Winnipeg

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

VALUATION OF RESIDENTIAL AND CONDOMINIUM PROPERTIES

2012 General Assessment

City of Winnipeg
Assessment and Taxation Department
May 5, 2011

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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 2012 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, 2010.

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

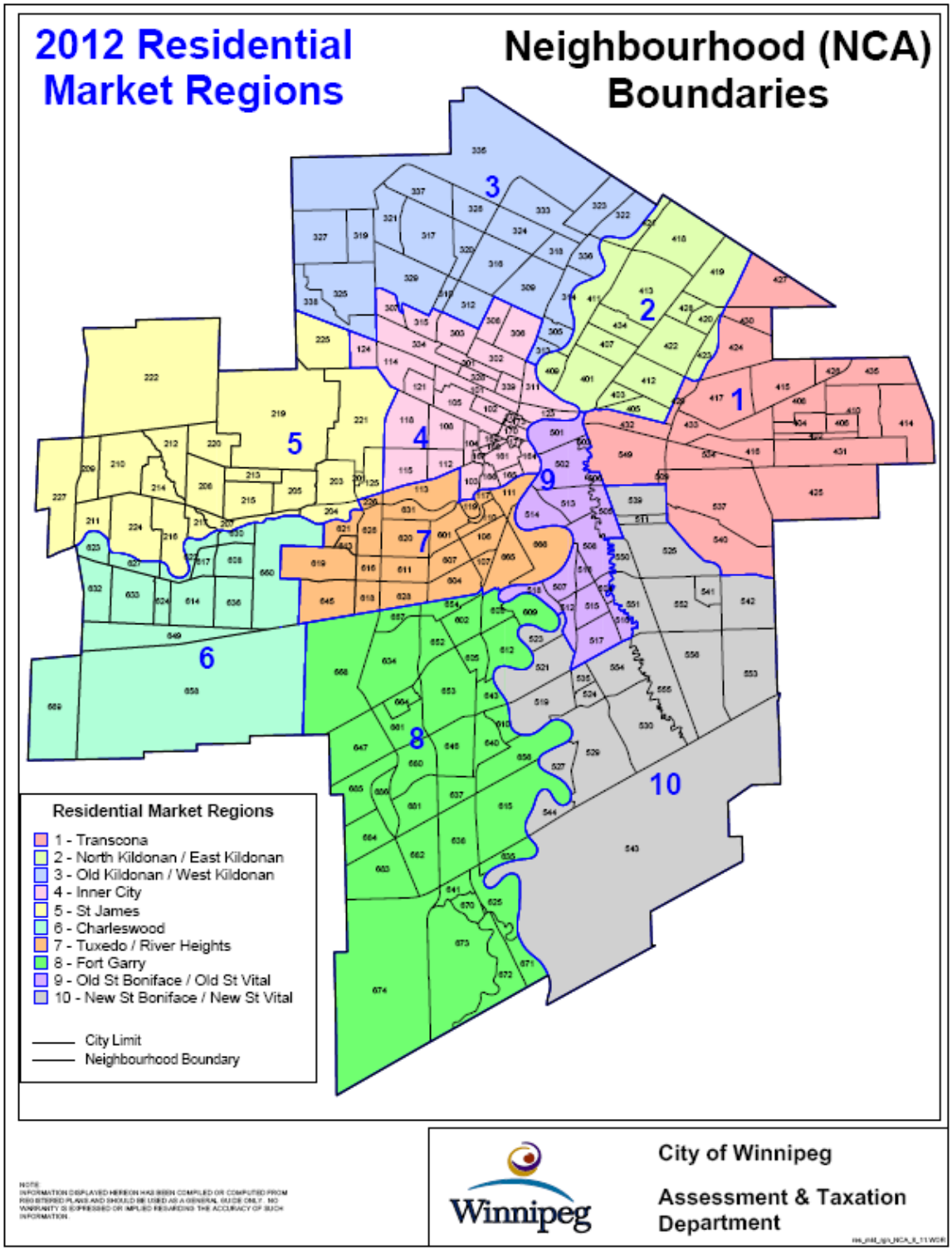
Basic details regarding transfers of land came from the provincial Land Titles Office. The sales were investigated to determine if they were bona fide arms-length transfers and if any unusual circumstances or financing arrangements were in place.

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.


2012 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
City of Winnipeg
Assessment & Taxation Department

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	12,079	923
2	22,791	228
3	23,447	528
4	22,503	583
5	16,651	148
6	8,061	146
7	18,637	115
8	17,955	1,135
9	9,928	129
10	22,853	737
Total	174,905	4,672

Parcel Use Code		Count
VRES1	Vacant Land	4,614
RESSD	Single Detached Dwelling	160,166
RESSS	Single Attached (Side by Side)	7,613
RESDU	Duplex	1,095
RESTR	Triplex	44
RESRH	Row House	1,349
RESMC	Multi-Family Conversions	3,410
RESMU	Residential Multi-Use	241
RESMB	Multiple Residential Buildings	789
RESOT	Outbuildings Only	58
RESGC	Residential Group Care	198
Total		179,577

Building Style		Count
OS	One Storey	90,533
BL	Bi-level	12,953
TL	Three Level Split	2,168
FL	Four Level Split	5,197
OH	One & ½ Storey	18,198
O3	One & ¾ Storey	5,778
TS	Two Storey	33,444
TH	Two & ½ Storey	4,354
TO	Two/One Storey	2,280
Total		174,905

Effective Year Built	Count
Before 1926	23,739
1926 to 1949	26,982
1950 to 1964	39,861
1965 to 1979	40,817
1980 to 1989	22,143
1990 to 1999	9,724
2000 to New	11,639
Total	174,905

Living Area (Sq. Ft.)	Count
600 and less	2,458
601 to 1000	49,718
1001 to 1400	71,256
1401 to 1800	27,520
1801 to 2400	18,211
2401 to 3000	3,978
Over 3000	1,764
Total	174,905

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	336
2	632
3	1,143
4	1,333
5	1,685
6	603
7	4,899
8	3,124
9	654
10	2,100
Total	16,509

Building Style		Count
A	Attached	3,249
D	Detached	188
G	Garden	1,143
H	House Conversion	42
P	Apartment	11,746
S	Semi-Detached	141
Total		16,509

Effective Year Built	Count
Before 1921	280
1921 to 1960	497
1961 to 1980	7,307
1981 to 1999	5,603
2000 to New	2,822
Total	16,509

Living Area (Sq. Ft.)	Count
600 and less	874
601 to 800	2,582
801 to 1000	5,019
1001 to 1400	6,061
1401 to 2000	1,786
Over 2000	187
Total	16,509

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, 2010 (the reference date for the 2012 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, 2008 to April 1, 2010.

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).