

# SPECIAL PURPOSE ASSESSMENT MODEL

Revaluation Cycle – January 1, 2021 to December 31, 2024

Base Date: January 1, 2019

# SPECIAL PURPOSE ASSESSMENT MODEL

## Model Identification

The Special Purpose Model is a cost model that values special purpose properties.

The Special Purpose Model is a city-wide model in application.

There are several Assessment Office Neighborhoods [AO NBHDs] located throughout the city. These are combined into a single city-wide Market Area.

**Revaluation Cycle** – January 1, 2021 to December 31, 2024

**Effective Date of Valuation** – January 1, 2019

**Date of Report** – January 1, 2023

## Market Adjustment Factor

Market Adjustment Factor	0.58
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## Ratio Study

Number of Sales	3
Median Assessment to Sale Price Ratio (ASR)	1.00
Coefficient of Dispersion (COD)	5.99%

## Scope of Data and Analysis

### Valuation Approach

The valuation methodology employed for special purpose properties is the cost approach. This is primarily due to the fact that these types of properties are rarely leased and, therefore, do not lend themselves well to the income approach. The use of the direct comparison approach is not ideal due to limited sale numbers and the degree of comparability between properties. These conditions result in numerous adjustments which are difficult to compute and support.

The market-adjusted depreciated cost approach method is the chosen method to value these property types. This method of assessing property involves valuing the land based on sales of similar land parcels and adding the market adjusted depreciated replacement cost of the improvements to the land value. Improvements (buildings and other structures) have their replacement cost estimated using the 2018 Marshall and Swift Cost Manual. The replacement cost differs with the type of structure, quality, size, height, etc. Buildings that are not new have depreciation deducted. The amount of depreciation is influenced by the normal life span of the specific building type and each individual building's age and condition. The depreciated cost of the improvements is then added to the value of the land to determine the overall value of the property.

### Sale MAF Statistics

Stata	Count	Mean	Median	Minimum	Maximum
Total	3	0.59	0.58	0.24	0.94
30028	2	0.59	0.59	0.24	0.94
30105	1	0.58	0.58	0.58	0.58

## Sales

Each valid sale is analyzed then market groups are defined, and a market adjustment factor is determined for each market segment.

There was a total of eight special purpose sales that occurred between 2015 and 2018 that were used in the special purpose analysis. These sales were grouped into a single market area representing special purpose properties city-wide. The sales for the 2021 revaluation cycle did not require a time adjustment.

The median market adjustment factory analysis involved three sales and are detailed in the following table.

Group	Roll	Address	Sale Year	Sale Month	AO NBHD	Land Value	Building Residual	RCNLD	Sale MAF	ASR
1	524819740	1217 11th St W	2017	12	30028	573,113	29,887	122,999	0.24	1.07
1	535026630	301 Hilliard St E	2018	6	30105	694,729	780,271	1,347,848	0.58	1.00
1	504827450	401 Ave I S	2017	11	30028	261,399	106,101	112,522	0.94	0.89

## Ratio Study

In mass appraisal, the most effective means of evaluating the accuracy of appraisals is a ratio study. A ratio study compares the appraised values produced by the valuation models to arm's length sale transactions in the marketplace.

The legislated statistical requirement affecting the assessment of special purpose properties in Saskatchewan is for the median ratio of a city-wide assessment-to-sale ratio study to be within the range of 0.95 to 1.05.

**The median assessment-to-sale ratio and Coefficient of Dispersion for this Special Purpose Model is provided below:**

Number of Sales	3
Median Assessment to Sale Price Ratio (ASR)	1.00
Coefficient of Dispersion (COD)	6.00%