



**Residential Properties
(1 to 3 Units)**

2012 Assessment Brief

Property Tax Account:

Municipal Address:

2012 Assessment:

MASS APPRAISAL

Mass appraisal is a methodology for valuing individual properties which involves the following process:

- properties are stratified into groups of comparable properties
- common property attributes are identified for the properties in each group
- a uniform valuation model is calibrated for each group using market information incorporating the property attributes

Mass Appraisal and Single Property Appraisal

The appraisal process recommended by the Appraisal Institute of Canada is essentially the same for mass appraisals and single-property appraisals. Such differences as do exist are the results of differences of scale. The following two quotations indicate how the International Association of Assessing Officers distinguishes between mass appraisal and single-property appraisal:

... single-property appraisal is the valuation of a particular property as of a given date; mass appraisal is the valuation of many properties as of a given date, using standard procedures and statistical testing.

... Also, mass appraisal requires standardized procedures across many properties. Thus, valuation models developed for mass appraisal purposes must represent supply and demand patterns for groups of properties rather than a single property.

The International Association of Assessing Officers, **Property Appraisal and Assessment Administration**, Chicago, Illinois, 1990, pg.88-89.

Method of Assessment

The City of Edmonton uses multiple regression analysis (MRA) to prepare market value assessments. The analysis utilizes three years of time adjusted sales (*July 1, 2008 to June 30, 2011*) for residential properties in the City of Edmonton. The City of Edmonton uses the date that legal title is transferred at the Land Titles Office to determine the sale date of a property.

Valuation date is July 1, 2011.

Residential Properties (1 to 3 Units)

Residential properties (1 to 3 units) in the City of Edmonton are valued using the Direct Sales Comparison approach. This method is one of three traditional approaches to valuation. It was determined to be the most appropriate method for the valuation of residential properties, as this approach mirrors the actions of buyers and sellers in the market place.

The other two methods of valuation – the Income and Cost approaches – were not used in the valuation of residential properties, as these valuation techniques are more applicable to single titled income producing properties and new construction, respectively.

The City of Edmonton utilizes the MRA process to determine the degree of correlation and the relationship of property attributes on value.

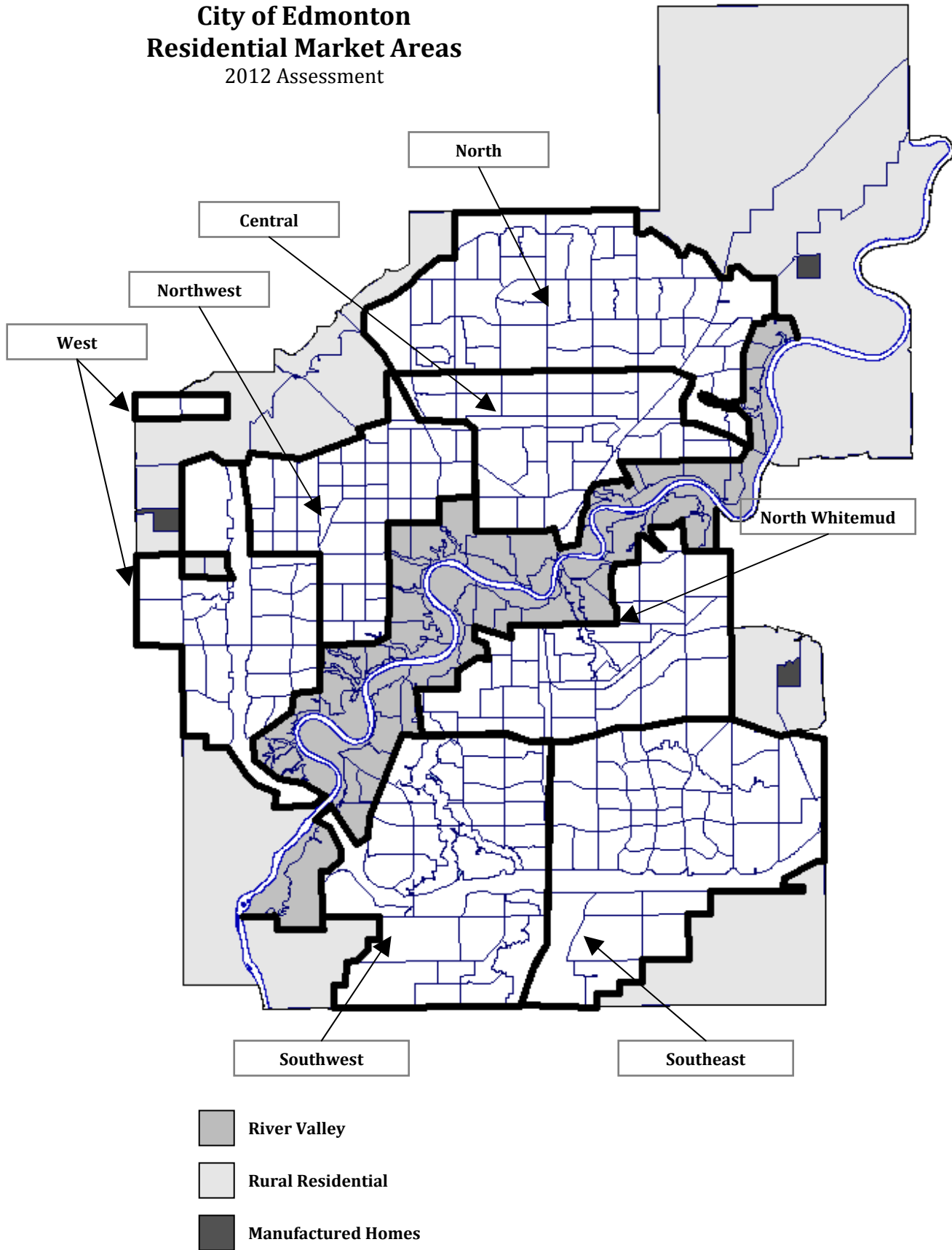
MRA begins with the definition of market areas using natural location boundaries and property characteristics as guides. The City of Edmonton has defined 8 residential market areas and one manufactured home group. The 8 residential market areas are:

- | | | |
|-----------|----------------|-----------|
| North | Central | Southwest |
| West | River Valley | Southeast |
| Northwest | North Whitemud | |

The rural residential market makes use of study areas, groupings based on location boundaries as well as property characteristics. The analysis for rural residential properties utilizes six years of time adjusted sales (*July 1, 2005 to June 30, 2011*). There are 36 rural residential study areas:

- | | |
|--------------------------------------|-------------------------------|
| 127 th Street Subdivision | Rendek Ranch |
| Big Island | Richford Estates |
| Big Lake | Rimrock Estates |
| Cedar Ridge | Riverside Heights |
| Donsdale | Riverview Acres |
| Fort Road Subdivision | River Valley Country Estates |
| Guthrie Estates | River Valley Isolated Parcels |
| Hawthorne Hill | SE Ellerslie |
| Hillview Park | Sharonden Ravines |
| Horse Hill/Tippary | South Sturgeon |
| Hurstwood Park | Triple A Acres |
| Johnson Road | Ward/Reppert Heights |
| Lewis Farms | Wedgewood Estates |
| Mooncrest Park | Wernerville |
| Oliver Garden | West Point Estates |
| Patricia Heights | Windermere Estates |
| Quarry Ridge Ph. 1 | Windermere Ridge |
| Quarry Ridge Ph. 2 | Woodbend Wynd |

City of Edmonton
Residential Market Areas
2012 Assessment



Residential Market Areas:

- **North:** This includes residential properties located north of 137th Avenue, east of 142 Street, west of Victoria Trail and south of Anthony Henday Drive. It also includes properties located south of 137th Avenue, east of 50th Street, north of Yellowhead Trail and west of Victoria Trail.
- **West:** This contains residential properties west of 170th Street and south of Stony Plain Road as far south as Lessard Road.
- **Northwest:** This includes residential properties found primarily between 149th Street and 170th Street, north of Whitemud Drive and south of Yellowhead Trail. This area also includes industrial districts west of 170th Street as far west as Anthony Henday Drive, north of Stony Plain Road and south of Yellowhead Trail. Additionally, this market includes areas east of 149th Street and north of 107th Avenue, west of Groat Road. Finally, neighbourhoods east of Groat Road, north of 111th Avenue, west of 121st Street and south of Yellowhead Trail are also included.
- **Central:** This includes all neighbourhoods south of 137th Avenue, east of Groat Road, north of Yellowhead Trail and west of 50th Street. It also includes properties south of Yellowhead Trail, east of 121st Street, north of 105th Avenue and west of the northeast LRT right-of-way. Also included are a group of neighbourhoods east of this LRT line, north of 118th Avenue / Victoria Trail.
- **River Valley:** This encompasses all neighborhoods bordering and some within close proximity and influence of the North Saskatchewan River.
- **North Whitemud:** This includes properties north of the Whitemud Drive, west of 34th Street and connects to the River Valley market area on the north and west.
- **Southeast:** This includes properties south of Whitemud Drive and east of Calgary Trail.
- **Southwest:** This includes all properties west of Calgary Trail, east of Terwillegar Drive and south of Whitemud Drive.
- **Rural:** This includes all residential properties located in rural subdivisions that have the rural residential effective zoning.

Residential Variable Definitions

The MRA process uses time-adjusted sales for each of the market areas, the manufactured homes group and the rural residential market to analyze and identify which attributes affect value. The MRA process assigns a value (assessment) to each property based upon the significance of identified variables. The following variables have been identified as affecting value within all market areas, the manufactured homes group and the rural residential market and are used in the valuation process (lot size does not apply to manufactured homes as they are valued on building(s) only):

- **Basement Suite** - A basement suite is any basement area which is developed with a living or recreational area, a bedroom and a kitchen area, and where there is a separate entrance or potential for a separate entrance.
- **Basement (Walkout Variations)**
 - **Walkout:** A basement built on a sloping site where one side of the basement has exterior access and is fully exposed, allowing for windows and a door that opens onto grade level.
 - **Partial Walkout:** A basement built on a sloping site where one side of the basement has exterior access with only partial exposure, allowing for windows and a door that opens onto grade level.
 - **Forced Walkout:** A basement built on a site that does not have a slope. In these situations, the yard has been dug down to expose one of the basement walls. This variation relies on multiple retaining walls.
 - **Partial Forced Walkout:** A basement built on a site that does not have a slope. In these situations, the yard has been dug down to expose only a portion of one of the basement walls. This variation relies on multiple retaining walls.
- **Building Areas and Sizes**
 - **Building Net Area:** The above grade living area of a house.
 - **Basement Area:** Area of a building that is either completely or partially below the ground floor.
 - **Finished Basement Area:** A basement area that has been designed and finished, either during construction or at a later point, to function as a fully habitable space within the house.
 - **Partial Basement Area:** Partial basements are found in homes with no basement. The majority of these homes were built prior to 1950. The partial basement was usually created to accommodate the furnace and typically used as storage cellars.
 - **Lower Level Area:** For split level houses this is the floor area between the main floor and the basement which is partially below grade.
 - **Finished Lower Level Area:** For split level houses this is where the lower level has been finished into living area.

- **Loft Area:** An open area in a house extending from an upper floor where there are no partitions or doors.
 - **Garage Area:** The area of a garage that may be attached or detached from a house. Attached garages can be constructed on grade, or as part of the basement or lower level of the house.
 - **Solarium Area:** The area of a glass enclosed room or living area that is covered by a glass roof and forms part of an extension to an existing residence or structure.
 - **Sunroom Area:** The area of a glass enclosed room or living area that is covered by a conventional roof and forms part of an extension to an existing residence or structure
 - **Pool Building Area:** The portion of an improvement that houses a swimming pool.
- **Building Attributes** - Building attributes are physical components present in the residence. This includes fireplaces, air conditioning, exterior wall finish and roof finish.
 - **Commercial Influence**
 - **Minor:** Any parcel of land which has one minor commercial influence in front, behind or beside the parcel. These are commercial buildings such as neighborhood corner stores, shops and convenience stores.
 - **Moderate:** Any parcel of land which has one moderate commercial influence in front, behind or beside the parcel, such as neighborhood strip malls, or fast food facilities. A parcel which is surrounded by two minor commercial influences may also receive a moderate adjustment.
 - **Major:** Any parcel of land which has one major commercial influence in front, behind or beside the parcel, such as malls, box centres and bars. This may also be used if there are three or more minor commercial influences which surround the parcel as well as two or more moderate influences or a combination of both surrounding the parcel of land.
 - **Condition of Improvement**
 - **Poor:** Borderline derelict, many items need immediate repair.
 - **Fair:** General maintenance of the property has not been maintained, a few items need immediate repair.
 - **Average:** Average condition, average maintenance has taken place.
 - **Good:** The property has been very well maintained for its age
 - **Effective Year Built** - The effective year built of the property is not always the same as the chronological age. This is more important than the chronological age in establishing value as it measures the subject property in comparison to a typical property with respect to utility and condition for the year it was built. The difference between effective and chronological age is typically a result of renovations and additions made to the original home.

- **Golf Course Influence**
 - **Abutting:** Parcels of land that directly back onto a golf course.
 - **Major across:** Parcels of land with adjacency to a golf course separated by a road or lane normally used by local traffic. The local road/lane separation may also include adjacent park/green space (including walking trails) between the parcel and the golf course.
 - **Minor across:** Parcels of land with adjacency to the golf course separated by a major roadway (not solely used by local traffic). The major road separation may also include adjacent park/green space (including walking trails) between the parcel and the golf course.

- **Heritage Homes** - These are properties identified by the BRZ/Heritage Conservation Unit of the Planning and Development Department, in conjunction with the Edmonton Historical Board, for inclusion in the City's Inventory of Historic Resources. The Inventory is a list of structures/resources in Edmonton that may merit conservation because they have architectural significance or are of social significance to the development of Edmonton. Properties from this Inventory list may be eligible or may already be promoted to the Register of Historic Resources, where Municipal Historic Resource status and legal protection has been applied.

- **Industrial Influence**
 - **Minor:** Any parcel which has an industrial property in front of, behind or beside the parcel. This excludes warehouse type properties which are considered as a commercial influence.
 - **Moderate:** Any parcel which has 2 or 3 smaller industrial properties in front of, behind or beside the parcel.
 - **Major:** Any parcel which has an industrial property in front of, behind or beside which emits a large amount of pollution and smell (e.g. Gold Bar plant), or has 3 or more industrial influences surrounding the parcel.

- **Institutional Influence**
 - **Minor:** Any parcel which has an institutional facility in front of, behind, or beside the parcel, such as a church, elementary school or community hall.
 - **Moderate:** Any parcel of land which has an institutional facility in front of, behind the parcel, such as a high school, junior high school, recreation facilities and community pools. This may also be used if there are two minor influences surrounding the parcel.
 - **Major:** Any parcel of land which has an institutional facility in front of, behind or the parcel where the institution is very active in nature, such as hospitals, large sports facilities (e.g. Commonwealth Stadium or Telus Field), post secondary institutions, and other emergency facilities. This may also be used if there are three or more minor institutional influences which surround the parcel or two or more moderate influences or a combination of both surrounding the parcel of land.

- **Lake Influence**
 - **Abutting:** Parcels of land which directly backs onto a lake or large storm pond.
 - **Across:** Parcels of land which are across the street from a lake or storm pond.

- **Multi-Residential Influence**
 - **Minor:** Any parcel of land which has minor multi-residential influences in front of, behind or beside the parcel. These are multi-residential buildings such as small walk-up apartments.
 - **Moderate:** Any parcel of land which has a moderate multi-residential influence in front of, behind or beside the parcel, such as 2 small walk-up apartments, or a medium size apartment (e.g. 30 suites - only a guideline, use discretion).
 - **Major:** Any parcel of land which has a major influence directly in front of, behind or beside the parcel. This would include a high-rise multi-residential building or multiple moderate multi-residential buildings surrounding the property.

- **Overhead Transmission Lines**
 - **Minor:** All residential areas which are located directly next to overhead transmission lines.

- **Park Influence**
 - **Minor abutting:** Any property which is abutting a zoned park (AP, A, PU, AG, AGU, US), undeveloped green space of less than 0.5 hectare, and cul-de-sac islands greater than 5 x 3 lots.
 - **Moderate abutting:** Any property which is abutting a zoned park (AP, A, PU, AG, AGU, US), undeveloped green space of 0.5Ha – 1.2Ha, and all PU corridors excluding Overhead Transmission Lines.
 - **Major abutting:** Any property which is abutting a zoned park (AP, A, PU, AG, AGU, US), undeveloped green space greater than 1.2 hectares, all major parks and 'named' neighborhood parks.
 - **Minor across:** Any property which is across from a zoned park (AP, A, PU, AG, AGU, US), undeveloped green space of less than 0.5 hectare, and cul-de-sac islands greater than 5 x 3 lots.
 - **Moderate across:** Any property which is across from a zoned park (AP, A, PU, AG, AGU, US), undeveloped green space of 0.5Ha – 1.2Ha, and all PU corridors excluding Overhead Transmission Lines.
 - **Major across:** Any property which is across from a zoned park (AP, A, PU, AG, AGU, US), undeveloped green space greater than 1.2 hectares, all major parks and 'named' neighborhood parks.

- **Quality Classifications**

- **Poor (00):** This class represents the minimum standard of shelter and falls far short of meeting building requirements. It is basically square or rectangular and the interior has a minimum number of rooms and no hallways. The poorest quality materials are used and the workmanship is inferior.
- **Economy (01):** Usually found in old urban neighbourhoods or rural areas, this class represents low-cost housing that seldom meets building requirements. It is basically square or rectangular and the interior has an inadequate floor plan of small rooms with limited or no hallways. Materials and workmanship are economy grade with little attention given to exterior or interior finishing.
- **Substandard (02):** This class includes low to moderate cost housing where building requirements are only occasionally satisfied. It is basically square or rectangular and the interior has a simple floor plan of relatively small rooms with limited or no hallway. Finishing materials are substandard quality and no attention is given to decorative features.
- **Fair (03):** This class satisfies present demands for moderate cost energy efficient housing. The exterior usually has a common style and is basically square or rectangular. It has an adequate floor plan, finishes are fair to average quality materials, and there is little or no attention given to decorative features.
- **Standard (04):** This quality represents average project housing that meets building requirements for the era. The exterior is a typical style that is generally rectangular and may include entry porches or verandas. The floor plan is functional, and finishes are normally limited to standard quality pre-manufactured materials with a minimum number of decorative features.
- **Semi-Custom (05):** This quality represents above average housing exceeding building requirements for the era. More attention to the exterior details such as breaks in the roof line may be evident. Architectural design is used in living areas of all “move up” home construction. The floor plan is functional with a sense of spaciousness. Finishes are generally upgraded with a mixture of standard and better quality materials with decorative features. A minimum number of interior construction features, such as book cases, paneled feature walls, sunshine ceilings, telephone desks, wet bar, etc. may be encountered.
- **Custom (06):** This quality represents good housing exceeding building requirements for the era. It may be contract built. The exterior has an attractive style and there are breaks in the roof line. The floor plan is functional, with an open design concept creating a sense of spaciousness. Architectural design is used in living areas of all “move up” home construction. Finishes are good quality materials and workmanship. A number of interior features will be present, such as a home theatre room, niches, built in book cases, a home automation system, a security system, an intercom system, paneled feature walls, minimal crown moldings,

- sunshine ceilings with oak trim, telephone desks, wet bar, etc. may be present.
- **Good custom (07):** This class represents a good to expensive quality; energy efficient housing that is normally custom or contract built and, on occasion, may be constructed under the supervision of an architect. Large verandas or covered entrance ways are common with large or stylish columns. The exterior style may be innovative and breaks in the roof line are common. The interior design often shows originality, includes built-in features and has spacious rooms. A number of interior features will be present, such as home theater rooms, niches, built in book cases, a home automation system, a security system intercom system, paneled feature walls, extensive crown moldings, sunshine ceilings with oak trim, telephone desks, wet bar, etc. Attention to detail is evident. Finishes in this quality are normally the best pre-manufactured or good to expensive materials.
 - **Expensive (08):** This quality represents unique design and style in housing exceeding building requirements for the era. It is contract built under the supervision of an architect and is commonly built on large sites in prime residential neighborhoods. The exterior often has large window areas and a unique roof style. Exterior finishes are selected for their attractiveness and durability, and may consist of limited amounts of costly ornamentation. The interior design is innovative with a considerable number of built-in features. Rooms are usually spacious and the floor plan often includes special purpose rooms. Decorative features and finishes are normally selected from expensive materials and attention to detail is evident.
 - **Luxurious (09):** This quality represents the ultimate in housing exceeding building requirements for the era. It is contract built under the supervision of an architect. It is situated on large exclusive sites, and is characterized by abundance of large windows and a unique roof style. The exterior is innovative with finishes selected for attractiveness and durability including costly ornamentation. The interior design is unique and exquisite to meet individual specifications and taste. Rooms are spacious and floor plan includes special purpose rooms including many built-in features. Finishes are of luxurious quality materials and may be imported. Decorative features and workmanship is the highest quality with elaborate detail.
- **Quality Upgrade** - A quality upgrade is used to distinguish structures where the interior and exterior quality of construction differs. It is based on the original quality class of the structure. It is not used to account for renovations.
 - **Railway Influence**
 - **Minor:** Parcels of land that directly back onto or are adjacent to a railroad line. The parcel may also be separated from the railroad by any type of road or lane.

- **Moderate:** Parcels of land that directly back onto or are adjacent to a railroad yard or multiple railroad lines. The parcel may also be separated from the railroad by any type of road or lane.
 - **Ravine Influence**
 - **Abutting:** Parcels of land that directly back onto a ravine or thick wooded area; or are only separated by park/green space (including walking trails).
 - **Major across:** Parcels of land with adjacency to a ravine or thick wooded area separated by a road or lane normally used by local traffic. The local road/lane separation may also include adjacent park/green space (including walking trails) between the parcel and the ravine or thick wooded area.
 - **Minor across:** Parcels of land with adjacency to the ravine or thick wooded area separated by a major roadway (not solely used by local traffic). The major road separation may also include adjacent park/green space (including walking trails) between the parcel and the ravine or thick wooded area.
 - **Renovations** - Renovations can be identified on the interior and/or exterior of a property. This does not account for average maintenance of a property. Once major structural changes are made the effective age of the property can be adjusted instead of using renovation codes. Types of renovations include but are not limited to:
 - Exterior:
 - Windows
 - Exterior wall finish
 - Exterior doors
 - Roof coverings, soffits and eavestroughs
 - Roof trusses
 - Interior:
 - Kitchen cupboards
 - Floor coverings
 - Bathroom fixtures
 - Interior finish (baseboards, trim, wall finish, doors, etc)
 - Partitions removed
 - Mechanical:
 - Plumbing stacks and fixtures
 - Heating
 - Electrical
 - Electrical panel
- The age of the renovations as well as the number of renovations is important when assigning the level of renovation as minor, moderate or major. The following can be used as a guide to assign the level of renovations.
- **Minor:** Up to three renovations
 - **Moderate:** 4 – 6 renovations
 - **Major:** 7 or more renovations

- **River Valley Influence**
 - **Abutting:** Parcels of land that directly back onto the North Saskatchewan River Valley (or river bank); or are only separated by park/green space (including walking trails and golf courses).
 - **Major across:** Parcels of land with adjacency to the river valley (or river bank) separated by a road or lane normally used by local traffic. The local road/lane separation may also include adjacent park/green space (including walking trails and golf courses) between the parcel and the river valley/bank.
 - **Minor across:** Parcels of land with adjacency to the river valley (or river bank) separated by a major roadway (not solely used by local traffic). The major road separation may also include adjacent park/green space (including walking trails and golf courses) between the parcel and river valley/bank.

- **Traffic Influence**
 - **Minor:** Interior roads with bus route, traffic flow of 0-5,000 vehicles.
 - **Moderate:** Neighborhood collector roads, traffic flows of 5,000-15,000 vehicles.
 - **Major:** Main arterial roads (e.g. 50th Street, 170th Street, 97th Street), traffic flows of 15,000-50,000 vehicles.
 - **Extreme:** Freeways (e.g. Whitemud Drive, Yellowhead Trail), traffic flows of 50,000+ vehicles.
 - **Anthony Henday:** Anthony Henday Drive ring road traffic.

- **Walkway Influence**
 - **Minor:** Parcels adjoining walkways that connect one residential area to another. These do not include walking paths that are a part of a green space.
 - **Moderate:** Parcels adjoining walkways that connect a residential area to areas with commercial or institutional uses, as well as major roadways.

School Taxes

The *School Act* and *Municipal Government Act* require municipalities to collect school taxes on behalf of the provincial government. Unless property is exempt from taxation under s.351 or s.362, school taxes are payable by all property owners, regardless of whether the owners reside in the City of Edmonton and whether or not they have children currently attending school. The amount of school taxes payable by a property owner must be shown on the tax notice.

School support is the designation of school taxes to either the public school system or separate school system. By default, the designation of school taxes levied on properties located in the City of Edmonton is to support the public school system, however property owners who are Roman Catholic must designate their school taxes to support the separate school system by completing a School Support Declaration.

City Council may only refund the municipal portion of property taxes under s.347; the school taxes must still be remitted to the Province by the City. The Assessment Review Board does not have the jurisdiction to change or waive school taxes; however it may order a change in the designation of school support.

Summary

Residential properties are assessed using multiple regression analysis, which adjusts for attributes that impact market value, in order to arrive at a typical market value for residential.

The resulting assessments were tested. The results indicated that our model predictions of value meet Provincial Quality Standards as set out in the *Matters Relating to Assessment and Taxation Regulation, AR 220/2004*.

The assessment models, the process utilized, and the results are submitted annually to the Assessment Services Branch of the Department of Municipal Affairs for audit purposes.

The audit is used to determine the accuracy of our predictions relative to the market place and is a direct reflection on the accuracy of our models.

The City of Edmonton has met all governing legislation including regulations and quality standards.

RESPONSE TO ISSUES OF COMPLAINANT/APPELLANT

Complaint	Response

Title: 2012 Residential Brief

Sub:

Format: word.doc

Work Unit: Standards, Research & Policy - Learning & Development Unit
Assessment and Taxation Branch Centre of Excellence Publication

Original:

Revised:

eLibrary #: 3.0.2

eLibrary Path: [sharepoint.edmonton.ca/at/Docs/Documents/eLibrary/3.Law/0.Handbook/2.Briefs\(2011\)/2012ResidentialBrief.doc](http://sharepoint.edmonton.ca/at/Docs/Documents/eLibrary/3.Law/0.Handbook/2.Briefs(2011)/2012ResidentialBrief.doc)