EXECUTIVE SUMMARY

Accommodation Model

Appraisal Cycle Date – January 1, 2025 to December 31, 2029

Effective Date of Valuation – January 1, 2023

Date of Report – May 9 2025

Model Summary

Stratification		Net Income per Room	Occupancy Rate	Overall Capitalizaton Rate
Full Service Hotels		$ 8,557	44.0%	5.23%
Limited Service Hotels	Year Built 2000 and older	$ (3,899)	35.9%	5.23%
Limited Service Hotels	Year Built 2001 and newer	$ 4,872	50.4%	5.23%
Select Service Hotels	Year Built 2000 and older	$ 3,519	49.8%	5.23%
Select Service Hotels	Year Built 2001 and newer	$ 11,122	55.5%	5.23%
Motels		$ 7,426	44.0%	5.23%

Number of Sales:	2
Median Assessment to Sales Ratio (ASR)	0.999
Co efficient of Disperson (COD)	8.1%

ACCOMMODATION MODEL

IDENTIFICATION of MODEL AREA

The Accommodation model is an income model that values all the hotel and motel properties in the City of Regina. Hotel and motel properties that also include separate office, retail and/or restaurant components; these components valued by the Office and Commercial models. The Accommodation model is a city-wide model in application.

Accommodation properties are classified and grouped according to generally accepted industry practices, including motels, limited-service hotels, select service hotels, and full- service hotels, among others. These are generalized definitions; an accommodation property may not meet an exact definition, however, is placed in the classification that best fits the individual property.

After analyzing all available market information, the Assessor determined the following categories of accommodation properties. These categories are described as:

- Full Service Hotel
  - Conference capable facilities offering full food and beverage services for guests and groups; abundant meeting and banquet space to accommodate large groups and conferences
- Limited Service Hotel
  - Non-conference capable facilities offering full food and beverage services for guests and groups, limited meeting space for small groups or banquets
- Select Service Hotel
  - Non-conference capable facilities, without full food and beverage services for guests and groups, very limited if any, meeting space or very small groups and without ability to service even small banquets
- Motel
  - Walk-up type accommodation properties, offering minimal services and amenities

Based on these categories, the Assessor then looked to the existing inventory of hotel and motel properties to determine if these categories required further stratification, better reflecting difference in physical characteristics and amenities.

The information provided in the table below summarizes the information the Assessor used in determining the stratifications, as indicated in the 2025 Accommodation Stratification Process:

Stratification		EYB	# of Room	GROSS AREA	GROSS AREA/RM	# of Meeting Rooms	Conf Area Size Sf	Conf. space sf/ room	Max Capacity Banquet
2025 Base Year Accommodation Stratification									
Full Service	**Median**	**1976**	**226**	**235,777**	**1,043**	**14**	**15,438**	**69**	**350**
	Mean	1970	232	236,669	1,003	15	18,043	77	460
	Minimum	1926	200	133,812	669	12	13,262	59	250
	Maximum	1992	274	333,585	1,217	23	29,845	109	1,000
Limited Service Yr. Blt. 2000 and older	**Median**	**1974**	**126**	**75,624**	**616**	**4**	**2,610**	**20**	**95**
	Mean	1966	122	80,391	681	4	2,866	24	105
	Minimum	1926	78	64,628	525	2	1,220	9	30
	Maximum	1987	157	111,302	946	6	5,024	48	200
Limited Service Yr. Blt. 2001 and newer	**Median**	**2007**	**123**	**81,140**	**615**	**3**	**1,454**	**12**	**50**
	Mean	2008	124	77,370	626	2	1,979	16	66
	Minimum	2003	118	68,060	553	1	933	8	30
	Maximum	2015	132	81,974	695	3	3,435	29	150
Select Service Yr. Blt. 2000 and older	**Median**	**1995**	**88**	**37,730**	**463**	**-**	**-**	**-**	**-**
	Mean	1994	91	41,005	453	0	42	0	2
	Minimum	1986	66	30,420	400	-	-	-	-
	Maximum	2000	129	62,650	486	1	250	2	12
Select Service Yr. Blt. 2001 and newer	**Median**	**2013**	**102**	**64,432**	**632**	**2**	**970**	**7**	**30**
	Mean	2012	106	68,762	644	2	1,091	10	43
	Minimum	2008	60	37,394	494	-	-	-	-
	Maximum	2020	147	109,810	800	3	3,862	33	80
Motel A	**Median**	**1965**	**33**	**14,134**	**450**	**-**	**-**	**-**	**-**
	Mean	1965	35	14,564	410	-	-	-	-
	Minimum	1964	31	10,656	323	-	-	-	-
	Maximum	1967	42	18,901	456	-	-	-	-

2025 ACCOMMODATION STRATIFICATION

Full- Service Hotel (5)
- Full-Service Restaurant on Site/ leased or owner occupied
- Large Conference Capability:
  - Conference Area: Med: 15,438 sq.ft. (Range 13,262-29,845)
  - # of meeting rooms: Med: 14 (Range 12-23)
  - Conference Area/Room Med: 69 sq.ft. (Range 59-109)
  - Large Banquet Capacity: Med: 350 (Range 250-1000)
  - # of Rooms: Med: 226 (Range 200 to 274)
- Gross Building Area: Med: 235,777 sq.ft. (Range 133,812-333,585)
- Gross Building Area/Room Med: 1043 (Range 669 to 1217)

The Hotel Saskatchewan - 2125 Victoria Avenue
Delta Hotel & Convention Centre - 1919 Saskatchewan Dr
Double Tree by Hilton - 1911 Broad St
Ramada Plaza by Wyndham - 1818 Victoria Ave
The Atlas Hotel - 4177 Albert St

Limited Service Hotel (10)

- Full- service restaurant on site – typically leased but may be owner occupied
- May or may not have direct access to the restaurant
- Meeting Rooms:
  - Meeting Room Area: Med: 1454 sq.ft. (Range 0 -5024)
  - # of meeting rooms: Med: 3 (Range 0-6)
  - Meeting Area/Room: Med: 16 sq.ft. (Range 0-48)
  - Banquet Capacity: Med: 50 (Range 0-200)
  - # of Rooms: Med: 125 (Range 78 to 157)
- Gross Building Area: Med: 76,123 sq.ft. (Range 64,628-111,302)
- Gross Building Area/Room Med: 615 sq.ft. (Range 525 to 946)

Holiday Inn Express Hotel & Suites - 1907 11th Ave
Best Western 7 Oaks -777 Albert St
Quality Inn Hotel - 1717 Victoria Avenue
Executive Royal Hotel Regina - 4025 Albert St
Chateau Regina Hotel & Suites - 1110E Victoria Ave
Holiday Inn & Suites - 1800 Prince of Wales Dr
Sandman Hotel & Suites - 1800E Victoria Ave
Fairfield Inn & Suites - 3915 Albert St
Four Points by Sheraton - 2415 Dewdney Ave
Wingate by Wyndham Regina - 1700 Broad St

Select Service Hotel (15)

- No restaurant on site
- Typically includes hot breakfast with room
- Meeting Rooms:
  - Meeting Room Area: Med: 353 sq.ft. (Range 0 -3862)
  - # of meeting rooms: Med: 1 (Range 0-3)
  - Banquet Capacity: Med: 28 (Range 0-80)
  - # of Rooms: Med: 100 (Range 60 to 147)
- Gross Building Area: Med: 58,317 sq.ft. (Range 30,420-109,810)
- Gross Building Area/Room Med: 556 sq.ft. (Range 400 to 800)

Motel 6 Regina - 2050 E Victoria Ave
Super 8 by Wyndham Regina - 2730 E Victoria Ave
Comfort Inn Regina - 3221E Eastgate Bay
Country Inn & Suites by Radisson - 3321E Eastgate Bay
Home Suites Regina East - 3841E Eastgate Dr
Home Inn & Suites Regina Airport-4801 Harbour Landing Dr
Days Inn by Wyndham - 3875E Eastgate Dr
Days Inn Regina Airport West - 4899 Harbour Landing Dr
Hampton Inn & Suites by Hilton - 3830E Eastgate Dr
Residence Inn by Marriott Regina - 1506 Pasqua St
Comfort Suites - 4300 Diefenbaker Dr
Holiday Inn Express & Suites - 4255 Albert St
Travel Inn Regina - 1810E Argan Dr
Meridian Inn & Suites Regina Airport-3800 Harbour Landing Dr
Best Western Plus Eastgate - 3840E Eastgate Dr

Motel (3)
2-storey, walk-up style motels offering minimal services and amenities

Knights Inn Regina - 1009 Albert Street
Coachman Inn Motel - 835 Victoria Avenue
Sunrise Motel - 1931 Rupert Street

SCOPE of DATA and ANALYSIS

Net Income Model Development

Prior to the January 1st, 2023 base date, the City Assessor requested copies of financial statements prepared in accordance with standard accounting practiced for all hotel and motel properties. The data for the development of the mass appraisal net income model came from these returned financial statements. Five years of data (2018, 2019, 2020, 2021 and 2022) were analyzed to understand valuation trends in the marketplace; the final model is based upon median values of the 5 years.

The financial statements of 33 accommodation properties were analyzed. The net income model predicts net income based on the number of rooms and the typical net rent per room. The development of typical accommodation net incomes is a three-step process:

1. Develop net incomes from individual hotel/motel properties

2. Develop potential net income per room from individual hotel/motel properties

3. Develop typical net incomes per room for different hotel/motel property groups

The first step in the development of accommodation net incomes is to review the revenue and expense statements for each individual property that provided information. The net income for each individual property is derived through the following formula:

Operating Revenue – Departmental Expenses – Undistributed Operating Expenses – Fixed Expenses = Net Income

The second step is to develop the potential net income per room from the total net income for each individual property. This process considers the occupancy rate of the individual property and its number of rooms to determine the potential income the individual property could earn if it was fully occupied, as follows:

Net Income ÷ Occupancy Rate ÷ Number of Rooms = Potential Net Income per Room

The third and final step of developing typical net incomes is to analyze the market trends for the various stratifications to determine if different typical potential net incomes and occupancy rates are applicable to different groups or classifications of accommodation properties. These typical figures will be required in the application of the net income model to the inventory of accommodation properties in the city.

The following market trends were observed:

Market Trends (Medians) 2018 to 2022						Annual Occupancy (%)	NOI/Room 100% Occupancy	Expense Ratio
Stratification:		# of Obs.	ADR	REVPar				
Overall:		147	$108.71	$ 47.27		47.7%	$ 6,050	0.862
FullService		24	$131.65	$ 61.91		44.0%	$ 8,557	0.895
Limited Service	Yr. Blt. 2000 and older	17	$100.00	$ 34.34		35.9%	$ (3,899)	1.075
Limited Service	Yr. Blt. 2001 and newer	25	$105.58	$ 52.82		50.3%	$ 4,872	0.892
Select Service	Yr. Blt. 2000 and older	25	$ 77.90	$ 39.44		49.8%	$ 3,519	0.892
Select Service	Yr. Blt. 2001 and newer	42	$117.75	$ 69.35		55.5%	$ 11,122	0.741
Motel		14	$ 68.89	$ 36.21		44.0%	$ 7,426	0.691

Rent Model Application

The second step in the valuation process is to apply the typical potential net incomes and occupancy rates against the hotel/motel inventory in the city to arrive at typical total net incomes for all hotel/motel properties.

An allowance of 4% is made to the predicted total net income for each hotel/motel property to recognize the industry standard for reserves for replacement.

Overall Capitalization Rates and Adjustments

Economic Capitalization Rates were estimated by dividing the predicted base date net operating income (generated from the net income model) by adjusted sale prices. Sales used in this analysis occurred between January 1, 2019 and December 31, 2022. These sales were verified by mailing questionnaires to both vendors and purchasers.

Land Titles information and the Assessor's verification process both showed that the sale prices of these properties excluded amounts for furniture, fixtures and equipment (FF&E). The sale prices reflected in the table below reflect the sale of land and buildings only. Therefore, adjustments for FF&E are not required in this valuation model and calculations.

The capitalization rate analysis involved two sales, detailed in the following table:

Account	Address	Sale Year	Sale Month	Adjusted Sale Price	Predicted Income	Economic Cap Rate
10115610	1700 Broad Street	2022	5	$ 6,500,000	367,055	5.65
10035670	3321 E Eastgate Bay	2022	6	$ 2,550,000	122,489	4.80

Application of Capitalization Rate

The final step in the valuation process is to capitalize a property's net income by applying the median economic cap rate of 5.23% to determine its total value.

Model Testing

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 arm's length sale transactions in the marketplace.

The legislated statistical requirement governing the assessment of commercial properties in Saskatchewan is for the median ratio of a city-wide assessment-to-sale 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. The COD also indirectly measures the quality of the appraisal process by which mass appraisal modelled values are developed.

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

Number of Sales:	2
Median Assessment to Sales Ratio (ASR)	0.999
Co efficient of Disperson (COD)	8.1%