

Assessment Year Modifier Calculation – Methodology (2025)

Summary of Steps

1. Pull data from Statistics Canada
 2. Adjust Index values to a common base year.
 3. Calculate the weighted index value for each year and property type.
 4. Calculate the % Construction Cost Change (CCC) between one year and the next.
 5. Calculate the 3-year average of the % CCC for the current year, and two years prior.
 6. Calculate current years Assessment Year Modifier (AYM) by applying the calculated value from step 4 to the prior years AYM.
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Step 1 - Pull data from Statistics Canada

Four Indices – Labour, Construction Equipment, Bulks Equipment, and Major Equipment

- A) [Labour - 18-10-0140-01 - Construction union wage rate index](#)
 - Filter (using the add/remove data tab to customize the table) for:
 - Prairie Region.
 - Construction union wage rate indexes including selected day supplements; and
 - Select June data for current year (or most available data point available before June of current year) and June data for each of the previous three years.
 - “Composite” data points used in weighted index calculation.
- B) [Construction Equipment - 18-10-0279-01 - Commercial and industrial machinery and equipment rental and leasing services price index](#)
 - Filter for:
 - Select Q2 of current year (or most available data point available before Q2 of current year) and Q2 data for each of the previous three years.
 - “Construction, transportation, mining and forestry equipment rental and leasing [53241]” data points used in weighted index calculation.
- C) [Bulks Equipment - 18-10-0266-01 - Industrial product price index](#)
 - Filter for:
 - Select June data for current year (or most available data point available before June of current year) and June data for each of the previous three years.
 - The average of the following eight data points used in the weighted index calculation:
 1. Total, Industrial product price index (IPPI)
 2. Chemicals and chemical products [P31]
 3. Energy and petroleum products [P51]
 4. Primary ferrous metal products [P61]
 5. Primary non-ferrous metal products [P62]

Alberta 

6. Fabricated metal products and construction materials [P63]
7. Machinery and equipment [P72]
8. Cement, glass, and other non-metallic mineral products [P81]

D) [Major Equipment - 18-10-0284-01 - Machinery and equipment price index \(monthly\)](#)

- Filter for:
 - Select Q2 of current year (or most available data point available before Q2 of current year) and Q2 data for each of the previous three years.
- “Total machinery and equipment” data points used in weighted index calculation.

NOTE

Municipal Affairs will pull the final data set for the AYM calculation each October 31. Statistics Canada data sets and indices are updated regularly and may change over time.

Step 2 - Adjust Indices to a Common Base Year.

- The values for each index should be stated in a common base year before applying the weighting and calculating the annual change. This can be done by dividing the value for each year by the value in the base year. For the purposes of the 2025 cost change analysis Municipal Affairs rebased to the 2005 year.

Step 3 - Weighted Index Value Calculation

- The weighted index value for each year will be calculated, for each property type.
 - Sum the product of the index values determined in the previous steps with the weightings for each primary cost category, per property type per year.

Primary Cost Category	Index	Pipelines Weights	Wells Weights	M&E Weights	EPP Weights	Telecomm Weights	Rail Weights
Labour	18-10-0140-01	45%	10%	45%	40%	35%	30%
Construction Equipment	18-10-0279-01	22%	32%	7%	12%	27%	32%
Bulks Material	18-10-0266-01	33%	58%	15%	15%	38%	38%
Major Equipment	18-10-0284-01*	0%	0%	33%	33%	0%	0%
TOTAL		100%	100%	100%	100%	100%	100%

* NOTE: The index used changed from 18-10-0270-01 to 18-10-0284-01. Data is the same, but the data release frequency is different, as confirmed with Statistics Canada.

Step 4 - Average % Construction Cost Change

- Calculate the % CCC by calculating the % change from the weighted index value of one year, with the prior year. Done for each property type and year.



Step 5 - Three-Year Rolling Average % Construction Cost Change

- Calculate the three-year rolling average by taking the average of the % CCCs for the current year, and 2 years prior. For example, a 2024 three-year rolling average % CCC will be the average of the % CCC for 2024, 2023, and 2022.

Step 6 - Current Year AYM Calculation

- Apply the three-year average % CCC calculated for each property type to the prior years AYM to calculate the current years AYM.

Example

Pipelines

	2021	2022	2023	2024
Weighted Index	1.33370	1.45910	1.46670	1.52990
% CCC	6.61%	9.40%	0.52%	4.31%
3-Year Rolling Avg	1.43%	4.63%	5.51%	4.74%

2023 AYM	3-year rolling average	2024 AYM
1.062	4.74%	1.112

For More Information

General inquiries can be made through the Assessment and Property Tax Policy Branch, toll free at 310-0000, then 780-422-1377, or by email at MA.APTP@gov.ab.ca.