

# ASSESSMENT *Facts*

*Answering your questions about assessment*

## Farm Assessment

- Farmland, farm outbuildings and farm residences are assessed on the basis of their most probable market value. Market value assessment is the assessor's best estimate of the selling price of a property had it been for sale on the reference date, which for the 2012 reassessment is April 1, 2010.
- In determining the market value of the farmland, the assessor takes into consideration such factors as sales values, soil productivity and location. Land that is considered non-arable is typically assessed at lower rates than arable land. Examples of non-arable land include bush, pasture, sloughs and ravines.
- The value of land that is suitable for cultivation may be affected by such physical characteristics as drainage, topography, erosion, salinity and stoniness. Market values of arable farmlands are also influenced by supply, demand and the ability to grow specialized crops.
- Farmlands close to major centres or recreation areas often have higher sale values than similar farmlands located in the more remote areas of the province. This added value is due to their location near more intensively developed land. The potential for development of the farmland drives up its value. The assessor must identify this value in preparing the assessment but legislation provides the property owner with the option to apply for a "Farm Use" assessment. Farmland subject to a Farm Use assessment is assessed and taxed on the basis of its value as farm land as opposed to the higher assessment which reflects the development influence. Farm Use assessments remain in effect for as long as the property is used for farm purposes. A change in use of the property will result in a required "tax payback" on the difference between the two values for a period of up to five years.
- There is a large variety of farm buildings ranging from older wood frame structures to specialized buildings used in the dairy, hog and poultry industry. In some cases, buildings add little value to the farm unit and in other cases they are a major component. In determining the value of farm buildings, the assessor considers size, age, condition, quality of construction, and sales of similar properties.