



# Town of Bruderheim

Assessment Presentation

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Presenter:

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# Assessment vs Taxation

- Assessment
  - Assigning a dollar value to a property for taxation
    - Value can either be market value or a regulated value
- Taxation
  - Applying a tax rate to an assessment value to determine the property taxes payable
    - Taxation is the primary source of revenue for a municipality
- Although one impacts the other, assessment and taxation are 2 distinct and independent processes

# Who governs assessment?

- Alberta Municipal Affairs
  - They provide all of the legislation regarding property assessment and taxation in Alberta
    - Municipal Government Act
    - Matters Relating to Assessment and Taxation Regulation
    - Matters Relating to Assessment Complaints Regulation
- Municipal Affairs also provides the oversight of the assessment through yearly audits
  - Ensures rules and regulations are followed
  - Ensures fairness and equity in the assessments

# Valuation Standards

- There are 2 valuation standards in Alberta
  - 1. Market Value Standard
    - Used for the majority of properties
    - Considered the most fair and equitable method
    - Most taxpayers can relate to the value of their property
    - Easy for assessors to work with
  - 2. Regulated Procedure Standard
    - Used for certain properties that are difficult to assess using market value (rates are provided by Municipal Affairs)
      - Farmland
      - Machinery and Equipment
      - Designated Industrial Property (assessed by Provincial Assessor)
        - Including Linear (wells, pipelines, electric transmission, cable)
        - Properties regulated by the AER, NUB, or AUC

# Market Value Standard

- Market Value Defined:
  - ‘Market Value’ is the price a property might reasonably be expected to sell for if sold by a willing seller to a willing buyer after appropriate time and exposure in an open market
- Key Characteristics
  - It is the most probable price, not the highest, lowest, or average price
  - It assumes a willing buyer and a willing seller, with no advantage being taken by either party
  - It assumes a transaction between unrelated parties in the open market

# Market Value Standard (continued)

- Assessments and Sales prices
  - It is sometimes assumed that an assessment should equal a recent sale price. This is an incorrect assumption.
    - The sale might not have occurred in the assessment year or the date on which the property was valued
    - The buyer or seller may have been unduly motivated
    - The sale may have involved a trade, personal property, etc.
  - A sale price is a historical fact. It is an amount that was agreed upon by both the purchaser and seller surrounding a specific sale. Assessors gather information on ranges of sales prices as part of the process for assessing property

# Preparing Assessments

- Property that is assessable
  - A parcel of land
  - An improvement (ie: a building)
  - A parcel of land and the improvements to it
- Assessors use ‘Mass Appraisal’
  - This is the process of valuing large groups of properties as of a given date, using common data, mathematical models, and statistical tests
  - The focus is on the larger group, not on a specific property

# Preparing Assessments (continued)

- Data Collection
  - Assessors collect data through site inspections, blueprints, written request, etc
- Data Elements
  - Residential properties
    - Land area, building size, location, # of bathrooms, age, basement finish, fireplaces, renovations, etc
  - Non-Residential properties
    - Land area, building size, location, age, fencing, paving, etc
    - Income data

# Preparing Assessments (continued)

- How often is property assessed?
  - All properties are adjusted yearly for changes in market value or for changes to the regulated rates (ie: machinery and equipment assessments)
  - 20% of properties are inspected annually (to identify renovations, additions and deletions, etc) – use of RFI (request for information) becoming more popular for gathering data
  - New construction is inspected as it is built and monitored until completion

# Assessment Classes

- All properties are assigned an assessment class according to their use
  - Class 1 – Residential
    - Can be divided into subclasses
  - Class 2 – Non Residential
    - Can be divided into subclasses
  - Class 3 – Farmland
  - Class 4 – Machinery & Equipment
- The assessment class determines the tax rate that will be applied to each property

# Property owner rights

- Right to assessment information
  - Through direct contact with the assessors
  - Through Tanmar Consulting Website ([tanmarconsulting.com](http://tanmarconsulting.com))
  - Through Town of Bruderheim
- Right to make a complaint against the assessment
  - Following steps are recommended to the owner
    - Compare assessment with other similar property
    - Talk to the assessor – issues can often be resolved in this fashion
    - If still not satisfied, fill out a complaint form (available at the Town office) and pay the appropriate fee
    - Prepare for and attend an Assessment Review Board (ARB) hearing.

# Assessment Review Boards

- Quasi-judicial administrative board
  - Created, empowered and staffed according to the legislation laid out in the Municipal Government Act
  - Like a court – the Board can order something to be done, such as a change to the assessment of a property
- 3 Boards
  - LARB – Local Assessment Review Board (for residential)
  - CARB – Composite Assessment Review Board (for non-residential)
  - LPRT – Land & Property Rights Tribunal (for DI properties)

# Property Taxes

- A property's share of taxes will change each year for a combination of 2 reasons
  - There is a change in the annual budget requirements (municipal and/or school)
  - A particular property assessment changed more or less than the average

# The Primary Goal

- A level of market value, and fair process, across all properties....not a pin-pointed single appraised value
- If everyone's assessment value is calculated using the same uniform methods and techniques, while using sales within the municipality as a benchmark....then a level of market value will be achieved and the tax distribution should be fair and equitable

# Bruderheim Assessment Overview

# Important Dates

- Valuation Date
  - July 1, 2025 – all properties using the ‘market value standard’ are assessed as of this date
- Condition Date
  - December 31, 2025 – all properties must reflect their physical condition as of Dec. 31, 2025

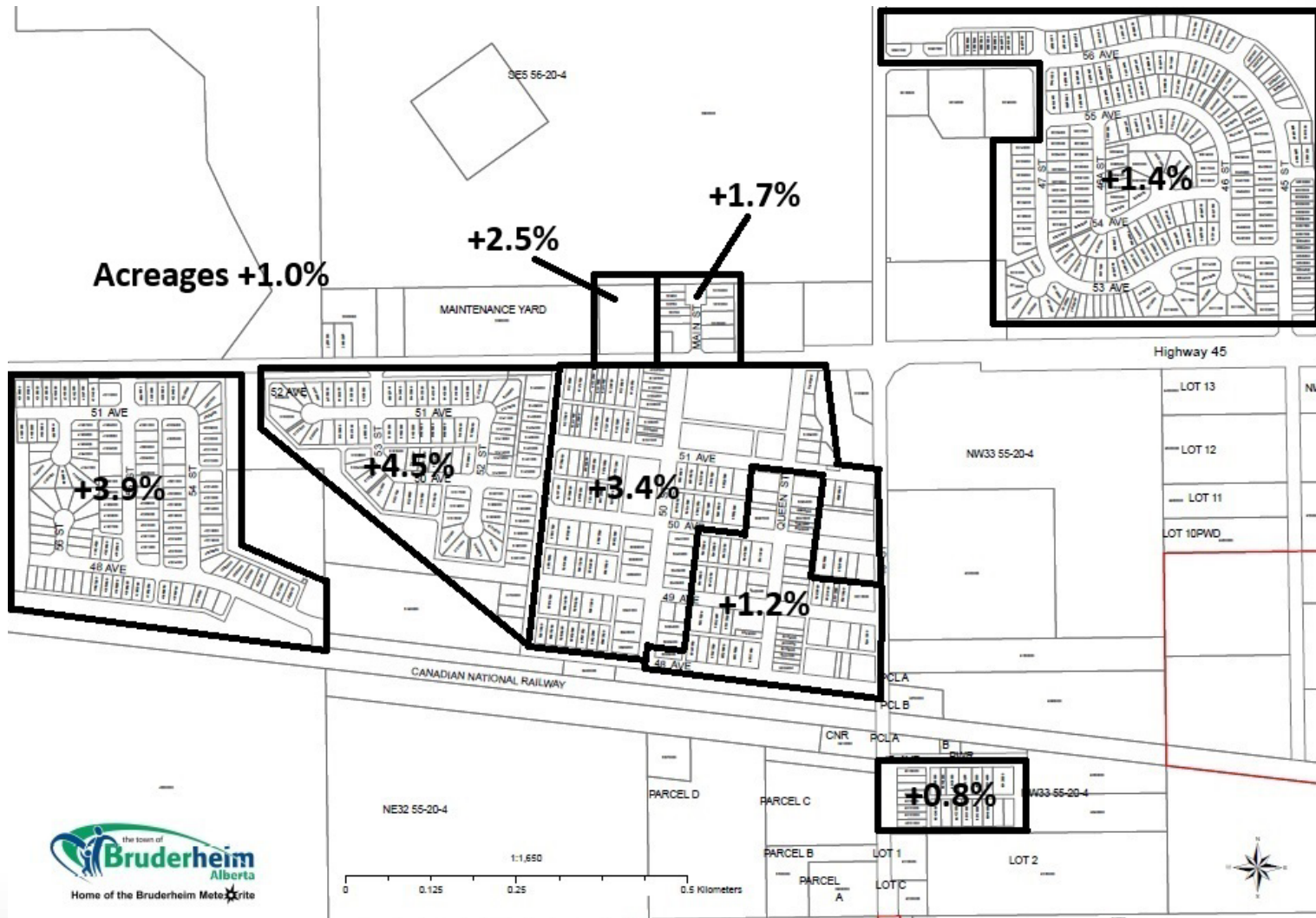
# 2025 Assessment Review Area



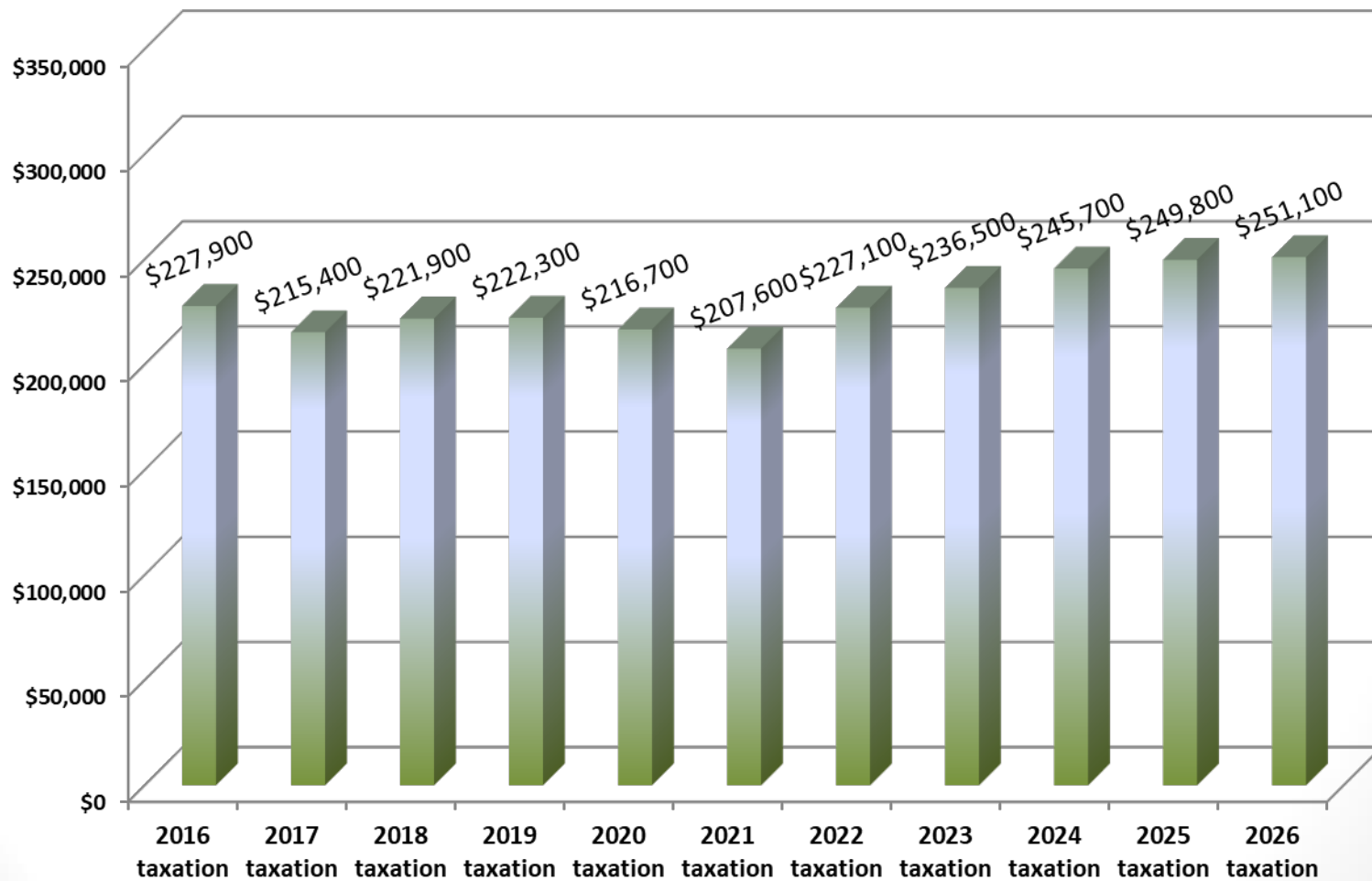


# Residential Market Changes

(average market change of +2.7%)



# Average Single Family Dwelling Assessment



# \$251,000 approx. assessment value ....what it looks like



- Central bungalow (1040sf)
- Built in 1970
- Detached garage

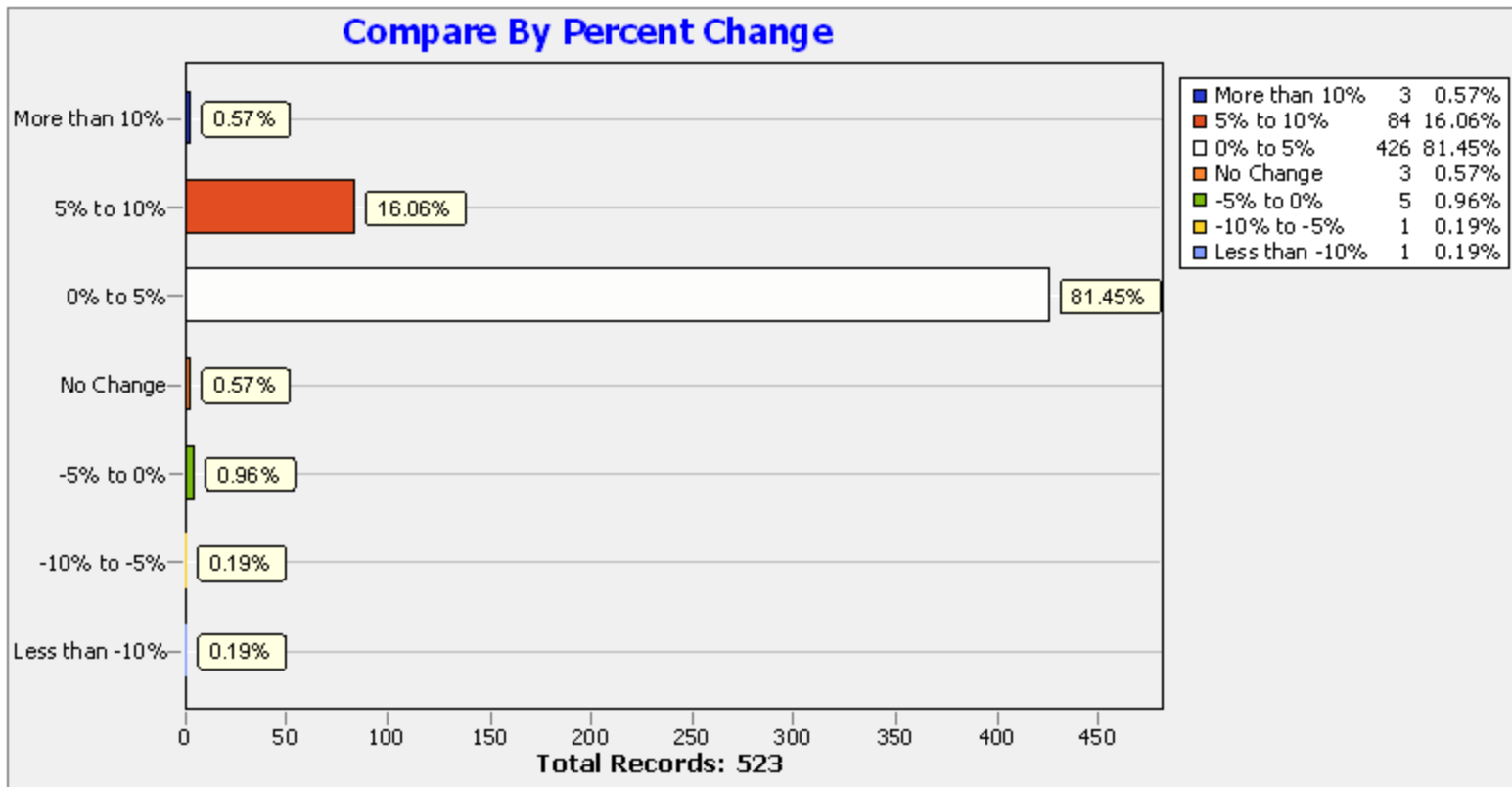


- Brookside bungalow (1150sf)
- Built in 1980
- Detached garage



- Sunset bi-level (1075sf)
- Built 1976
- Detached garage

# Single Family - Overall



81.45% of single family properties changed between +0% and +5%

# Other Municipalities

## • Bon Accord

- Single Family (+7.9% market change)
- Avg. asmt \$305,400
- 1973 bungalow with detached garage



## • Redwater

- Single Family (+11.1% market change)
- Avg. asmt \$251,000
- 1979 bungalow with detached garage



## • Lamont

- Single Family (+6.5% market change)
- Avg. asmt \$236,000
- 1977 bungalow with detached garage



# Commercial/Light Industrial

- Downtown Commercial (very little changes)
- Industrial (+2.3%)



# Growth

- Residential

- 1 single family dwelling, still under construction Dec. 31, 2025
- 1 mobile home
  - Both under tax free program
- Additional growth from assessment review area (renovations) and from homes coming off the tax-free program



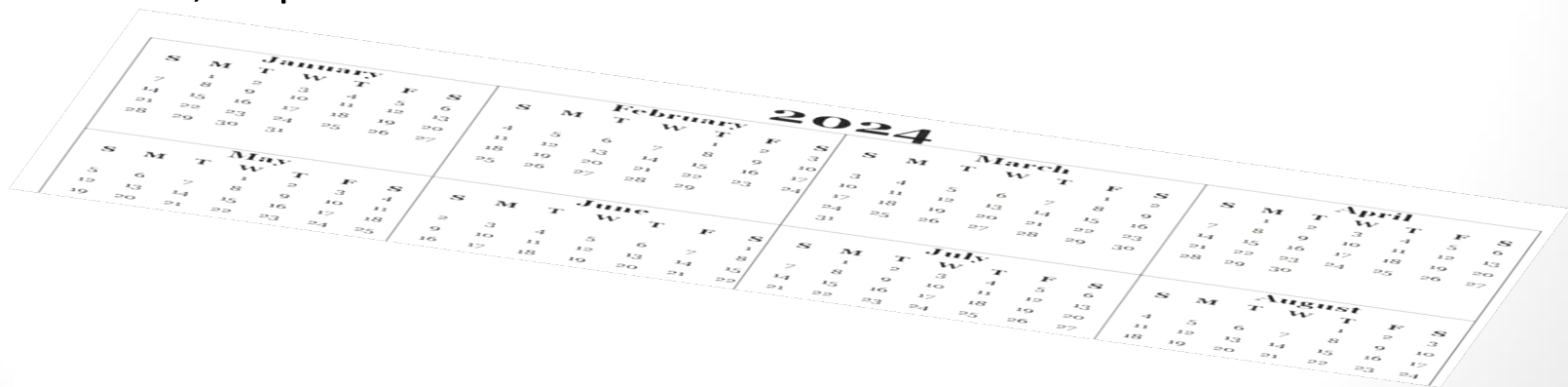
# Growth

- Non-residential
  - Deadbolt Storage (under tax-free program)



# What's Next?

- Property Tax Bylaw
- Mailing of assessment notices
  - Inquiries, inspections, ARB
- Start next assessment cycle
  - RFIs, inspections



# 2026 Assessment Review Area



# Additional Information

- Website Links
  - “Guide to Property Assessment and Taxation in Alberta”
    - Available at [open.alberta.ca/publications/isbn-9781460137079](https://open.alberta.ca/publications/isbn-9781460137079)
  - Tanmar Consulting Inc.
    - [www.tanmarconsulting.com](http://www.tanmarconsulting.com)