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REVALUATION 2025



COMMERCIAL 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

Commercial 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 by allowing the use of any of the three accepted approaches to value employed in the industry: the property income (rental) approach, the cost approach and the sales comparison approach. The income approach will be used for properties that have active lease or rental markets. If there are few comparable sales the cost approach will be used. The sales comparison approach has limited application for commercial property as there are generally not enough sales to support its use.

THE PROPERTY INCOME (RENTAL) APPROACH

The property income (rental) approach to value is based on the premise that the value of a property is directly related to the rental income it will generate. The appraiser analyses both the property's expenses and ability to produce future income, relates that information to sales of comparable properties, and then estimates the property's value. The property income (rental) approach provides the most fair, reliable and accurate assessed values for commercial properties and rental apartments in areas where there are active lease and rental 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. The 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.

INFO SHEET #3

