

# How does MPAC Assess my Multi-residential Property?

At MPAC, we know understanding your property assessment is important to you, so we want to help you in any way we can. Please review the information below to better understand how we assess your **multi-residential** property. You can also visit [mpac.ca](http://mpac.ca) and log into **AboutMyProperty** to learn more about how your property was assessed and how its value compares to similar properties in your area.

## Multi-residential property assessments

Multi-residential properties may have different designs. The defining feature is that they contain seven or more self-contained residential units. To be considered a self-contained unit, each unit must include a kitchen, a bathroom and a separate entrance. MPAC categorizes multi-residential buildings into four building types:



Studios



Row housing



Low-rises



High-rises

## How we assess multi-residential properties

To assess your multi-residential property, we review the potential rental income and other potential income that could be generated by the property (e.g. parking, laundry).

We complete market analyses to determine an allowance for vacancy and collection loss (bad debt), normalized operating expenses, and capitalization rates.

## Steps to assess value

1. Look at the factors affecting your property's marketability, and establish the property's potential gross income based on Fair Market Rent of similar properties.
2. Deduct an allowance for vacancy and collection loss to obtain the property's effective gross income.
3. Deduct normalized operating expenses, to obtain the property's net operating income.
4. Divide the net operating income by a capitalization rate determined by the market, which gives us the property's assessed value.

## Property Income and Expense Return (PIER) Program

Each year, MPAC requests property information from property owners and/or their representatives as part of our **Assessment Information Request Program**. The information collected through this program is reviewed by assessors and used to support accurate property assessments as well as determine sector and market-based trends.

By filing your Property Income and Expense Return, you help us ensure that your property values are based on up-to-date and accurate information.



Visit [mpac.ca](http://mpac.ca) and log into **AboutMyProperty** to learn more.