



# Seniors' Living Properties Policy

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## Purpose

This Assessment Policy ensures that BC Assessment (BCA) consistently values single-title properties that offer residential and care services for seniors and/or others in need of care/assistance.

## Seniors' Living Importance

A licensed care property is property, or part of, that is licensed by the provincial government to provide housing and health care services. An assisted living residence is a property, or part of a property, other than a community care facility, that provides housing, hospitality services, and assisted living services by or through an operator to three or more adults who are not related by blood or marriage to the operator and do not require, on a regular basis, unscheduled professional health services. It is important that BCA adhere to this policy to:

- adhere to applicable legislation and related legal direction;
- produce an accurate and uniform assessment roll;
- ensure that seniors' living properties are accurately exempt from taxation where applicable; and
- provide local governments and other taxing authorities with a reliable tax base.



## Policy Statements

1. Seniors' living properties must be valued as per [Seniors' Living Valuation Requirements](#).
2. Seniors' living rents, vacancy rates, expense rates, and capitalization rates must be reviewed annually.
3. Seniors' living properties must be placed in Class 01 – Residential except:
  - where there are substantial non-residential uses, in which case those areas must be classified according to their use.
4. BCA must send seniors' living property owners Seniors' Housing Financial Request Letter each year allowing a minimum of 21 days to respond.
5. Seniors' living occupancies must be identified and assigned as per [Seniors' Living Occupancy Standard Requirements](#).
6. Seniors' living adjustments must be coded as per [Seniors' Living Adjustment Requirements](#).



## Seniors' Living Requirements

### Seniors' Living Valuation Requirements

1. Seniors' living facilities are to be valued using a capitalized net operating income (NOI) approach except:
  - in areas where information to support an income valuation is not available, in which case a direct comparison approach or cost approach must be used; or
  - for properties where the current use is not the highest and best use (HBU), in which case it should be valued according to its alternate use or the cost approach.
2. Seniors' living land and improvement values must be apportioned using a building residual approach except:
  - in the case of a strata or an air space parcel;
  - for designated heritage properties; or
  - if the cost approach is used.
3. Licensed care units must use the daily rate per licensed bed as the units of measure.
4. Independent living units must use the dollar per bedroom type (monthly rent) as the units of measure.
5. Economic rates should be recorded to the nearest five-dollar increment and each quality ranking should represent a differential of at least five percent.
6. Improvements within a seniors' living facility that are dedicated to income-generating business uses must not be included in seniors' living rental income and must be valued using:
  - a separate model for each use; and
  - gross leasable area (GLA) as units of measure.

<p><b>Note:</b> Areas used for services ancillary to the provision of seniors' living (e.g., food service, dining, and amenity areas) will not have separate models applied as they are included in the seniors' living rental income.</p>
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7. Deductions for furniture, fixtures and equipment (FF&E) must be made in accordance with the annually approved directive from the Seniors' Living Coordinator.
8. Seniors' living models must have all model expenses combined into one general expense line.

### Seniors' Living General Requirements

1. Seniors' living rents, vacancy rates, expense rates, and capitalization rates must be reviewed annually and changes made in accordance with the Seniors' Living Coordinator's directive.



2. Senior's living properties must be placed in Class 01 – Residential except:
  - where there are substantial non-residential uses (e.g., onsite coffee shop), in which case those areas must be classified according to their use.

**Note:**

Many facilities have small beauty salons or tuck shops that are open on certain days of the week and are generally for the residents only, as a service, and not the general public. The *de minimis* rule applies and these uses are not considered Class 06 – Business and Other.

3. BCA must send seniors' living property owners a financial request letter each year allowing a minimum of 21 days to respond.

## Seniors' Living Occupancy Standard and Coding Requirements

1. Seniors' living occupancies must be applied as per [Appendix 2: Seniors' Living Occupancy Standard](#).

## Seniors' Living Adjustment Requirements

1. Adjustments to seniors' living properties or models must be accompanied by explanatory notes and supporting market evidence as per the following table:

Adjustment Type	Requirement
Manual Adjustment	Any available evidence
Chattel, Furniture Fixture & Equipment, Cost to Cure.	Any available evidence
Model Adjustments	Market study
Size Adjustments	Market study



## Resources

### Definitions

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

### Related Policies

- [Industrial, Commercial and Investment \(ICI\) Sales Policy](#)

### References

- [Assessment Act, R.S.B.C. 1996, c. 20](#)
- [Community Care and Assisted Living Act-Adult Care Regulations](#)
- [Continuing Care Act](#)
- [Hospital Act](#)
- [Land Act, R.S.B.C. 1996, 245](#)
- [Land Title Act, R.S.B.C. 1996, c. 250](#)
- [Prescribed Classes of Property Regulation, B.C. Reg. 438/81](#)
- [Assisted Living Registrar](#) or toll free 1-866-714-3378
- [BC Care Providers Association](#)
- [BC Seniors Living Association](#)
- [Carewest Properties](#)
- [Independent Living BC Program](#) or 1-800-257-7756
- [National Investment Centre for the Seniors Housing and Care Industries](#)
- [Senior Home](#)
- [Seniors Services Society](#)



## Appendices

### Appendix 1: Frequently Asked Questions

**1. Is the number of physical units in a facility the same as the number of licensed units?**

In developing the valuation of any facility, the total number of units should be used. There may be circumstances where, for example, a facility physically has 100 suites but they are only licensed for 80. While the 80 is the current limit for the licensed care beds, there would likely be no restrictions on the operator using the additional 20 beds/suites as independent living units. If they are care type beds/units that are unlicensed, they would not likely be attractive to IL clients (i.e., just a hospital type room with a two-piece washroom). An inspection will likely be required of the facility and the type/condition of the units that are unlicensed. Some are mothballed and used for storage of old equipment because they do not meet current standards set out by the HA – maybe no private bath or ward type rooms instead of privates. It really becomes a HBU question.

**2. Some seniors' living facilities receive subsidies/funding from the provincial government while others do not. Are the subsidies/funding a form of rent control? How should the subsidy income be treated?**

Except for health authority or non-profit situations, in order to develop a full going-concern value, a thorough review of the full financials will be necessary. The operator could be receiving income from three or four different sources. The combination of subsidy/funding and patient-pay will likely make up the full market rate for the units. If we accept that the facility is competently managed with a profit maximization motive then the subsidy/funding income plus the patient-pay income together will determine the NOI.

**3. Should the owner's suite be accounted for in the determination of total units, revenue, or vacancy?**

The economic rate that would be associated with an owner's suite, if suitable for use by a seniors' living resident, should be included in the income stream and an equivalent amount treated as an expense item if the owner is also the property manager. Show suites or guest suites can be excluded from the income stream.

**4. How will the owner's suite be split out during value apportionment?**

No need to split it out if valued at going rate, but allow typical vacancy and expenses.


**5. Is there a threshold for application of the seniors living document?**

No. If the facility is licensed and/or funded, it will be subject to the practices in this document. At this point, the following property types are not included in the scope:

- group homes for the mentally or physically challenged
- residential homes/treatment centres for alcohol or substance abuse
- residential rehab homes or half-way houses
- local or regional health centers or hospitals




## Appendix 2: Seniors' Living Occupancy Standard


<b>Description</b>	Independent Living
<b>Age</b>	Any age
<b>Size</b>	Any size
<b>Defining Features (physical)</b>	Individual residential suites; Common amenity spaces for residents: Lounges Media rooms Library Dining room Commercial kitchen (amenity spaces may comprise 35-45 percent of the total building area)
<b>Other Features (physical)</b>	Any or none of: In-suite kitchenettes Private balcony/patio Elevators 24-hour emergency response system Underground parking
<b>Operating Profile</b>	Supportive services such as housekeeping, meal preparation and/or communal dining, social and recreation programs, shopping assistance and transportation are available to residents Other optional user-fee services may be made available as well Rent is usually market derived and may be subsidized
<b>Example</b>	





<b>Description</b>	Assisted Living
<b>Age</b>	Any age
<b>Size</b>	Any size
<b>Defining Features (physical)</b>	Individual residential suites; Amenity spaces for residents: Lounges Media rooms Library Dining room Commercial kitchen (amenity spaces may comprise 35-45 percent of the total building area) Space used for specialty equipment (e.g., bathing and lift equipment)
<b>Other Features (physical)</b>	Any or none of: In-suite kitchenettes Private balcony/patio Elevators 24-hour emergency response system Underground parking
<b>Operating Profile</b>	Services typically include meals, social and recreational programs, 24-hour emergency response, laundry, housekeeping, supervision or administration of medications and varying degrees of assistance with the activities of daily living such as bathing, dressing and the like Nursing services may or may not be provided Assisted living facilities must be registered with the Assisted Living Registrar. Most costs to residents are market driven and in some cases, may be subsidized by government programs such as Independent Living BC.
<b>Example</b>	



<b>Description</b>	Licensed Care
<b>Age</b>	Any age
<b>Size</b>	Any size
<b>Defining Features (physical)</b>	<p>Private bed-sitting rooms or semi-private rooms of two to four beds and a two-piece ensues or shared washroom</p> <p>Treatment rooms</p> <p>Bathing rooms equipped with specialty tubs and equipment</p> <p>Nurse's stations combined with medication storage areas</p> <p>Commercial kitchen</p> <p>Common dining room and private dining rooms for special wards</p> <p>24-hour emergency response hard-wired in rooms</p>
<b>Other Features (physical)</b>	<p>Any or none of:</p> <p>Private balcony/patio</p> <p>Elevators</p> <p>Underground parking</p>
<b>Operating Profile</b>	<p>Also referred to as LTC, intermediate care or extended care homes, these facilities provide a higher level of care and supervision than assisted living residences; they are geared to persons requiring ongoing, 24-hour supervision, personal nursing care, and/or treatment by skilled nursing staff. Various levels of care are defined to differentiate between the degree of dependency on supervision and services required.</p> <p>Fees may either be through government funding in combination with residents' per diem charges or market driven and paid entirely by the resident. A means test is completed to determine each resident's per diem cost.</p>
<b>Example</b>	



## Appendix 3: Seniors' Living Use Standard

<b>Description</b>	Seniors Licensed Care
<b>Age</b>	Any age
<b>Size</b>	Any size
<b>Defining Features (physical)</b>	<p>Private bed-sitting rooms or semi-private rooms of two to four beds and a two-piece ensuite or shared washroom</p> <p>Lounge rooms</p> <p>Multi-purpose rooms</p> <p>Treatment rooms</p> <p>Bathing rooms equipped with specialty tubs and equipment</p> <p>Nurses' stations combined with medication storage areas</p> <p>Commercial kitchen</p> <p>Common dining room and private dining rooms for special wards</p> <p>24-hour emergency response hard-wired in rooms</p>
<b>Other Features (physical)</b>	<p>Any or none of:</p> <ul style="list-style-type: none"> <li>• Private balcony/patio</li> <li>• Elevators</li> <li>• Underground parking</li> </ul>
<b>Operating Profile</b>	<p>Also referred to as long-term care (LTC), intermediate care, or extended care homes, these facilities provide a higher level of care and supervision than assisted living residences; they are geared to persons requiring ongoing, 24-hour supervision, personal nursing care, and/or treatment by skilled nursing staff. Various levels of care are defined to differentiate between the degree of dependency on supervision and services required.</p> <p>Fees may either be through government funding in combination with residents' per diem charges or market driven and paid entirely by the resident. A means test is completed to determine each resident's per diem cost.</p> <p>Will be licensed under the <i>Continuing Care and Assisted Living Act</i> (CCALA) or under the <i>Hospital Act</i></p> <p>Care oriented with provision of hospitality services</p>



<b>Description</b>	Seniors' Independent and Assisted Living
<b>Age</b>	Any age
<b>Size</b>	Any size
<b>Defining Features (physical)</b>	<p>Individual residential suites;  Amenity spaces for residents (may comprise 35 to 45 percent of total building area):</p> <ul style="list-style-type: none"> <li>• Lounges</li> <li>• Media rooms</li> <li>• Library</li> <li>• Dining room</li> <li>• Commercial kitchen</li> </ul> <p>Space used for specialty equipment (e.g., bathing and lift equipment).  More hospitality oriented as opposed to care oriented.</p>
<b>Other Features (physical)</b>	<p>Any or none of:</p> <ul style="list-style-type: none"> <li>• In-suite kitchenettes</li> <li>• Private balcony/patio</li> <li>• Elevators</li> <li>• 24-hour emergency response system</li> <li>• Underground parking</li> </ul>
<b>Operating Profile</b>	<p>May also be known as retirement residences, retirement homes, supportive housing, retirement living, or retirement communities.</p> <p>Services typically include meals, communal dining, housekeeping, social and recreational programs, 24-hour emergency response, laundry, supervision or administration of medications, shopping assistance, organized transportation, and varying degrees of assistance with the activities of daily living such as bathing, dressing and the like.</p> <p>Nursing/care aid services may or may not be provided</p> <p>Other optional user-fee services may be made available as well</p> <p>Rent is usually market derived and may be subsidized</p> <p>Not to be confused with apartments restricted to 55+ years of age</p>

<b>Code</b>	Seniors Strata – Care, independent and Assisted Living
<b>Age</b>	Any age
<b>Size</b>	Any size
<b>Defining Features (physical)</b>	<ul style="list-style-type: none"> <li>• Individual stratified residential suites/rooms;</li> <li>• Amenity spaces for residents: <ul style="list-style-type: none"> <li>○ Lounges</li> <li>○ Media rooms</li> <li>○ Library</li> <li>○ Dining room</li> <li>○ Commercial kitchen</li> </ul> </li> </ul> <p>(amenity spaces may comprise 35-45 percent of the total building area)</p> <ul style="list-style-type: none"> <li>• Space used for specialty equipment (e.g., bathing and lift equipment)</li> <li>• Can be hospitality oriented, care oriented or combination thereof</li> <li>• Can also be known as retirement residences, retirement homes, supportive housing, retirement living, retirement communities</li> </ul>
<b>Other Features (physical)</b>	<p>Any or none of:</p> <ul style="list-style-type: none"> <li>• In-suite kitchenettes</li> <li>• Private balcony/patio</li> <li>• Elevators</li> </ul>



	<ul style="list-style-type: none"> <li>• 24-hour emergency response system</li> <li>• Underground parking</li> </ul>
<b>Operating Profile</b>	<ul style="list-style-type: none"> <li>• Services typically include meals, communal dining, housekeeping, social and recreational programs, 24- hour emergency response, laundry, supervision or administration of medications, shopping assistance, organized transportation and varying degrees of assistance with the activities of daily living such as Assessment Practices and Procedures Seniors' Housing 25 bathing, dressing and the like</li> <li>• Nursing/care aid services may or may not be provided</li> <li>• Other optional user-fee services may be made available as well</li> <li>• Could be licensed under the Continuing Care and Assisted Living Act (CCALA)</li> <li>• Rent is usually market derived and may be subsidized or funded in the case of care</li> <li>• Not to be confused with condos restricted to 55+ years of age</li> </ul>

<b>Code</b>	Stratified Operational Facility Areas (SOFA)
<b>Age</b>	Any age
<b>Size</b>	Any size
<b>Defining Features (physical)</b>	<ul style="list-style-type: none"> <li>• Strata lots which support the day-to-day operational requirements of the complex/building, which may or may not be limited to public/common use, or may be value-adding facilities for owners, tenants, public, etc.</li> <li>• SOFA areas are commonly associated with accommodation properties such as hotels, seniors housing facilities, and multi-family residential complexes. However, they are also found in shopping centres and office buildings.</li> </ul>
<b>Other Features (physical)</b>	Any or none of stratified: <ul style="list-style-type: none"> <li>• Lobbies</li> <li>• Meeting rooms</li> <li>• Dining areas</li> <li>• Storage areas</li> <li>• Lounges</li> <li>• Restaurants</li> <li>• Business centre</li> <li>• Parking</li> <li>• Activity rooms</li> <li>• Spas – gyms</li> <li>• Hallways &amp; Common areas</li> </ul>
<b>Operating Profile</b>	<p>These stratified operational and facility areas or SOFAs, are often held by strata corporations, developers, and other Assessment Practices and Procedures Seniors' Housing 26 owners to maintain control over as much of the property and/or operations as possible.</p> <p>The owner/developer may choose to:</p> <ul style="list-style-type: none"> <li>• self-manage/operate these areas</li> <li>• appoint a management company to manage operations and control these areas</li> <li>• sell these areas to parties who may be interested in becoming a controlling/managing entity</li> <li>• lease the areas to parties who may be interested in becoming a controlling/managing entity</li> </ul>



<b>Code</b>	Hospitals
<b>Age</b>	Any age
<b>Size</b>	Any size
<b>Defining Features (physical)</b>	<ul style="list-style-type: none"> <li>• Emergency room</li> <li>• Surgical centers</li> <li>• Clinical treatment rooms</li> <li>• Diagnostic treatment centers</li> <li>• Private, semi-private and/or ward style hospital rooms</li> <li>• Lounges/waiting rooms</li> <li>• Offices</li> <li>• Multi-purpose rooms</li> <li>• Specialty equipment throughout</li> <li>• Doctors and nurses' stations</li> <li>• Medication storage areas</li> <li>• Commercial kitchen</li> <li>• Cafeteria</li> <li>• 24-hour emergency response hard wired throughout</li> </ul>
<b>Other Features (physical)</b>	Any or none of: <ul style="list-style-type: none"> <li>• Elevators</li> <li>• Long term residential care</li> <li>• Underground parking</li> </ul>
<b>Operating Profile</b>	Designated as a hospital by the Minister of Health <ul style="list-style-type: none"> <li>• Provides acute care services</li> <li>• Short term and long term medical patients treated on site</li> <li>• Medical daycare services provided on site</li> </ul>

