

An aerial photograph of a town, likely Redwater, showing a river winding through the landscape. The town is characterized by a grid of streets, numerous residential houses, and some larger commercial or industrial buildings. There are also green spaces and what appears to be a sports field or park area. The overall scene is a mix of urban development and natural surroundings.

# Town of Redwater

Assessment Presentation

April 15, 2025

Presenter:

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# Assessment vs Taxation

- Assessment
  - Assigning a dollar value to a property for taxation
    - Value can either be market value or a regulated value
- Taxation
  - Applying a tax rate to an assessment value to determine the property taxes payable
    - Taxation is the primary source of revenue for a municipality
- Although one impacts the other, assessment and taxation are 2 distinct and independent processes

# Who governs assessment?

- Alberta Municipal Affairs
  - They provide all of the legislation regarding property assessment and taxation in Alberta
    - Municipal Government Act
    - Matters Relating to Assessment and Taxation Regulation
    - Matters Relating to Assessment Complaints Regulation
- Municipal Affairs also provides the oversight of the assessment through yearly audits
  - Ensures rules and regulations are followed
  - Ensures fairness and equity in the assessments

# Valuation Standards

- There are 2 valuation standards in Alberta
  - 1. Market Value Standard
    - Used for the majority of properties
    - Considered the most fair and equitable method
    - Most taxpayers can relate to the value of their property
    - Easy for assessors to work with
  - 2. Regulated Procedure Standard
    - Used for certain properties that are difficult to assess using market value (rates are provided by Municipal Affairs)
      - Farmland
      - Machinery and Equipment
      - Designated Industrial Property (assessed by Provincial Assessor)
        - Including linear (wells, pipelines, electric transmission, cable)
        - Properties regulated by the AER, NUB, or AUC

# Market Value Standard

- Market Value Defined:
  - 'Market Value' is the price a property might reasonably be expected to sell for if sold by a willing seller to a willing buyer after appropriate time and exposure in an open market
- Key Characteristics
  - It is the most probable price, not the highest, lowest, or average price
  - It assumes a willing buyer and a willing seller, with no advantage being taken by either party
  - It assumes a transaction between unrelated parties in the open market

# Market Value Standard (continued)

- Assessments and Sales prices
  - It is sometimes assumed that an assessment should equal a recent sale price. This is an incorrect assumption.
    - The sale might not have occurred in the assessment year or the date on which the property was valued
    - The buyer or seller may have been unduly motivated
    - The sale may have involved a trade, personal property, etc.
  - A sale price is a historical fact. It is an amount that was agreed upon by both the purchaser and seller surrounding a specific sale. Assessors gather information on ranges of sales prices as part of the process for assessing property

# Preparing Assessments

- Property that is assessable
  - A parcel of land
  - An improvement (ie: a building)
  - A parcel of land and the improvements to it
- Assessors use 'Mass Appraisal'
  - This is the process of valuing large groups of properties as of a given date, using common data, mathematical models, and statistical tests
  - The focus is on the larger group, not on a specific property

# Preparing Assessments (continued)

- Data Collection
  - Assessors collect data through site inspections, blueprints, written request, etc
- Data Elements
  - Residential properties
    - Land area, building size, location, # of bathrooms, age, basement finish, fireplaces, renovations, etc
  - Non-Residential properties
    - Land area, building size, location, age, fencing, paving, etc
    - Income data



# Preparing Assessments (continued)

- How often is property assessed?
  - All properties are adjusted yearly for changes in market value or for changes to the regulated rates (ie: machinery and equipment assessments)
  - 20% of properties are inspected annually (to identify renovations, additions and deletions, etc) – use of RFI (request for information) becoming more popular for gathering data
  - New construction is inspected as it is built and monitored until completion

# Assessment Classes

- All properties are assigned an assessment class according to their use
  - Class 1 – Residential
    - Can be divided into subclasses
  - Class 2 – Non Residential
    - Can be divided into subclasses
  - Class 3 – Farmland
  - Class 4 – Machinery & Equipment
- The assessment class determines the tax rate that will be applied to each property

# Property owner rights

- Right to assessment information
  - Through direct contact with the assessors
  - Through Tanmar Consulting Website ([tanmarconsulting.com](http://tanmarconsulting.com))
  - Through Town of Redwater
- Right to make a complaint against the assessment
  - Following steps are recommended to the owner
    - Compare assessment with other similar property
    - Talk to the assessor – issues can often be resolved in this fashion
    - If still not satisfied, fill out a complaint form (available at the Town office) and pay the appropriate fee
    - Prepare for and attend an Assessment Review Board (ARB) hearing.

# Assessment Review Boards

- Quasi-judicial administrative board
  - Created, empowered and staffed according to the legislation laid out in the Municipal Government Act
  - Like a court – the Board can order something to be done, such as a change to the assessment of a property
- 3 Boards
  - LARB – Local Assessment Review Board (for residential)
  - CARB – Composite Assessment Review Board (for non-residential)
  - LPRT – Land & Property Rights Tribunal (for DI properties)

# Property Taxes

- A property's share of taxes will change each year for a combination of 2 reasons
  - There is a change in the annual budget requirements (municipal and/or school)
  - A particular property assessment changed more or less than the average

# The Primary Goal

- A level of market value, and fair process, across all properties....not a pin-pointed single appraised value
- If everyone's assessment value is calculated using the same uniform methods and techniques, while using sales within the municipality as a benchmark....then a level of market value will be achieved and the tax distribution should be fair and equitable

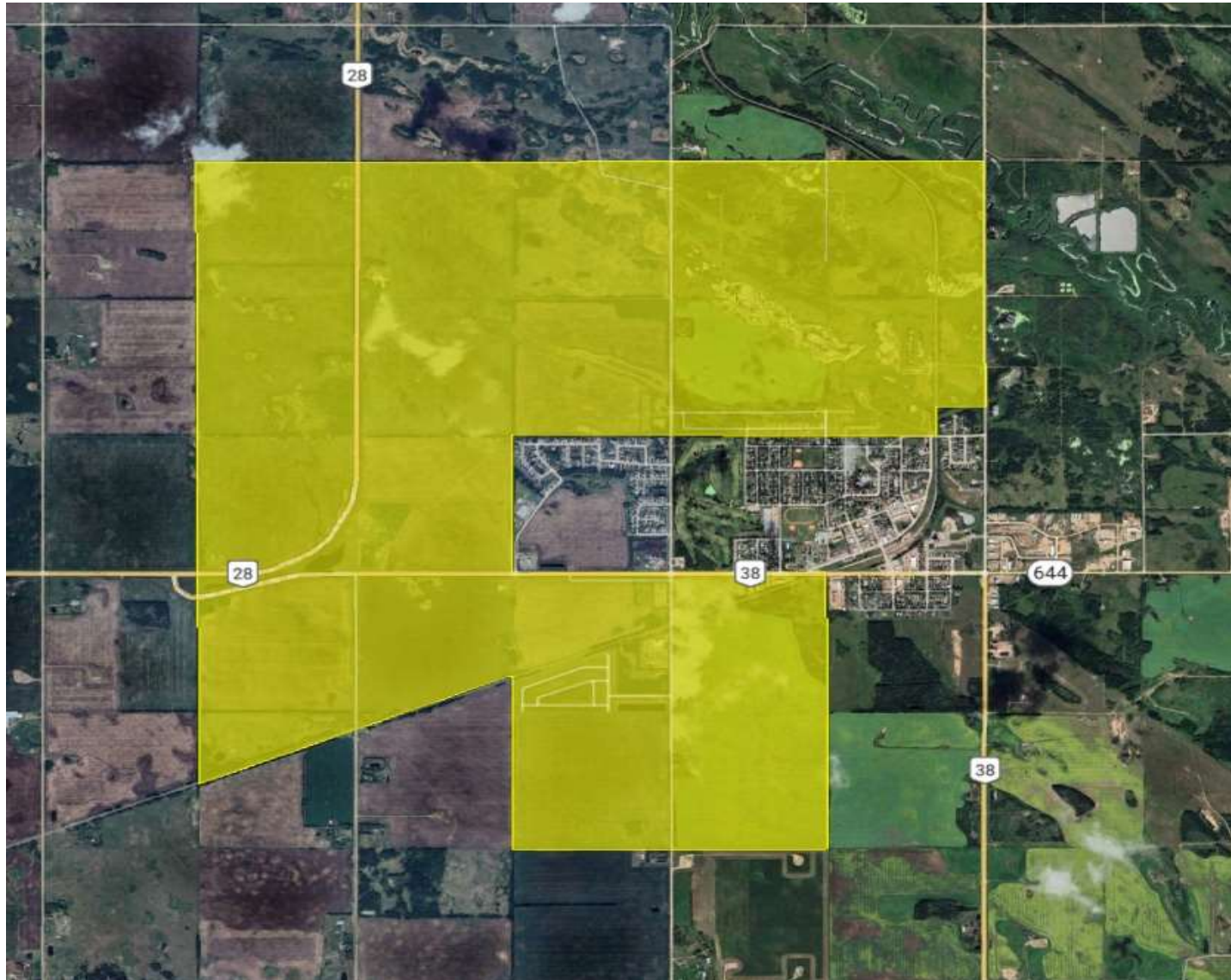
# Redwater Assessment Overview

# Important Dates

- Valuation Date
  - July 1, 2024 – all properties using the ‘market value standard’ are assessed as of this date
- Condition Date
  - December 31, 2024 – all properties must reflect their physical condition as of Dec. 31, 2024



# 2024 Assessment Review Area



# 2024 Residential RFI



## Residential Request for Information

Complete Survey Online: [vps.camalot.ca/rfi](https://vps.camalot.ca/rfi)  
Ref:  
Survey Key:

### EXTERIOR

1. Describe the roofing material:

- ☐ Asphalt shingle roof
- ☐ Shake roof
- ☐ Clay tile roof
- ☐ Metal roof
- ☐ Other \_\_\_\_\_

2. Which of the following does the property have?

- ☐ No deck or patio
- ☐ Balcony
- ☐ Solarium
- ☐ Enclosed deck / Sunroom
- ☐ Open (uncovered) deck / patio
- ☐ Covered deck
- ☐ Stone / brick / concrete patio

3. Describe other buildings on property:

- ☐ No carport / garage
  - ☐ Garage
  - ☐ Second garage
  - ☐ Carport
- Attached      Detached      Heated
- ☐      ☐      ☐
- ☐      ☐      ☐

### INTERIOR

4. Does your home contain any of the following?

- ☐ Sauna
- ☐ Secondary suite
- ☐ Walk out basement
- ☐ Theatre/media room
- ☐ Indoor hot tub
- ☐ Outdoor hot tub

7. Indicate the type and location of fireplaces / stoves:

- |                                     | Main                     | Upper                    | Bsmt/Lower               |
|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Natural gas fireplace (built-in)    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Wood or pellet fireplace (built-in) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Electric fireplace (built-in)       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Freestanding or woodstove           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

8. Areas with in-floor heating (check all that apply):

- ☐ Main floor
- ☐ Upper floor
- ☐ Basement
- ☐ Bathrooms only
- ☐ Garage
- ☐ Other \_\_\_\_\_

9. Describe the flooring materials (excluding the basement):

Flooring Type	Approx. % of Coverage
Carpet	
Laminate	
Linoleum	
Hardwood	
Ceramic Stone / Tile	
Other	
Total = 100%	

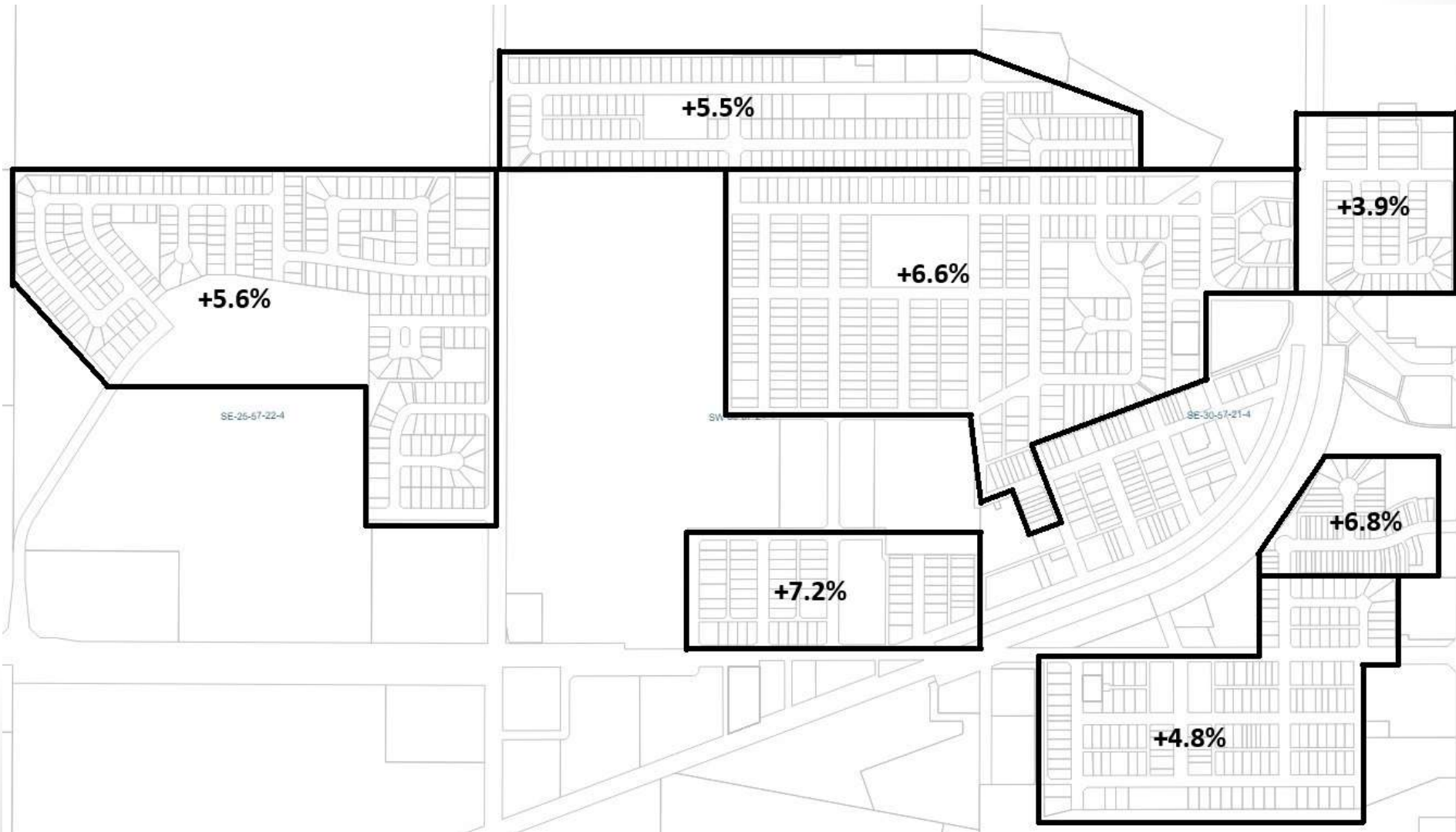
10. Indicate number of plumbing fixtures:

Description	Main Floor #	Upper Floor #	Bsmt/Lower #
Bar Sink			
Laundry Sink			
4pc bath (sink, toilet, tub/shower combo)			
2pc bath (sink & toilet)			

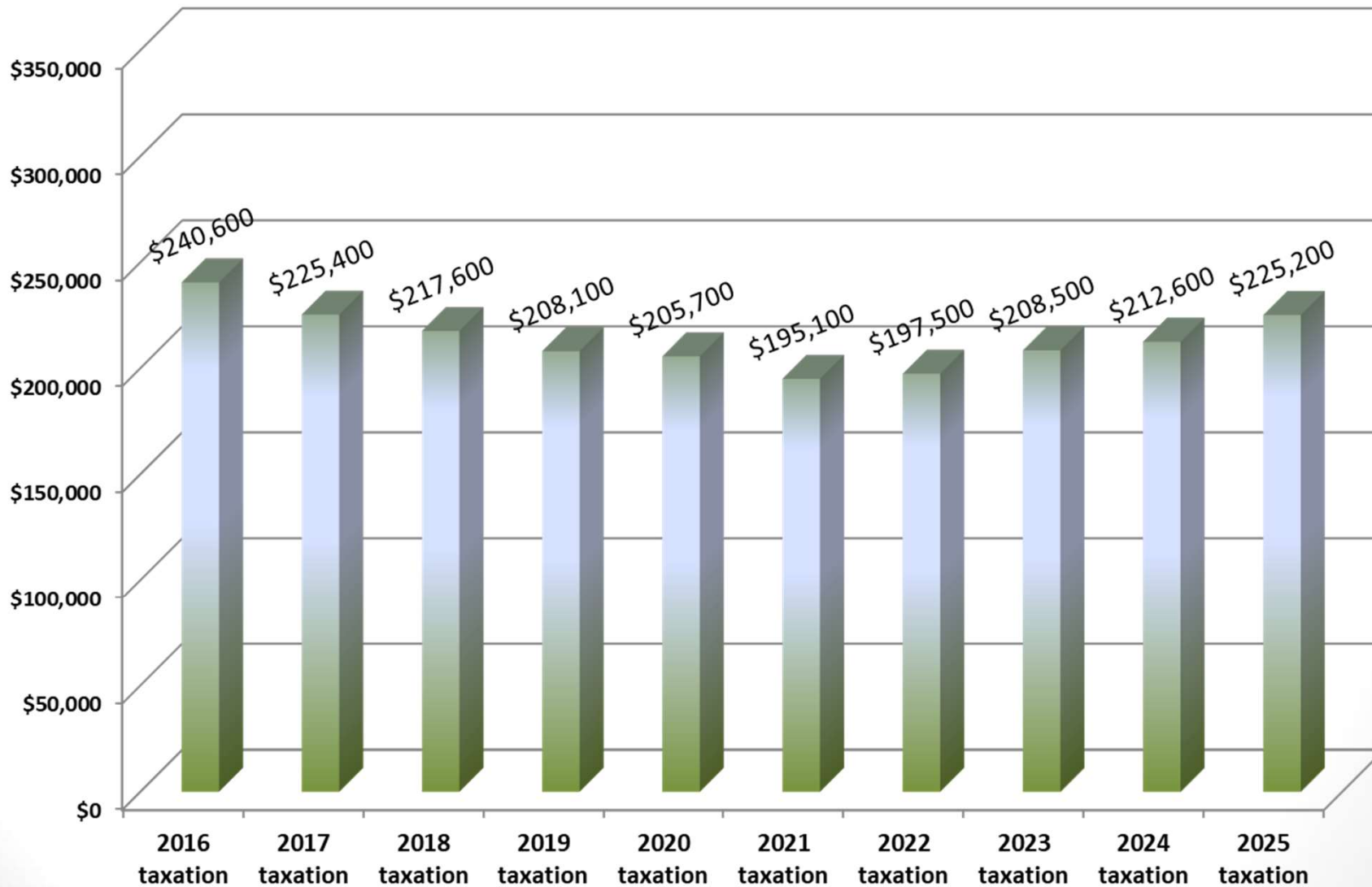
- 67 requests for information sent (46% response rate)
  - Information requested
    - # of bathrooms, fireplaces, amount of basement finish, etc
    - Year of replacement/renovations (windows, doors, cabinets, etc)

# Residential Market Changes

(average market change of +5.9%)

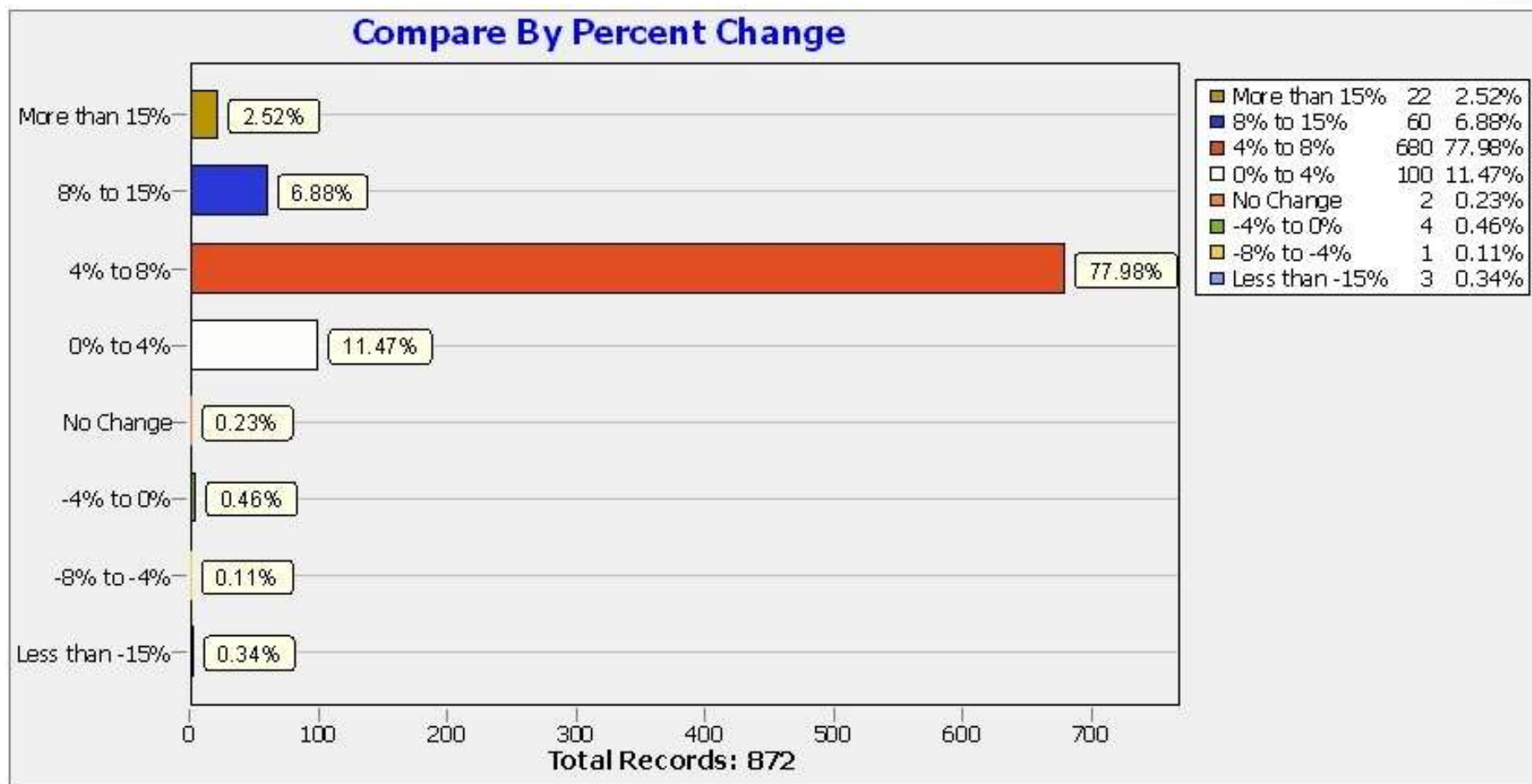


# Average Single Family Dwelling Assessment





# Single Family - Overall



77.98% of single family properties increased between 4% and 8%

# Other Municipalities

- Bon Accord

- Single Family (+2.8% market change)
- Avg. asmt \$282,200

- Fort Saskatchewan

- Single Family (+5.4% market change)
- Avg. asmt \$469,300

- Bruderheim

- Single Family (+1.2% market change)
- Avg. asmt \$249,500

- Lamont

- Single Family (+6.9% market change)
- Avg. asmt \$220,600

# Commercial/Light Industrial

- Improved Commercial (average assessment +0.5%)
- Hotels (average assessment +4.5%)
- Light Industrial (average assessment -16%)
  - discussion



# Assessment Growth

- Residential
  - 9 dwellings added to the roll (single family, duplex, triplex)...some still under construction at year end 2024 and all are municipal tax free in 2025
  - Growth from inspections and RFIs (renovations, etc)
- Non-Residential
  - Positive Growth
    - Dairy Queen (still under construction at year end 2024)
    - Rebuild of fire damaged store downtown
  - Negative Growth
    - Industrial changes (former Tri-alta, redwater centre, etc)



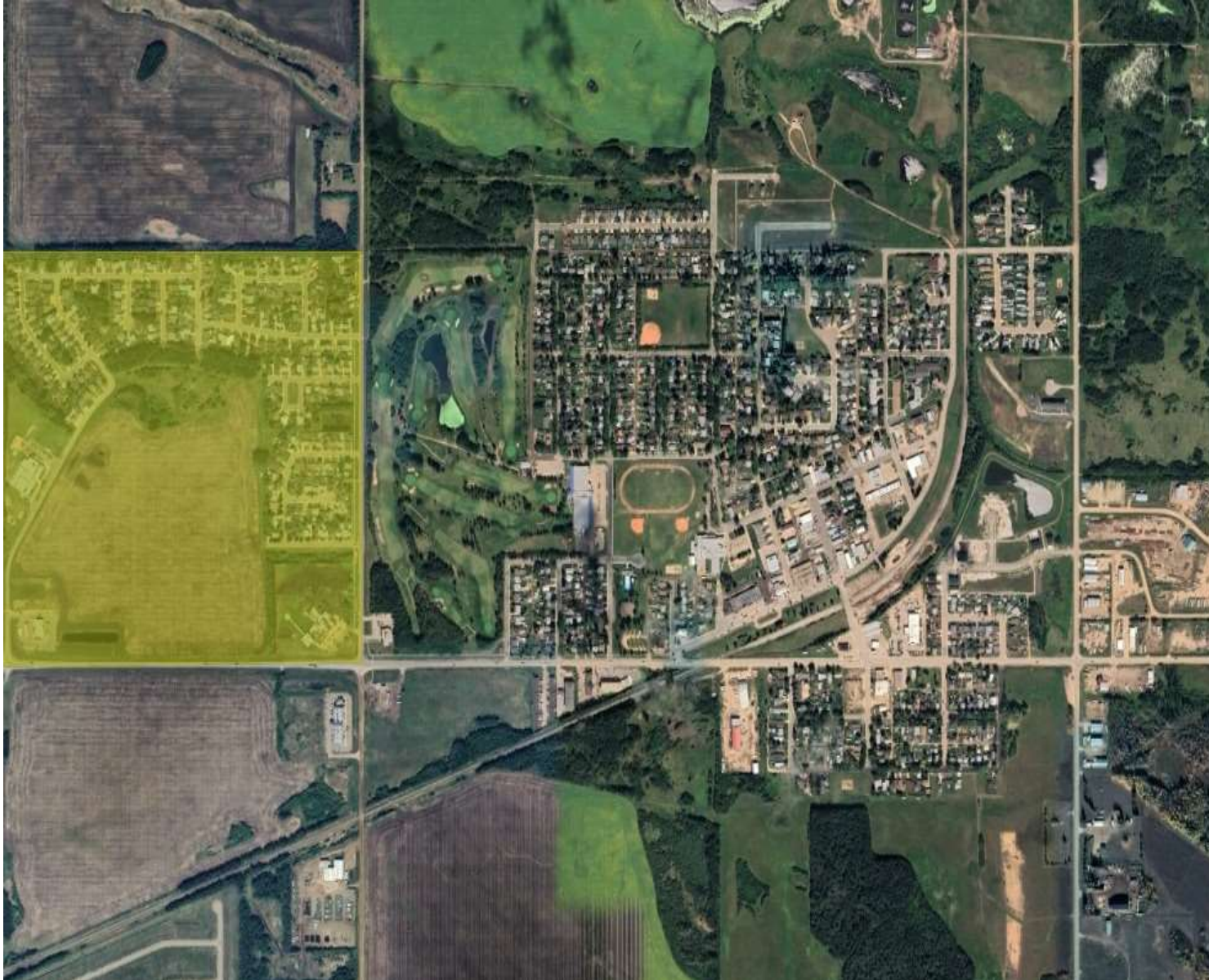
# Overall Growth vs Inflation Summary

	2024 tax year	2025 tax year	Growth	Inflation/ Deflation
Farmland	573,460	573,460	0	0
Non res w. F/L class	1,021,100	1,021,100	0	0
Residential	205,710,520	219,386,930	2,543,560	11,132,850
Comm'l & Light Ind'l	67,375,930	62,557,490	150,640	-4,969,080
Designated Industrial	37,681,610	37,350,820	21,900	-352,690
Non- Designated Industrial	158,390	730,930	568,990	3,550
	312,521,010	321,620,730	3,285,090	5,814,630
			Growth +1.05%	Inflation +1.86%

# What's Next?

- Property Tax Bylaw
- Mailing of assessment notices
  - Inquiries, inspections, ARB
- Start next assessment cycle
  - RFIs, inspections

# 2025 Assessment Review Area



# Additional Information

- Website Links
  - “Guide to Property Assessment and Taxation in Alberta”
    - Available at [open.alberta.ca/publications/isbn-9781460137079](https://open.alberta.ca/publications/isbn-9781460137079)
  - Tanmar Consulting Inc.
    - [www.tanmarconsulting.com](http://www.tanmarconsulting.com)
  - Capital Region Assessment Services Commission
    - [www.crasc.ca](http://www.crasc.ca)