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0997510 BC Ltd. v. Area 15, 2025 BCPAAB 20252585

PROPERTY ASSESSMENT APPEAL BOARD
OF BRITISH COLUMBIA

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

Appeal File: 2025-15-00137

Between:

0997510 BC Ltd.
0998518 BC Ltd.

Appellants

And

Assessor of Area #15 - Fraser Valley Office

Respondent

Citation:	***0997510 BC Ltd. v. Area 15,* 2025 BCPAAB 20252585**
Property:	**15-35-311-03462111-19, 23665 Fraser Highway, Township of Langley**
Board Panel:	**Howard Mak, Panel Chair**
Heard:	**By Written Submissions, closed on October 27, 2025**
Decision Date:	**November 19, 2025**

INTRODUCTION

[1] This appeal concerns the assessment of commercial property located in the Township of Langley (the "Subject"). The 2025 assessed value for the Subject is $14,617,000 of which $13,884,000 is land value and $733,000 is improvement value. The Assessor determines an actual value that is higher than the assessed value but seeks confirmation of the Subject's assessed value. For the reasons that follow, I find the Subject's actual value to be its assessed value for the 2025 roll year.

ISSUES

[2] The main issues in this appeal are whether the assessment of the Subject reflects the actual (market) value at the valuation date of July 1, 2024, and whether the Subject is equitably assessed by comparison to the assessments of similar properties in the jurisdiction.

PROPERTY DESCRIPTION

[3] The Subject is located along Fraser Highway between Murrayville and Aldergrove in the Township of Langley (the "Township") and is currently used as a facility for boat and recreational vehicle storage, repair and sales. It is improved with three Quonset structures with a combined floor area of approximately 46,302 square feet and a 972 square foot office trailer and repair shop built on a relatively flat, five acre (217,000 square foot) rectangular shaped lot. The Subject is serviced with municipal sanitary services at the lot line but not municipal water, which is typical with the surrounding properties.

[4] The Subject is zoned C-3 Service Commercial and is designated Development Permit Area B for Rural Commercial/Industrial for commercial and industrial uses within the Township's Rural Community Plan. The Subject is also part of the Fraser Highway Employment Lands Area Plan (the "Plan"), which is currently in development and is intended to support future employment-oriented redevelopment by redesignating existing commercial and rural properties to employment and industrial uses over time.

PRELIMINARY ISSUE

[5] The Appellant's submission includes references and summaries of legal cases that do not exist. In response to an initial letter from the Board dated October 2, 2025, requesting a copy of a referenced case in their final reply submission, the Appellant introduced and summarised a second legal case that was also unverifiable by the Board. Following a second letter from the Board dated October 20, 2025, seeking additional clarification, the Appellant confirmed that the references and summaries provided were produced with the assistance of artificial intelligence (AI) and acknowledged the cases do not correspond to verifiable British Columbia court decisions. The Appellant took full responsibility for the oversight and accordingly, withdrew both case references and the related summaries.

[6] The Board's Code of Conduct (the "Code") outlines the expectations and responsibilities for all participants to appeals before the Board to ensure the principles of procedural fairness and natural justice are withheld. Sections 2.3 and 6.1 of the Code require participants to present their case honestly and act in good faith and ensure that all evidence submitted to the Board is relevant, accurate and verifiable. Where AI has been used to prepare or assist in the production of evidence, section 6.3 requires participants to disclose that reliance to maintain transparency and assist the Board in evaluating the reliability of the materials before the Board. Submitting evidence that is inaccurate, misleading or manipulated constitutes a breach of the Code under section 6.4, which may result in sanctions that include, amongst other things, the exclusion of evidence or the dismissal of the appeal.

[7] A breach of the Code also violates the Board's Rules of Practice and Procedure, namely Rule 21(1), which stipulates:

> 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.

[8] Section 60 of the *Assessment Act* (the "*Act*") gives the Board the statutory authority to award costs. This authority was recently exercised in *Dhillon v. Area 15,* 2025 BCPAAB 20252906 and, most recently in *Ren v. Area 09,* 2025 BCPAAB 20251941, where the Board found that an award for costs against the Appellant may be warranted for their undisclosed use of AI, misrepresentation and failure to correct an inaccurate and misleading submission.

[9] I find the Appellant has breached the Code in this case by failing to disclose the use of AI in the preparation of their submission, by failing to ensure that all evidence submitted is accurate, relevant and verifiable and by submitting evidence that is manipulated and misleading. These actions contravene the obligations set out in the Code.

[10] Participants appearing before the Board are reminded that the use of AI in preparing evidence or submissions must be fully disclosed at the time of their submission and that all such materials are independently verified for accuracy. The submission of fabricated or unverifiable evidence, unintentional or otherwise, undermines the integrity of the appeal process and results in a considerable waste of resources. This is not acceptable under any circumstance.

[11] I accept that the Appellant assumed responsibility for the oversight and, upon realizing the cited cases do not correspond to verifiable court decisions, withdrew the inaccurate evidence from the record to correct their submission. I find that an award of costs is not warranted in this case but find that all portions of the Appellant's argument that rely on the unverifiable evidence shall be excluded from the evidentiary record of this appeal. The Board cautions the Appellant to ensure full compliance with the Code should they appear before the Board in future proceedings.

EVIDENCE AND ANALYSIS

Highest and Best Use

[12] Highest and best use (HBU) is defined by the Appraisal Institute of Canada as, "the reasonably probable use of real property that is physically possible, legally permissible, financially feasible and maximally productive and that results in the highest value" (*Canadian*

Uniform Standards of Professional Appraisal Practice, Appraisal Institute of Canada, 2015, p.5).

[13] The Assessor submits that market evidence indicates comparable properties in the area are being valued and acquired for both continued commercial use and eventual redevelopment, and that such continued commercial use and eventual redevelopment is financially feasible and maximally productive. The Assessor notes that large scale redevelopment is physically possible on the Subject's 5-acre lot when municipal water servicing is available and that industrial and employment-oriented redevelopment is legally permissible, despite the pending finalization of the Plan, as evidenced by the approved rezoning of two adjacent lots to M-1B Service Industrial zoning in April 2024. The Assessor says the newly rezoned adjacent lots also share the same servicing constraints as the Subject. For these reasons, the Assessor says the Subject's highest and best use is its current commercial use, held for future redevelopment consistent with the Fraser Highway Employment Lands Area Plan.

[14] The Appellant says the Subject's HBU should not encompass future redevelopment potential, noting that the potential value under future rezoning is speculative since the Plan is simply a policy document and not an enacted zoning. The Appellant says, from an active owner-operator perspective, the Subject should be valued based solely on its current use and zoning, not on hypothetical future uses or atypical transactions that do not represent the broader market.

[15] In rebuttal, the Assessor says the Appellant's interpretation of HBU as limited to existing use is inconsistent with accepted appraisal principles. The Assessor says market transactions demonstrate that purchasers are pricing similar lands based on both current zoning and the reasonable expectation of transition under the Plan.

[16] In final reply, the Appellant says redevelopment for employment-oriented use does not meet the tests of reasonable probability and legal permissibility under HBU analysis, given the absence of municipal servicing and the fact that the Plan is not enacted.

[17] The Assessor says future redevelopment is both physically possible and financially feasible, which was not disputed by the Appellant, and I find the successful rezoning of the two lots adjacent to the Subject to M-1B Industrial in April 2024 is persuasive evidence that industrial and employment-oriented redevelopment for the Subject is both reasonably probable and legally permissible. I find the Subject's HBU is interim holding under its current use for future redevelopment under the Fraser Highway Employment Lands Area Plan.

Market Valuation

[18] The *Act* requires that each property is appraised at its actual value as at the valuation date of July 1, 2024 for the 2025 roll year. The actual or market value is the most probable price for which the property should sell at the valuation date after reasonable exposure in a competitive market.

[19] The Assessor relies on the sale of three properties located along Fraser Highway to support their opinion of actual value.

[20] Sale 1 located at 23210 Fraser Highway is a vacant 5,736 square foot, two-storey building constructed in 1950 on a 1.54-acre (66,870 square foot) lot zoned C-3 Service Commercial. The lot has a sanitary connection to the lot line but no municipal water services. The property is designated Rural Commercial/Industrial in the Rural Community Plan falls within the Plan. It sold twenty-five days following the Valuation Date on July 26, 2024, for $6,500,000, equivalent to approximately $97.00 per square foot of land. The Assessor says although this sale is smaller than the Subject, it is in closer proximity to municipal service connections and is therefore superior overall to the Subject.

[21] Sale 2 located at 3950 240 Street, Langley is a vacant 1.22-acre (52,957 square foot) lot without municipal water and sanitary connections that is partially zoned C-3 Service Commercial (62%) and RU-1 Rural (62%), which permits agricultural and residential use. It is designated Rural Commercial/Industrial in the Rural Community Plan and falls within the Fraser Highway Employment Lands Area Plan. It sold approximately 10 months prior to the valuation date on September 4, 2023, for $3,600,000, equivalent to approximately $68.00 per

square foot of land. The Assessor says this sale is overall inferior to the Subject given that it is smaller with partial commercial zoning and lack of services onsite.

[22] Sale 3 located at 23305 Old Yale Road, Langley is a single-family dwelling built in 1980 on an approximate 6.02 acres (261,360 square foot) lot zoned RU-1. The lot has sanitary service but no municipal water services. The property is designated Rural in the Rural Community Plan and falls within the Plan. It sold approximately 14 months prior to the valuation date on April 26, 2023, for $14,000,000, equivalent to approximately $54.00 per square foot. The Assessor says this sale is overall inferior to the Subject given its Rural zoning designation.

[23] The Assessor's sales present a value range per square foot of land of between $54.00 and $97.00. The Assessor places more weight on Sales 1 and 2 based on their C-3 Commercial zoning and presents a narrower value range of $68.00 (Sale 2) to $97.00 (Sale 1) per square foot of land for the Subject. The Assessor says a land value for the Subject that is slightly above the bottom end of the range is reasonable in consideration of the Subject's larger land area in comparison to Sales 1 and 2. The Assessor concludes a land value of $15,246,000, equivalent to $70.00 per square foot of land. Adding the Subject's assessed improvement value of $733,000, the Assessor concludes a total actual value of $15,979,000 for the Subject at the valuation date.

[24] The Appellant says the Subject's assessed value is disproportionately influenced by speculative acquisitions from large-scale developers that have a financial advantages, which enable them to pay higher and artificially inflated priced that do not reflect fair market value. The Appellant contends such transactions are not arms-length, open market sales reflective of the Subject's value to an owner in continued use and therefore should not be relied upon. For these reasons, the Appellant submits the Subjects assessed value does not accurately reflect fair market value for the Subject in its current use.

[25] The Appellant concludes the actual value for the Subject is too high but does not propose an alternative opinion of actual value. Rather, the Appellant asks the Board to exercise its discretion to adjust the assessment to better reflect the realities of their business

use, current zoning and consider the economic harm caused by speculative valuation models.

[26] In rebuttal, the Assessor says all the comparable sales were verified as bona-fide, arm's length transactions involving developers, investors and owner-operators, each of whom the Assessor says are valid market participants. The Assessor notes that the Act does not limit actual value to the owner-operator value but requires consideration of the price the property would command in an open market. The Assessor contends that different buyer motivations, whether investment, redevelopment or otherwise, are inherent in normal market dynamics and not a reason to invalidate a sale.

Analysis & Findings

[27] The Board does not have discretionary authority to adjust a property assessment under appeal for any purpose other than to ensure, as provided under section 57(1) of the *Act,* that the assessment is accurate, at actual value and applied in a consistent manner within the jurisdiction. 'Actual value' is defined as the most probable price for which a property should sell at the valuation date after reasonable exposure in a competitive market.

[28] The best evidence of a property's actual value is the sale of the Subject itself. The Board rarely benefits from such evidence and in most cases, must rely on the sale of comparable properties adjusted for relevant differences. In this case, the Assessor presents three sales to derive actual value. The Appellant says these sales are unreliable, contending that they sold for artificially inflated prices due to developer speculation and/or special financial advantages, but does not present evidence in support of any non-market influences. In an open competitive market, I agree with the Assessor that developers, investors and owner occupiers, each with different buyer motivations, are valid market participants, and I find that bona-fide, arm's length transactions involving any of these buyers can be reliably regarded as market transactions. If developers and investors are willing to pay more than an owner-occupiers in an open market, those prices represent market value, as they reflect the amounts willing purchasers would pay, and willing sellers would accept after negotiations under open market conditions. In the absence of evidence demonstrating that the sales

before me are non-market transactions or outliers, I accept them as valid indicators of actual value and will give them appropriate consideration in my analysis.

[29] The Assessor's report is the only evidence I have to determine actual value. Overall, I find the Assessor's analysis problematic. The comparable sales have not been adjusted for relevant differences in time of sale, lot size, land-use designation and/or servicing constraints. More concerning however, is that the Assessor relies on the comparable sales solely to derive a market land value and then simply adopts the assessed improvement value, which is not supported by market evidence, in arriving at their market value conclusion. I do not accept the Assessor's opinion of actual value as a result.

[30] Of the three comparable sales before me, I find Sale 3, although most similar in size to the Subject, to be the least reliable. It differs both in its existing zoning and its plan designation – having rural designations respectively compared to the Subject's existing commercial zoning and commercial/industrial plan designation – and therefore reflects a different highest and best use. I will place little weight on this sale.

[31] I find Sale 2 to be inferior. Although the property has the same land use designation as the Subject under the Plan, its existing zoning is split between commercial and rural residential, and the property has no sanitary or water service available.

[32] I find Sale 1 to be the best comparable. It has the same zoning and future land use designation under the Plan and like the Subject, Sale 1 has sanitary to the lot line but no water services. However, the improvements on Sale 1 are vacant, whereas the Subject contains an operating business, which would contribute to a higher interim holding value for the Subject, meaning if all else being equal, I would find Sale 1 to be inferior to the Subject. Given that the Subject is approximately three times larger than Sale 1, I find a lower price per square foot for the Subject than that indicated by Sale 1 to be reasonable, in consideration of the principle of diminishing returns.

[33] Based on the foregoing, I find the price per square foot for the Subject should fall at some point below $97.00 but above $68.00. On evidence, and without additional evidence to establish precisely where within this range the Subject's value should fall, I find a value at the

lower mid-point of the range of $74.50 per square foot, equivalent to a rounded total value of $16,167,000, to be the Subject's actual value at the valuation date.

Equity

[34] Property owners are entitled to have their property assessed at the lower of actual (or market) value or an equitable value. Neither actual nor equitable value is an absolute number; rather, there is a range of both actual and equitable values. Actual value reflects the probable selling price as of, in this case, July 1, 2024. Equitable value reflects the concept that the assessments for properties within the same competitive market set and taxing jurisdiction should be determined consistently. The Board's authority to ensure that a given assessment is equitable flows from section 57(1)(a) of the *Act,* which provides that the Board is empowered to "ensure accuracy and that assessments are at actual value applied in a consistent manner in the municipality…"

[35] The Appellant submits that the Assessor's reliance on outlier sales that are artificially inflated by developers and investment firms contravene the uniformity and equity provisions of the *Act* that require assessments be applied equitably within a municipality. The Appellant contends that the Subject's assessment is therefore inequitable, as it is disproportionally influenced by outlier transaction that do not reflect the broader market. The Appellant submits one equity comparable located at 3650 248 Street, Aldergrove. It is improved with a four-storey building constructed on a 6.32-acre lot with a land assessment of $2,778,481. The Appellant notes this property is fully serviced yet shares the same land assessment per acre as the Subject, arguing that the Subject's assessment should be lower.

[36] In rebuttal, the Assessor submits that the Appellant's interpretation of fairness, equity and uniformity is incorrect, clarifying that equity and uniformity relate to ensuring that similar properties are assessed on a consistent basis. The Assessor says that fairness and equity in assessments are achieved by applying the legislated standard consistently across all properties and in line with market evidence and does not serve to override market value or invalidate bona fide and arms-length sales transactions.

[37] Regarding the Appellant's equity comparable, the Assessor notes similar land values do not indicate inequity, as the total assessed values appropriately reflect the differing characteristics of each property. The Assessor says that equity in assessment is determined on the total property value and not individual components therefore similar land values do not indicate inequity.

[38] The Assessor submits the assessment of 6 properties within the Subject's competitive set. Like the Subject, all of the properties are commercially zoned with sanitary service but no water service and located along the portion of the Fraser highway Corridor. The Assessor presents an assessed value range of between $64 per square foot and $85 per square foot of land and says the Subject's assessed land value at the lowest end of the range is reasonable and within the equitable value range given that it has the largest land area. The Assessor submits the Subject is equitably assessed.

[39] I find the Assessor's evidence does not necessarily demonstrate the Subject's assessment was equitable (or inequitable), but simply that the Subject's land is assessed at the lower end of the range of assessed land values per square foot. Similarly, the Appellant's equity analysis is not how you evaluate whether an assessment is equitable (or inequitable).

[40] The *Act* requires the Board to ensure that a property assessment under appeal is equitable by ensuring that assessments for properties within the same competitive market set and taxing jurisdiction are determined and applied consistently. Equity is often evaluated by comparing the assessments for the properties under appeal with those of similar properties trading within the same competitive set and taxing jurisdiction relative to their actual values. If for example, it is found that a group of similar properties or a competitive set is consistently assessed at 90% of its actual value, then an assessment of a property within that set at 100% (full market/actual value) would be inequitable and deserving of a reduction on the basis of equity. In this regard, the assessment to sales ratios (ASRs) for Sale 1 provides some insight of what the level of assessment is relative to their actual value for a property similar to the Subject. The ASR for Sale 1 that sold for $6,500,000 and assessed at $5,84,200 is 0.87%, which indicates that the property was under assessed. However, there is no evidence before me to suggest that isolating this one comparable for use as the Subject's competitive set for

equity analysis would be appropriate. Overall, I do not have sufficient evidence to conclude that assessing the Subject at its actual value would be inequitable.

CONCLUSION

[41] Based on the limited evidence before me, I find the Subject's actual value to be higher than its assessed value, however, the Appellant was not put on notice that an increase to their assessment was a potential outcome of this appeal, and the Assessor is only seeking confirmation of its assessed value, I confirm the assessed value for the Subject

ORDER

[42] The Board confirms the decision of the 2025 Property Assessment Review Panel as follows:

Roll No. 15-35-311-03462111-19:

Land:	Class 6 - Business and Other	$	13,884,000
Improvements:	Class 6 - Business and Other	$	733,000
Total Assessed Value:		$	14,617,000

FOR THE BOARD

Howard Mak
Panel Chair