



RESORT PROPERTY

The Saskatchewan Assessment Management Agency (SAMA) manages the province's property assessment system developed in consultation with municipalities, stakeholders and the provincial government.

SAMA is responsible for assessment governance of the \$271 billion property assessment base, and a \$2.33 billion property tax base. The Agency provides assessment valuation services to 762 urban, northern and rural municipalities. It is directly responsible for the assessed values of approximately 876,000 properties in the province.

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

VALUATION STANDARD

Resort property is subject to the **market valuation standard** set out in provincial legislation. The market valuation standard 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.

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 sales comparison approach is used for areas and property types with active sales markets. If there are few comparable sales, the cost approach will be used. The income approach is not used for resort residential property because rental income is not the main driver in determining residential property values.

INFO SHEET #4



THE SALES COMPARISON APPROACH

The sales comparison approach is appropriate for determining property assessments for locations and property types with active sales markets.

THE COST APPROACH

The cost approach estimates the replacement cost of a building, less depreciation, adding land values based on market information and relating the resulting building and land values to average selling prices as of the base date using comparable property sales information. This approach is most useful when there are few comparable sales. The cost approach is used in smaller municipalities and for specific property types across Saskatchewan.

LAND ASSESSMENT + RESORT BUILDING ASSESSMENT = ASSESSED VALUE

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NORTH BATTLEFORD

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REGINA

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WEYBURN

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TF: 800-498-0575 (in Sask.)

YORKTON

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P: 306-786-1370
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RESORT LAND ASSESSMENT

To value resort 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 resort 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.

RESORT BUILDING ASSESSMENT

The depreciated replacement cost of resort 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 resort 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.

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.

$$\begin{array}{ccccccc} \text{(SAMA)} & & \text{(Province)} & & \text{(Municipalities and} & & \text{(Taxpayer)} \\ & & & & \text{Government)} & & \\ \text{ASSESSED VALUE} & \times & \text{PERCENTAGE OF VALUE} & \times & \text{MILL RATES*} & = & \text{PROPERTY} \\ & & \text{\& EXEMPTIONS} & & & & \text{TAXES} \end{array}$$

*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.

INFO SHEET #4



SAMA has Information Sheets available on the assessment process for different types of properties. For further information visit SAMA's website or contact your local municipality or any SAMA office.

Please note that for jurisdictions where SAMA provides valuation services, individual property assessed value information is available on SAMA's website at www.sama.sk.ca, by clicking the SAMAView link.

November 2024