

## COMMERCIAL MODEL EXECUTIVE SUMMARY

**Appraisal Cycle Date** – January 1, 2025 to December 31, 2028

**Effective Date of Valuation** – January 1, 2023

**Date of Report** – March 18, 2025

### Rent Model

Description	Rate (\$/sqft)
Base Rent	\$32.32
<b>Adjustments to Base Rent</b>	
Study Area 4411	-\$2.26
Study Area 4412	-\$4.69
Study Area 4413	-\$3.60
Study Area 4420	-\$4.02
Study Area 4425	-\$4.81
Study Area 4450	-\$2.95
Study Area 4460	-\$6.75
Study Area 4470	-\$6.37
Study Area 4510	-\$10.08
Study Areas 4520, 4530, 4475	-\$5.40
Study Area 4540	-\$3.61
Study Area 5203	-\$7.54
Study Area 5204	-\$11.25
Study Area 5205	-\$6.40
Study Area 5206	-\$4.51
Study Area 5207	-\$10.11
Study Area 9998	-\$13.41
Size adjustment between 3,200 and 81,000 sqft	-\$1.92
Size adjustment greater than 81,000 sqft	-\$13.72
Condition: Calculated Age/per year, from 0 to 33 (Calculated Age = 2023-Effective Year Built*Condition Rating)	-\$0.38
Limited Parking	-\$1.25
Poor Exposure	-\$1.36
Upper Floor Area, other than Office Space	-\$3.03
Basement Area	-\$7.56
Auto Service Garage Space	-\$2.82
Auto Dealership Space	\$4.90

Bank Space	\$11.49
Market Space	-\$3.32
Mini Lube Space	\$20.39
Office Space	-\$0.94
Recreation Space	-\$6.12
Fast Food Restaurant Space	\$9.46
Family Restaurant Space	\$1.13
Warehouse Space	-\$3.64
Unheated Space	x .57

### Vacancy and Shortfall

<b>Vacancy Group</b> (2023-Calculated Age)	<b>Vacancy</b>
Pre-1970	22.90%
1970-1999	8.08%
2000+	2.79%

<b>Shortfall Group</b> (2023-Calculated Age)	<b>Shortfall</b>
Pre-1970	5.26%
1970-1999	1.86%
2000+	0.64%

### Overall Capitalization Rates

<b>Description</b>	<b>Rate (%)</b>
Base Cap Rate	6.279
<b>Adjustments to Base Cap Rate</b>	
Industrial Flex Buildings	1.265
Enclosed Shopping Mall Buildings	4.893
Auto Dealership Buildings	4.993
Site Coverage between 31% and 60%, Per Percentage (Site Coverage % - 30% * Adjustment)	0.070
Study Area 4450	2.347
Study Area 4470, 4475	1.790
Study Area 4510, 4520	-2.218
Study Area 4540	1.421
Study Area 5207	-2.746

## Assessment to Sales Summary Results

Number of Sales	139
Median Assessment to Sale Price Ratio (ASR)	0.947
Coefficient of Dispersion	20.3%

## IDENTIFICATION of MODEL AREA

The Commercial model is an income model that values all non-residential income-producing properties not valued in the Enclosed Shopping Centre, Accommodations, Office, Parking, or Warehouse models. Generally described, these properties include all retail except the major enclosed shopping centres, restaurants, industrial flex warehouses, auto dealerships, and other general commercial properties.

The Commercial Capitalization model values Commercial properties in Regina, including General Commercial, Enclosed Shopping Centres, and Auto Dealerships.

A capitalization rate (Overall Adjusted Rate) is effectively the rate of return required by an investor when purchasing a stream of income. A capitalization rate can be determined by dividing the estimated net income for a property by the adjusted sale price:

$$\text{OAR} = \text{Net Income} / \text{Adjusted Sale Price}$$

The capitalization rate can then be applied to the Net Income to determine value:

$$\text{Value} = \text{Net Income} / \text{OAR}$$

The Commercial model is a city-wide model in application. There are a number of distinct commercial areas located throughout the city. These are individually described below.

### Zoning Descriptions

Properties valued by the Commercial model reflect numerous zoning classifications. The following are the predominant zonings located throughout the various general commercial neighbourhoods in Regina. These are cursory generalized descriptions only and not meant to reflect complete details concerning these classifications:

- ML – Mixed Low-Rise: Allows for low-intensity commercial and mixed-use development local neighborhoods by providing day-to-day-goods and services.
- MH – Mixed High-Rise: Allows for medium-intensity commercial and mixed-use development comprising of planned shopping centres and major business groupings oriented around arterial streets and key transportation corridors.
- MLM – Mixed Large Market: Allows for high-intensity commercial and mixed-use development comprising of planned shopping centres and major business groupings oriented around arterial streets and key transportation corridors.
- OA – Office Area: Allows for limited medium-intensity office development outside the Downtown by restricting the type, scale and size of buildings and uses.
- DCD-D – Downtown: Allows for the development of a mixed-use environment supporting the Downtown as the City’s main business center and the primary employment, civic and cultural hub.
- DCD-CS – Centre Square: Allows for a wide range of dwelling, office, service and retail land uses to promote the gradual intensification of the area bound by 13<sup>th</sup> Avenue, Broad Street, College Avenue and Albert Street, while complementing the Downtown.
- IL – Industrial Light: Allows for low and medium-intensity industrial development as well as small scale commercial activities to support industrial uses and their employees.
- IH – Industrial Heavy: Allows for high-intensity industrial development, limited consumer-oriented non-industrial land uses for retail or wholesale purposes, and small-scale commercial activities to support industrial uses.
- IP – Industrial Prestige: Allows for low-intensity industrial development in suitable locations in or near neighbourhoods with a mix of uses to ensure an appropriate transition between non-industrial land uses and higher-intensity industrial land uses.

## **Study Area Descriptions**

### **Neighbourhood 4410 Series**

Neighbourhood 4410 series comprises the major arterial route locations in the main commercial retail areas. These commercial districts are predominantly zoned ML (Mixed Low-Rise), MH (Mixed High-Rise) and MLM (Mixed Large Market) and generally feature a variety of site sizes with good to high visibility, on-site parking, the majority of buildings constructed from the 1970s to the present (average 1988),

and a broad variety of commercial activities including office, retail, restaurant, automotive, and professional services. The following describes the areas included in the 4410 neighbourhood series:

- 4411 - Rochdale Boulevard (east portion from the tracks to Argyle Street N) and the Normanview Shopping Centre area at McCarthy Boulevard and 9<sup>th</sup> Avenue North.
- 4412 - North (4<sup>th</sup> Avenue north to the Ring Road).
- 4413 - Victoria Avenue East from Arcola to the Ring Road.
- 4414 - Ring Road eastward to the City Limits.
- 4415 - Albert Street South (25<sup>th</sup> Avenue to Gordon Road), Grasslands retail area and Acre 21 retail area in south Regina.

### **Neighbourhood 4420 Series**

The Neighbourhood 4420 series is similar to the Neighbourhood 4410 series but comprises the more established locations on the major arterial routes. These commercial districts are predominantly zoned ML (Mixed Low-Rise), MH (Mixed High-Rise) and MLM (Mixed Large Market) and generally feature a variety of site sizes with moderate to good visibility, a mixture of off-site and on-site parking, the majority of buildings constructed from the late 1950s through the 1980s (average 1968), and a broad variety of commercial activities including office, retail, restaurant, retail service, automotive, and professional services. The following describes the areas included in the 4420 neighbourhood series:

- 4420 - Includes Albert Street north of the railway tracks to 4<sup>th</sup> Avenue, Dewdney Avenue from Lewvan Drive to Princess Street including Lewvan Drive to Pasqua Street north of the REAL District, Broad Street north of Dewdney Avenue to 4<sup>th</sup> Avenue, Broad Street from the railway tracks north of 1<sup>st</sup> Avenue to 6<sup>th</sup> Avenue North, and south of Dewdney Avenue to north of Canola Avenue to west of West Market Street and to east of Pinkie Road in Westerra.
- 4425 - Victoria Avenue between Osler Street and the Ring Road, 11<sup>th</sup> Avenue between Osler Street and Arcola Avenue, Saskatchewan Drive from Osler Street to Arcola Avenue, Arcola Avenue from Winnipeg Street to Victoria Avenue, and Park Street from Victoria Avenue to the railway tracks.

### **Neighbourhood 4450**

Neighbourhood 4450 comprises all non-arterial route locations in south Regina from the railway tracks southward. These commercial districts are scattered throughout the residential areas and are predominantly zoned MLM (Mixed Large Market) and MH (Mixed High-Rise). These commercial districts generally serve the local communities in which they are situated and include the Cathedral shopping area, the Hill Street commercial area, Pasqua Street South (Regina Avenue south to Gordon Road), and commercial developments around University Park Drive and Prince of Wales Drive (Quance Street south to Assiniboine Avenue), among others. These areas generally feature a variety of site sizes with

moderate visibility, a mixture of off-site and on-site parking, buildings constructed from the early 1900s to the present with the majority of buildings constructed from the 1950s through the 1980s (average 1970), and a broad variety of commercial activities including office, retail, restaurant, retail service, automotive, and professional services.

### **Neighbourhood 4460**

Neighbourhood 4460 is similar to Neighbourhood 4450 but encompasses all non-arterial route locations in north Regina from the CP tracks northward. As in Neighbourhood 4450, these commercial districts are scattered throughout the residential areas and are predominantly zoned ML (Mixed Low-Rise), MH (Mixed High-Rise) and MLM (Mixed Large Market). These commercial districts generally serve the local communities in which they are situated and include the Regent Park, Rosemont and Glencairn shopping areas, among others. These areas generally feature a variety of site sizes with moderate visibility, a mixture of off-site and on-site parking, buildings constructed from the early 1900s to the present with the majority constructed from the 1960s through the 1980s (average 1976), and a broad variety of commercial activities including office, retail, restaurant, retail service, automotive, and professional services.

### **Neighbourhood 4470 Series**

These commercial districts are predominantly zoned ML (Mixed Low-Rise) and MH (Mixed High Rise) and generally feature small site sizes, minimal visibility, a mixture of off-site and on-site parking, buildings constructed from the early 1900s to the present with the majority constructed in the 1920s, 1950s, 1960s and 1980s (average 1958), and a broad variety of commercial activities generally serving the local communities in which they are situated, including office, retail, restaurant, retail service, automotive, and professional services. The following describes the areas included in the 4470 neighbourhood series:

- 4470 - Comprises commercial districts located in the central neighbourhoods of Windsor Place and Washington Park (northwest of the downtown core bordered by Lewvan Drive to the west, railway tracks to the north, Albert Street to the east and railway tracks to the south), and Eastview (northeast of downtown bordered by 7<sup>th</sup> Avenue to the north, Ross Avenue to the south, Winnipeg Street to the west, and McDonald Street to the east).
- 4475 - Comprises the General Hospital area and Broder's Annex (southeast of the downtown core bordered by Osler Street to the west, Saskatchewan Drive to the north, Arcola Drive to the east and College Avenue to the south).

## **Neighbourhoods 4510, 4520, 4530 and 4540**

Neighbourhoods 4510, 4520, 4530 and 4540 comprise what is generally recognized as the downtown area of Regina. Neighbourhood 4520 is the downtown core area, 4510 is the commercial heart of 4520 featuring the Cornwall Centre and the core's high-rise office buildings, 4530 is on the outskirts of the downtown core area and 4540 is the Centre Square neighbourhood (formerly known as the Transitional Area) that borders the south side of the downtown core.

Neighbourhood 4510 is roughly bordered by Saskatchewan Drive to the north, 12<sup>th</sup> Avenue to the south, Lorne Street to the west and Rose Street to the east. This small area was almost entirely zoned DCD-D (Downtown) and features the majority of the city's high-rise office buildings, the Cornwall Centre Shopping Centre, and the Frederick Hill Mall with its mixture of pedestrian-oriented retail, service and restaurant uses in turn-of-the-century buildings. This area is characterized by small to medium sites with off-site parking and buildings constructed from the early 1900s to the 1990s, with the majority of buildings constructed in the early 1900s and the 1990s (average 1951). Two new high-rise office towers were constructed in 2011 and 2015.

Neighbourhood 4520 surrounds Neighbourhood 4510 and is roughly bordered by Saskatchewan Drive to the north, 13<sup>th</sup> Avenue to the south, Angus Street to the west and Osler Street to the east. This area was also predominantly zoned DCD-D (Downtown) and features high-rise office buildings, City Hall and the Main Library, and a mixture of single storey to low multi-storey retail, office, restaurant, service and institutional uses. This area is characterized by small to medium sites mostly with off-site parking and buildings constructed from the early 1900s to the present, with the majority of buildings constructed in the early 1900s, 1920s and the 1950s through the 1980s (average 1957).

Neighbourhood 4530 is located along the west side of Osler Street and borders 12<sup>th</sup> Avenue and South Railway Street. This area is also predominantly zoned DCD-D (Downtown) and features buildings such as the Regina Police Station, and a single storey retail building. This area is typically combined with 4520.

Neighbourhood 4540 abuts Neighbourhood 4520 along its south border and is roughly bordered by 13<sup>th</sup> Avenue to the north, College Avenue to the south, Albert Street to the west and Broad Street to the east. This area is predominantly zoned DCD-CS (Centre Square) and features an older residential area in transition to house-form uses including offices, retail and restaurants. This area is characterized by small to medium sites mostly with off-site parking and buildings constructed from the early 1900s to the present, with the majority of buildings constructed in the early 1900s and the 1950s through the 1980s (average 1954).

## **Neighbourhood 5201**

Neighbourhood 5201 is comprised of three small pockets encompassing all industrial zoned parcels located within the boundaries of North Central Regina. The west most pocket is located on the south side of the CN tracks, west of Albert Street and North of 1<sup>st</sup> Avenue. The central pocket is situated on the north side of the CN tracks between the laneway east of Albert Street and the laneway immediately west of Scarth Street with 1<sup>st</sup> Avenue North providing its northern boundary. The east pocket is likewise located north of the CN tracks with Winnipeg Street as its eastern boundary and 5<sup>th</sup> Avenue North as its northern most boundary.

The properties situated in this neighbourhood are predominantly zoned IL (industrial light) and feature, for the most part, small light industrial properties.

64% of the industrial buildings found in this neighbourhood were constructed in the 1960s and 1970s reflecting an average year built of 1976. Buildings range in size from approximately 600 square feet to 45,500 square feet with an average size of approximately 7,500 square feet.

Improved lot sizes range from approximately 2,000 square feet to 4.40 acres with an average lot size of 21,500 square feet.

## **Neighbourhood 5203**

Neighbourhood 5203 is known as the Ross Industrial Park and is the largest industrial area in the city. This area encompasses the City's northeast corner and is roughly bordered by Winnipeg Street to the west, the CN tracks to the southwest, CP tracks to the southeast, the eastern municipal boundary of the city to the east and the northern municipal boundary of the city to the north.

The northern one-third of this neighbourhood is almost entirely occupied by the Consumers' Co-operative Refineries (CCRL). Imperial Oil, Enbridge Pipelines and several other large oil tank farms are located along the west boundary of this neighbourhood and abut the southern boundary of the CCRL property. The Ross Industrial Park features a broad mixture of zones with the majority of properties zoned IH (industrial heavy) and also contains a mix of properties zoned IL (industrial light) and IP (industrial prestige). This neighbourhood comprises a broad range of property sizes, types and uses from light to heavy and prestige industrial. Property uses include small workshops to large manufacturing operations, chemical processing, mega warehousing (>200,000 square foot buildings), industrial, office, retail and restaurant uses necessary to service the area.

The majority of the buildings situated in this neighbourhood (52%) were constructed in the 1970s and 1980s with a further 29% being constructed since



2000. The average year built for buildings in this neighbourhood is 1982. Buildings range in size from approximately 110 square feet to 395,000 square feet with an average size of 25,500 square feet.

Improved lot sizes range from approximately 6,000 square feet to 337 acres with an average lot size of eight acres.

### **Neighbourhood 5204**

Neighbourhood 5204 is located immediately adjacent to the southwest corner of the Ross Industrial Park and encompasses all industrial zoned properties that are located along its west, south and eastern borders. Specifically, along the east side of Winnipeg Street (west border), between the CP tracks and 7<sup>th</sup> Avenue (south border), and along the west side of McDonald Street (east border). These properties are predominantly zone IL (industrial light).

71% of the buildings in this neighbourhood are small industrial buildings which were constructed in the 1950s through 1980s reflecting an average year built of 1969. Buildings in this neighbourhood range in size from approximately 222 square feet to 28,000 square feet with an average size of 4,750 square feet.

Improved lot sizes range from approximately 3,100 square feet to 1.83 acres. The average lot size in this neighbourhood is 12,500 square feet.

### **Neighbourhood 5205**

Neighbourhood 5205 is located in central Regina just north of the downtown core. This area is referred to as the Old Warehouse District and is bordered on its south side by the CP tracks abutting the north side of Saskatchewan Drive, 4<sup>th</sup> Avenue to the north, Albert Street to the west and Winnipeg Street to the east. This area is somewhat transitional in nature with many properties being used for a mix of general commercial uses including retail, office, nightclubs and residential condominiums.

The majority of the properties in this neighbourhood are zoned IL (industrial light) and IH (industrial heavy) and feature, for the most part, small light industrial properties with buildings constructed from the 1910s to 2015 with the majority (64%) being built in the 1950s through the 1980s, reflecting an overall average year built of 1960. The area along Dewdney Avenue abutting the CP rail yards (between Albert and Broad Streets) features larger mill style warehouses constructed in the early 1900s.

Buildings range in size from approximately 150 square feet to 333,000 square feet with an average size of 18,500 square feet. Improved lot sizes range from approximately 2,200 square feet to 22.50 acres with an average lot size of 45,950 square feet.

## **Neighbourhood 5206**

Neighbourhood 5206 is sandwiched between Neighbourhoods 5201 and 5205 in North Central Regina. This area is roughly bordered by McIntyre Street to the west, Winnipeg Street to the east, the CN tracks to the north and 4<sup>th</sup> Avenue to the south. As well, this neighbourhood extends north up Winnipeg Street from Ross Avenue (south) to the Ring Road (north). This northerly arm encompasses the former Imperial Oil Refinery site that ceased operations in the late-1970s and is now occupied by the City's Transit Operations and the local Food Bank, among other uses.

This neighbourhood primarily featured a mixture of IL (industrial light) and IH (industrial heavy) zoning and is generally developed with medium to large property sizes featuring mostly warehousing and manufacturing uses.

This neighbourhood has had the majority of its buildings constructed steadily since the 1950s, reflecting an average year built of 1975. Buildings range in size from approximately 400 square feet to 194,000 square feet with an average size of 60,000 square feet.

Improved lot sizes range from approximately 11,000 square feet to 31 acres with an average lot size of 5.15 acres.

## **Neighbourhood 5207**

Neighbourhood 5207 is known as Tuxedo Park and is located in East Central Regina immediately south of Neighbourhoods 5204 and 5205 and the most southerly portion of Neighbourhood 5203. This area is roughly bordered by Broad Street to the west, Park Street to the east, the CP tracks to the north and 10<sup>th</sup> Avenue, Arcola Avenue and Victoria Street to the south.

This neighbourhood is predominantly zoned IL (industrial light) and features a small pocket of IH (industrial heavy) sites. There is a mixture of small, medium and large property sizes featuring a mixture of industrial and general commercial uses, including retail and office uses. Although there has been steady construction in this neighbourhood from the 1950s to present day, the majority of the buildings (61%) were constructed in the 1960s, 1970s and 1980s, reflecting an overall average year built for this neighbourhood of 1977.

Buildings range in size from approximately 150 square feet to 170,000 square feet with an average size of 16,100 square feet.

Improved lot sizes range from approximately 1,900 square feet to 12.30 acres. The average lot size in this neighbourhood is 1.47 acres.

## **Neighbourhood 5208**

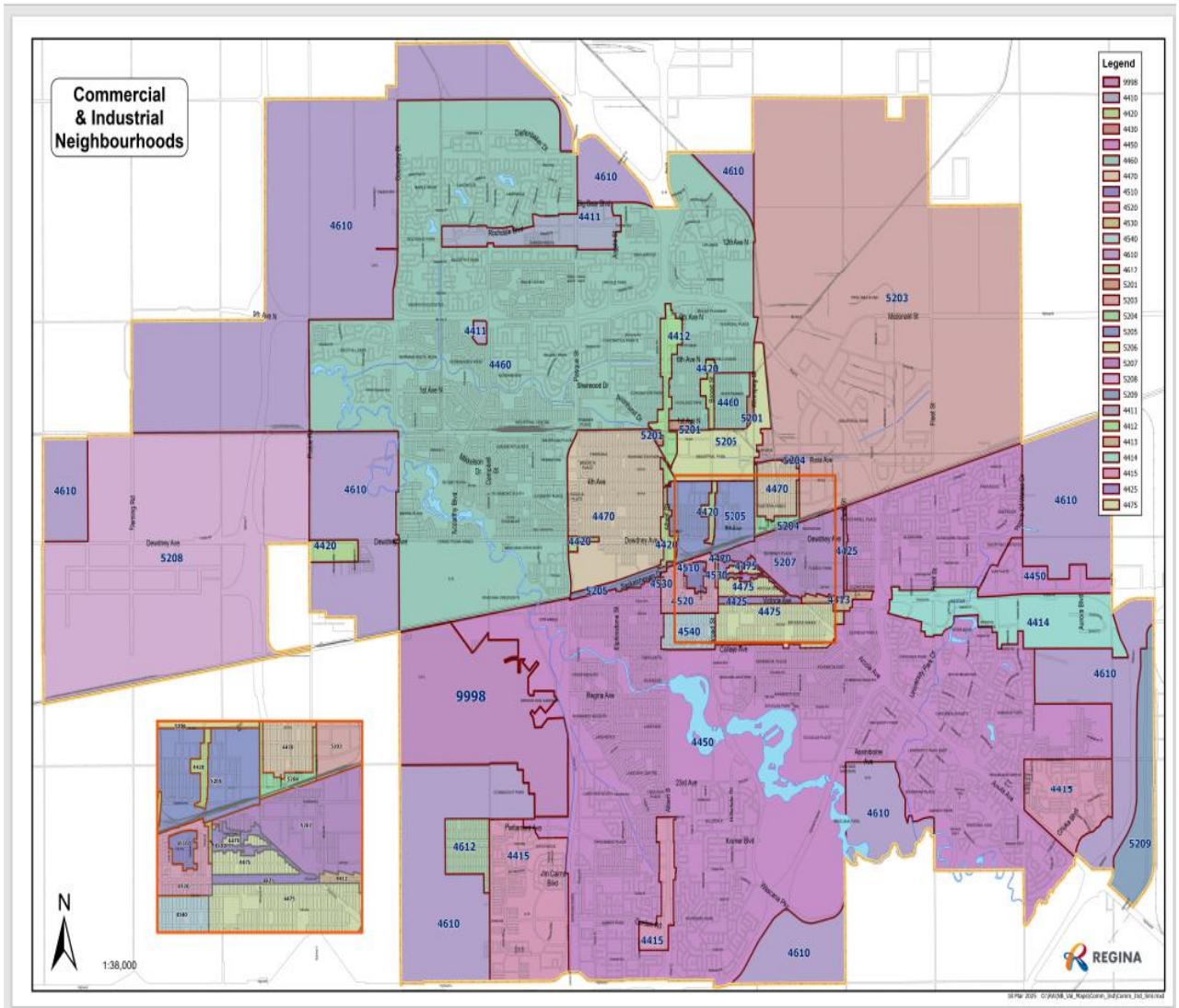
Neighbourhood 5208 is the City's newest industrial area and is located on land annexed to the City extending west of the city along the CP tracks. This area, now referred to as the Global Transportation Hub or GTH, is bordered by West Boundary Road to the west, the Sakimay Reserve to the east, Dewdney Avenue to the north and the CP tracks to the south.

The majority of this neighbourhood is zoned IL (industrial light) and is intended to accommodate inter-modal shipping, trucking and mega-style warehousing on large sites. Loblaw's is operating a one-million+ square foot inter-modal shipping centre in this neighbourhood. Smaller distribution facilities have been developed over the past several years. The southern portion of this neighbourhood is zoned RR (railroad) and houses Canadian Pacific Railway's inter-modal facility.

Buildings range in size from approximately 100 square feet to 1,054,000 square feet with an average size of 252,000 square feet.

Improved lot sizes range from approximately 1,100 square feet to 298.81 acres. The average lot size in this neighbourhood is 58.8 acres.

# MAP



## SCOPE of DATA and ANALYSIS

### Commercial Rent Model

2025 is a revaluation year meaning all properties within Regina are valued as of January 1, 2023. Prior to 2023, the City Assessor requested copies of 2020, 2021, 2022 and 2023 rent rolls for all non-residential properties to develop a Mass Appraisal Net Rent Model.

A total of 1,680 Commercial net rents were analyzed using Multiple Regression Analysis. The rent model is an additive model that predicts rents based on the

type of lease space, location of the lease space both within the city and location within a building, lease area size, and effective age of building. The following table provides a breakdown of these rents along with statistical measurements.

### Commercial Rent Statistics

NET\_PSF

	N	Median	Mean	Minimum	Maximum
Total	1680	16.00	17.94	2.02	56.50
Auto Dealership Space	11	20.83	24.10	9.34	42.57
Auto Service Garage Space	13	13.60	11.97	4.56	16.00
Bank Space	18	34.00	33.25	16.00	49.00
Market Space	6	11.88	13.65	4.93	26.00
Mini Lube Space	4	47.62	42.94	20.00	56.50
Office Space	341	16.75	17.24	2.31	45.00
Recreation Space	4	6.13	10.38	2.41	26.85
Family Restaurant Space	120	20.00	20.49	6.00	48.52
Fast Food Restaurant Space	23	30.23	31.82	21.80	54.00
Retail Space	811	18.50	20.05	2.38	43.19
Warehouse Space	329	10.50	10.63	2.02	22.50
Basement Area	14	7.00	7.18	2.02	15.00
Main Floor Area	1581	16.81	18.17	2.94	56.5
Upper Floor Area	85	13.75	15.43	2.31	38.75
Study Area 4412	123	15.00	16.54	3.00	56.50
Study Area 4411	166	22.00	22.85	5.18	54.00
Study Area 4413	63	17.50	18.57	11.00	37.17
Study Area 4414	243	24.00	25.36	6.13	50.25
Study Area 4415	193	25.00	24.41	2.94	48.52
Study Area 4420	118	14.80	16.00	3.06	42.57
Study Area 4425	32	15.50	15.13	4.92	35.00
Study Area 4450	165	18.50	18.55	4.98	35.00
Study Area 4460	67	14.00	13.19	2.38	26.32
Study Area 4470	14	14.25	13.79	5.32	18.00
Study Area 4475	6	19.72	20.20	4.56	38.75
Study Area 4510	12	10.00	8.67	2.31	15.00
Study Area 4520/4530	29	13.00	13.06	4.34	23.33
Study Area 4540	15	18.58	18.81	13.00	25.00
Study Area 5203	221	10.50	10.87	5.35	29.00
Study Area 5204	14	10.91	10.72	5.00	20.72
Study Area 5205	93	12.00	11.45	2.02	19.20
Study Area 5206	25	11.00	13.59	8.00	34.27
Study Area 5207	74	11.75	11.35	4.27	22.50
Study Area 9998	7	10.91	11.44	10.05	14.68
Effective Year Built Before 1950	28	8.91	12.17	2.02	38.75
Effective Year Built 1950 - 1959	29	13.00	13.38	4.59	23.33
Effective Year Built 1960 - 1969	73	12.50	14.07	3.06	36.44
Effective Year Built 1970 - 1979	133	13.40	14.06	2.94	34.60
Effective Year Built 1980 - 1989	216	14.10	14.09	2.38	26.33
Effective Year Built 1990 - 1999	587	15.00	15.73	2.41	37.23
Effective Year Built 2000 - 2009	253	20.91	20.31	3.29	50.25
Effective Year Built 2010 - 2019	352	26.25	25.05	5.00	56.50
Effective Year Built 2020 & After	9	34.00	31.22	20.00	46.58
Area Less Than 3,200 SF	1104	17.00	18.65	2.02	56.50
Area 3,200 - 81,000 SF	571	14.64	16.63	2.38	49.00
Area Greater Than 81,000 SF	5	12.25	11.24	5.18	19.50

## Commercial Rent Model

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Base Rent	\$32.32
<b>Adjustments to Base Rent</b>	
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Fast Food Restaurant Space	\$9.46
Family Restaurant Space	\$1.13
Warehouse Space	-\$3.64
Unheated Space	x .57

\*Excluded variables (considered in the calibration stage; excluded as insignificant in predicting value): Study Area 4415.

### Condition Rating

Calculated age is calculated using the following formula:

$$\text{Base date (2023)} - \text{Effective Year Built} * \text{Condition Rating}$$

The condition of buildings and structures is determined taking into consideration the remaining economic life of both short-lived and long-lived items.

### Condition Rating Chart

Poor	1.3
Below Average	1.15
Average	1.0
Above Average	0.9
Good	0.8
Very Good	0.7
Superior	0.6
Excellent	0.5

### Vacancy and Shortfall

Typical base date vacancy and shortfall adjustments were estimated from the returned rent rolls from property owners with the following results:

**Vacancy** = Total vacant area/total rentable area

Vacancy Group	Vacant (Sqft)	Rentable (Sqft)	Vacancy
Pre-1970	169,935	742,053	22.90%
1970-1999	403,502	4,996,116	8.08%
2000+	128,039	4,581,023	2.79%

**Shortfall** = Expense Ratio x Dark Space Ratio x Vacancy

Expense ratio = Gross Rent/Net Rent

Dark Space Ratio = Occupancy Costs of a vacant space/Occupancy Costs of a rented space

Shortfall Group	Expense Ratio	Dark Space Ratio	Vacancy	Shortfall
Pre-1970	0.343	0.67	22.90%	<b>5.26%</b>
1970-1999	0.343	0.67	8.08%	<b>1.86%</b>
2000+	0.343	0.67	2.79%	<b>0.64%</b>

\*Due to no reported occupancy costs of a vacant space, the dark space ratio has been carried forward from historical analysis (commercial rental model).

### Overall Capitalization Rates and Adjustments

Economic capitalization rates were estimated by dividing the predicted base date net operating income (generated from the net rent model) by adjusted sale prices. Sales used in this analysis occurred between January 1, 2017 and December 31, 2022. These sales were verified by mailing questionnaires to both vendors and purchasers.

Sales were adjusted for non-realty items and other factors when warranted. Sales were also adjusted to the base date of January 1, 2023. There was no time adjustment warranted for the first 18 months of sales (January 2017 to June 2018). An indicated time adjustment of approximately -0.3% per month for sales that occurred between the months 19 to 47 (July 2018 to November 2020) was calculated and then there was no further adjustment for sales occurring after month 47 (December 2020 to December 2022).

The economic capitalization rate analysis involved 139 sales, detailed in the following table.

Address	Account	Sale Year	Sale Month	Adjusted Sale Price	Proposed Income	Indicated Cap
1051 N ARNASON STREET	10001788	2019	7	\$953,109	\$55,700	5.84
5660 ROCHDALE BOULEVARD	10002475	2022	4	\$2,160,101	\$164,800	7.63
155 N ALBERT STREET	10012933	2019	2	\$1,314,458	\$111,200	8.46
211 N ALBERT STREET	10013240	2019	10	\$2,548,609	\$164,100	6.44
230 N WINNIPEG STREET	10013758	2017	1	\$655,369	\$44,000	6.71
100 ALBERT STREET	10016612	2018	11	\$5,001,296	\$330,500	6.61
340 ALBERT STREET	10017127	2019	2	\$879,748	\$59,800	6.80
1810 2ND AVENUE N	10017431	2022	1	\$1,200,056	\$50,900	4.24
2505 4TH AVENUE N	10017620	2017	1	\$531,628	\$29,400	5.53
135 ALBERT STREET	10017623	2018	4	\$2,502,318	\$134,800	5.39
251 ALBERT STREET	10017627	2020	12	\$700,033	\$58,400	8.34
361 MCDONALD STREET	10018643	2022	5	\$1,845,086	\$73,900	4.01
1117 E PETTIGREW AVENUE	10018690	2018	7	\$5,700,020	\$224,300	3.94
628 ALBERT STREET	10021963	2021	5	\$320,015	\$18,300	5.72



650 ALBERT STREET	10021965	2020	7	\$889,290	\$75,400	8.48
1850 1ST AVENUE	10022111	2018	1	\$2,383,160	\$394,700	16.56
777 BROAD STREET	10022161	2018	6	\$8,583,959	\$919,800	10.72
775 BROAD STREET	10022162	2018	6	\$3,345,590	\$302,800	9.05
620 E 4TH AVENUE	10022461	2019	12	\$1,567,408	\$125,100	7.98
924 PARK STREET	10022462	2021	2	\$2,150,100	\$196,000	9.12
1734 E MACRAE DRIVE	10022518	2017	12	\$1,585,521	\$178,700	11.27
4200 DEWDNEY AVENUE	10024776	2022	8	\$700,033	\$74,100	10.59
1042 ALBERT STREET	10025854	2019	12	\$595,034	\$69,900	11.75
2732 DEWDNEY AVENUE	10026663	2019	1	\$215,299	\$33,100	15.37
1420 ALBERT STREET	10026675	2019	9	\$3,907,330	\$320,800	8.21
1441 ALBERT STREET	10026918	2018	9	\$564,188	\$40,600	7.20
2220 DEWDNEY AVENUE	10026986	2020	1	\$1,213,059	\$87,300	7.20
1404 CORNWALL STREET	10026994	2021	7	\$276,011	\$15,400	5.58
1304 CORNWALL STREET	10027005	2022	4	\$900,542	\$79,800	8.86
2139 8TH AVENUE	10027017	2017	2	\$375,806	\$14,900	3.96
2100 DEWDNEY AVENUE	10027027	2019	5	\$1,894,799	\$124,300	6.56
1324 HAMILTON STREET	10027065	2018	2	\$802,942	\$63,000	7.85
1938 DEWDNEY AVENUE	10027073	2018	8	\$1,936,457	\$144,500	7.46
2176 7TH AVENUE	10027120	2021	11	\$1,262,558	\$152,500	12.08
2220 7TH AVENUE	10027134	2020	3	\$361,230	\$26,800	7.42
1247 ALBERT STREET	10027151	2022	8	\$200,009	\$12,400	6.20
1275 HALIFAX STREET	10027237	2021	5	\$1,180,055	\$113,600	9.63
1011 OSLER STREET	10027259	2019	1	\$419,365	\$25,400	6.06
1147 WINNIPEG STREET	10027438	2022	5	\$205,010	\$7,500	3.66
225 E 4TH AVENUE	10027947	2019	10	\$1,952,331	\$118,200	6.05
148 E 5TH AVENUE	10027961	2021	12	\$765,036	\$32,300	4.22
2705 DEWDNEY AVENUE	10032471	2019	6	\$863,604	\$43,600	5.05
1956 HAMILTON STREET	10032577	2019	2	\$271,342	\$14,300	5.27
1855 SCARTH STREET	10032621	2022	5	\$735,034	\$31,200	4.24
1838 SCARTH STREET	10032626	2017	11	\$889,101	\$22,800	2.56
2323 11TH AVENUE	10032648	2017	7	\$760,778	\$56,000	7.36
1925 OSLER STREET	10032681	2017	9	\$355,641	\$25,700	7.23
1755 HALIFAX STREET	10033088	2020	10	\$149,557	\$18,700	12.50
1757 HALIFAX STREET	10033089	2018	4	\$210,818	\$19,100	9.06
1757 HALIFAX STREET	10033089	2020	10	\$189,439	\$19,100	10.08
1759 HALIFAX STREET	10033090	2021	9	\$350,016	\$33,600	9.60
1311 SASKATCHEWAN DRIVE	10033165	2017	9	\$343,725	\$26,800	7.80
1500 WINNIPEG STREET	10033263	2019	8	\$573,586	\$18,300	3.19
1160 9TH AVENUE	10033272	2021	8	\$160,007	\$7,300	4.56
1675 REYNOLDS STREET	10033432	2022	9	\$1,650,077	\$80,100	4.85

736 VICTORIA AVENUE	10033572	2020	9	\$606,374	\$33,100	5.46
348 VICTORIA AVENUE	10033664	2018	7	\$384,728	\$29,100	7.56
1741 MCDONALD STREET	10033834	2021	5	\$1,970,092	\$141,400	7.18
100 VICTORIA AVENUE	10033856	2021	4	\$2,750,128	\$155,900	5.67
1869 MACKAY STREET	10033915	2017	6	\$962,430	\$47,500	4.94
240 E 12TH AVENUE	10033917	2020	1	\$980,152	\$36,300	3.70
1801 PARK STREET	10033937	2021	3	\$639,427	\$52,900	8.27
2220 E VICTORIA AVENUE	10034755	2021	2	\$7,600,354	\$737,400	9.70
3217 E EASTGATE DRIVE	10035667	2022	2	\$1,750,082	\$132,400	7.57
3434 13TH AVENUE	10036164	2018	11	\$805,790	\$59,000	7.32
2326 ALBERT STREET	10037546	2020	11	\$520,024	\$33,500	6.44
2135 ALBERT STREET	10037553	2019	8	\$564,027	\$60,000	10.64
2135 ALBERT STREET	10037553	2018	10	\$417,457	\$60,000	14.37
2224 14TH AVENUE	10037629	2018	9	\$1,086,756	\$98,300	9.05
1130 15TH AVENUE	10038140	2019	9	\$541,753	\$36,400	6.72
1614 14TH AVENUE	10038333	2018	10	\$202,235	\$14,700	7.27
2020 PARK STREET	10039676	2018	3	\$8,845,183	\$466,400	5.27
317 E VICTORIA AVENUE	10039685	2022	7	\$718,033	\$69,500	9.68
229 E VICTORIA AVENUE	10039689	2020	8	\$505,447	\$37,900	7.50
115 E VICTORIA AVENUE	10039691	2018	3	\$733,280	\$71,700	9.78
108 E COLLEGE AVENUE	10039799	2022	5	\$160,007	\$22,100	13.81
1875 E VICTORIA AVENUE	10040426	2022	2	\$8,280,386	\$429,600	5.19
570 UNIVERSITY PARK DRIVE	10040483	2021	7	\$14,700,686	\$797,400	5.42
665 UNIVERSITY PARK DRIVE	10040662	2019	2	\$14,172,152	\$824,100	5.81
3310 PASQUA STREET	10045861	2021	12	\$1,750,082	\$196,200	11.21
4150 ALBERT STREET	10052977	2020	9	\$15,904,886	\$1,109,800	6.98
127 HODSMAN ROAD	10059440	2019	2	\$234,725	\$16,800	7.16
141 HODSMAN ROAD	10059447	2019	2	\$563,339	\$24,100	4.28
1123 E WEAVER STREET	10059719	2021	2	\$275,013	\$15,400	5.60
1129 E WEAVER STREET	10059722	2018	6	\$261,231	\$18,500	7.08
2-395 PARK STREET	10059822	2020	8	\$4,459,829	\$263,200	5.90
107 ALBERT STREET	10064937	2022	5	\$4,525,211	\$259,500	5.73
2965 GORDON ROAD	10065069	2017	10	\$109,854,510	\$8,916,700	8.12
2425 11TH AVENUE	10065704	2017	2	\$687,450	\$53,200	7.74
3665 E QUANCE STREET	10069373	2022	10	\$2,000,093	\$157,800	7.89
475 ALBERT STREET	10069375	2022	7	\$1,950,704	\$116,000	5.95
2202 BROAD STREET	10070120	2020	10	\$7,602,480	\$594,500	7.82
1001 OSLER STREET	10070200	2021	11	\$1,250,058	\$57,500	4.60
1601 4TH AVENUE	10070201	2019	10	\$3,846,957	\$538,100	13.99
1168 WINNIPEG STREET	10070876	2018	5	\$352,891	\$21,600	6.12
4501 ROCHDALE BOULEVARD	10087127	2018	9	\$4,601,373	\$355,800	7.73

1779 ROSE STREET	10091551	2017	3	\$458,300	\$30,100	6.57
1734 OSLER STREET	10112115	2018	2	\$11,684,313	\$1,051,100	9.00
3615 PASQUA STREET	10112833	2017	4	\$5,325,446	\$796,200	14.95
3015 5TH AVENUE	10113776	2021	6	\$430,020	\$38,300	8.91
1221 OSLER STREET	10120542	2020	11	\$1,137,553	\$83,700	7.36
1221 OSLER STREET	10120542	2022	10	\$1,200,056	\$83,700	6.97
420 ALBERT STREET	10123913	2017	12	\$4,674,660	\$218,300	4.67
550 BROAD STREET	10130603	2020	9	\$1,391,678	\$155,400	11.17
1201 HALIFAX STREET	10130883	2021	7	\$1,340,063	\$90,500	6.75
3605 E QUANCE STREET	10144824	2017	11	\$1,379,483	\$76,700	5.56
2525 E QUANCE STREET	10147238	2021	6	\$19,100,891	\$1,202,200	6.29
2223 E VICTORIA AVENUE	10154683	2020	12	\$45,002,100	\$6,402,629	14.23
203-2206 DEWDNEY AVENUE	10167385	2021	4	\$225,010	\$21,000	9.33
1920 PRINCE OF WALES DRIVE	10246874	2021	11	\$5,587,761	\$380,400	6.81
1960 PRINCE OF WALES DRIVE	10246875	2017	10	\$2,199,840	\$107,300	4.88
1415 11TH AVENUE	10255536	2022	11	\$95,004	\$5,300	5.58
661 SOLOMON CRESCENT	10258410	2022	6	\$1,385,065	\$177,900	12.84
404 DEWDNEY AVENUE	10271847	2019	6	\$296,478	\$21,400	7.22
402 DEWDNEY AVENUE	10271848	2017	11	\$297,895	\$21,400	7.18
402 DEWDNEY AVENUE	10271848	2022	2	\$300,014	\$21,400	7.13
104-2300 BROAD STREET	10275743	2017	5	\$121,450	\$9,000	7.41
104-2300 BROAD STREET	10275743	2021	6	\$162,008	\$11,000	6.79
105-2300 BROAD STREET	10275744	2017	4	\$238,316	\$17,600	7.39
108-2300 BROAD STREET	10275747	2018	4	\$632,454	\$50,600	8.00
109-2300 BROAD STREET	10275748	2019	8	\$172,076	\$23,300	13.54
110-2300 BROAD STREET	10275749	2021	6	\$187,509	\$23,900	12.75
1-1456 11TH AVENUE	10284228	2018	3	\$164,988	\$11,000	6.67
1-1456 11TH AVENUE	10284228	2020	12	\$198,009	\$11,000	5.56
2-1456 11TH AVENUE	10284229	2019	8	\$181,636	\$11,100	6.11
2-1456 11TH AVENUE	10284229	2021	11	\$198,009	\$11,100	5.61
4-1456 11TH AVENUE	10284231	2019	5	\$180,006	\$11,100	6.17
4-1456 11TH AVENUE	10284231	2022	7	\$155,007	\$12,700	8.19
2-649 SOLOMON CRESCENT	10285210	2018	1	\$1,049,507	\$109,800	10.46
A-2210 E EMMETT HALL ROAD	10310476	2017	8	\$852,438	\$59,700	7.00
4041 ALBERT STREET	10322197	2018	9	\$6,474,294	\$416,200	6.43
14-3710 E EASTGATE DRIVE	10326764	2019	1	\$889,278	\$60,200	6.77
15-3710 E EASTGATE DRIVE	10326765	2022	7	\$512,524	\$43,100	8.41
3151 E TRUESDALE DRIVE	10333988	2019	9	\$1,438,281	\$98,400	6.84
104-3540 EAST BYPASS SERVICE ROAD	10349720	2022	9	\$329,015	\$20,100	6.11
105-3540 EAST BYPASS SERVICE ROAD	10349721	2022	4	\$345,016	\$28,700	8.32
107-3540 EAST BYPASS SERVICE ROAD	10349723	2021	5	\$190,009	\$20,100	10.58

108-3540 EAST BYPASS SERVICE ROAD	10349724	2021	4	\$291,014	\$28,700	9.86
110-3540 EAST BYPASS SERVICE ROAD	10349726	2021	10	\$300,014	\$28,700	9.57

The reconciliation process for developing the economic capitalization rate and adjustments to the rate primarily involved Multiple Regression Analysis, which was supported by a consultation process with individuals active in the Regina real estate market. Recognized published capitalization rate data were also reviewed. The economic capitalization rate and adjustments are as follow:

Description	Rate (%)
Base Cap Rate	6.279
<b>Adjustments to Base Cap Rate</b>	
Industrial Flex Buildings	1.265
Enclosed Shopping Mall Buildings	4.893
Auto Dealership Buildings	4.993
Site Coverage Site Coverage between 31% and 60%, Per Percentage (Site Coverage %-30 * Adjustment)	0.070
Study Area 4450	2.347
Study Area 4470, 4475	1.790
Study Area 4510, 4520	-2.218
Study Area 4540	1.421
Study Area 5207	-2.746

\*Excluded variables (considered in the calibration stage; excluded as insignificant in predicting value): Auto Service Shop, Study Area 4420, Study Area 4460, Study Area 5203, Study Area 5204\_5205, Restaurants, and Neighbourhood Shopping Centres.

## Other Adjustments

### Extra Land

Extra Land is the difference between a property's actual parcel size, and the maximum parcel size that would be required to accommodate the existing improvement.

Site coverage in the Commercial model ranges from nine (9 percent) to one hundred (100 percent). The median site coverage is thirty-eight (38 percent). When site coverage is between thirty-one (31 percent) and sixty (60 percent) the Capitalization Rate for the building is adjusted according to the results of the regressed Capitalization Rate model.

When the site coverage ratio is less than eight (8 percent), then:

Extra Land Value = (Lot Size-(building foot-print / .08))/Lot Size\*Land Assessment

## MODEL VALIDATION

In mass appraisal, the most effective means of evaluating the accuracy of appraisals is a ratio study. A ratio study compares the appraised values produced by the valuation models to sale transactions in the marketplace.

The legislated statistical requirement affecting the assessment of commercial properties in Saskatchewan is for the median ratio of a city-wide assessment-to-sale ratio study to be within the range of 0.95 to 1.05.

The primary measure of appraisal uniformity in ratio studies is the Coefficient of Dispersion (COD). Low CODs tend to be associated with good appraisal uniformity, however, CODs can be impacted by the nature of the jurisdiction, appraised properties, and observed data.

The median assessment-to-sale ratio and Coefficient of Dispersion for this Commercial model is provided below:

Number of Sales	139
Median Assessment to Sale Price Ratio (ASR)	0.947
Coefficient of Dispersion	20.3

Additional statistical analysis can be performed, subject to sufficiency of available data, to ensure uniformity among characteristics found throughout the analyzed properties. The most common tools used are ratio statistics, scatterplots and non-parametric tests.

In mass appraisal, the two most widely used non-parametric tests are the Kruskal-Wallis test and the Mann-Whitney Test. The Kruskal-Wallis test is used when there are two or more groups being tested and the Mann-Whitney test is used when there is only one group being tested. In mass appraisal, both tests are used to determine if the Assessment to Sales Ratios (ASR's) of the groups are statistically different. The assumption in both tests (null hypothesis) is that the distribution of the ASR's for the group(s) being tested are not different.

If the distribution of the ratio is the same among the different classifications, the model is assumed to be unbiased

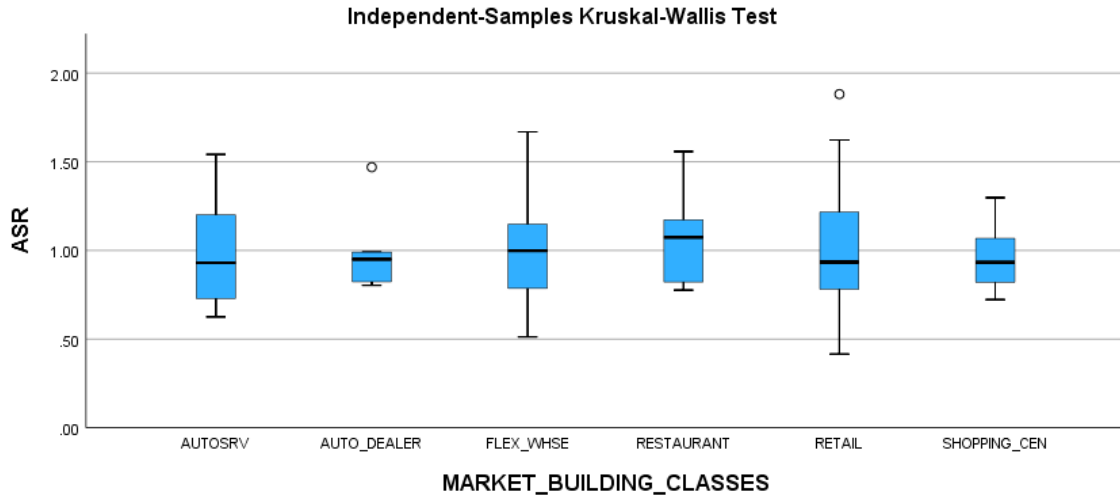
## Building Type

### Hypothesis Test Summary

	Null Hypothesis	Test	Sig. <sup>a,b</sup>	Decision
1	The distribution of ASR is the same across categories of MARKET_BUILDING_CLASSES.	Independent-Samples Kruskal-Wallis Test	.962	Retain the null hypothesis.

a. The significance level is .050.

b. Asymptotic significance is displayed.

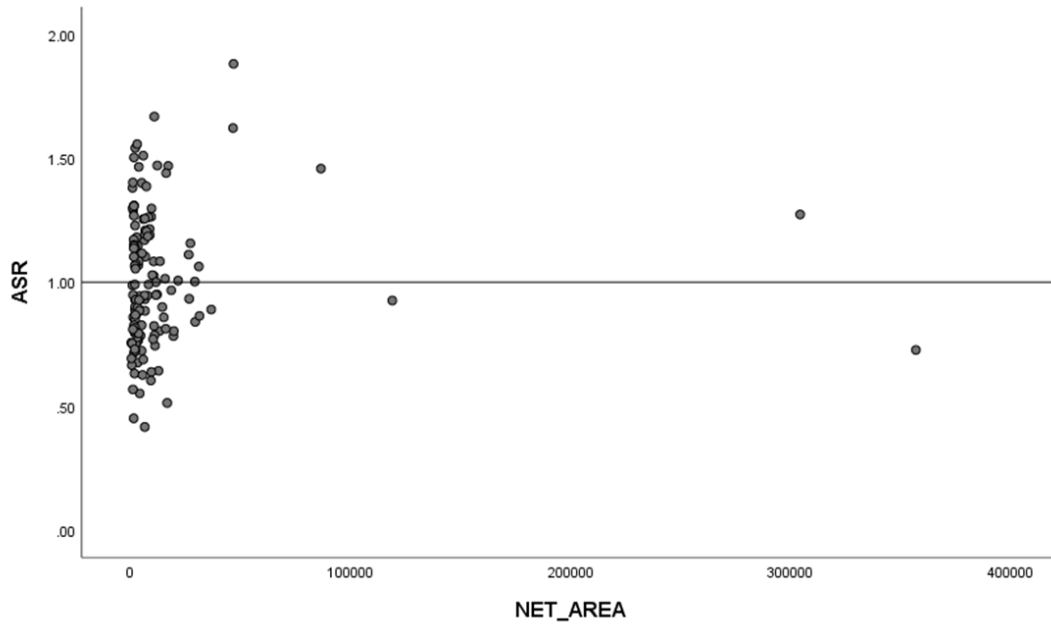


## Ratio Statistics by Study Area Groups (Location):

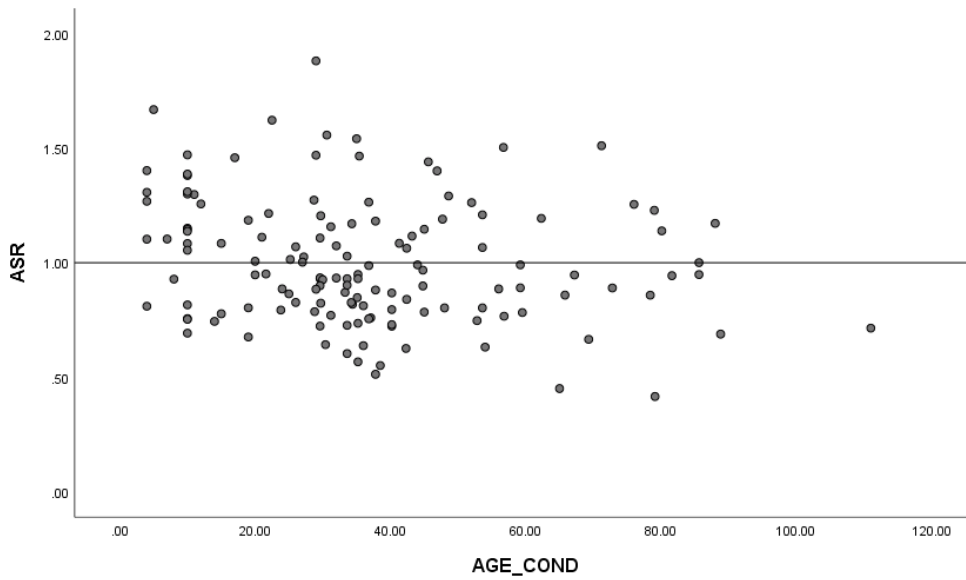
Ratio Statistics for ASR by Study Area (Location)			
Stratification	# of obs.	Median	COD
Study Area 4410 Series	34	1.020	0.177
Study Area 4420, 4425	21	0.930	0.200
Study Area 4450	4	0.825	0.252
Study Area 4460	3	0.931	0.068
Study Area 4470, 4475	11	0.898	0.237
Study Area 4510, 4520	7	1.139	0.244
Study Area 4540	11	0.946	0.236
Study Area 5203	20	0.939	0.277
Study Area 5204, 5205	19	0.890	0.258
Study Area 5207	9	1.084	0.153
Overall	139	0.947	0.228

A scatterplot is a graphical analysis used to display the dispersion of an entire array of ASR ratio results for non-categorical, or linear, characteristics such as net leasable area, age and site coverage percent.

### Net Area



### Effective Age with Condition



# Site Coverage Percent

