



## REVALUATION 2021

# GOLF COURSES

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 \$250 billion property assessment base, and a \$2.1 billion property tax base. The Agency provides assessment valuation services to 759 urban, northern and rural municipalities. It is directly responsible for the assessed values of approximately 869,000 properties in the province.

### 2021 REVALUATION

SAMA conducts revaluations based on a four-year cycle. 2017 was the year of the last revaluation, and the 2021 Revaluation will see assessed values updated to reflect a new base date of January 1, 2019. The legislated base date means that 2021 values reflect a property's value as of January 1, 2019.

### VALUATION STANDARD

Golf courses are 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 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 cost approach, the sales comparison approach and the property income (rental) approach.

### COST APPROACH

The cost approach, when applied to the valuation of a golf course, includes:

- estimation of the value of the land (bare land values);
- the cost of land improvements (tees, greens, fairways, bunkers, hazards, landscaping and water systems); and,
- building improvements (clubhouses, maintenance of storage buildings and shelters).

The market valuation standard permits replacement costs to be obtained from different sources. Replacement costs as of the base date are established in cost guides such as the *Marshall Valuation Service Cost Guide* and *SAMA's 2019 Cost Guide*. Additional details on cost guides can be found on SAMA's website at [www.sama.sk.ca](http://www.sama.sk.ca).

Golf courses constructed on natural terrain using natural vegetation, with no engineering design costs, no landscaping costs (sand greens only) and no irrigation costs, will generally be valued as comparable surrounding agricultural, residential or commercial land with no added value for golf course site improvements.

## PHYSICAL DETERIORATION

Physical deterioration is a form of depreciation due to “wear and tear” and the forces of nature. Buildings and structures located at a golf course will be assigned physical deterioration using the “age life” method, the method normally used for buildings and structures.

For golf course improvements, including irrigation systems and landscaping such as fairways, greens, tees and bunkers, the lifetime depreciation method will be used. An allowance of 40 percent will be applied to the replacement cost rates for physical deterioration of these improvements.

## PROPERTY ASSESSMENT DOES NOT EQUAL PROPERTY TAX

SAMA’s role in determining assessed value for properties is just the first part of a process established by provincial legislation. The second part is application of provincial government established tax policy, such as property classes and percentage of value, and statutory exemptions. The third and final part of the process involves municipalities annually determining the local mill rate based on local budget needs. The province sets the mill rate for the education sector. Municipalities then multiply the taxable assessment by the local mill rate\* to produce property tax levies, also known as your property tax bill.

(SAMA)		(Province)		(Municipalities and Government)		(Taxpayer)
ASSESSED VALUE	X	PERCENTAGE OF VALUE & EXEMPTIONS	X	MILL RATES*	=	PROPERTY TAXES

\*Municipalities have the authority to use a series of tax tools ranging from mill rate factors to minimum taxes. For more information on tax tools and exemptions see the Ministry of Government Relations website.



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SAMA has Information Sheets available on the assessment process for different types of properties. For further information visit SAMA’s website or contact your local municipality or any SAMA office.

Please note that for jurisdictions where SAMA provides valuation services, individual property assessed value information is available on SAMA’s website at [www.sama.sk.ca](http://www.sama.sk.ca), by clicking the SAMAVIEW link.

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