULTIPLE OFFERS	6 PDP		
REBGV Thursday August 16, 2012	REBGV 604.730.3090	memberservices@rebgv.org	
REBGV Thursday Sept 27, 2012	REBGV 604.730.3090	memberservices@rebgv.org	
REBGV Thursday October 25, 2012	REBGV 604.730.3090	memberservices@rebgv.org	
REBGV Thursday November 22, 2012	REBGV 604.730.3090	memberservices@rebgv.org	
FVREB Thursday, August 23, 2012	FVREB 604.930.7644	registration@fvreb.bc.ca	

Remember, Multiple Offers happen in any market. How many times have you had a listing for a very long time and then all of a sudden you get an offer? You are ecstatic. Now for some strange reason along comes another offer. I don't know why that happens but it does so you are now in a possible Multiple Offer Situation. Do you know what to do? The course is all updated and explains the 'bully offer' situations we have recently run into and there is a sample where we receive 4 offers and what we would advise our Sellers.

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FORMS

STILL AVAILABLE \$20.00 TAX DEDUCTIBLE [\$17.86 plus 2.14 tax = \$20.00]

Just e-mail me that you want them – barbarabellolsen@shaw.ca

[They are in WORD not PDF so you can edit, copy, add your name, Brokerage, logo etc]

I will e-mail you two separate Sections; Barb's Forms Part One and then Barb's Forms Part Two and then I will e-mail the invoice for \$20.00 to you. Over 200 pages of information and you can customize the word documents that you will want with your own contact information on them. If when you receive them, you feel you won't use them then just e-mail me back and I will credit the invoice. These are just to help make your real estate life a little easier. Most of our business now requires separate written disclose so these should be very useful to you and save you lots of time if you have them on your computer just to print out.