

Market Valuation

Three Approaches to Value

There are three potential valuation approaches, one or more of these approaches may be used to estimate a property's assessment using the Market Valuation Standard.

Approach	How Market Value is Estimated	Property Type
Sales Comparison Approach to Value	Compare sale prices of similar property being assessed	- Residential - Commercial
Cost Approach to Value	Market value of land + (cost of improvements – depreciation) = value of property	-Unique and special use - Residential/Commercial (limited market data)
Income Approach to Value	Analyze future benefits (i.e., income-producing potential of the property)	- Income-producing (i.e., rental properties)

Description of each approach and the types of properties for which they are best suited.

Sales Comparison Approach to Value

This approach is based on the theory that the market value of a property is directly related to the sale prices of similar properties.

This approach is best suited to residential properties and investment types of property that sell frequently on the open market or where there are sufficient sales to use in this approach. When property types are relatively similar, the Sales Comparison Approach provides a dependable indication of market value.

Cost Approach to Value

This approach is based on the assumption that a potential purchaser would pay no more for the property than it would cost to buy a similar lot (or site) and construct an improvement on it with similar utility.

The Cost Approach is best used when the property being valued is recently constructed or nearly new. It is also applicable in situations where there are no or limited comparable sales available, or when the improvements are unique or specialized (e.g., courthouses, fertilizer blending plants, large recreation facilities).

Income Approach to Value

This approach is based on the principle that the value of a property reflects the quality and quantity of the income it is expected to generate over time. Income-producing properties are typically purchased for investment purposes, and thus a property's ability to earn income is the critical element affecting its value from a market point of view.

This approach is used to assess the value of properties such as apartments; retail, office or warehouse buildings; and other investment properties.

For more information about 2025 Revaluation:

Web: Regina.ca (Assessment & Tax)

Call: 306-777-7000 option 2