COMMERCIAL MODEL

EXECUTIVE SUMMARY

Commercial Model

Appraisal Cycle Date – January 1, 2021 to December 31, 2024
Effective Date of Valuation – January 1, 2019
Date of Report – October 26, 2021
Rent Model

Variable Description	Coefficient
Base Rent	31.207
Adjustments to Base Rent	
Study Area 4420 (<30,000 SF)	-3.232
Study Area 4450 (<30,000 SF)	-1.625
Study Area 4460 (<30,000 SF)	-3.963
Study Area 4470 (<30,000 SF)	-6.835
Study Area 4510, 4520, 4540 (<30,000 SF)	-2.458
Study Area 4410, South Albert (<30,000 SF)	1.042
Study 4410, North Albert (<30,000 SF)	-3.034
Study Area 4410, Suburban (<8,000 SF)	3.913
Size Adjustment, from 15k to 30k, per 1000SF*	-0.513
Size Adjustment, from 30k to 125k, per 1000SF*	-0.033
Age Adjustment, from New to 25 Years Old**	-0.525
Age Adjustment, from 25 Years to 50 Years**	-0.046
Limited Parking	-1.442
Poor Exposure	-2.494
Upper Floor Area, with No Elevator	-1.882
Basement Area	-6.713
Theatre and Bowling Alley Space	x 0.4
Automotive Service Space	-2.167
Bank Building	9.113
Mini Lube Building	21.190
Fast Food Restaurant	10.347
Family Restaurant	1.687
Storage Space	-4.153

***** Size adjustment applies to single tenant area

** Age variable is calculated using the following formula:

Base date (2019) – Year Built * Condition Rating

Vacancy and Shortfall:

Vacancy (Commercial)
1960 and Newer = 5.3%
1959 and Older = 12.7%

Vacancy (Office)
1970 and Newer = 10.8%
1960 Thru 1969 = 19.1%
1959 and Older = 34.2%

Shortfall = .382 x Vacancy%

Overall Capitalization Rates

Base Cap Rate	6.966
Adjustments to Cap Rate	
Site Coverage < 30%, Per Percentage, to 8%	-.133

Assessment to Sales Summary Results

Number of Sales	143
Median Assessment to Sale Price Ratio (ASR)	0.965
Coefficient of Dispersion	20.0

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 Industrial models. Generally described, these properties include small offices, all retail except the major enclosed shopping centres, restaurants, small general-purpose warehouses (with commercial zoning), Auto Dealers, and other general commercial properties.

The Commercial Capitalization model values Commercial properties in Regina, including General Commercial, Enclosed Shopping Centres, High Rise Offices and Auto Dealers.

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:

OAR = Net Income / Adjusted Sale Price

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

Value = Net Income / 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.

Neighborhood boundaries are also affected by historic zoning. The following are descriptions of zoning in place during the development of the existing neighborhoods.

- 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

Study Area Descriptions

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 east to Vanstone Street), and the Grasslands retail area in southwest Regina. These commercial districts were 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, 11th Avenue between Osler Street and Arcola Avenue, Saskatchewan Drive from Osler Street to Arcola Avenue, Arcola Avenue from Winnipeg Street to Victoria Avenue, Dewdney Avenue from Lewvan Drive to Princess Street, Park Street from Victoria Avenue to the CP tracks, Rochdale Avenue from McIntosh Street west to the CP tracks, Broad Street from the CP tracks to 4th Avenue and the CN tracks to 6th Avenue North, and the Normanview Shopping Centre area at McCarthy Boulevard and 9th Avenue North. These commercial districts were 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 late 1950s through 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 was 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 were 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 were 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 Lewvan Drive 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 were 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

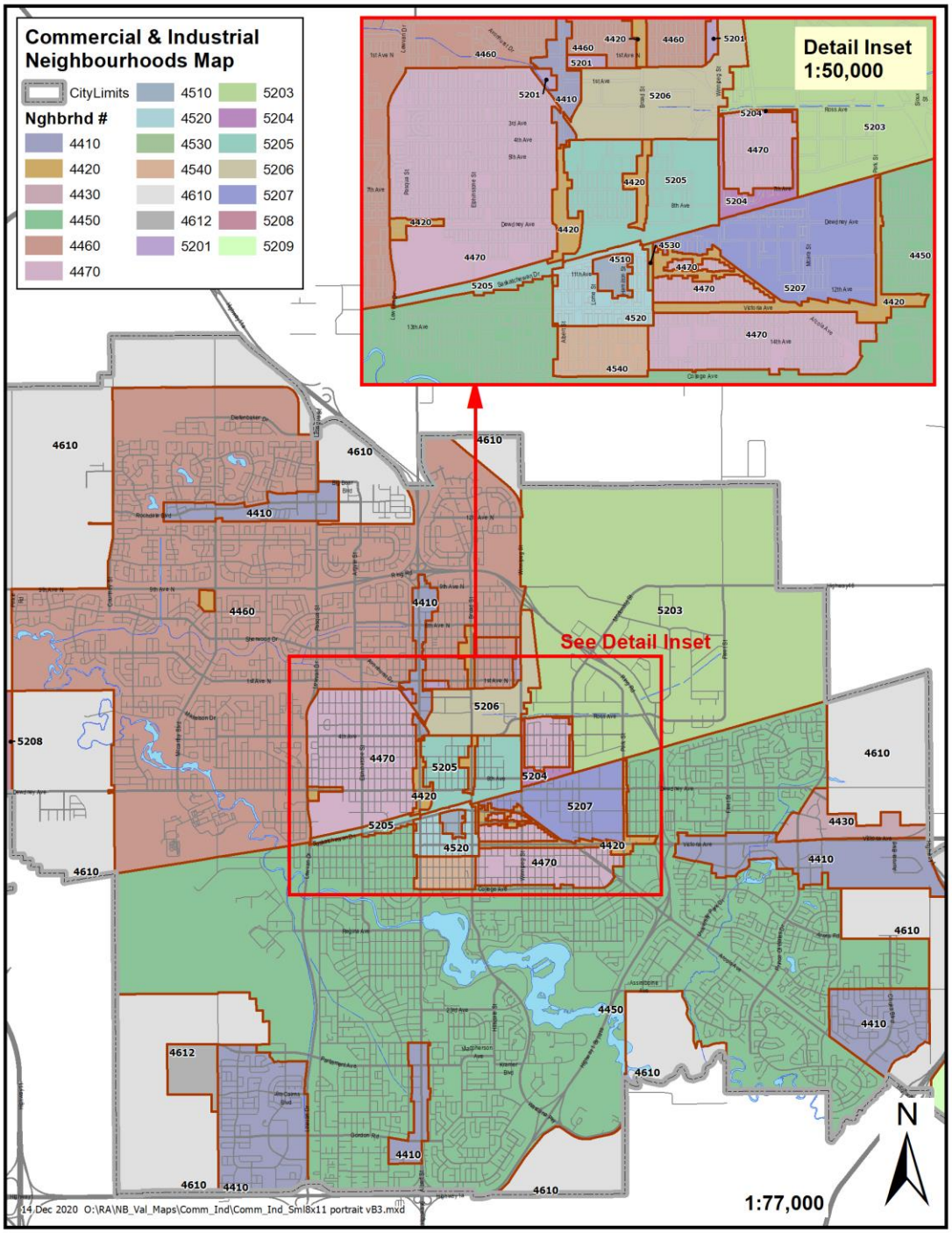
Neighbourhoods 4510, 4520 and 4540 comprise what is generally recognized as the downtown area of Regina. Neighbourhood 4520 is the downtown core area, 4510 is the commercial heart of 4520 featuring the Cornwall Centre and the core's high-rise office buildings, and 4540 is the Centre Square neighbourhood (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, 12th Avenue to the south, Lorne Street to the west and Rose Street to the east. This small area was 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). 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, 13th Avenue to the south, Angus Street to the west and Osler Street to the east. This area was 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 was 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


Commercial & Industrial Neighbourhoods Map
CityLimits
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SCOPE of DATA and ANALYSIS

Commercial Rent Model

2021 is a revaluation year meaning all properties within Regina are valued as of January 1, 2019. Prior to 2019, the City Assessor requested copies of 2016, 2017, 2018 and 2019 rent rolls for all non-residential properties to develop a Mass Appraisal Net Rent Model.

A total of 1655 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

SPACE_GROUP	N	Mean	Median	Minimum	Maximum
Total	1655	18.10	17.00	0.00	57.31
Auto Service	10	12.39	14.16	4.56	21.18
Auto Dealership	13	15.07	13.81	8.25	33.41
Bank	19	32.64	32.00	18.00	55.00
Food Market	10	13.85	13.15	4.52	26.00
Mini Lube	5	44.51	46.75	19.00	57.31
Office	643	16.11	16.00	2.69	45.00
Theatre and Bowling Alley	5	5.08	4.00	2.24	8.25
Restaurant	93	17.70	18.00	3.17	38.00
Family Restaurant	37	22.34	23.76	7.96	34.50
Fast Food Restaurant	23	31.64	30.61	14.00	51.63
Retail	771	19.12	18.00	0.77	38.01
Storage and Warehouse Space	26	8.13	7.78	0.00	20.00
Basement Area	40	8.15	7.90	0.00	18.01
Upper Floor Area	227	14.28	14.17	2.05	31.91
Study Area 4420	305	14.87	19.92	0.12	36.69
Study Area 4450	265	17.57	17.00	0.00	51.63
Study Area 4460	72	13.27	13.04	2.24	35.47
Study Area 4470	29	12.69	13.33	2.84	31.91
Study Area 4510, 4520, 4540	289	13.99	14.00	0.96	28.00
Study Area 4410, Albert South	159	19.70	19.11	4.00	37.00
Study Area 4410, Albert North	96	13.72	13.67	2.75	28.00
Study Area 4410, Suburban	62	32.20	32.50	15.00	55.00
Effective Yr Blt <1920	76	12.63	12.63	0.12	25.00
Effective Yr Blt 1920 - 1929	59	15.99	16.00	4.32	29.18
Effective Yr Blt 1930 - 1939	38	13.63	14.01	0.77	23.98
Effective Yr Blt 1940 - 1949	15	13.74	13.43	4.56	24.30
Effective Yr Blt 1950 - 1959	79	10.58	9.68	0.00	24.50
Effective Yr Blt 1960 - 1969	133	13.38	13.33	0.96	27.48
Effective Yr Blt 1970 - 1979	233	14.39	14.18	2.84	30.00
Effective Yr Blt 1980 - 1989	410	16.28	16.00	2.69	37.00
Effective Yr Blt 1990 - 1999	164	19.05	20.00	2.24	32.00
Effective Yr Blt 2000 - 2009	230	22.03	22.00	6.64	57.31
Effective Yr Blt 2009 - 2019	218	29.25	29.24	13.00	55.00
Single tenant leased area <15,000	1579	18.16	17.00	0.00	57.31
Single tenant leased area 15-30000SF	46	14.83	16.00	0.77	27.00
Single tenant leased area 30-75000SF	24	16.96	15.89	8.25	33.41
Single tenant leased area >75000SF	6	12.49	12.14	6.64	18.50

Commercial Rent Model

Variable Description	Coefficient
Base Rent	31.207
Adjustments to Base Rent	
Study Area 4420 (<30,000 SF)	-3.232
Study Area 4450 (<30,000 SF)	-1.625
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Size Adjustment, from 30k to 125k, per 1000SF*	-0.033
Age Condition, from 0 to 25 Years Old**	-0.525
Age Condition, from 25 Years to 50 Years**	-0.046
Limited Parking	-1.442
Poor Exposure	-2.494
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***** Size adjustment applies to single tenant area

** Age variable is calculated using the following formula:

Base date (2019) – Year Built * Condition Rating

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:

Vacancy (Commercial)
- 1960 and Newer = 5.3%
- 1959 and Older = 12.7%

Vacancy (Office)
- 1970 and Newer = 10.8%
- 1960 Thru 1969 = 19.1%
- 1959 and Older = 34.2%

Shortfall = .382 x Vacancy%

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, 2013 and December 31, 2018. 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 are also adjusted to the base date of January 1, 2019 when required. The indicated time adjustment was nil.

The economic capitalization rate analysis involved 143 sales, detailed in the following table.

ADDRESS	Account	Sale Year	Sale Month	Adjusted Sale Price	Proposed Income	Indicated Cap
2965 GORDON ROAD	10065069	2017	10	119850000	7711000	6.43
1717 PARK STREET	10034188	2015	10	760000	62200	8.18
353 N ALBERT STREET	10012831	2013	7	61000000	5377900	8.82
1914 HAMILTON STREET	10087977	2018	2	16200000	1286018	7.94
2220 COLLEGE AVENUE	10113778	2017	4	9825000	868624	8.84
2445 13TH AVENUE	10037578	2017	4	2375000	292897	12.33
2400 COLLEGE AVENUE	10037756	2017	4	8024999	575384	7.17
2208 SCARTH STREET	10037844	2017	4	5125000	369603	7.21
1920 BROAD STREET	10032592	2018	5	32000000	2482400	7.76
2125 11TH AVENUE	10032629	2018	6	9600000	472700	4.92
2075 HAMILTON STREET	10037676	2013	10	1500000	83900	5.59
2102 11TH AVENUE	10108298	2013	2	218282000	10347400	4.74
1455 BROAD STREET	10027216	2015	8	1550000	68400	4.41
3698 E VICTORIA AVENUE	10069971	2015	3	6800000	408100	6.00
3115 E QUANCE STREET	10040680	2013	5	4982000	263100	5.28
775 BROAD STREET	10022162	2018	6	3650000	199800	5.47
1060 N PASQUA STREET	10087724	2014	5	3000000	166800	5.56
260 N ALBERT STREET	10012318	2016	1	5845000	228235	3.90
3100 13TH AVENUE	10037048	2018	9	324000	12800	3.95
1051 N ARNASON STREET	10001788	2013	2	1339270	72800	5.44
3259 E EASTGATE DRIVE	10060205	2015	8	800000	56100	7.01
3655 E QUANCE STREET	10069374	2017	10	2050000	102100	4.98
135 N ALBERT STREET	10012935	2013	7	775000	50000	6.45
2810 E QUANCE STREET	10040670	2013	5	8583000	561600	6.54
2020 PARK STREET	10039676	2018	3	9649992	474800	4.92
3710 E QUANCE STREET	10070077	2013	5	17513000	1289600	7.36
1920 PRINCE OF WALES DRIVE	10246874	2015	11	6150000	374400	6.09
2505 4TH AVENUE N	10017620	2017	1	580000	34200	5.90
1501 11TH AVENUE	10033030	2015	3	950000	76600	8.06
2201 BROAD STREET	10037922	2013	6	1799999	76000	4.22
1850 1ST AVENUE	10022111	2018	1	2600000	311740	11.99
1441 ALBERT STREET	10026918	2018	9	610000	35900	5.89
3801 ALBERT STREET	10053309	2014	3	4330000	302700	6.99
230 N WINNIPEG STREET	10013758	2017	1	715000	51500	7.20
4520 ALBERT STREET	10054871	2014	7	9974000	595500	5.97
3010 E QUANCE STREET	10070076	2013	5	3892000	277800	7.14

2230 LORNE STREET	10037874	2014	9	1100000	67500	6.14
10 HESSE BAY	10007955	2016	7	2660556	201500	7.57
1711 E DEWDNEY AVENUE	10101037	2013	4	5750000	562700	9.79
3434 13TH AVENUE	10036164	2018	11	866000	59100	6.82
4501 ROCHDALE BOULEVARD	10087127	2018	9	4975000	368100	7.40
2820 AVONHURST DRIVE	10017122	2015	7	1125000	76100	6.76
3110 E QUANCE STREET	10070075	2013	5	10500000	734300	6.99
3870 E EASTGATE DRIVE	10087363	2016	8	1500000	113500	7.57
3040 5TH AVENUE	10025988	2013	10	389998	24400	6.26
605 ARCOLA AVENUE	10033674	2018	5	423000	26200	6.19
310 GARDINER PARK COURT	10044479	2017	10	965000	52600	5.45
777 BROAD STREET	10022161	2018	6	3095000	184400	5.96
1840 CORNWALL STREET	10032640	2015	6	426500	21800	5.11
1925 OSLER STREET	10032681	2017	9	388000	21900	5.64
3615 PASQUA STREET	10112833	2017	4	5810000	495000	8.52
1504 ALBERT STREET	10032491	2016	7	1800000	172300	9.57
1600 OSLER STREET	10069315	2016	11	750000	55700	7.43
229 E VICTORIA AVENUE	10039689	2016	1	590000	36000	6.10
2330 ALBERT STREET	10037547	2014	8	540000	21000	3.89
320 GARDINER PARK COURT	10044480	2016	8	1320000	65900	4.99
100 ALBERT STREET	10016612	2018	11	5375000	365900	6.81
1957 ELPHINSTONE STREET	10031655	2015	6	567500	27000	4.76
2424 DEWDNEY AVENUE	10026947	2014	7	1450000	65200	4.50
1651 PARK STREET	10034196	2013	3	961497	90100	9.37
1245 PARK STREET	10028461	2018	5	780000	48200	6.18
2333 ALBERT STREET	10037738	2015	9	479000	27200	5.68
1375 BROAD STREET	10091139	2016	5	5563970	364800	6.56
2410 DEWDNEY AVENUE	10026948	2014	10	5700000	361000	6.33
2150 SCARTH STREET	10037654	2017	12	2156250	115700	5.37
438 E VICTORIA AVENUE	10087849	2018	12	2199996	209300	9.51
1954 ANGUS STREET	10032014	2013	11	655000	44400	6.78
640 ALBERT STREET	10021964	2014	8	563334	37900	6.73
2244 ALBERT STREET	10037543	2015	12	850000	55200	6.49
628 ALBERT STREET	10021963	2014	9	281666	12100	4.30
1-1456 11TH AVENUE	10284228	2018	3	180000	10600	5.89
5-1456 11TH AVENUE	10284232	2018	3	193000	20100	10.41
4561 PARLIAMENT AVENUE	10233275	2017	4	14350000	841449	5.86
4561 PARLIAMENT AVENUE	10233275	2013	5	15300000	841449	5.50

400-4010 PASQUA STREET	10062855	2015	8	705000	38900	5.52
500-4010 PASQUA STREET	10062856	2017	12	675100	42000	6.22
2241 ALBERT STREET	10037732	2013	8	765000	73800	9.65
9 COVENTRY ROAD	10065655	2013	12	490000	32200	6.57
1779 ROSE STREET	10091551	2017	3	500000	33600	6.72
1450 BROAD STREET	10163123	2016	6	4300000	313300	7.29
2510 3RD AVENUE N	10017615	2016	6	1149666	132500	11.53
1335 ALBERT STREET	10026908	2016	10	710000	52500	7.39
1965 HAMILTON STREET	10032585	2014	1	810000	46600	5.75
3104 13TH AVENUE	10065752	2015	6	800000	43400	5.43
428 VICTORIA AVENUE	10033658	2015	12	674998	51200	7.59
1459 RETALLACK STREET	10026638	2014	2	280000	11300	4.04
1459 RETALLACK STREET	10026638	2017	9	315000	11300	3.59
1311 SASKATCHEWAN DRIVE	10033165	2017	9	375000	26800	7.15
348 VICTORIA AVENUE	10033664	2014	9	415000	29200	7.04
348 VICTORIA AVENUE	10033664	2018	7	418475	29200	6.98
2135 ALBERT STREET	10037553	2014	12	618000	56300	9.11
2135 ALBERT STREET	10037553	2016	9	500000	56300	11.26
2135 ALBERT STREET	10037553	2018	10	450000	56300	12.51
1440 BROADWAY AVENUE	10042138	2013	8	2075000	279200	13.46
1763 HALIFAX STREET	10033091	2014	6	315000	14200	4.51
2275 ALBERT STREET	10037735	2017	2	3200000	194100	6.07
1757 HALIFAX STREET	10033089	2018	4	230000	14500	6.30
410 VICTORIA AVENUE	10033661	2015	3	440000	29600	6.73
1670 ANGUS STREET	10032483	2015	11	550000	31800	5.78
1568 ANGUS STREET	10032476	2015	8	245000	20200	8.24
104-2300 BROAD STREET	10275743	2014	8	106195	8400	7.91
104-2300 BROAD STREET	10275743	2017	5	132500	8400	6.34
105-2300 BROAD STREET	10275744	2014	9	236510	16800	7.10
105-2300 BROAD STREET	10275744	2017	4	260000	16800	6.46
106-2300 BROAD STREET	10275745	2014	9	333325	23600	7.08
1845 SCARTH STREET	10108278	2015	6	350000	15400	4.40
2425 11TH AVENUE	10065704	2014	9	600000	57200	9.53
2425 11TH AVENUE	10065704	2017	2	750000	66800	8.91
1846 SCARTH STREET	10032625	2016	11	2699999	137600	5.10
1838 SCARTH STREET	10032626	2017	11	969999	49400	5.09
1614 14TH AVENUE	10038333	2018	10	218000	11000	5.05
1522 11TH AVENUE	10033092	2016	4	375000	25800	6.88

2510 13TH AVENUE	10037569	2017	12	550000	28200	5.13
2520 DEWDNEY AVENUE	10026921	2013	1	295000	29400	9.97
1843 HAMILTON STREET	10032610	2014	6	1100000	78900	7.17
1834 SCARTH STREET	10087841	2014	4	650000	28700	4.42
1828 SCARTH STREET	10032628	2015	5	1090000	57900	5.31
2323 11TH AVENUE	10032648	2017	7	830000	62200	7.49
1135 N LAKEWOOD COURT	10002025	2016	4	750000	30000	4.00
4426 ALBERT STREET	10054869	2017	2	4960000	303600	6.12
681 ALBERT STREET	10022099	2014	12	1700000	86100	5.06
681 ALBERT STREET	10022099	2015	2	2222000	86100	3.87
1960 PRINCE OF WALES DRIVE	10246875	2015	11	2250000	102200	4.54
1960 PRINCE OF WALES DRIVE	10246875	2017	10	2400000	102200	4.26
420 ALBERT STREET	10123913	2017	12	5100000	235700	4.62
3605 E QUANCE STREET	10144824	2015	2	800000	76800	9.60
3605 E QUANCE STREET	10144824	2017	11	1505000	76800	5.10
655 BROAD STREET	10022149	2014	8	9000000	634947	7.05
4041 ALBERT STREET	10322197	2018	9	7000000	428600	6.12
4410 ALBERT STREET	10054868	2016	5	1600000	78400	4.90
6320 ROCHDALE BOULEVARD	10001936	2013	9	1050000	98600	9.39
921 ALBERT STREET	10022096	2016	7	7100000	499300	7.03
2500 12TH AVENUE	10032662	2016	6	835000	70700	8.47
2500 12TH AVENUE	10032662	2017	3	1100000	70700	6.43
1440 11TH AVENUE	10033115	2014	1	810000	65700	8.11
1463 ALBERT STREET	10026920	2017	6	1550000	100200	6.46
2224 14TH AVENUE	10037629	2018	9	1175000	104900	8.93
1200 ALBERT STREET	10026487	2016	5	1000000	68800	6.88
1701 PARK STREET	10034187	2013	2	500000	47700	9.54
135 ALBERT STREET	10017623	2018	4	2730000	150500	5.51
1734 OSLER STREET	10112115	2018	2	12747450	1107000	8.68
108-2300 BROAD STREET	10275747	2014	8	727620	48700	6.69
108-2300 BROAD STREET	10275747	2018	4	690000	48700	7.06

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:

Base Cap Rate	6.966
Adjustments to Cap Rate	
Site Coverage < 30%, Per Percentage, to 8%	-.133

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 eight (8 percent) to ninety-five (95 percent). The median site coverage is forty-seven and a half (47.5 percent). When site coverage is less than the thirty (30 percent), the Capitalization Rate for the building is adjusted according to the results of the regressed Capitalization Rate model, to a minimum of eight (8 percent) site coverage.

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	143
Median Assessment to Sale Price Ratio (ASR)	0.965
Coefficient of Dispersion	20.0

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 the Kruskal-Wallis test and the scatterplot.

The Kruskal-Wallis test examines whether different classifications of a physical characteristic, such as building classification, are assessed at equal percentages of market value. If the distribution of the ratio is the same among the different classifications, the model is assumed to be unbiased. 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.

Building Type

Hypothesis Test Summary

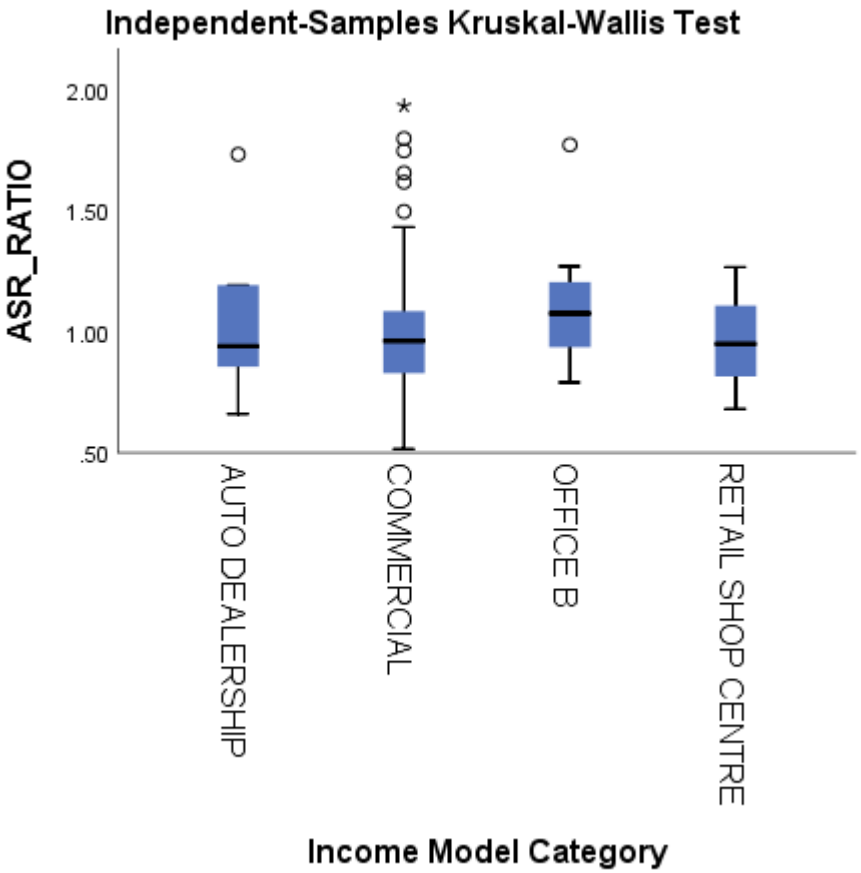
	Null Hypothesis	Test	Sig.	Decision
1	The distribution of ASR_RATIO is the same across categories of MARKET_BUILDING_CLASS.	Independent-Samples Kruskal-Wallis Test	.623	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .050.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of ASR_RATIO is the same across categories of Income Model Category.	Independent-Samples Kruskal-Wallis Test	.540	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .050.



Location

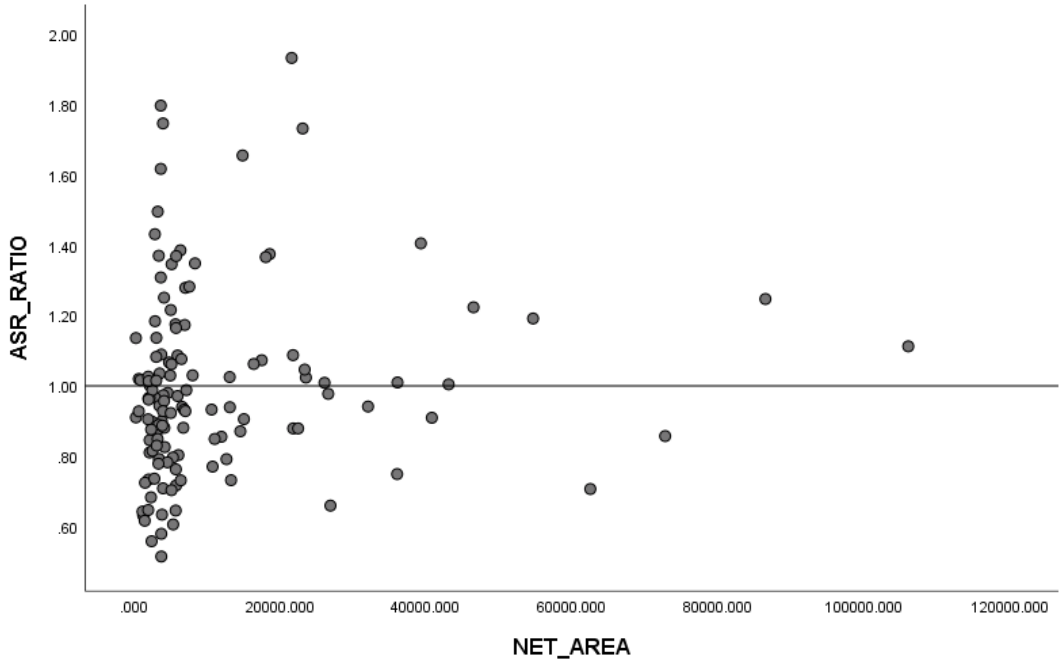
Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of ASR_RATIO is the same across categories of STUDY_GROUP.	Independent-Samples Kruskal-Wallis Test	.306	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .050.

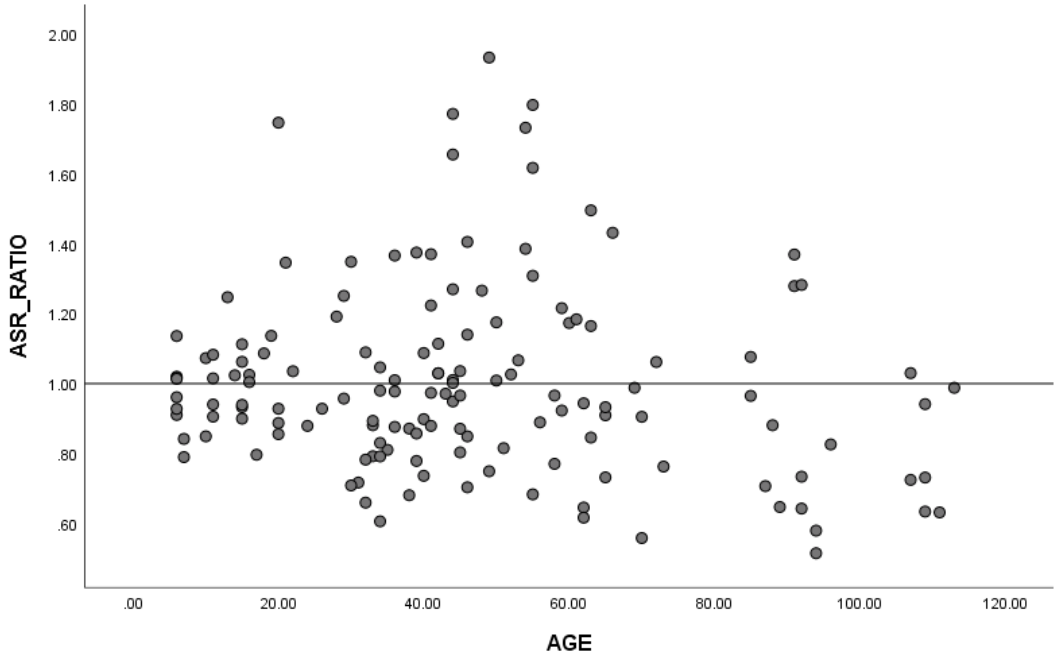
Note: The above testing demonstrates that the ASR ratio is not affected by location. Testing indicated a lower capitalization rate could be applied in Study Area 4470. A lower capitalization rate equates to higher value. It would not make appraisal sense to apply a lower capitalization rate to Study Area 4470. It should also be noted that for location testing, Study Areas 4510, 4520, 4530 and 4540 are combined, as they are in the Rent Model.

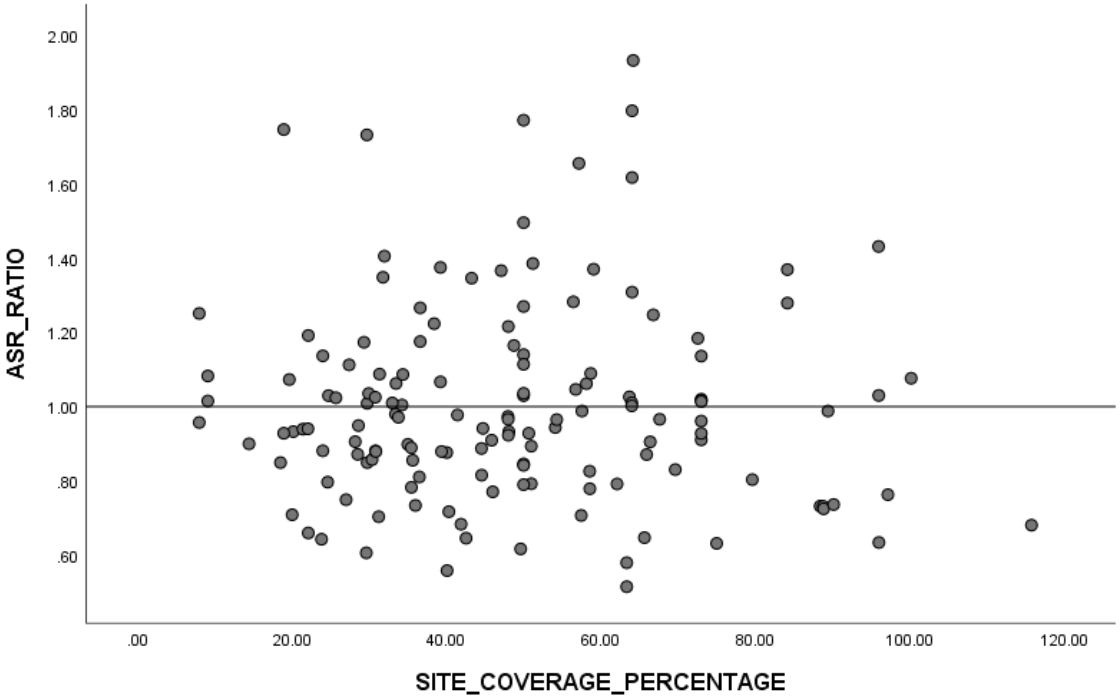
Net Area



*Results displayed include General Commercial and Auto Dealer properties

Age



Note: The above testing indicates that as age increases, capitalization rates decrease. A lower cap rate corresponds to a higher value. No adjustment is made for older properties as it would be inappropriate to decrease cap rates as age increases.

Site Coverage Percent