



Fractional Ownership (Undivided Interests, Cooperatives, and Membership Campgrounds) Policy

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Purpose

This assessment policy ensures that BC Assessment (BCA) staff consistently identify, value, and systemize land cooperative, improve cooperative, undivided interest, and membership campground properties.

Fractional Ownership Properties Importance

Fractional ownership properties primarily fall under four categories:

- Land cooperative or Multi-Dwelling Leased Parcel;
- Improved Cooperative;
- Undivided Interest; and
- Membership Campground.

Each property type has a different and distinct ownership structure from the other but all allow for multiple parties to a part interest in the property (e.g., undivided interest) or a right to exclusively occupy a portion of the property (e.g., land cooperative). It is important that BCA adhere to this policy to:

- adhere to our legislated mandate to separately assess land cooperative improvements;
- provide support for the application of the *Home Owner Grant Act* to the Ministry of Finance and fractional ownership property owners;
- ensure that fractional ownership properties are correctly systemized to produce an accurate and complete assessment roll; and
- ensure that fractional ownership properties are consistently and accurately assessed.



Policy Statements

1. All properties within the scope of this policy must be valued considering the highest and best use (HBU).
2. Land cooperatives and Multi Dwelling Leased Parcels must be systemized as per the [Land Cooperative and Multi Dwelling Leased Parcel Property Requirements](#).
3. Improved cooperatives must be systemized as per the [Improved Cooperative Property Requirements](#).
4. Undivided Interests must be systemized as per the [Undivided Interest Property Requirements](#).
5. Membership Campground properties must be systemized as per the [Membership Campground Property Requirements](#).



Fractional Ownership Property Requirements

Fractional Ownership Property General Requirements

1. All properties within the scope of this policy must be valued considering the highest and best use (HBU).

Land Cooperative and Multi-Dwelling Leased Parcel Property Requirements

1. Land cooperatives must be systemized in the same manner regardless of whether or not they are entitled to the Home Owner Grant (HOG).
2. Property records must be created for each individual shareholder/member of a land cooperative in the name of the land cooperative owner only.
3. Individual land cooperative improvements must be assessed on separate property records from the land for each shareholder/member in the name of the land cooperative owner only.
4. Common improvements on a land cooperative property must be assessed on the primary land cooperative property record in the name of the land cooperative owner only.
5. Manufactured homes on a land cooperative must be separately assessed in the name of the registered land owner.
6. Associated foreshore leases from the Crown must be separately assessed in the name of the appropriate land cooperative and the Crown.
7. Land cooperatives and multi dwelling leased parcel properties may use share transfer data to support another valuation method and as part of a HBU analysis if the share transfer is thoroughly edited to remove:
 - non-assessable items;
 - good will based;
 - personal property; and
 - common land and improvements.

Improved Cooperative Property Requirements

1. Improved cooperative housing properties must not be valued based on share transfer sale data other than to support another approach to valuation.

Undivided Interest Property Requirements

1. Land and improvements exclusively used by the registered interest owner(s) must be assessed on a separate property record in the name of the registered interest owner.
2. Common improvements that all owners equally share and enjoy must be valued on the primary undivided interest property record and the value split amongst all interest owners.



3. Only the Primary property record of an Undivided Interest must receive an assessment notice.
4. Associated foreshore leases from the Crown must be separately assessed in the name of the appropriate undivided interest and the Crown.

Membership Campground Property Requirements

1. Membership campgrounds must be assessed in the name of the registered owner as a single entity based on its highest and best use.
2. Membership campground members must not receive a separate assessment notice in the name of the improvement holder for individual improvements.
3. Manufactured homes located within a membership campground, owned by a party other than the membership campground owner, and where a pad rental is paid must be separately assessed in the name of the manufactured home owner.
4. BCA must provide membership campground owners with a Value Reconciliation report upon request.



Resources

Definitions

- Refer to the [BC Assessment Glossary page](#) for term definitions.

Related Policies

- [Recreational Properties \(Class 08\) Policy](#)

References

- [Assessment Act, R.S.B.C. 1996, c. 20](#)
- [Cooperative Association Act, R.S.B.C. 1996, c. 28](#)
- [Home Owner Grant Act, S.B.C. 1999, c. 194](#)
- [Manufactured Home Tax Act](#)
- [Travel Manufactured Home Exemption Regulation](#)



Appendices

Appendix 1: Background

Land Cooperatives and Multi Dwelling Leased Parcels

Under the *Assessment Act*, sec. 30(2), each individual residential building located on a land cooperative or multi dwelling leased parcel, as defined in the *Home Owner Grant Act*, must be separately assessed. However, land and all improvements are to be assessed to the owner of the land under one roll number. Individual assessments for the improvements only will be provided to owners upon request.

Further to the *Assessment Act*, sec. 30(2), the *Home Owner Grant Act*, sec. 1 defines land cooperatives and multi dwelling leased parcels as:

"land cooperative" means a parcel of land that is owned by a corporation exclusively for the benefit of its shareholders who

- (a) have a right to occupy a portion of the parcel, and
- (b) own shares or shares and other securities in the corporation that have a value equivalent to the value of the portion in relation to the value of the parcel;

In order for a land-owning entity to be a land cooperative under the *Home Owner Grant Act*, it must be incorporated in such a form that is recognized by BC Registry Services which includes:

- validly incorporated as a cooperative association under the *Cooperative Association Act*;
- as a company under the *Business Corporations Act*;
- as a society under the *Societies Act*; or

Additionally, in order to qualify as a land cooperative, the incorporated entity must:

- be owned exclusively for the benefit of the shareholders;
- shareholders own a share valued proportionately to the book value, not the market value, of the underlying land; and
- have shareholders each have a right to occupy respective parts of the land.

Multi dwelling leased parcels are similar to land cooperatives in that the leasehold has exclusive use via a lease. The *Home Owner Grant Act* provides the following definition:

"multi dwelling leased parcel" means a parcel of land on which are located 2 or more residences, the owners of one or more of which, under leases having terms not less than a prescribed number of years, lease portions of the parcel from the owner of the parcel or from a lessee of the owner of the parcel and on which portion the owner of the residence has the owner's residence;

For the purpose of the definition of "multi dwelling leased parcel" in the *Home Owner Grant Act*, sec. 1 the prescribed number of years is one.

Improved Cooperatives

An improved cooperative is typically an apartment building owned by a duly registered corporation whose shareholders have an interest in the land including the use and



enjoyment of particular portions (their suite) of the building, usually set out by way of a lease document. These entitlements are inextricably bound in the value of the property; typically, they are held under long-term leases (99 years) and are registered on title.

Note: This refers to an eligible apartment as defined under the *Home Owner Grant Act*.

Undivided Interests

An undivided interest is defined in the *Appraisal of Real Estate*, Third Canadian Edition, as

"a form of fractional ownership without physical division into shares; it can take the form of a joint tenancy or a tenancy in common."

Ownership in an undivided (partial) interest is achieved by holding a fractional interest (e.g., 1/50th) of a property, registered on title at LTSA that entitles the owner to an interest in the land. Typically, these interests are held by way of a tenancy-in-common. This interest is assessable in the name of the owners. Based upon the case law the value of the individual interests are aggregated on one property record in the name of all of the owners.

Membership Campgrounds

A membership campground provides its members with access to its facilities and use of plots within a development. The campground is usually owned by a corporation or society that holds fee simple title to the lands, however unlike cooperatives, the corporation is not registered as a cooperative.

In some cases, there may be leases (one year or more) at membership campgrounds, thus falling into a multi dwelling leased parcel property category under the *Assessment Act*, sec. 30(2). In these cases, if BC Assessment is aware of a lease, a separate assessment for the improvement, as defined by the *Assessment Act*, should be created.

