2017 Revaluation "Results and Expectations"

Presenter – Shaun Cooney
April 12, 2017

2017 Revaluation Update Overview

1. 2017 Revaluation Results / Trends
2. 2017 Revaluation Expectations:
   - Communication
   - Property Appeals
   - Market Trends After Base Date

2017 Revaluation Milestones

Preliminary Values to Government Relations	Ø April 8, 2016 ü
Preliminary Values to Municipalities	Ø Majority Delivered to Municipalities by June 2016 ü
Provincial Tax Classes and Percentages of Value	Ø November 28, 2016 ü
SAMA Govern 6.1 Go-Live Implementation	Ø December 5, 2016 ü
Assessment Rolls and 2017 Property Appeals	Ø In progress ü

2017 Revaluation Results / Trends

Ø Assessment trends reflect a four year economic update between 2013 and 2017 revaluations:

$$\text{Assessment Trend} = \frac{\text{January 1, 2015 Base Date Value}}{\text{January 1, 2011 Base Date Value}}$$

Ø Assessment trends also report physical property changes to March 1, 2017

2017 Revaluation Results / Trends

Ø Graphics represent general provincial trends by property type (includes independent cities)

Ø Comparisons are made with past revaluations
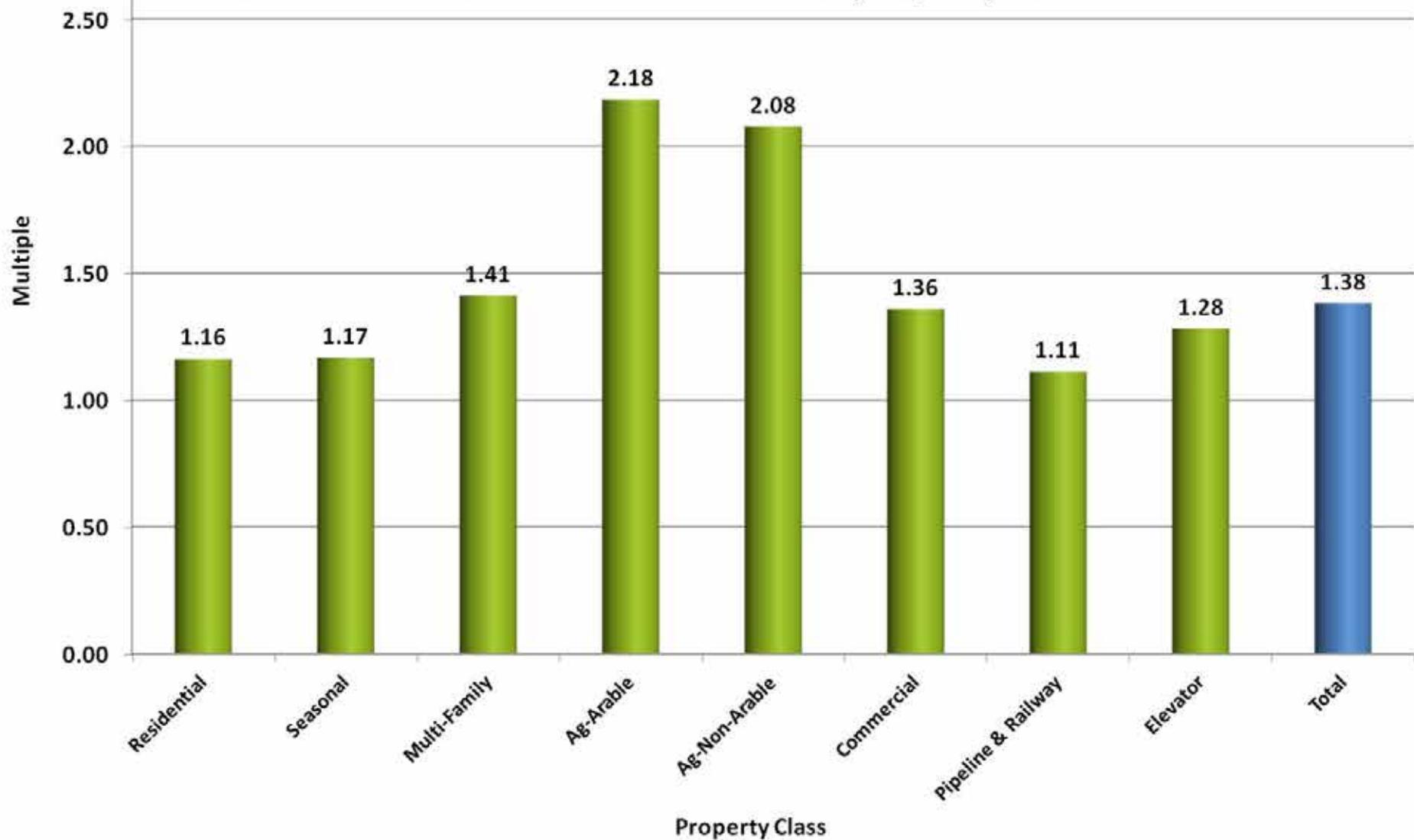
Ø Three levels of trends to consider are:

Provincial

Local

Property

2017 Overall Provincial

100% Assessed Value Trend:

2013	2017	Multiple
$ 175 B	$ 242 B	1.38

Taxable Assessment Trend:

| 2013	2017	Multiple
$ 111 B	$ 160 B	1.44

2017 Revaluation - Provincial 100% Assessed Value Trends (2017/2016) - 8 Classes

2017 Revaluation - Provincial Percentages of Value

| Property Class	2013	2017
Non-Arable Land	40%	45%
Other Agricultural Land	55%	55%
Residential	70%	80%
Multi-Unit Residential	70%	80%
Seasonal Residential	70%	80%
Commercial/Industrial	100%	100%
Elevator	100%	100%
Railway and Pipeline	100%	100%

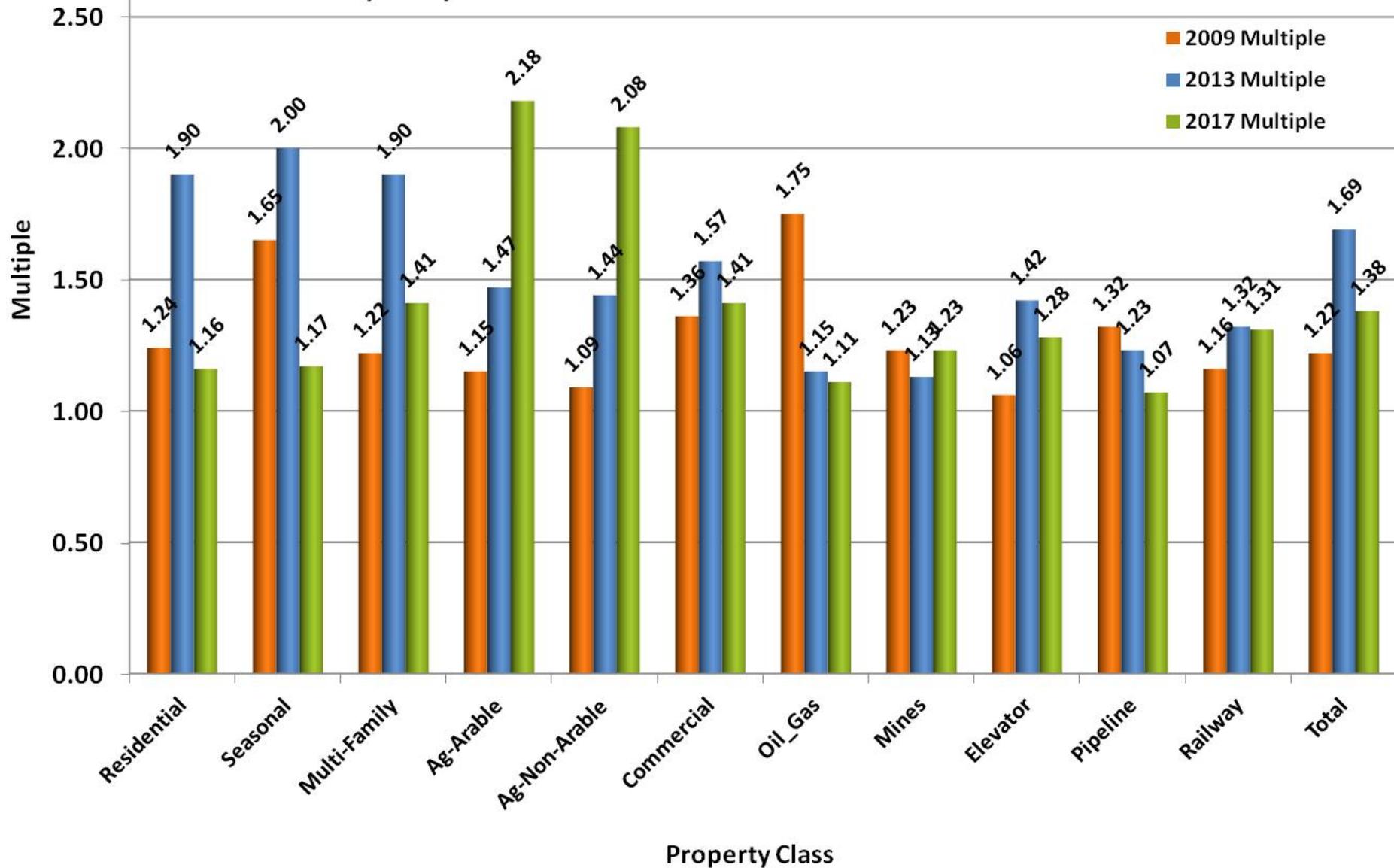2017 Revaluation - Provincial Taxable Assessment Trends (2017/2016) - 8 Classes
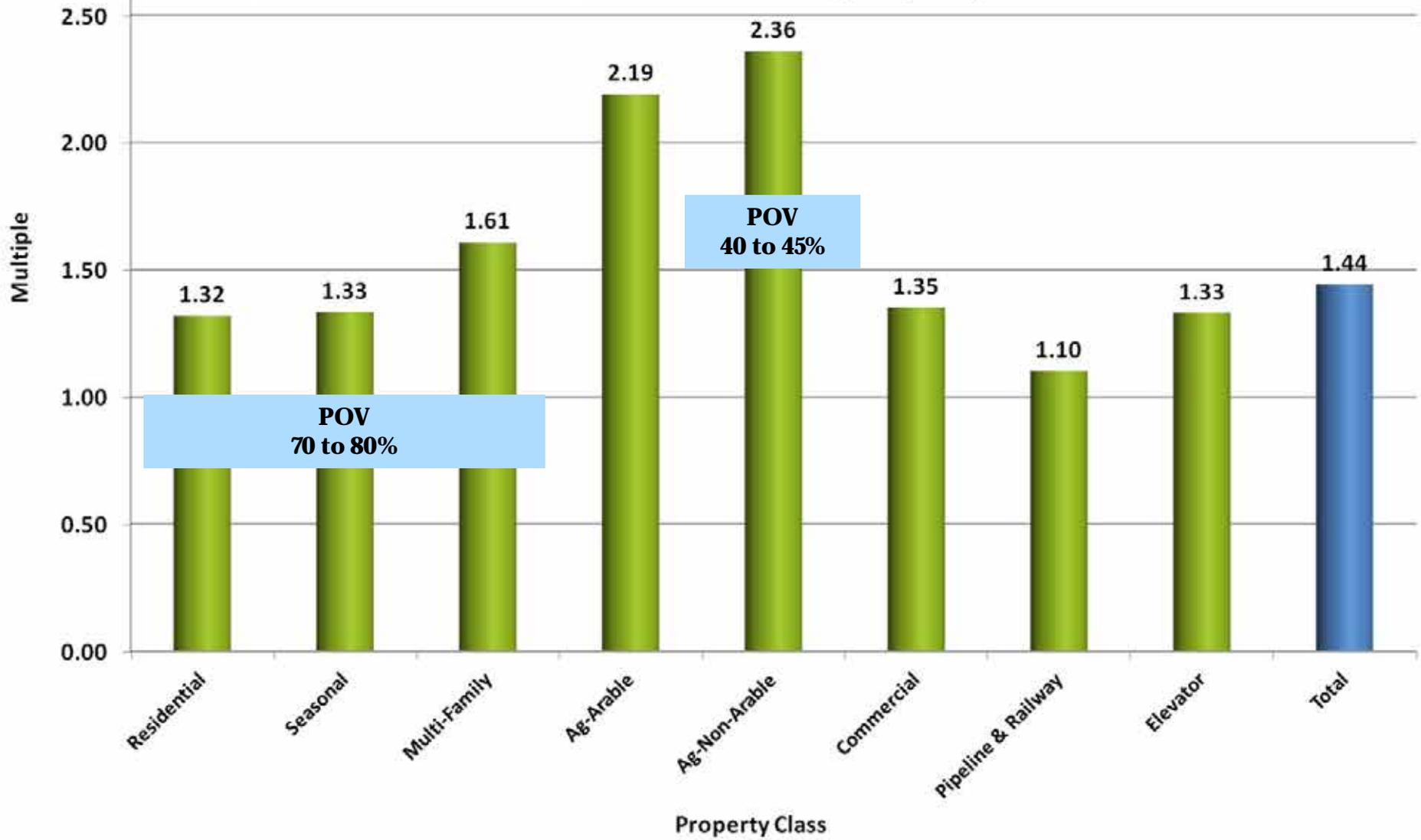
2017 Revaluation - Provincial 100% Assessed Value Trends (2017/2016) -11 Classes
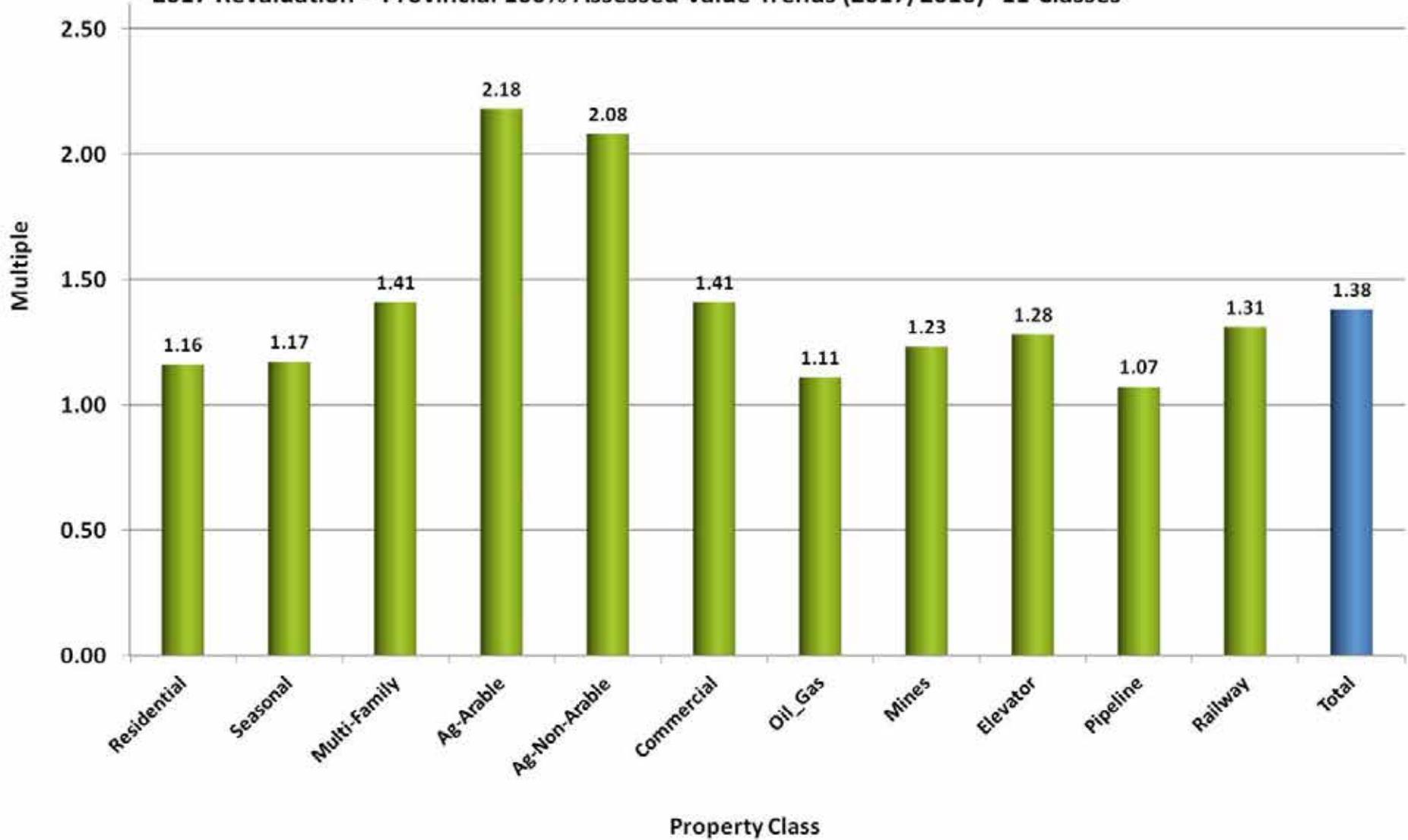
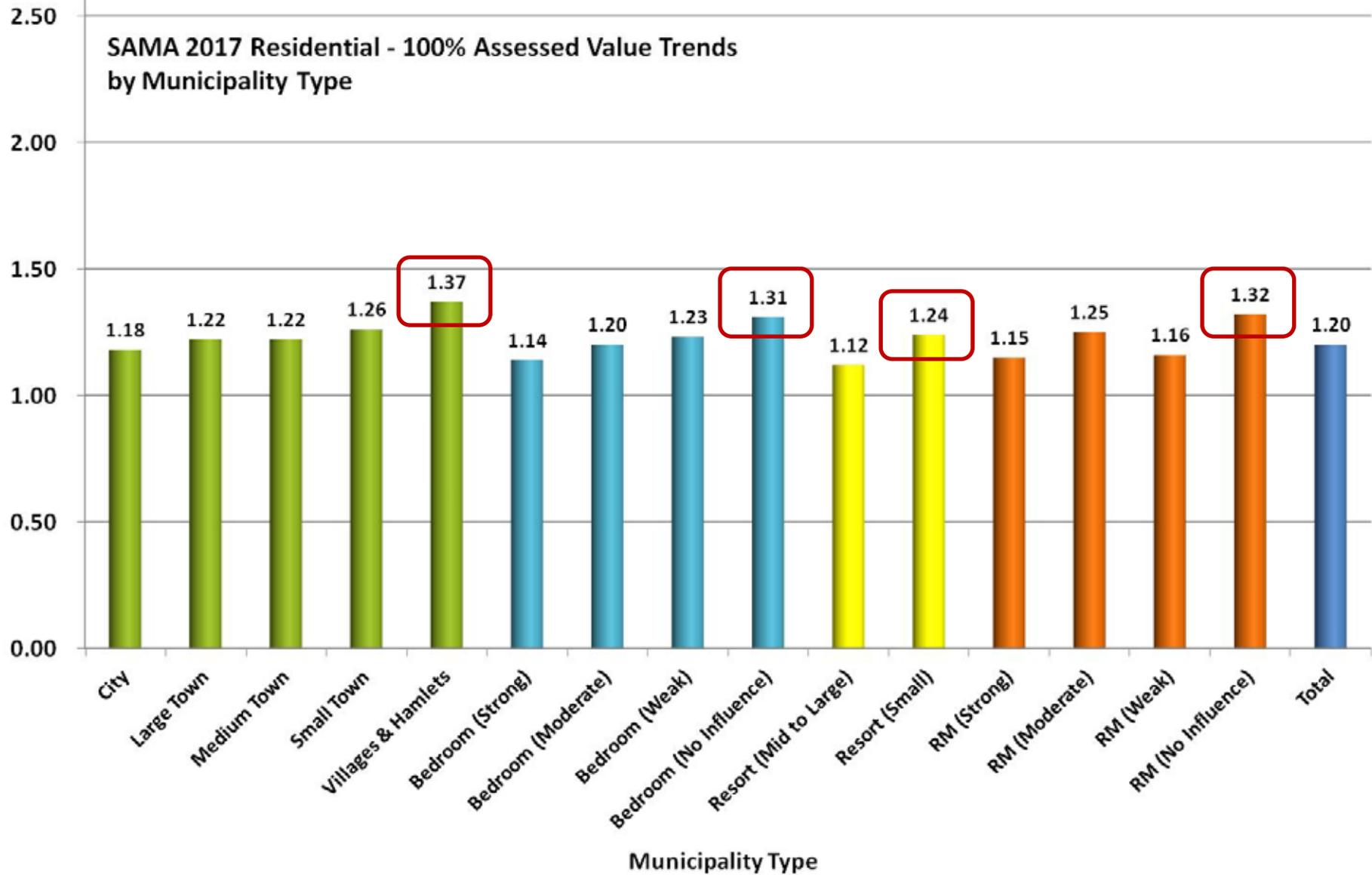Provincial 2013/2017 Revaluations - 100% Assessed Value Trends
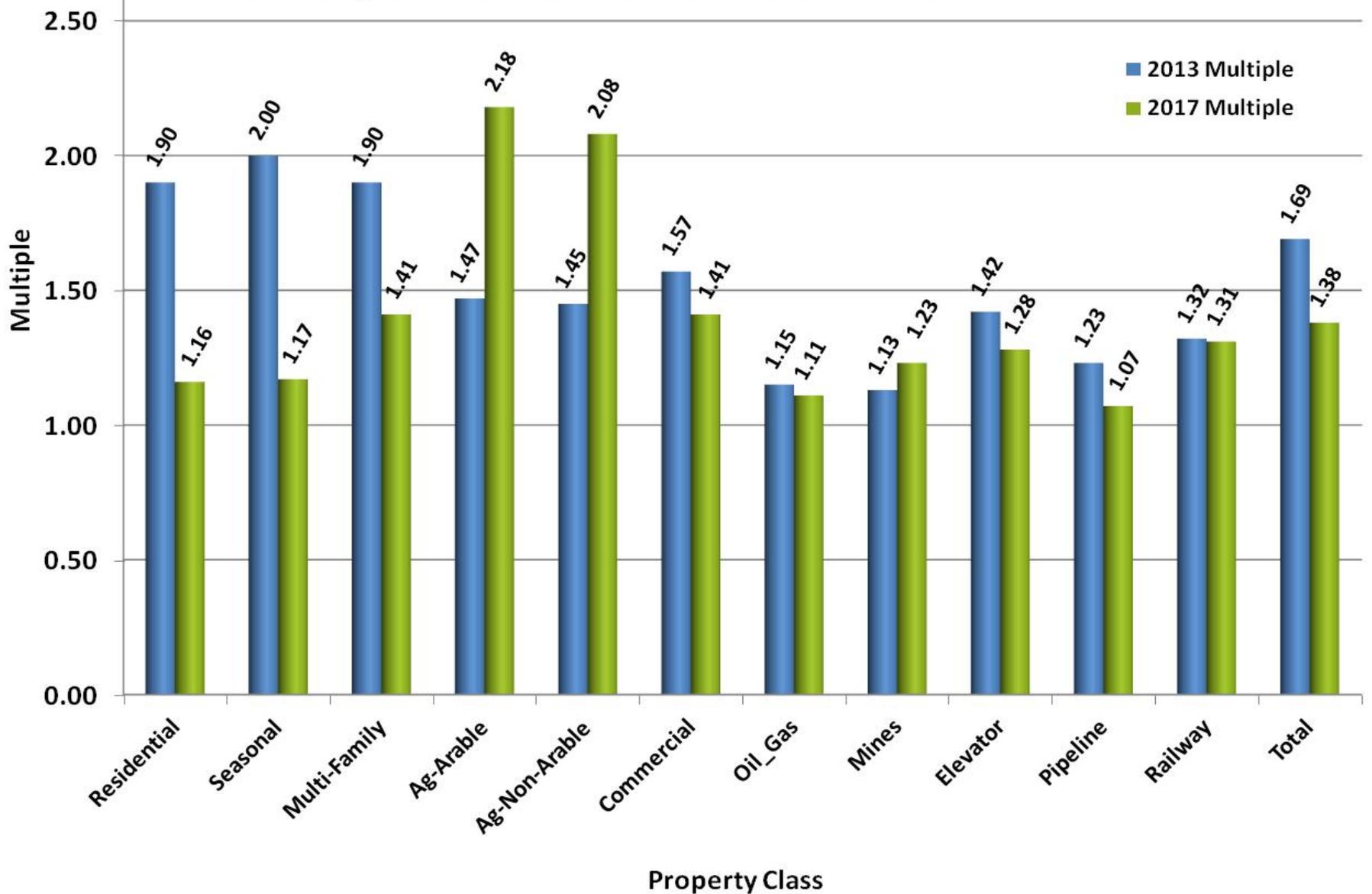
Provincial 2009/2013/2017 Revaluations - 100 % Assessed Value Trends

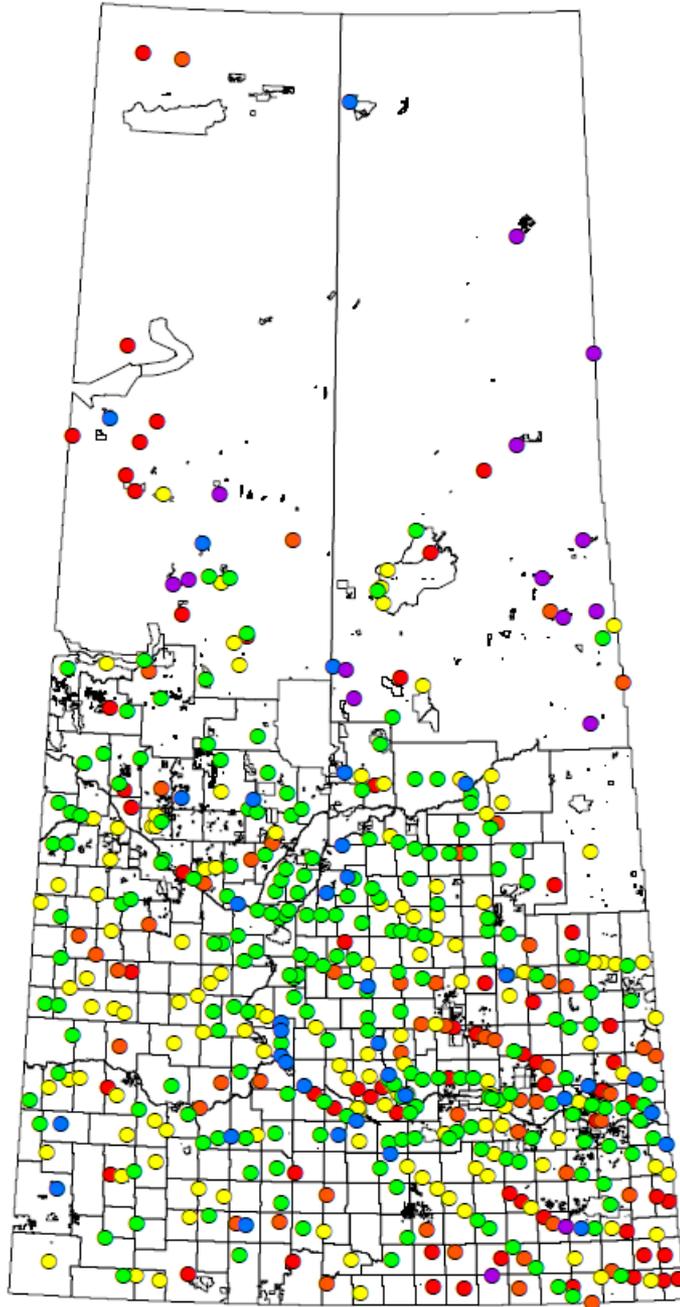SAMA 2017 Residential - 100% Assessed Value Trends by Municipality Type

SAMA Residential Trends in Urban Municipalities

Legend - % Inc/Dec
Median = 1.24

- 🟣 < -40
- 🔵 -40 to -20
- 🟢 -20 to 0
- 🟡 0 to 20
- 🟠 20 to 40
- 🔴 > 40

Appraised Value Shifts for Residential and Commercial based on the 2016 Value & the 2017 Value.
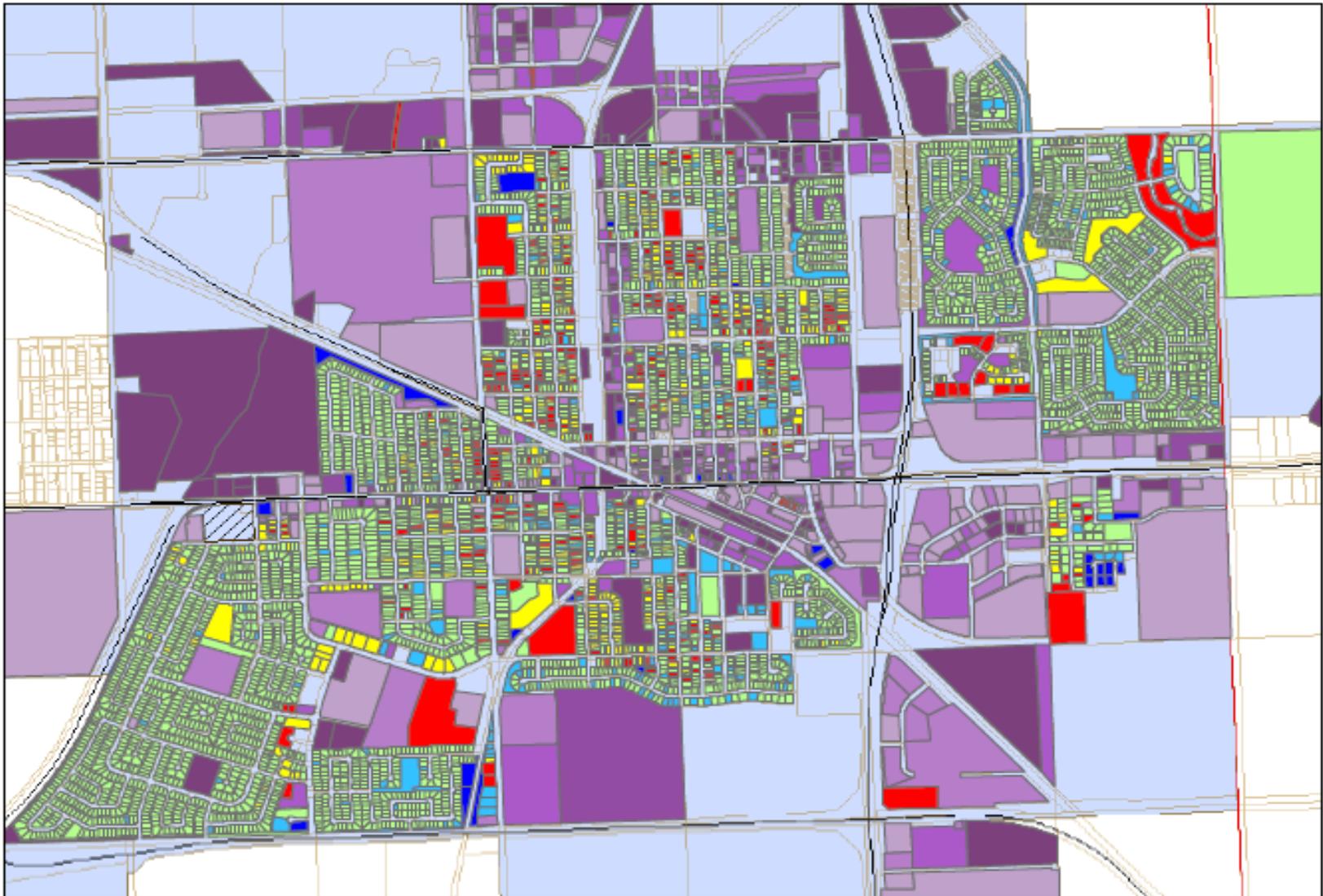Residential   Median 1.25
Commercial   Median 1.70

Legend

ASSESSMENT YOR_RES_APPRAISED
- < -30
- -30 to -10
- -10 to 10
- 10 to 30
- > 30

ASSESSMENT YOR_COM_APPRAISED
- < -30
- -30 to -10
- -10 to 10
- 10 to 30
- > 30

2017 Revaluation - Expectations Communication

Ø Revaluations update all assessments and interrelationships between property values.

Ø Reliance on the assessment base means a closer review of 2017 assessments.

Ø Revaluation communication will be important:

§ Communicate base date concept;

§ All assessments are relative to same base date;

§ Tax policy considerations / Revenue neutral concept;

§ Next update will occur for Jan 1, 2019 base date.

2017 Revaluation - Expectations Property Appeals

Ø The first year of a revaluation typically involves increased property appeal counts.

Ø Currently there is a property appeal backlog dating to 2013.

Ø Important appeal precedents are still being established by the courts.

Ø Planning for 2017 property appeals:

§ What is our appeal tribunal capacity?

§ Municipal appeal loss contingency funds?

2017 Revaluation – Expectations Market Trends after Base Date

- Are we implementing the 2017 revaluation in a market that is declining after Jan 1, 2015?
  - Impact of recent economic downturn in oil and gas sector;
  - Heavy industrial / mining uncertainty (potash, uranium, lumber, etc);
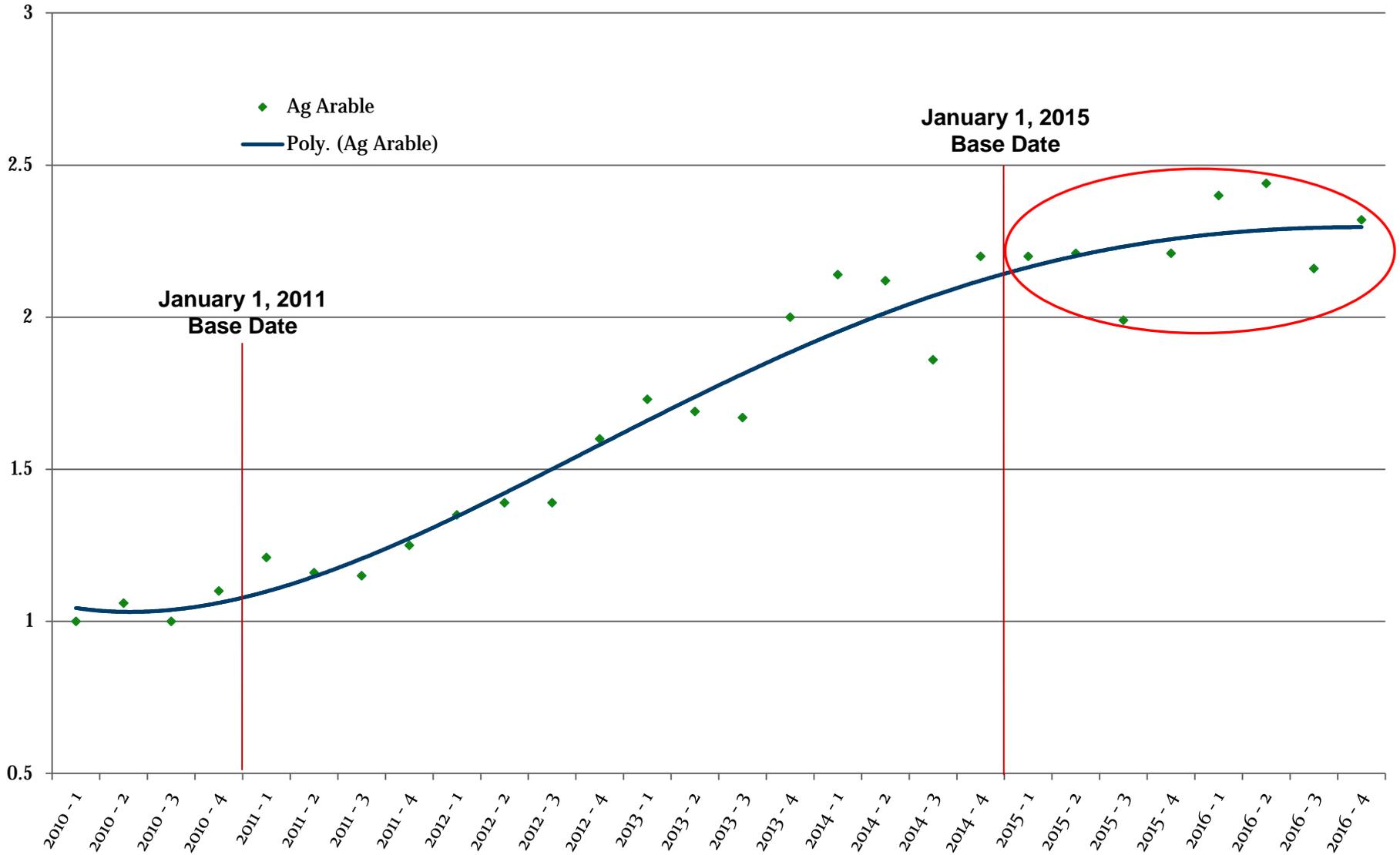 - Are residential and agricultural markets beginning to soften or decline significantly?

Residential Sales Trends

SAMA Residential Sales Trend (Monthly to November 2016)
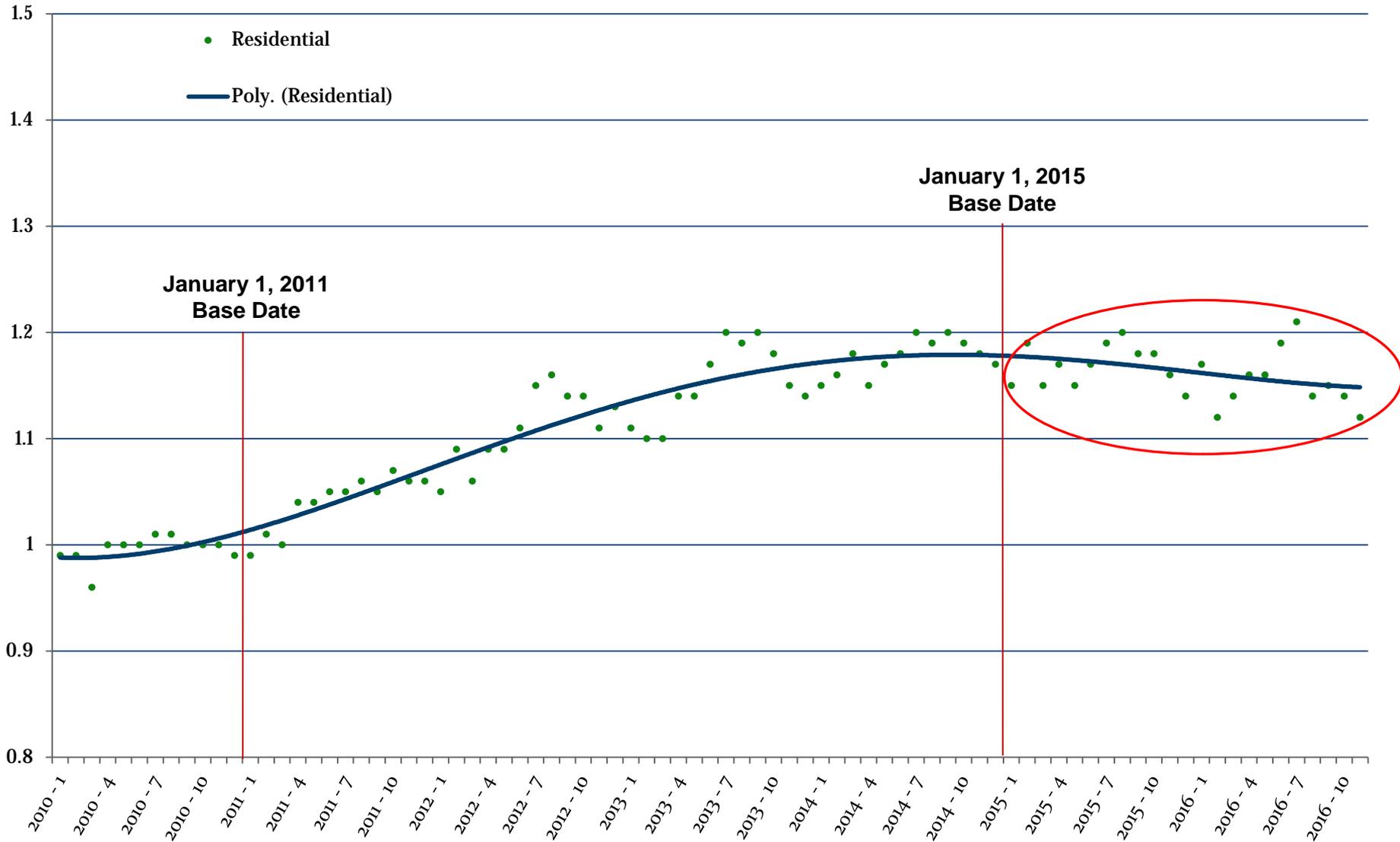
Arable Ag Land Sales Trends

SAMA Arable Ag Land Sales Trend (Quarterly to Nov 2016)

2017 Revaluation Update Summary

Questions?