PROPERTY ASSESSMENT APPEAL BOARD
OF BRITISH COLUMBIA

IN THE MATTER OF AN APPEAL PURSUANT TO S. 50 OF THE *ASSESSMENT ACT*

Appeal File: 2025-09-00018

Between:

Fu D. Ren

Appellant

And

Assessor of Area #09 - Vancouver Sea To Sky Region

Respondent

Citation:	***Ren v. Area 09,* 2025 BCPAAB 20251941**
Property:	**09-39-200-013-655-197-50-0000, 414 10th Avenue East, City of Vancouver**
Board Panel:	**John Bridal, Panel Chair**
Heard:	**By Written Submissions, closed on August 20, 2025**
Decision Date:	**October 07, 2025**

INTRODUCTION

[1] This is an appeal from the decision of the 2025 Property Assessment Review Panel for a residential apartment building in Vancouver. The property (the Subject) has a 2025 assessment of $19,082,000, split between land at $19,044,000 and improvements at $38,000.

[2] The Appellant says the Subject's assessment is too high. The Appellant recommends the assessment be reduced to its estimated $10,000,000 market value.

[3] The Assessor says the Subject's market value is $19,044,000, but suggests its $19,082,000 assessment should be confirmed.

[4] For the following reasons, I order the Assessor to amend the Subject's assessment to $18,144,000. Furthermore, regarding the apparent fabrications in the Appellant's submissions to the Board, I also invite further submissions regarding the potential for ordering costs against the Appellant in favour of the Assessor, the Board, or both, which I will decide in a subsequent decision.

ISSUE

[5] The issue in this appeal is the actual (market) value of the Subject as of July 1, 2024, the valuation date for the 2025 assessment.

PRELIMINARY MATTER

[6] The Appellant's submission includes quotations from legal case citations that do not exist. These were identified by the Assessor in the Assessor's reply. It is possible that these may be "hallucinations" from using generative artificial intelligence to assist with developing the Appellant's submission. If so, this might indicate a lack of care and attention to detail. A worse alternative is that the submission has been purposely falsified with knowledge and

intent. The Appellant states his submission is presented in “good faith”, but it is troubling that he did not take the opportunity to respond to these criticisms in a rebuttal submission.

[7] Whether this result is accidental from the poor use of artificial intelligence or a purposeful falsification, I find in either case the Appellant has breached the Board’s *Code of Conduct* (the *Code*). The *Code* states “Submitting evidence or submissions that are inaccurate, misleading, or manipulated constitutes a breach of this Code of Conduct.” The *Code* also requires any reliance on artificial intelligence to be disclosed, which was not done here. Finally, the Appellant also violated the *Code’s* duty to correct once he became aware of his inaccurate and misleading submission.

[8] The breach of the *Code* in turn violates the Board’s *Rules of Practice and Procedure*. Rule 21(1) says:

> 21. (1) If the board finds that the conduct of a party or intervener has been frivolous, vexatious, egregious or an abuse of process, or that a party or intervener has unreasonably delayed or lengthened the proceeding or failed to comply with a direction or order of the board or with these Rules, the board may order that party or intervener to pay all or part of the costs of another party or intervener and all or part of the costs of the board in connection with the appeal.

[9] Section 60 of the *Act* gives the Board the statutory authority to award costs. This authority was most recently exercised in *Dhillon v. Area 15,* 2025 BCPAAB 20252906.

[10] If indeed the Appellant has knowingly provided false cases and a misleading submission, I find this conduct would represent a breach of the Board’s Rules. The unraveling of these falsehoods has required investigation and research by both the Assessor and the Board. I find an order for costs may be warranted, reflecting the additional time of both the Board and the Assessor in addressing this matter.

PROPERTY DETAILS

[11] The Subject is a rectangular, 18,312-square-foot lot in the Mount Pleasant neighbourhood in Vancouver. It is an interior site within the block with lot dimensions of 150 feet in width by 122 feet in depth with access to a rear lane. The Assessor describes it as well-located with close proximity to the East Broadway major arterial road.

[12] The building had a series of fires in 2023 and 2024. On August 9, 2024 the City enforced a demolition order for the building. The demolition was complete on November 20, 2024, with the underground parkade foundation the only remaining improvements. The Assessor considers the Subject vacant as of the October 31, 2024 property condition date specified under the *Assessment Act (*the *Act)*. However, I note the evidence shows the building was in fact only partially demolished at that time with the demolition ongoing to November 20th. As such, I find the Subject's July 1, 2024 market value must be based on the Subject's partially demolished status on October 31st.

[13] The costs for this statutory enforced demolition have been billed to the Appellant, but remain unpaid to date. The Appellant provides five overdue invoices to the City of Vancouver totalling $2,030,287.14. These are not fully detailed, but they outline a combination of demolition costs and security and maintenance costs incurred between August 2024 and March 2025. The Assessor says the demolition and clean-up is complete, so there are no remaining costs to expend. The Appellant says these additional expenses are ongoing, but there is no specific evidence to show these will indeed continue. The Assessor considers the Appellant's debt to the City as a financial matter between the parties and not relevant to the assessment, as this expense does not run with the land. The Assessor provides a copy of the Subject's Land Title document to show there are no charges on title as of the November 30, 2024 required date under the *Act*. However, I note that the City's invoices state that the amount owing will be placed on the Subject's tax roll if unpaid by September 30, 2025. I note delinquent taxes are a serious matter that extends beyond a financial matter between private parties, since a local government typically has legal power to force payment by a tax sale of the property through public auction. As this risk extends to subsequent owners, I presume a prudent buyer would want to consider potential outstanding tax debt.

[14] The Appellant listed the Subject for sale in November 2024, setting $20 million as the initial listing price. The Appellant reports that there were no offers in the subsequent eight months, which has resulted in a series of four successive price reductions. The Appellant explains that the revised listing price of $13 million on May 15, 2025 reflects the salesperson's recommendation of $110 per buildable square foot. The Appellant says that the salesperson has suggested a further reduction to $12 million, based on an email from a prospective buyer that their "quick acquisitions" are now significantly under $100 per square foot. However, the Assessor points out that the subject's listing information as of July 25, 2025 actually advertises a price of $15.8 million, which is $133 per buildable square foot. I find the evidence supports $15.8 million as the Subject's lowest listing price, not the $12 to $13 million reported by the Appellant.

WHAT IS THE ACTUAL (MARKET) VALUE OF THE SUBJECT?

Highest and Best Use

[15] The Assessor says the Subject's highest best use is for high-density redevelopment. The Subject is located in the Mount Pleasant South Apartment Area as designated in the City of Vancouver's Broadway Plan. Under this plan, the Subject qualifies for tower-form redevelopment up to 20 storeys and a floor space ratio of 6.50. This redevelopment requires rezoning from the current RM-4 to CD-1. The Assessor states such rezonings are generally supported by the City when proposals align with the applicable policy area guidelines.

[16] The Assessor notes the lot has no physical impediments for higher-density use. As well, the Subject's lot area of 18,312 square feet and 150-foot frontage qualify the site for high-rise redevelopment without requiring assembly with adjoining lots. The Assessor says the existing concrete foundation on the Subject property does not contribute meaningful utility or value.

[17] Regarding financially feasibility of the proposed use, the Assessor explains that 13 high-rise proposals were submitted in the Mount Pleasant area by 2023 and this grew to 19 by July 2025. The Assessor details three examples to demonstrate support for the economic feasibility of the Subject's potential for high-density redevelopment. The Assessor concludes

the Subject's highest and best use is redevelopment in accordance with the Broadway Plan's policy direction.

[18] I find the Assessor's analysis is appropriately researched and the conclusion is well-reasoned. The Appellant does not offer a contrary highest and best use conclusion and I note his sale listing implicitly agrees with these details. I find the Assessor's suggested redevelopment reflects the Subject's highest and best use.

Assessor's Market Value Evidence and Submissions

[19] The Assessor presents a market value analysis based on the direct comparison approach. This relies on value per buildable square foot as the unit of comparison, which the Assessor explains is a common metric used by the market to evaluate development properties.

[20] The Assessor presents five improved comparables that sold for $9.6 to $52.5 million between September 2023 and July 2024. The Assessor calculates a price range of $151 to $190 per buildable square foot, with an average and median of $166 per buildable square foot. The Assessor emphasizes the three sales closest in proximity to the July 1, 2024 valuation date, which have prices per buildable square foot of $154, $166, and $190, respectively. The Assessor says that a qualitative analysis of the comparables supports a reasonable value indication near the middle of the range. The Assessor concludes a rate of $160 per buildable square foot. The Assessor applies this to the Subject's 18,312 square foot lot, at a density of 6.5 floor area ratio, to conclude a market value of $19,044,480.

[21] The Appellant does not present a rebuttal to the Assessor's submission. However, his submission critiques the Assessor's pre-hearing evidence. This prior evidence is not submitted, but I find the Appellant's points apply equally to the Assessor's submission, so I will describe them here.

[22] The Appellant objects to the Assessor's valuation, asserting it violates principles of fairness, consistency, and comparable valuation. The Appellant states the Assessor's

analysis breaches provincial law and international valuation standards by comparing fundamentally different valuation classes.

[23] The Appellant says that it is not appropriate to compare the Subject's vacant non-income producing fire-cleared land to revenue-generating, intact multi-family buildings. The Appellants assert the Subject's bare land is much less attractive to developers who prefer income-generating properties to offset the five-plus years required to navigate rezoning, design, and permitting required for redevelopment.

[24] The Assessor responds that the Subject's competitive market set is other high-density residential development sites, whether vacant or improved. The Assessor notes there are very few vacant parcels in the City of Vancouver, so improved comparables are required. The Assessor says the marketplace considers holding sites with existing improvements to fall within the same competitive market set as the Subject, as long as they have similar redevelopment potential and highest and best use. The Assessor notes that the comparables vary in the redevelopment continuum, with several having submitted rezoning applications.

[25] The Assessor further responds that the Appellant offers no evidence that the Subject's lack of holding income makes it inferior. The Assessor outlines potential advantages of the Subject's vacant status. It is not subject to the considerable costs for demolition, which offsets much of the holding income for improved properties. Residential redevelopments under the Broadway Plan require that existing tenants receive financial compensation and rights of return to the completed development. These costly compensation and protections are no longer required for the Subject's former 38 tenants, since the building no longer exists.

Appellant's Market Value Evidence and Submissions

[26] The Appellant explains that, since 2023, the City of Vancouver and the provincial government have released a significant volume of land for high-density development. Investor demand and prices for undeveloped lots have dropped notably, especially vacant, income-negative lots like the Subject. The Appellant asserts that the Subject's listing history offers direct market evidence that the property cannot be worth $19 million in its current state.

[27] The Appellant says that the *Act*'s sub-section 19(1) requires that assessed values reflect true market value based on the property's actual condition. However, the Assessor notes this sub-section of the *Act* refences strata accommodation property, which is not relevant to the Subject. The Appellant quotes three decisions from the Board and BC Courts that support a 20% downward adjustment based on market resistance. However, the Assessor points out that none of the cited cases can be found on the CanLII or Board websites and provides the failed search results in support. The Appellant calculates the Subject's market value by applying this 20% discount to the salesperson's suggested $12 million list price, to calculate a $9.6 million market value.

[28] The Appellant further suggests that the Subject's $2 million costs for demolition, clean-up, and maintenance and preservation should be deducted in calculating its market value. The Appellant explains that, based on the International Valuation Standards (IVS) 104-3, the market value of "disaster-affected land" is properly valued as the bare land value less clean-up and demolition costs. The Assessor responds that the noted IVS document does not outline the valuation of disaster-impacted land. The Appellant quotes from two BC Court decisions in support of this "Demolition and Restoration Method (DRM)", where "disaster clean-up costs already incurred must be fully deducted from the assessed land value". The Assessor explains that these quoted cases also do not exist. The Appellant re-calculates the Subject's market value as the $12,000,000 "market value for comparable vacant land", minus $2 million for site restoration expenses, and minus additional ongoing maintenance and care costs (which are not specified). The resulting $10,000,000 estimated market value is the basis for his requested assessment.

[29] Finally, the Appellant notes he had no insurance coverage and bore 100% of the $2 million cost, which has caused significant financial hardship and emotional distress. He notes the "inflated government valuation adds to that trauma and undermines my right to fair, factual treatment under BC Law".

[30] The Assessor responds that the Appellant appears to have misunderstood both provincial legislation and appraisal standards. The Assessor points out that the Appellant's valuation methods are not based on any legal precedent, given the non-existent cases and the incorrect references to the *Act* and IVS.

[31] The Assessor says the Subject's current listing information does not provide assistance in determining market value because it is a year after the valuation date, when market conditions were much different. The Assessor acknowledges that the Subject's listing may provide some evidence for the "current" market value (meaning August 2025), but says this listing information is not relevant to the July 1, 2024 valuation date. The Assessor agrees that the market for high-density residential development land has softened in 2025, but says the market was strong in 2024. The Assessor says their sales evidence demonstrates this, noting the three sales within a month of the valuation date. The Assessor suggests that the Subject's initial list price at $20 million in November 2024 demonstrates the Appellant's belief that the market was still seen as relatively strong at that point. The Assessor notes that the Subject's 2025 $19 million assessment was not yet published at the time of the listing, so it did not influence the starting listing price. The Assessor further notes that the $12 million relied upon by the Appellant has no basis as the Subject is not listed at this amount.

[32] The Assessor says that, even if the Appellant's method was valid, the Subject's demolition and clean-up is complete as of October 2024, so there are no remaining costs to expend and none to deduct. The Assessor suggests that deducting again for costs already expended would be a double counting error. The Assessor says that an informed seller would not deduct these costs from the price and would not likely consider a buyer's request to deduct these.

Market Value Analysis

[33] I find the Appellant has not presented a reasonable basis to support the Subject's market value. The supporting case citations and references to appraisal standards are incorrect and possibly falsified. Regarding the specific evidence, the $12 million base value does not have reasonable support, as it is not based on the Subject's actual listing, and even if it was, this listing a year later would not be relevant to the valuation date. This value is also not based on "comparable vacant land" evidence as the Appellant states. As well, financial hardship and emotional distress are not considerations for the Board in its powers and duties under the *Act*.

[34] In contrast, I find the Assessor has presented a simple, basic analysis that follows generally accepted appraisal methodology. I find that direct comparison and the value per square foot of buildable area unit of comparison are appropriate, given the Subject's highest and best use (and I note the Appellant's submission indirectly relies on these too, through applying the salesperson's suggestions). I find the Assessor's analysis is adequately well-researched and generally well-reasoned. However, I do not fully accept the Assessor's value conclusion.

[35] Regarding relying on listing information, I agree that this can be helpful in establishing an upper range of value, but the timing here is a concern. The listing price a year from the valuation date offers little insight into the nature of the market on July 1, 2024. However, I am troubled that the Subject was initially listed for sale just four months after the valuation date for 5% above its assessment, but the Assessor sees it irrelevant that the property had no immediate market appeal at that time. The Assessor's explanation implies the market peaked in summer 2024 and dropped precipitously from there. I would prefer to see market research to demonstrate this, rather than simply ruling out this listing evidence based on an unsupported assumption. I do accept that the Appellant's initial $20 million asking price in November presents limited support that the Assessor's $19 million estimate on July 1st did not seem unreasonable at the time. However, I expect that the Subject's demolition, at that time both incomplete and unpaid, may have contributed to the lack of market appeal at that price.

[36] I agree with the Appellant that vacant sale comparables would be preferable, but I note none are provided in evidence and presumably none are available. I also agree with the Assessor that the improved comparables can offer valid indicators for the Subject's value, with similar development potential and sale dates reasonably close to the July 1, 2024 valuation date. However, I have concerns that the differences between these comparables and the Subject have not been adequately considered. For example, all of the comparables are corner lots. Four are located on Vancouver's west side, though also in the Broadway Plan area. A fifth is in the Cambie Corridor and not in the Broadway Plan area. Three do not have sufficient frontage for a tower redevelopment without assembly. I would have more confidence in this appraisal if the potential value influence of these differences were explored.

[37] I find the Assessor's explanation reasonable that the holding income from improved properties is often seen to offset the costs of demolition and the expenses related to existing tenants, which helps equate them to a vacant property. However, I would prefer to see more detailed analysis of these factors specific to the comparables and the Subject rather than simply relying on this assumption. As well, I note that this assumed equivalence does not account for the Subject's circumstances, given its demolition is incomplete and unpaid as of the October 31, 2024 property condition date. I find the Assessor's suggested trade-off between holding income and demolition does not reasonably apply to the Subject, since a buyer would not fully realize the benefits from avoiding demolition costs that would otherwise exchange for the loss of holding income.

[38] The Subject's valuation on July 1, 2024, requires seeing the Subject through the eyes of a prospective buyer on the October 31, 2024 property condition date. On October 31st, the Subject's demolition was only partially complete and roughly half of the $2 million total had been invoiced. It is unclear in the evidence if the remaining costs would be the responsibility of the Appellant or the new owner. However, given these unpaid expenses can be added to the tax roll, I find it reasonable that a prudent buyer on July 1st would demand concessions in the purchase price to account for the remaining demolition and related expenses.

[39] The *Appraisal of Real Estate, Fourth Canadian Edition* book discusses adjustments in Chapter 21. Expenses that would be reasonably considered by a buyer in purchase negotiations may be addressed in a transactional adjustment for "expenditures made immediately after purchase". Such an adjustment is warranted "if the subject property requires some expenditure immediately after the purchase to reach its full utility" and the comparable sales do not require a similar expenditure (page 21.18). The text further states that the adjustment should reflect "not the actual costs incurred but the cost that was anticipated by both the buyer and seller at the time of purchase" (page 21.17).

[40] The parties' evidence and analysis does not specify an appropriate adjustment. I find it reasonable to assume that a buyer would demand that the $1.1 million already invoiced on October 31st must be paid by the Appellant out of the sale proceeds. If so, this amount does not impact the buyer and, as a result, does not affect the Subject's sale price or market value. However, I expect that the buyer would demand a price reduction to account for the

remaining costs unknown at-that-point as well as the associated risk in purchasing this partially demolished property. With no evidence on what costs might be reasonably expected by a buyer on October 31st, I find the best available indication is the remainder of actual costs. With the $2 million actual total amount roughly double the known expenses at that time, I find this is a reasonable forecast for what a buyer might anticipate for total demolition and associated expenses (again, based on the limitations in the available evidence). Therefore, I find that the remaining $900,000 is an appropriate adjustment to account for the Subject's further demolition and related expenses as well as associated risk.

[41] The sales evidence presented by the Assessor supports a value of $160 per buildable square foot and is the only reliable evidence available. I have no evidence to support an alternative value or for adjustments to account for dissimilarity of the comparables. As such, I find the Assessor's $19,044,000 conclusion is the best available estimate of the Subject's market value, before consideration of the Subject's partial demolition. I find the remaining demolition and associated expenses warrant a $900,000 adjustment. Therefore, I conclude that $18,144,000 is the Subject's market value as of July 1, 2024.

[42] Regarding apportioning this value into improvements and land value components, I note the Subject's improvements are currently assessed at $38,000. I presume this reflects the parkade foundation remaining on the site. I expect this offers no useful benefit for the property and, in fact, would present a further demolition detriment to a developer buyer. However, neither party questions this, and given the nominal amount, I will leave this undisturbed. The Subject's total assessment should be reduced to its $18,144,000 market value, with the improvements remaining $38,000 and the land's assessed value reduced to $18,106,000.

CONCLUSION

[43] I find the best estimate of the Subject's market value assessment as of July 1, 2024 is $18,144,000. There is no evidence presented regarding the equity or consistency of the Subject's assessment. In the absence of persuasive evidence of inequity, I find it is appropriate to assess the Subject at its market value.

[44] Finally, I consider the potential for ordering costs against the Appellant in favour of the Board, the Assessor, or both, under Rule 21 of the Board's *Rules of Practice and Procedure*. The Board's costs may reflect the "Tariff of Board Costs" outlined in the Board's *Rules,* which may include costs to the Board in the amount of $50 for failure to comply with a Board order and $500 per day in respect of the Board's costs to conduct this hearing. If the Assessor wishes to make an application for costs, such an application must be filed with the Board within two weeks of the date of this decision.

[45] The Appellant has an opportunity to produce a written response to explain why the Board should not seek its costs from the Appellant. This must be produced within four weeks of the date of this decision. The Appellant may also respond to the Assessor's application, if any, in this response document.

ORDER

[46] The Board orders the Assessor to amend the 2025 assessment roll as follows:

Roll No. 09-39-200-013-655-197-50-0000:

			FROM		TO
Land:	Class 1 – Residential	$	19,044,000	$	18,106,000
Improvements:	Class 1 – Residential	$	38,000	$	38,000
Total Assessed Value:		$	19,082,000	$	18,144,000

FOR THE BOARD

_____

John Bridal, Panel Chair

REVIEW OF BOARD'S DECISION

Under section 65 of the *Assessment Act*, any person who is affected by a decision of the Board on appeal may appeal by way of Stated Case to the Supreme Court of British Columbia **on a question of law only.** To do so, you must notify the Board in writing **within 21 days** of your receipt of the Board's decision **and** include the question(s) of law that you want the Court to answer. You may use Form 5.

Other decisions of the Board may be reviewable under section 64 of the *Assessment Act* (Form 6) or by way of judicial review under the *Judicial Review Procedure Act*.

For more information see Stated Cases & Judicial Review | Property Assessment Appeal Board.

Property Assessment Appeal Board
1270 – 605 Robson Street
Vancouver BC V6B 5J3

Telephone:	604-775-1740	E-Mail:	office@paab.bc.ca
Toll-free phone:	1-888-775-1740	Web Site:	www.assessmentappeal.bc.ca
Fax:	604-775-1742		
Toll-free fax:	1-888-775-1742		