

RETAIL – GLOBAL MODEL

IDENTIFICATION of MODEL AREA

The Retail – Global model, also referred to as the General Commercial model, is an income model that values all non-residential income-producing properties not valued in the Auto Dealership, Enclosed Shopping Centre, Hotel/Motel, Office, Parking or Warehouse models. Generally described, these properties include small offices, all retail except the major enclosed shopping centres, restaurants, small general purpose warehouses and other general commercial properties.

The Retail – Global 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 Retail – Global 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:

- NC – Neighbourhood Commercial: business establishments that serve the day to day commercial and personal needs of households
- LC1, LC2, LC3 – Local Commercial: commercial and personal service uses at moderate density to serve areas beyond the NC zone
- MS – Main Street: high density developments to serve housing, business and amenity needs in the Northwest sector of the city
- HC – Highway Commercial: retail, business and personal services to the travelling public, requiring a high level of accessibility and parking
- MAC, MAC3 – Major Arterial Commercial: retail, service and office businesses serving the travelling public and residents, requiring locations with good visibility and arterial road access
- DSC – Designated Shopping Centre: development of planned shopping centres
- D – Downtown: concentration of retail, office, service and cultural facilities, high density residential developments, and ground floor and pedestrian-oriented streets containing clusters of retail, personal services entertainment and drinking establishments
- MX – Mixed Residential Business: flexible use of properties in residential areas that are in transition from residential development

Neighbourhood 4410

Neighbourhood 4410 comprises the major arterial route locations in the main commercial retail areas, including Albert Street South (25th Avenue to Gordon Road) and North (4th Avenue north to the Ring Road), Victoria Avenue East (Ring Road and eastward) and Quance Street, Rochdale Avenue (east portion from McCarthy Boulevard eastward) and the Grasslands retail area in southwest Regina. These commercial districts are predominantly zoned MAC (Major Arterial Commercial) 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, retail service, automotive and professional services.

Neighbourhood 4420

Neighbourhood 4420 is similar to Neighbourhood 4410 but comprises the more established locations on the major arterial routes, including the central portion of Albert Street between the CP tracks and 4th Avenue, Victoria Avenue between Osler Street and the Ring Road, Rochdale Avenue from McCarthy Boulevard west to the CP tracks, Broad Street from the CP tracks to 8th Avenue North, and the Normanview Shopping Centre area at McCarthy Boulevard and 9th Avenue North. These commercial districts are predominantly zoned MAC (Major Arterial Commercial) 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 1960s to the 1980s (average 1968), and a broad variety of commercial activities including office, retail, restaurant, retail service, automotive and professional services.

Neighbourhood 4430

Neighbourhood 4430 is a small area situated along Eastgate Drive and Prince of Wales Drive in East Regina. This area is zoned MAC (Major Arterial Commercial) and HC (Highway Commercial) and generally features small to medium site sizes with good to high visibility, on-site parking, all buildings constructed since 1985 with the vast majority constructed from 2000 onward, and commercial activities catering, for the most part, to the travelling public including motels, restaurants and a truck stop facility.

Neighbourhood 4450

Neighbourhood 4450 comprises all non-arterial route locations in south Regina from the CP tracks southward. These commercial districts are scattered throughout the residential areas and are predominantly zoned LC1 and LC2 (Local Commercial) and NC (Neighbourhood Commercial). 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 LC1 and LC2 (Local Commercial) and NC (Neighbourhood Commercial). 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

Neighbourhood 4470 comprises commercial districts located in the central neighbourhoods of Windsor Place and Washington Park (northwest of the downtown core bordered by the Lewvan to the west, CN tracks to the north, Albert Street to the east and the CP tracks to the south) and 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). These commercial districts are predominantly zoned LC1 and LC3 (Local Commercial) and NC (Neighbourhood Commercial) 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.

Neighbourhoods 4510, 4520 and 4540

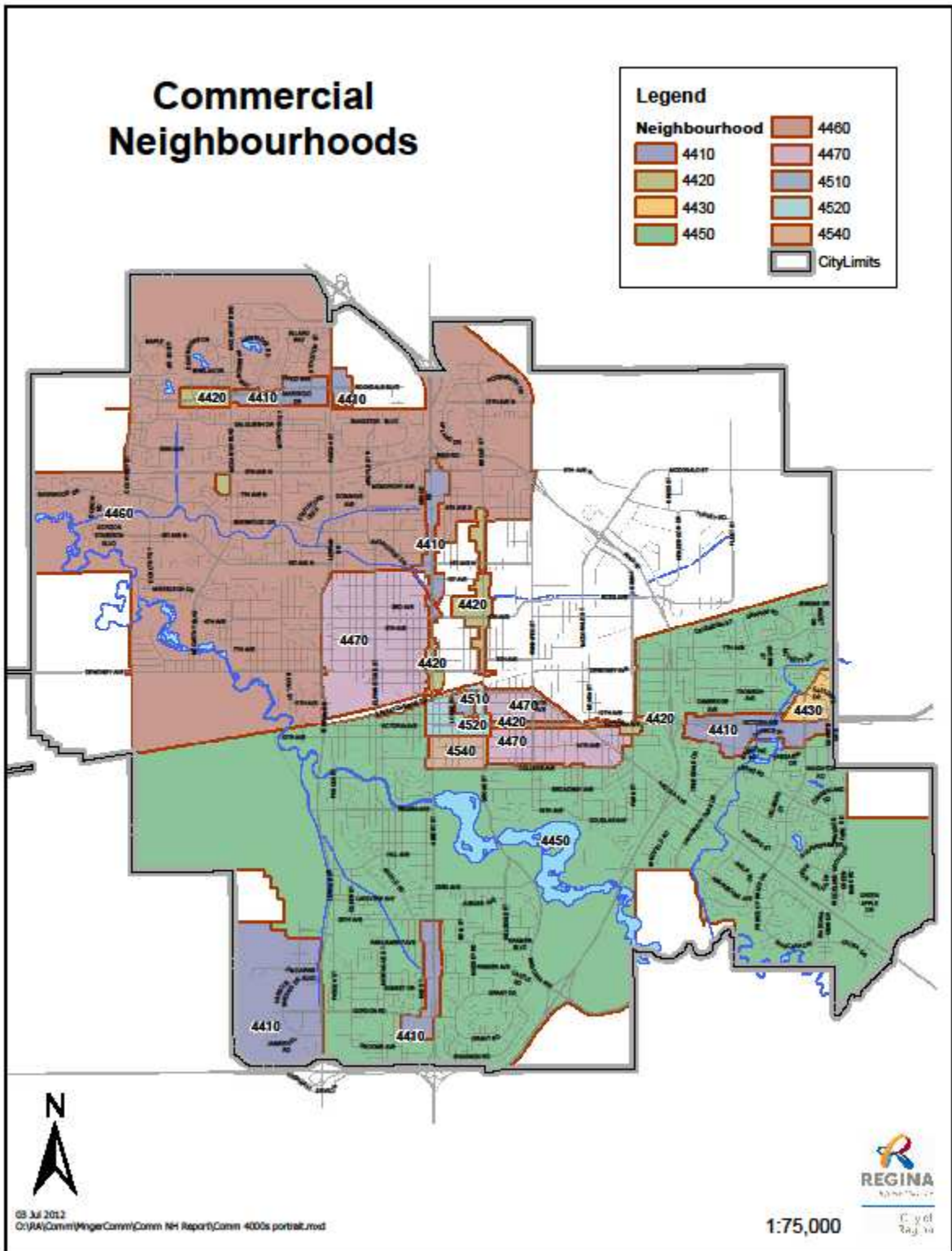
Neighbourhoods 4510, 4520 and 4540 comprise what is generally recognized as the downtown area of Regina. Neighbourhood 4520 is the downtown core area, 4510 is the commercial heart of 4540 featuring the Cornwall Centre and the core's high-rise office buildings, and 4540 is the Transitional Area that borders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

Neighbourhood 4510 is roughly bordered by Saskatchewan Drive to the north, 12th Avenue to the south, Lorne Street to the west and Rose Street to the east. This small area is almost entirely zoned 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). A new high-rise office tower was constructed in 2011.

Neighbourhood 4520 surrounds Neighbourhood 4510 and is roughly bordered by Saskatchewan Drive to the north, 13th Avenue to the south, Angus Street to the west and Osler Street to the east. This area is also predominantly zoned 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 4540 abuts Neighbourhood 4520 along its south border and is roughly bordered by 13th 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 TAR (Transitional Area Residential) 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).

MAP



EXECUTIVE SUMMARY

Retail – Global Model

Appraisal Cycle Date – January 1, 2013 to December 31, 2016

Effective Date of Valuation – January 1, 2011

Date of Report – October 17, 2013

Rent Model

Description:	Rate (\$/sqft)
Base Rent (Retail space)	\$13.36
Additional Adjustments to base Rent:	
Bank space	\$5.39
Market (Grocery Store) space	-\$3.22
Restaurant space	\$0.70
Fast Food Restaurant space	\$7.65
Warehouse space	-\$1.68
Storage space	-\$5.20
Theatre space	-\$7.17
Leaseable Basement space	-\$2.28
Above main floor space (with or without an elevator)	-\$1.98
Study area 4410 (North Albert Street)	-\$1.92
Study area 4420	-\$2.65
Study areas 4460 and 4470	-\$3.94
Study areas 4510 and 4520 (Downtown)	-\$2.53
Study areas 4450 (South Regina) and 4540 (Tar area)	-\$0.63
Study area 5201	-\$6.68
Study area 5203	-\$5.96
Study areas 5204 and 5205	-\$5.64
Study areas 5206 and 5207	-\$4.71
Bldgs built in the 1990s in Study area 4410 & 4430	\$3.17
Bldgs built in the 1990s in Study areas other than 4410 & 4430	\$1.89
Bldgs built newer than 1999 in Study area 4410 & 4430	\$6.33
Bldgs built newer than 1999 in Study areas other than 4410 & 4430	\$4.77
Bldgs built in the 1980s	\$0.73
Additional Adjustments to Net Rent:	
Retail lease area (single-tenant) > 55,000 sqft	-54%
Shell warehouse space (unheated, uninsulated)	-50%

Mixed Use Residential Apartments/Suites Rent Model

Description	Rate (\$/month)
Base Rent (One Bedroom Apartment/Suite)	\$517
Additional Adjustments to base Rent:	
Two Bedroom Apartment/Suite	\$122
Three Bedroom Apartment/Suite	\$226
Four Bedroom Apartment/Suite	\$558
Five Bedroom Apartment/Suite	\$896
Study Areas 4410, 4420 and 4430	-\$80

Vacancy and Shortfall:

Vacancy (commercial component) = 4.37%

Vacancy (residential component) = 9.49%

Shortfall = 1.96%

Overall Capitalization Rates

Strata	Cap Rates
Light Industrial Manufacturing buildings built 1970 or newer	5.79%
Single-Story properties built 1970-1999	7.76%
Properties built in 2000 and newer	
Light Industrial Manufacturing buildings Pre1970	9.61%
Single-Story properties Pre1970	
Multi-Story properties built 1970-1999	9.66%
Multi-Story properties Pre1970	10.42%

Assessment to Sales Summary Results

Number of Sales	121
Median Assessment-to-Sales Ratio (ASR)	1.000
Coefficient of Dispersion (COD)	18.80%

SCOPE of DATA and ANALYSIS

Retail – Global Rent Model

Each year, the City Assessor requests copies of rent rolls for all non-residential properties in the City of Regina. The data for the development of the mass appraisal net rent model came from these returned rent rolls.

A total of 1,409 retail 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.

Retail – Global Rent Statistics (commercial component)

Description:	Rate (\$/sqft)
Base Rent (Retail space)	\$13.36
Additional Adjustments to base Rent:	
Bank space	\$5.39
Market (Grocery Store) space	-\$3.22
Restaurant space	\$0.70
Fast Food Restaurant space	\$7.65
Warehouse space	-\$1.68
Storage space	-\$5.20
Theatre space	-\$7.17
Leaseable Basement space	-\$2.28
Above main floor space (with or without an elevator)	-\$1.98
Study area 4410 (North Albert Street)	-\$1.92
Study area 4420	-\$2.65
Study areas 4460 and 4470	-\$3.94
Study areas 4510 and 4520 (Downtown)	-\$2.53
Study areas 4450 (South Regina) and 4540 (Tar area)	-\$0.63
Study area 5201	-\$6.68
Study area 5203	-\$5.96
Study areas 5204 and 5205	-\$5.64
Study areas 5206 and 5207	-\$4.71
Bldgs built in the 1990s in Study area 4410 & 4430	\$3.17
Bldgs built in the 1990s in Study areas other than 4410 & 4430	\$1.89
Bldgs built newer than 1999 in Study area 4410 & 4430	\$6.33
Bldgs built newer than 1999 in Study areas other than 4410 & 4430	\$4.77
Bldgs built in the 1980s	\$0.73
Additional Adjustments to Net Rent:	
Retail lease area (single-tenant) > 55,000 sqft	-54%
Shell warehouse space (unheated, uninsulated)	-50%

Retail – Global Rent Statistics (mixed use residential component)

Gross Rent per month

Description	Count	Mean	Median	Minimum	Maximum
Overall	111	\$574	\$550	\$300	\$1,625
One Bedroom Apartment/Suite	70	\$498	\$488	\$300	\$800
Two Bedroom Apartment/Suite	31	\$628	\$600	\$330	\$1,200
Three Bedroom Apartment/Suite	6	\$729	\$625	\$550	\$1,000
Four Bedroom Apartment/Suite	2	\$1,075	\$1,075	\$800	\$1,350
Five Bedroom Apartment/Suite	2	\$1,413	\$1,413	\$1,200	\$1,625
Study Areas 4410, 4420 and 4430 ("Main")	21	\$470	\$400	\$400	\$700

Vacancy and Shortfall

Typical 2011 base date vacancy and shortfall adjustments were estimated from the returned rent rolls from property owners. The estimates are as follow:

Commercial Component:

Rent_Type	N	Sum (sqft)
OWNER	166	556,601
TENANT	2044	7,147,868
VACANT	149	351,938
Total	2359	8,056,407

Vacancy (commercial component) = $351,938/8,056,407 = 0.0437$ (4.37%)

Residential Component:

Rent_Type	Number of Suites
OWNER	9
TENANT	115
VACANT	13
Total	137

Vacancy (residential component) = $13/137 = 0.0949$ (9.49%)

The typical operational costs reported as a ratio to typical net rents for global properties is 51%. The typical ratio of costs associated with vacant space in comparison to costs associated with occupied space (dark space ratio) is approximately 88%. The shortfall adjustment is calculated as follows:

Shortfall = (op cost/net rent ratio) x (dark space ratio) x (typical Vacancy)
 = $0.51 \times 0.88 \times 0.0437$
 = 0.0196 (1.96%)

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, 2008 and December 31, 2010. 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, 2011. The indicated time adjustment was approximately 4.8% per month for the first 10 months (January 2008 to October 2008) and no further adjustment for sales occurring after October 2008.

The economic capitalization rate analysis involved 121 sales, detailed in the following table.

Sales

Account	Address	mm	yy	Adjusted Sale Price	Predicted Income	Economic Cap Rate
10033406	1625 BROAD STREET	1	2008	\$259,234	15,046	5.80%
10027083	1925 7TH AVENUE	2	2008	\$763,907	94,600	12.38%
10026894	1140 ROSE STREET	1	2008	\$182,989	14,600	7.98%
10033673	604 12TH AVENUE	3	2008	\$333,220	22,642	6.79%
10065747	2124 ROBINSON STREET	2	2008	\$411,055	39,296	9.56%
10037732	2241 ALBERT STREET	2	2008	\$523,822	49,970	9.54%
10032108	3005 SASKATCHEWAN DRIVE	6	2008	\$482,499	54,000	11.19%
10059883	2128 DEWDNEY AVENUE	5	2008	\$216,675	31,617	14.59%
10027111	1220 SCARTH STREET	7	2008	\$328,035	20,300	6.19%
10026979	2235 8TH AVENUE	6	2008	\$182,746	9,900	5.42%
10027047	1329 SCARTH STREET	5	2008	\$247,773	17,700	7.14%
10026966	1350 LORNE STREET	3	2008	\$347,104	25,400	7.32%
10032674	1849 BROAD STREET	5	2008	\$252,829	24,300	9.61%
10040122	1205 E 14TH AVENUE	4	2008	\$123,209	15,400	12.50%
10021970	620 ANGUS STREET	3	2008	\$277,684	28,100	10.12%
10027047	1329 SCARTH STREET	4	2008	\$139,107	17,700	12.72%
10027059	2044 DEWDNEY AVENUE	4	2008	\$960,499	83,600	8.70%
10032118	1808 CAMERON STREET	7	2008	\$489,175	37,800	7.73%
10032624	1856 SCARTH STREET	3	2008	\$694,209	78,600	11.32%
10026952	1325 SMITH STREET	7	2008	\$1,185,529	147,358	12.43%
10024776	4200 DEWDNEY AVENUE	8	2008	\$428,330	46,400	10.83%
10027189	1500 8TH AVENUE	8	2008	\$255,900	23,900	9.34%
10036975	2915 13TH AVENUE	1	2009	\$3,574,927	277,000	7.75%
10026486	1246 ALBERT STREET	2	2008	\$1,746,001	116,000	6.64%
10032633	1861 CORNWALL STREET	9	2008	\$466,350	32,108	6.88%
10027189	1500 8TH AVENUE	6	2008	\$167,668	23,900	14.25%
10027739	1248 MCDONALD STREET	9	2008	\$303,914	29,400	9.67%
10027193	1320 ST JOHN STREET	10	2008	\$451,991	41,800	9.25%

10032625	1846 SCARTH STREET	9	2008	\$1,938,760	147,600	7.61%
10037546	2326 ALBERT STREET	9	2008	\$309,154	26,100	8.44%
10027083	1925 7TH AVENUE	4	2009	\$649,987	94,600	14.55%
10033337	1601 OTTAWA STREET	2	2009	\$254,995	28,309	11.10%
10065751	3032 13TH AVENUE	3	2009	\$249,995	15,100	6.04%
10027266	1162 OSLER STREET	4	2009	\$1,199,975	158,000	13.17%
10033090	1759 HALIFAX STREET	5	2009	\$189,996	19,800	10.42%
10165943	1629 BROAD STREET	10	2009	\$612,987	57,000	9.30%
10037857	2227 14TH AVENUE	9	2009	\$479,990	52,700	10.98%
10033657	438 VICTORIA AVENUE	2	2010	\$419,991	46,489	11.07%
10032118	1808 CAMERON STREET	12	2009	\$598,988	35,674	5.96%
10026936	1324 MCINTYRE STREET	12	2009	\$264,995	14,400	5.43%
10016371	3885 SHERWOOD DRIVE	12	2009	\$3,799,922	515,100	13.56%
10037706	2144 BROAD STREET	10	2009	\$359,993	38,600	10.72%
10027918	1015 WINNIPEG STREET	2	2010	\$337,593	28,995	8.59%
10027340	1319 WINNIPEG STREET	1	2010	\$149,997	15,265	10.18%
10027442	1201 WINNIPEG STREET	11	2009	\$83,998	7,400	8.81%
10027084	1815 7TH AVENUE	11	2009	\$734,985	86,800	11.81%
10033020	1510 12TH AVENUE	4	2010	\$395,992	35,100	8.86%
10027031	1422 SCARTH STREET	6	2010	\$249,995	21,200	8.48%
10033054	1621 11TH AVENUE	5	2010	\$774,984	101,427	13.09%
10032067	2837 SASKATCHEWAN DRIVE	6	2010	\$414,992	39,157	9.44%
10086878	1564 ANGUS STREET	5	2010	\$77,498	10,400	13.42%
10033940	1835 PARK STREET	8	2010	\$326,393	37,900	11.61%
10027221	1428 ST JOHN STREET	6	2010	\$399,992	51,000	12.75%
10032662	2500 12TH AVENUE	10	2010	\$629,987	52,000	8.25%
10023483	5518 7TH AVENUE	9	2010	\$132,997	12,500	9.40%
10037653	2152 SCARTH STREET	6	2010	\$274,994	22,600	8.22%
10037714	2054 BROAD STREET	9	2010	\$537,989	64,500	11.99%
10037553	2135 ALBERT STREET	4	2009	\$333,993	28,300	8.47%
10091135	1580 ALBERT STREET	12	2010	\$1,368,472	102,400	7.48%
10026886	1120 BROAD STREET	11	2010	\$559,989	43,243	7.72%
10027065	1324 HAMILTON STREET	4	2008	\$397,448	30,900	7.77%
10089565	1602 WINNIPEG STREET	3	2008	\$242,973	20,379	8.39%
10027038	1350 SCARTH STREET	2	2008	\$270,496	25,500	9.43%
10033861	510 E VICTORIA AVENUE	3	2008	\$2,082,626	226,900	10.89%
10037735	2275 ALBERT STREET	1	2008	\$2,706,706	214,952	7.94%
10121922	6175 ROCHDALE BOULEVARD	2	2008	\$1,760,625	124,000	7.04%
10033848	1944 MCARA STREET	12	2008	\$253,995	16,800	6.61%
10007956	20 HESSE BAY	4	2008	\$397,448	53,200	13.39%
10033435	1645 REYNOLDS STREET	12	2008	\$294,994	15,500	5.25%
10032129	3241 SASKATCHEWAN DRIVE	12	2008	\$629,987	50,600	8.03%
10001931	1023 N DEVONSHIRE DRIVE	5	2008	\$1,137,732	117,238	10.30%
10033880	1758 MCARA STREET	7	2008	\$230,200	14,700	6.39%
10133583	1355 LORNE STREET	6	2008	\$329,305	18,000	5.47%
10032548	1505 ALBERT STREET	12	2008	\$689,986	46,500	6.74%

10026960	1428 LORNE STREET	12	2008	\$219,996	11,300	5.14%
10059449	145 HODSMAN ROAD	8	2008	\$190,003	10,678	5.62%
10034196	1651 PARK STREET	4	2009	\$734,985	40,019	5.44%
10055105	4371 ALBERT STREET	11	2008	\$1,299,973	89,800	6.91%
10059723	1131 E WEAVER STREET	5	2009	\$99,998	10,679	10.68%
10025853	1052 ALBERT STREET	4	2009	\$589,988	60,700	10.29%
10064962	1106 WINNIPEG STREET	9	2008	\$3,772,723	272,800	7.23%
10059718	1121 E WEAVER STREET	2	2009	\$141,997	10,600	7.46%
10018013	225 QUEBEC STREET	6	2009	\$557,989	52,320	9.38%
10018620	365 BROAD STREET	7	2009	\$314,694	32,100	10.20%
10059440	127 HODSMAN ROAD	9	2009	\$97,498	5,800	5.95%
10037013	2146 ROBINSON STREET	9	2009	\$399,992	38,658	9.66%
10070879	1180 WINNIPEG STREET	10	2009	\$287,619	18,600	6.47%
10064937	107 ALBERT STREET	4	2009	\$4,399,910	258,800	5.88%
10039088	735 VICTORIA AVENUE	11	2009	\$169,997	20,603	12.12%
10033544	806 VICTORIA AVENUE	9	2009	\$517,489	51,700	9.99%
10025852	1066 ALBERT STREET	9	2009	\$383,992	30,800	8.02%
10033881	1750 MCARA STREET	9	2009	\$335,993	27,800	8.27%
10002025	1135 N LAKEWOOD COURT	4	2009	\$399,992	38,700	9.68%
10027146	1205 ALBERT STREET	12	2009	\$499,990	31,290	6.26%
10037803	2332 SCARTH STREET	11	2009	\$1,249,974	76,749	6.14%
10026906	1319 ALBERT STREET	11	2009	\$624,987	53,600	8.58%
10059722	1129 E WEAVER STREET	2	2010	\$149,997	10,679	7.12%
10017128	302 ALBERT STREET	4	2010	\$814,983	92,899	11.40%
10012315	318 N ALBERT STREET	5	2010	\$3,849,921	297,900	7.74%
10032014	1954 ANGUS STREET	5	2010	\$319,993	42,900	13.41%
10018737	651 HENDERSON DRIVE	4	2010	\$17,699,638	1,205,296	6.81%
10032034	1834 ANGUS STREET	5	2010	\$219,996	22,700	10.32%
10027067	1316 HAMILTON STREET	3	2010	\$334,993	16,900	5.04%
10032408	2815 DEWDNEY AVENUE	5	2010	\$379,992	33,900	8.92%
10059890	1192 8TH AVENUE	2	2010	\$1,499,969	105,312	7.02%
10033736	1761 WALLACE STREET	8	2010	\$274,994	29,028	10.56%
10021959	870 ALBERT STREET	5	2010	\$4,599,906	452,000	9.83%
10032556	1929 ALBERT STREET	8	2010	\$1,324,973	106,583	8.04%
10207333	639 ADAMS STREET	8	2010	\$499,990	39,900	7.98%
10033861	510 E VICTORIA AVENUE	7	2010	\$3,299,933	226,900	6.88%
10037922	2201 BROAD STREET	9	2010	\$834,983	68,800	8.24%
10060829	2216 LORNE STREET	9	2010	\$599,988	56,900	9.48%
10204693	505 BROAD STREET	8	2010	\$809,983	55,900	6.90%
10027259	1011 OSLER STREET	12	2010	\$299,994	19,000	6.33%
10017647	524 CORNWALL STREET	3	2008	\$416,525	25,537	6.13%
10027216	1455 BROAD STREET	6	2008	\$921,573	55,700	6.04%
10087024	2275 BROAD STREET	3	2009	\$699,986	50,300	7.19%
10159064	405 MAXWELL CRESCENT	5	2009	\$1,299,973	91,700	7.05%
10091621	3419 PASQUA STREET	7	2009	\$919,981	70,400	7.65%
10091237	1170 N STOCKTON STREET	10	2010	\$1,459,970	140,189	9.60%
10070127	2710 E QUANCE STREET	12	2010	\$6,499,867	510,300	7.85%

The reconciliation process for determining economic capitalization rate strata 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 rates are as follow:

Strata	Cap Rates
Light Industrial Manufacturing buildings built 1970 or newer	5.79%
Single-Story properties built 1970-1999 Properties built in 2000 and newer	7.76%
Light Industrial Manufacturing buildings Pre1970	9.61%
Single-Story properties Pre1970	9.66%
Multi-Story properties built 1970-1999	10.42%
Multi-Story properties Pre1970	

Through the cap rate modelling process some sales were filtered out due to unusually low or high cap rates. After the final cap rates were established the rejected sales were re-introduced and an Assessment to Sales (ASR) analysis was performed. The analysis resulted in the following additional adjustments:

Strata	Adjustment (%)
Study Area 4460	-29%
Study Area 4470	-20%
Study Area 5204	-11%
Loft Warehouse Buildings	-28%

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

The median assessment-to-sales ratio and Coefficient of Dispersion for this Retail – Global model is provided below:

Number of Sales	121
Median Assessment-to-Sales Ratio (ASR)	1.000
Coefficient of Dispersion (COD)	18.80%