

Preface

The Saskatchewan Assessment Management Agency (SAMA)¹ co-ordinates a full revaluation of all properties in the province every four years to coincide with the new base date. The 2013 revaluation will use January 1, 2011 as the base date.

For the 2009 revaluation a market valuation standard was implemented for the first time. Key components of SAMA's "Vision for the 2009 Revaluation" were as follows:

"To build public trust by providing fair, transparent, understandable and defensible property valuations in a results based, mass appraisal, market value assessment system, used for the distribution of taxation.

The principles for the 2009 revaluation are to implement a market value system that:

- 1. Permits the use of the cost, sales comparison, and income approach where appropriate in all jurisdictions;*
- 2. Uses regulation for properties such as agricultural land, oil and gas well production equipment, linear property and heavy industrial property; and..."*

Implementation of this vision required a significant mind set change for all involved. The vision contemplated a move from a sheltered and isolated view of property appraisal methodology to one that embraces contemporary valuation methodologies that accurately measure the economic realities of the real estate market using mass appraisal.

Legislative amendments were necessary to bring about the implementation of the vision. Amendments were made to *The Assessment Management Agency Act*, *The Municipalities Act*, *The Northern Municipalities Act* and *The Cities Act*, which include for example, definitions of the market valuation standard, market value, regulated property assessment valuation standard and regulated property assessment.

The following publications are in use for the 2013 revaluation (January 1, 2013 to December 31, 2016):

- Ø The Saskatchewan Assessment Manual (2011 Base Year) ("Manual"). A regulated document that has the force of law. Applies to properties that fall under the regulated property assessment valuation standard.
- Ø "Market Value Assessment in Saskatchewan Handbook" ("Handbook"). A non-regulated document that does not have the force of law.
- Ø **"SAMA's 2011 Cost Guide" ("Guide"). A non-regulated document that does not have the force of law.**
- Ø The Marshall Valuation Service, published by Marshall & Swift/Boeckh.
- Ø The Residential Cost Handbook, published by Marshall & Swift/Boeckh.

¹ The Saskatchewan Assessment Management Agency (SAMA) manages the province's property assessment system, which has been developed in consultation with municipalities, school divisions, the provincial government and assessment stakeholders from across Saskatchewan. SAMA also provides assessment and other related services to most cities, towns, villages and rural municipalities in the province.

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The primary function of the **Guide** is to provide SAMA's Assessment Services Division a working document with which to apply the cost approach to value to properties that are at the market valuation standard. Direction is given regarding:

- Ø Urban land valuation.
- Ø Replacement cost new rates and procedures for residential improvements.
- Ø Replacement cost new rates and procedures for selected commercial improvements. Marshall Valuation Service will be the primary source for commercial replacement costs.
- Ø Procedures for the application of depreciation.

The **Guide** is intended to effectively integrate with the **Handbook** and Marshall and Swift's Marshall Valuation Service and Residential Cost Handbook.

The **Handbook** provides a general outline of the assessment process as well as individual *Valuation Guides* for the following market valuation standard properties: apartments/multi-residential, manufactured home communities, warehouses, strip commercial properties, office buildings, shopping centres, gas stations, hotels/motels, golf courses, special purpose properties and grain elevators. The **Handbook** describes the three approaches to value but primarily focuses on the income approach.

For the application of the cost approach the **Guide**, Marshall and Swift's Marshall Valuation Service and Residential Cost Handbook, or any other applicable cost guide can be used for the assessment of residential and commercial property.

The Marshall Valuation Service is used to determine the value for the majority of commercial properties valued using the cost approach. It is an authoritative appraisal guide for developing replacement costs of buildings and other improvements. The Residential Cost Handbook can be used for estimating replacement costs for both single and multi-family residences including costs for manufactured housing, and yard and unit-in-place costs.

In summary, the **Handbook** provides direction for the valuation of property but does not have the force of law. The **Guide**, as well as Marshall and Swift's Marshall Valuation Service and Residential Cost Handbook, are publications used in the application of the cost approach to value; they also do not have the force of law. The **Manual** applies to properties subject to the regulated property assessment valuation standard as per legislation and has the force of law. The use of any of the publications must still be in conjunction with relevant Saskatchewan legislation and accompanying regulations and SAMA Board Orders.