

Town of Dundurn

Understanding Your Assessment

PROPERTY ASSESSMENT DOES NOT EQUAL PROPERTY TAX

SAMA's role in determining assessed value for properties is just the first part of a process established by provincial legislation. The second part is application of provincial government established tax policy, such as property classes and percentages of value, and statutory exemptions. The third and final part of the process involves municipalities annually determining the local mill rate based on local budget needs. The province sets the mill rate for the education sector. Municipalities then multiply the taxable assessment by the local mill rate* to produce property tax levies, also known as your property tax bill.

(SAMA)		(Province)		(Municipalities and Government)		(Taxpayer)
ASSESSED VALUE	X	PERCENTAGE OF VALUE & EXEMPTIONS	X	MILL RATES*	=	PROPERTY TAXES

*Municipalities have the authority to use a series of tax tools ranging from mill rate factors to minimum taxes. For more information on tax tools and exemptions see the Ministry of Government Relations website.

Market Valuation Standard

For the 2025 Revaluation, Saskatchewan will continue to use the market valuation standard for valuing residential and non-regulated commercial property.

The market valuation standard provides flexibility in determining the assessed value of property. It allows the use of any of the three accepted approaches to value employed in the industry: the sales comparison approach, the cost approach and the property income (rental) approach.

The market valuation standard for residential and non-regulated commercial property requires appraisers to consider:

1. Mass appraisal: the process of preparing assessments for a group of properties as of the valuation base date using standard appraisal methods, employing common data and allowing for statistical testing.
2. All rights that accrue to the real property (estate in fee simple).
3. Typical market conditions for similar property.
4. Quality assurance standards set by SAMA.

2025 REVALUATION

SAMA's goal for the 2025 Revaluation is to provide fair and accurate updated property assessments for our clients and stakeholders to support their ability to provide important services to the public.

SAMA conducts revaluations based on a four-year cycle. 2021 was the year of the last revaluation, and the 2025 Revaluation will see assessed values updated to reflect a new base date of January 1, 2023. The legislated base date means that 2025 values reflect a property's value as of January 1, 2023

RESIDENTIAL LAND ASSESSMENT

To value residential land, appraisers consider its use, location, zoning, and average selling prices. Appraisers also consider services to the land that often affect its value, such as paved streets, sidewalks, sewer and water connections and other similar factors.

Average selling prices are a key consideration in valuing residential land. Neighbourhoods that are subject to similar market influences are identified and average selling prices determined. For SAMA's purposes, neighbourhoods can be defined as part of a municipality, a whole municipality or even a group of municipalities with similar market characteristics.

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RESIDENTIAL BUILDING ASSESSMENT

The depreciated replacement cost of residential buildings is based on the type and quality of construction, average construction costs, the age and condition of the building and average selling prices. All residential buildings and structures are assessed, including porches, decks, garages and other structures that add value to the property. While no record is kept for improvements such as fences, driveways and landscaping features, these do affect average selling prices and are accounted for in the Market Adjustment Factor (MAF).

$$\begin{array}{ccccccc} \text{REPLACEMENT} & & & & \text{MARKET} & & \text{RESIDENTIAL} \\ \text{COST} & - & \text{DEPRECIATION} & \times & \text{ADJUSTMENT} & = & \text{BUILDING} \\ \text{NEW} & & & & \text{FACTOR} & & \text{ASSESSMENT} \end{array}$$

The market valuation standard permits replacement costs to be obtained from different sources. *SAMA's 2023 Cost Guide (Guide)* contains procedures for applying the cost approach plus construction cost tables for residential structures. Additional details on cost guides and the cost approach can be found on SAMA's website at www.sama.sk.ca.

The system also accounts for all types of depreciation: physical deterioration and functional and economic obsolescence. Physical deterioration is calculated using tables set out in the Guide. Functional obsolescence is accounted for with market adjustments. Economic obsolescence, and any other loss or gain in value, is accounted for with the MAF.

COMMERCIAL LAND ASSESSMENT

To value commercial land, appraisers consider its use, location, zoning, and average selling price. Appraisers also consider services to the land that often affect its value, such as paved streets, sidewalks, sewer and water connections, and other similar factors.

Average selling prices are a key consideration in valuing commercial land. Neighbourhoods subject to similar market influences are identified and average selling prices are determined. For SAMA's purposes, neighbourhoods can be defined as part of a municipality, a whole municipality or even a group of municipalities with similar market characteristics.

COMMERCIAL BUILDING ASSESSMENT

The depreciated replacement cost of commercial buildings is based on the average construction costs for various building types and qualities of construction. All commercial buildings and structures are assessed, including sheds, garages, and other structures that add value to the property. While no record is kept for improvements such as fences, driveways and landscaping features, these do affect average selling prices and are accounted for in the Market Adjustment Factor (MAF).

$$\begin{array}{ccccccc} \text{REPLACEMENT} & & & & \text{MARKET} & & \text{RESIDENTIAL} \\ \text{COST} & - & \text{DEPRECIATION} & \times & \text{ADJUSTMENT} & = & \text{BUILDING} \\ \text{NEW} & & & & \text{FACTOR} & & \text{ASSESSMENT} \end{array}$$

The market valuation standard permits replacement costs to be obtained from different sources. *SAMA's 2023 Cost Guide (Guide)* contains procedures for applying the cost approach plus construction cost tables for commercial structure types. Additional details can be found on SAMA's website at www.sama.sk.ca.

The system also accounts for all types of depreciation: physical deterioration, and functional and economic obsolescence. Physical deterioration is calculated using tables set out in the cost guides. Functional obsolescence is accounted for with market adjustments. Economic obsolescence and any other loss or gain in value is accounted for with the MAF.