

What is Assessment?

- Assessment is the estimation of a property's probable market value. Properties are assessed so that municipal governments can levy property taxes. The market creates the value, Property Assessment Services reports it, and the municipal corporations set the required tax rates based on a number of factors including assessed values.
- Under provincial legislation, all properties in Manitoba are assessed every two years to ensure assessments keep pace with changing market values. This ensures an equitable distribution of property taxes.
- Each owner's share of property taxes is determined by their property's assessment. Taxes paid do not necessarily reflect the amount of services a property owner uses — they are related to the value of the property.
- To determine a property's assessment, an assessor takes into account the local market conditions at the reference date. The 2025 reassessment is based on April 1, 2023 market values. Put simply, the assessment is the assessor's best estimate of the most probable selling price for a property had it been for sale on the reference date.
- Location, size, age, and replacement cost are some of the elements that affect market value.
- Property information collected by assessors, along with statistical analysis of typical selling prices on and before the reference year date, form the basis of most assessments.
- The assessed value may not be exactly the same as the selling price if your property sold on the reference date, as assessments only reflect typical values of comparable properties. The purpose of assessment is not to directly reflect one sale price but to assess all similar properties at a similar value so that taxation is shared fairly.
- While assessors determine the value of most properties by analysing real estate transactions, some building assessments are measured by calculating their replacement cost less an amount for depreciation. This approach is taken in the case of properties that do not typically sell such as schools, hydro generating plants and manufacturing plants.
- For some properties, examining their rental income is the best way of establishing their value.
- Properties like hotels, apartments and commercial buildings that are leased out generate income for their owners. It is this rental income that attracts a buyer and determines the selling price. Assessors use an accounting/valuation procedure called "capitalization" to determine the appropriate value of such properties. To do so, income and expense information is required from the owners. This information is treated with the strictest of confidence.