Winnipeg

Assessment and Taxation Department • Service de l'évaluation et des taxes

VALUATION OF RESIDENTIAL AND CONDOMINIUM PROPERTIES

2014 General Assessment

City of Winnipeg
Assessment and Taxation Department
December 10, 2012

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Introduction

This document provides an overview of the City of Winnipeg Assessment and Taxation Department's mass appraisal models for residential and condominium properties for the 2014 General Assessment. These models predict the full market value of the fee simple interest for each property as of the reference date of April 1, 2012.

Direct comparison models were developed using multiple regression analysis. Multiple Regression is a statistical technique used to analyze data in order to predict one variable (the dependent variable), such as market value, from the known values of other variables (the independent variables), such as lot size, building size and neighbourhood. This technique replicates the sales comparison approach since multiple regression uses sales of properties to predict the market value of the unsold properties.

The residential regression model-building process involves establishing market regions and then developing an individual model specific to that region. The market models are combined additive models; they predict values for both residential vacant land and residential improved parcels. The model is a mathematical equation comprised of a constant component, which represents the base vacant land value for that market region, added to independent variables (property characteristics) multiplied by their coefficients to predict a value for each parcel.

The condominium regression model-building process involves developing two market models—one for apartment style condominiums and the other for non-apartment style condominiums—with the residential market regions used as location identifiers. The models are multiplicative, which is a mathematical equation comprised of a constant component multiplied by percentage adjustments for independent variables (property characteristics) to predict a value for each condominium unit.

The ratio statistics for the residential and condominium models meet the *Standard on Ratio Studies* published by the International Association of Assessing Officers (approved January 2010).

Data Collection

Physical Characteristics

The physical descriptions of land and improvements are obtained and updated from field inspections, building plans, and property owners. This information is stored in the Assessment and Taxation Department's CAMA database.

Sales

Basic details regarding transfers of land came from the provincial Land Titles Office. The sales were investigated to determine if they were bona fide arms-length transfers and if any unusual circumstances or financing arrangements were in place.
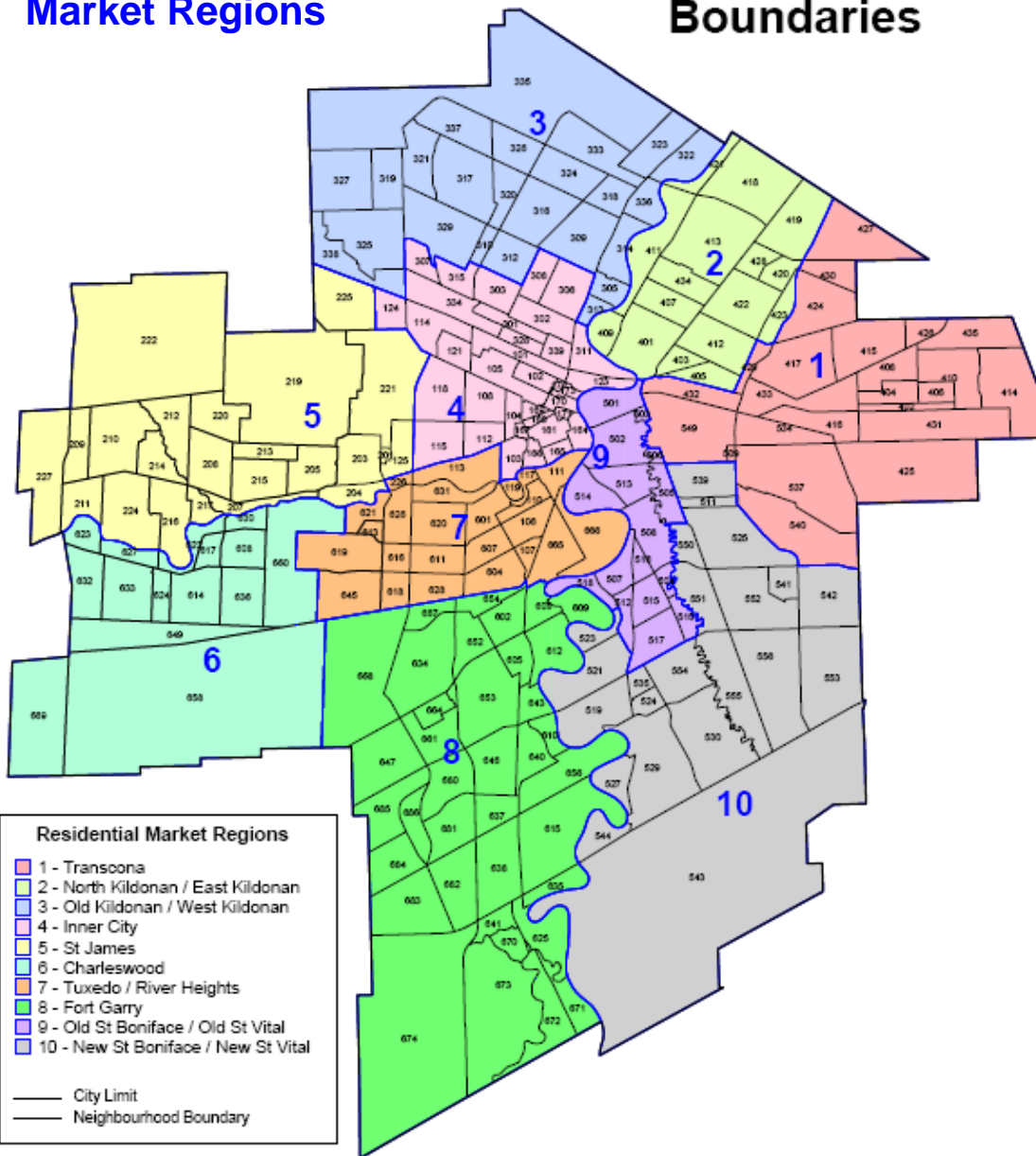
Residential Market Regions

For valuation purposes, the city was divided into 10 market regions. They were developed after careful examination of building type, age, sale prices, natural boundaries and volume of properties in each market region.

Market Region	General Description
1	Transcona
2	East Kildonan, North Kildonan
3	West Kildonan, Old Kildonan
4	Inner City
5	St James
6	Charleswood
7	Tuxedo, River Heights, Fort Rouge, Wolseley
8	Ft Garry, Lindenwoods
9	Old St Vital, Old St Boniface
10	New St Vital, New St Boniface

A map of the above regions is shown on the following page.

2014 Residential Market Regions

Neighbourhood (NCA) Boundaries

Residential Market Regions

- 1 - Transcona
- 2 - North Kildonan / East Kildonan
- 3 - Old Kildonan / West Kildonan
- 4 - Inner City
- 5 - St James
- 6 - Charleswood
- 7 - Tuxedo / River Heights
- 8 - Fort Garry
- 9 - Old St Boniface / Old St Vital
- 10 - New St Boniface / New St Vital

—— City Limit
—— Neighbourhood Boundary

NOTE:
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Description of Residential Inventory

The following tables show the residential inventory profile by market region, parcel use code, building style, age and building size (note that all counts are approximate at the time of this report):

Market Region	Count	
	Improved	**Vacant**
1	12,765	618
2	22,903	351
3	23,842	453
4	22,585	632
5	16,707	195
6	8,084	429
7	18,626	123
8	18,684	1,164
9	9,933	299
10	23,228	840
Total	177,357	5,104

Parcel Use Code		Count
VRES1	Vacant Land	5,046
RESSD	Single Detached Dwelling	162,558
RESSS	Single Attached (Side by Side)	7,649
RESDU	Duplex	1,099
RESTR	Triplex	47
RESRH	Row House	1,358
RESMC	Multi-Family Conversions	3,371
RESMU	Residential Multi-Use	229
RESMB	Multiple Residential Buildings	833
RESOT	Outbuildings Only	58
RESGC	Residential Group Care	213
Total		182,461

Building Style		Count
OS	One Storey	91,104
BL	Bi-level	13,455
TL	Three Level Split	2,172
FL	Four Level Split	5,198
OH	One & ½ Storey	18,195
O3	One & ¾ Storey	5,765
TS	Two Storey	34,768
TH	Two & ½ Storey	4,344
TO	Two/One Storey	2,338
Total		177,357

Effective Year Built	Count
Before 1926	22,195
1926 to 1949	26,831
1950 to 1964	40,031
1965 to 1979	41,586
1980 to 1989	22,527
1990 to 1999	9,869
2000 to New	14,318
Total	177,357

Living Area (Sq. Ft.)	Count
600 and less	2,334
601 to 1000	49,672
1001 to 1400	71,663
1401 to 1800	28,370
1801 to 2400	19,305
2401 to 3000	4,182
Over 3000	1,831
Total	177,357

Residential Independent Variables

There are a number of property characteristics that are considered for each market model. The table below shows a list of variables that are considered primary value drivers and secondary value drivers:

Primary Variables	Secondary Variables
Building Size	Other Attached Structures (sunrooms, verandas, etc)
Lot Size	Other Detached Structures
Building Quality	Heating Type
Effective Year Built	Air Conditioning
Property Use Code	Pool
Building Style	Deck
Neighbourhood	Fireplace
Basement Size and Finish	Plumbing and baths
Building Condition	
Site Influences	
Attached and Detached Garages	

Description of Condominium Inventory

The following tables show the condominium inventory profile by market region, building style, age and building size (note that all counts are approximate at the time of this report):

Market Region	Count
1	421
2	737
3	1,239
4	1,405
5	1,739
6	603
7	5,255
8	3,357
9	966
10	2,476
Total	18,198

Building Style		Count
A	Attached	3,674
D	Detached	210
G	Garden	1,136
H	House Conversion	60
P	Apartment	12,977
S	Semi-Detached	141
Total		18,198

Effective Year Built	Count
Before 1921	363
1921 to 1960	532
1961 to 1980	7,549
1981 to 1999	6,022
2000 to New	3,732
Total	18,198

Living Area (Sq. Ft.)	Count
600 and less	1,108
601 to 800	3,005
801 to 1000	5,427
1001 to 1400	6,439
1401 to 2000	2,026
Over 2000	193
Total	18,198

Condominium Independent Variables

There are a number of property characteristics unique to the condominium complex and the condo unit itself which are considered for both market models. The table below shows a list of variables that are considered primary value drivers and secondary value drivers:

Primary Variables	Secondary Variables
Unit Size	Floor Location
Basement Size	Number of Floors in condo unit
Condominium Complex	Air Conditioning
Neighbourhood	Pool
Effective Year Built	View Feature
Unit Quality	Fireplaces
Unit Condition	Plumbing and baths
Attached Garages	Sunrooms, Decks, Patios

Time Adjustments

The sales used to establish the values of all residential and condominium properties are time adjusted to April 1, 2012 (the reference date for the 2014 General Assessment). The City of Winnipeg has seen both residential and condominium properties increasing in value of approximately 0.5% per month from April 1, 2010 to April 1, 2012.

Testing and Evaluation of the Model

The ratio statistics for the residential and condominium models meet the *Standard on Ratio Studies* published by the International Association of Assessing Officers (approved January 2010).