

ESTABLISHMENT OF QUALITY ASSURANCE STANDARDS RELATING TO THE
MARKET VALUATION STANDARD

Whereas:

- 1 Clause 12(1)(d) of *The Assessment Management Agency Act* (the “Act”) provides that the agency shall:
“(d) subject to section 12.1, prepare and establish, by order, any assessment manuals, guidelines, handbooks and other materials required for the valuation of property that:
 - (i) in the opinion of the agency, are appropriate; or
 - (ii) are required by a municipal Act;and make orders governing the use of such manuals and materials”.
- 2 Subsection 12.1(1) of the Act requires ministerial approval of orders of the Board of Directors of the Saskatchewan Assessment Management Agency (the “Board”) relating to the establishment of any assessment manuals, guidelines, handbooks and other materials pursuant to clause 12(1)(d) of the Act.
- 3 The Board has made an Order dated December 13, 2013 (the “Board Order”) to establish quality assurance standards, which will be applied as a test by assessment service providers against non-regulated property assessments in Saskatchewan for the years 2017 to 2020.
- 4 The Board has applied to the Minister to have the Board Order approved and provided a report on the Order, including an analysis of the expected effect of the Order.

5 It is in the public interest to approve the Board Order.

Therefore, pursuant to subsection 12.1(4) of *The Assessment Management Agency Act*, I hereby approve the Order of the Saskatchewan Assessment Management Agency dated December 13, 2013 (a copy of which is attached) which approves the establishment of quality assurance standards relating to the market valuation standard which will be applied as a test against non-regulated residential and commercial property assessments in Saskatchewan for the years 2017-2020.

Dated at Regina, Saskatchewan, this 31st day of January, 2014.

Jim Reiter,
Minister of Government Relations and
Minister Responsible for First Nations,
Métis and Northern Affairs.

ORDER

This is an Order pursuant to clause 12(1)(d) of *The Assessment Management Agency Act*, establishing quality assurance standards relating to the market valuation standard which is used to determine non-regulated property assessments as per subclause 163(1)(f.1)(iv) of *The Cities Act*, subclause 193(1)(e.1)(iv) of *The Municipalities Act*, and subclause 215(1)(f)(iv) of *The Northern Municipalities Act, 2010*.

This Order determines the standards, the property groups and the calculation procedure to be used to test for each standard.

The results of each quality assurance standard calculation for all municipalities are to be posted on the Saskatchewan Assessment Management Agency's (SAMA's) website for access to viewing by the public. The Cities of Moose Jaw, Prince Albert, Regina, Saskatoon, and municipalities that carry out their own valuations and revaluations, shall provide their quality assurance standard calculation results to SAMA in a mutually agreed upon format, in sufficient time to permit such quality assurance calculation results to be posted on SAMA's website no later than when the municipality's initial annual assessment roll is posted.

These quality assurance standards apply for the years 2017 to 2020.

In this Order:

“**adjusted sale price**” means the sale price for a property, as determined by the assessment appraiser, with any adjustments deemed appropriate by the assessment appraiser and used in the specification and calibration of the valuation model that has been applied in the municipality;

“**assessed value**” means the full (100%) assessment for the property as calculated by the assessment appraiser from the valuation model that has been applied in the municipality;

“**other property valued using the market valuation standard**” means all property, other than residential property, valued solely using the market valuation standard;

“**property group**” means the residential property in a municipality, or the other property valued using the market valuation standard in the municipality, as the case may be; and

“**residential property**” means property valued solely using the market valuation standard that is used, or intended to be used, for a residential purpose, and includes:

- (a) residential condominiums;
- (b) property with up to three self contained dwelling units; and
- (c) seasonal residential property.

For greater certainty, residential property and other property valued using the market valuation standard shall not be interpreted as including any properties that are, in part, assessed using a regulated property assessment valuation standard including, without limitation, the assessment manual.

The following quality assurance standards are established:

1. The acceptable range for the median assessed value to adjusted sale price ratio for all residential property in a municipality shall be 0.950-1.050, provided that the municipality shall strive to achieve a median assessed value to adjusted sale price ratio of 1.000; and

2. The acceptable range for the median assessed value to adjusted sale price ratio for all other property valued using the market valuation standard in a municipality shall be 0.950-1.050, provided that the municipality shall strive to achieve a median assessed value to adjusted sale price ratio of 1.000.

The median assessed value to adjusted sale price ratio for a property group for a municipality shall be calculated as follows:

- (a) identify all vacant and improved sales used to develop the assessed value for vacant and improved properties in the property group in the municipality;
- (b) determine for each sale in (a) the assessed value (100%) of the property which reflects the property characteristics on the sale date, and the adjusted sale price;
- (c) for each sale in (a), divide the assessed value by the adjusted sale price to calculate the assessed value to sale price ratio (ASR);
- (d) array the ASRs from lowest to highest; and
- (e) select the median ASR of the sales in (a).

For certainty, where sales from outside a municipality are used to develop the assessed value for property in the municipality, such sales shall be used in determining the median assessed value to adjusted sale price ratio for the relevant property group.

Dated at Regina, Saskatchewan, this 13th day of December, 2013.

Neal Hardy,
Chairperson.

Irwin Blank,
Board Secretary.
