

An aerial photograph of a city, likely Saskatoon, is shown with a semi-transparent teal overlay. The city features a mix of residential and commercial buildings, streets, and green spaces. The text is overlaid on the upper portion of the image.

Assessment & Valuation

GLOSSARY of TERMS

December 2020

A

Address

Identifies a property location. Typically, it includes a building number and street name.

Adjusted Sale Price

The actual sale price of land or land and building(s) used for the City's sales analysis. The sale price may have been time-adjusted to the base date of January 1, 2019, for the 2021 Reassessment. The sale price is also adjusted to remove any chattels, financing, and business or other non-property interests.

Amended Assessment

An assessed value corrected to the value it should have been at the start of the assessment year. Typically, these are the result of a change to a property discovered after the start of the assessment year.

Annual Assessment

The assessed value for a property at the start of the assessment year.

Appraiser

See assessment appraiser.

Approach to Value

A method used to develop an estimate of value. There are three approaches to real property valuation: Cost Approach, Direct Comparison Approach, and Income Approach. These approaches represent the economic forces within a market (supply and demand) in order to estimate the assessed value of a property. The valuation approach applied depends on the property type and the quality and quantity of data available for analysis.

Assessed Value (Assessment)

The value of a property as of a given date which is calculated solely to distribute property taxes. This value is determined in accordance with *The Cities Act* and standard appraisal practices.

Assessment Appraiser

A person appointed by a municipality to carry out valuations.

Assessment Notice

A notice sent by the City of Saskatoon to the property owner stating the assessment, tax class, and provincial percentage of value of assessment for taxation purposes on a property.

Assessor

A person, appointed by the City, who is responsible for compiling and accurately listing the information that forms the assessment roll.

B

Base date

See Valuation Date.

Board of Revision

The first level of formal appeal for property assessments. The Board consists of individuals appointed by City Council.

Building Value

The total assessed value of all buildings and structures located on a property when using the Cost Approach as determined by *The Cities Act* and the Saskatchewan Assessment Manual.

C

Coefficient

A quantified value attributed to each characteristic within a Multiple Regression Analysis model.

Condo Unit Factor

A legal allocation of a condo's proportional share of the condominium complex out of 10,000. The Condo Unit Factor is indicated on the Condominium Plan.

Condominium

A form of legal ownership of a property consisting of two parts:

- Each owner owns a proportionate share of the common property (roads, parking spaces, recreational facilities, elevators, and lawns).
- Each unit is owned by and registered in the name of the purchaser of the unit.

Condominiums can be residential, commercial, or both.

Condominium – Bare Land

The land parcel is divided into titled vacant land units. The bare land 'unit' is a specific portion of the parcel. A purchaser buys the unit from the developer who typically contracts with the developer to construct a building on the unit. In this sense, the unit is similar to a lot in a subdivision.

Condominium – Building

A building (regular) condominium is sometimes referred to as a standard or normal condominium. The buildings are divided into units, common property, and/or services units. Each unit is assigned a unit factor based on size (typically). This factor is used to calculate each unit's proportionate share of condominium fees used for expenses within the common areas as well as to contribute to a reserve contingency. Typically, this type of condominium will either be a townhouse or apartment style but not limited to such.

Condominium Unit Number

The number on the title for each condominium unit which forms part of the legal description. It may differ from the address.

Cost Approach

An approach that estimates the replacement cost of improvements less depreciation, adding land values based on sales, and adjusted by a Market Adjustment Factor (MAF). [See MAF]

D

Depreciation

A building or structure's loss of value from any cause over a period of time.

Direct Comparison Approach (Sales Comparison Approach)

Estimates an assessed value by using comparable sales data. This approach is based on the premise that a property's market value can be supported by studying the market's reaction to comparable and competitive properties and is appropriately used in larger centres where there is an active sales market.

E

Effective Year Built

The overall year built of all buildings and structures on a property which is calculated to reflect new construction, renovations, and demolitions.

Exemption

Under *The Cities Act*, or other applicable legislation, a property may have its assessed value, or a portion of its assessed value, exempt from annual property taxes. Statutory exemptions are provided for properties such as hospitals, schools, and places of public worship.

F

Fee Simple

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the four powers of government: taxation, expropriation, police powers, and escheat.

Footprint

The land surface area covered by a building or structure.

G-I

Improved Parcel

A parcel of land that contains a building or structure placed on, over, or under the land.

Income Approach (Rental Income Approach)

This approach is used for properties that have lease or rental markets and is based on the premise that the value of a property is directly related to the rental income it generates.

Inventory Date

The date when all property information was extracted from the assessment and taxation system and posted on the City of Saskatoon website.

J-L

Land Value

Land value is used in both the Cost Approach and Direct Comparison Approach. The value of a property's land may be adjusted for items such as lot servicing, street type, and/or lot size.

Lot Size (Parcel Area)

The total area of a property's lot as determined by the City's Geographical Information System.

M

MAF (Market Adjustment Factor)

A factor calculated using sales which is applied to the assessed value of buildings and structures on properties valued by the Cost Approach.

Market Area

A grouping of citywide areas based upon similar characteristics that affect value.

Market Valuation Standard

The legislated requirement for all non-regulated property assessments [*The Cities Act*, s 163 (f.1)]:

- i. Is prepared using mass appraisal
- ii. Is an estimate of the market value of the estate in fee simple of property
- iii. Reflects typical market conditions for similar properties, and
- iv. Meets quality assurance standards established by order of the Agency.
(Agency refers to Saskatchewan Assessment management Agency)

Market Value

The amount a property should realize if it is sold in a competitive and open market by a willing seller to a willing buyer with each acting prudently and knowledgeably and assuming the negotiated amount is not affected by undue stimuli. [*The Cities Act*, s 163 (f.2)]

Marshall Valuation Service

A manual that determines replacement costs for the majority of commercial properties valued using the Cost Approach.

Mass Appraisal

The process of preparing assessed values for a group of properties as of the legislated base date using standard appraisal methods, employing common data, and allowing for statistical testing. [*The Cities Act* s 163 (f.3)]

Multiple Regression Analysis (MRA)

A statistical technique that simultaneously analyzes market variables (lot size, building size, building quality, location, etc.) resulting in an estimate of a market value assessment. MRA is commonly used in the Direct Comparison Approach and Income Approach.

N

Number of Sales

Number of sold properties within a specified time and area (citywide, market area, or valuation neighbourhood) used in analysis.

P

Property Characteristics

Attributes that may influence a property's assessed value determined by statistical testing.

Property Class

Property is classified according to its use through government regulations for the purpose of applying percentages of value. Current property classes include: residential, multi-unit residential, commercial and industrial, seasonal residential, elevators, non-arable (range land), other agricultural, and railway rights of way and pipeline.

Property Type

The type of buildings constructed on a property (i.e. retail, warehouse, office, etc.)

Q-R

Reassessment (Revaluation)

A periodic update of assessed values of all property in the province. In Saskatchewan, this is legislated to occur every four years and updates property values to a more current valuation base date. For the 2021 Reassessment, the legislated valuation base date is January 1, 2019.

Replacement Cost New Less Depreciation (RCNLD)

A depreciated cost estimate of all buildings or structures on a property.

Roll Number

Every property is identified by a roll number - a unique nine-digit number.

S

Sale Date

The month and year in which a property sold.

SAMA (Saskatchewan Assessment Management Agency)

SAMA is an independent agency that provides the property assessment system for Saskatchewan.

Supplemental Number of Months

The number of months within the current year for which a supplementary assessment is valid (i.e. June 1 to December 31 = 7 months). See the definition of a Supplementary Assessment for further information.

Supplementary Assessment

An update to the assessed value that is less than a full year. This is due to a change in the property's characteristics used to determine the original assessment (i.e. new construction, addition, demolition, etc.). A supplementary assessment notice is mailed with a supplementary tax notice. The supplementary tax notice represents the additional property taxes due for the portion of the year in which the changes were made.

T

Taxable Assessment

A value calculated by multiplying the property's assessed value by its provincially legislated percentage of value. The mill rate and mill rate factor are then applied to the taxable assessment to calculate the property's taxes.

Total Leasable Area

The total net rentable area of all buildings on a property.

Total Number of Units

The total number of suites within a multi-residential property.

U

Unfinished Allowance

When a property's assessed value includes an adjustment for partial construction based on a review by an assessment appraiser.

V

Valuation

The calculation of a property's assessed value established in accordance with The Cities Act as of the base date and regulations established by the Saskatchewan Assessment Management Agency (SAMA). The valuation may include a property inspection to determine physical characteristics.

Valuation Date (Base Date)

The legislated date on which a property's assessed value is determined by evaluating market conditions as of that time. A property's assessed value is based on historic market conditions; therefore, it is not reflective of current market values. Property values are updated every four years to reflect a more current valuation date. The base date for the 2021 Reassessment is January 1, 2019.

Y

Year Built

The actual construction year of a building or structure.