

## ENCLOSED SHOPPING CENTRE MODEL EXECUTIVE SUMMARY

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

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

**Date of Report** – January 30, 2025

### Rent Model

**CW** - refers to Cornwall Centre

**SL** - refers to Southland Mall

**VS** - refers to Victoria Square Mall

**NG** - refers to Northgate Mall

Description	Rate (\$/sqft)
Base Rent	\$30.19
<b>Additional Adjustments to Base Rent</b>	
Anchor Space	-\$21.99
Food Court Space (at CW & SL)	\$153.96
Food Court Space (at NG & VS)	\$57.54
Kiosk Space (at NG & SL)	\$160.65
Kiosk Space (at VS & CW)	\$410.60
Non-CRU Space	-\$15.31
Exterior Mall Space (no access from mall interior)	-\$2.83
Interior Restaurant Space	-\$3.85
Storage Space	-\$2.71
CRU Space less than 1,350sqft (at CW & SL)	\$27.92
CRU Space greater than or equal to 2,500sqft and less than 8,000sqft	-\$6.48
CRU Space greater than or equal to 8,000sqft	-\$13.52

### Vacancy and Shortfall:

Vacancy = 8.86%

Shortfall = 2.04%

## Overall Capitalization Rates

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 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 Retail – Enclosed Shopping Centre model is an income model that values the four large, enclosed shopping centres in the city – Southland Mall, Northgate Mall, Cornwall Centre and Victoria Square Mall. All other smaller shopping centres and power centres are valued by the Commercial model.

The four enclosed shopping centres are located throughout the city with one in the south end of the city along South Albert Street, one on the north end along Albert Street North, one on the east side along Victoria Street East, and the largest centre located in the downtown core. These centres were constructed between 1971 and 1982 and range in approximate gross building size from 314,000 square feet to 975,000 square feet. The three suburban centres are zoned MLM (Mixed Large Market) whereas the downtown centre is zoned DCD-D (Downtown).

## **SCOPE of DATA and ANALYSIS**

### **Enclosed Shopping Centre 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 192 enclosed shopping centre net rents were analyzed using multiple regression analysis. The rent model is an additive model that predicts rents based on the lease area size, type of lease space and mall location. The following table provides a breakdown of these rents along with statistical measurements.

### **Enclosed Shopping Centre Rent Statistics**

<b>Strata</b>	<b>N</b>	<b>Mean</b>	<b>Median</b>	<b>Minimum</b>	<b>Maximum</b>
Overall	192	\$82.61	\$33.00	\$2.66	\$671.14
Anchor Space	6	\$8.20	\$9.25	\$2.66	\$12.75
CRU Space	106	\$33.50	\$26.00	\$3.53	\$155.00
Exterior Mall Space	18	\$27.35	\$27.25	\$16.00	\$40.02
Food Court Space	31	\$154.94	\$125.00	\$55.00	\$339.02
Kiosk Space	21	\$319.95	\$290.00	\$47.62	\$671.14
Non-CRU Space	2	\$14.88	\$14.88	\$13.25	\$16.50
Restaurant Space	3	\$26.33	\$22.00	\$22.00	\$35.00
Storage Space	5	\$27.48	\$24.00	\$20.00	\$42.95

## Rent Model

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\*Excluded variables (considered in the calibration stage; excluded as insignificant in predicting value): CRU Space greater than or equal to 1,350sqft and less than 2,500sqft.

## Vacancy and Shortfall

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

$$\begin{aligned}\text{Vacancy} &= \text{Total vacant space} / \text{Total rentable space} \\ &= 145,804 \text{ sqft} / 1,646,464 \text{ sqft} = 0.08855 \text{ (8.86\%)}\end{aligned}$$

The typical operational costs reported as a ratio to typical net rents is an expense ratio. The typical ratio of costs associated with vacant space in comparison to costs associated with occupied space is a dark space ratio. Shortfall is calculated as follows:

$$\text{Shortfall} = (\text{op costs/net rent}) \times (\text{dark space ratio}) \times (\text{typical Vacancy})$$

$$= 0.343 \times 0.67 \times 0.886$$

$$= 0.0204 (2.04\%)$$

\*Due to only one tenant reporting Gross Rent PSF and Net Rent PSF in their rent roll, it has been determined to default to the Commercial Model for the expense and dark space ratios.

### Overall Commercial 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).

### Commercial Capitalization Model

The economic capitalization rate analysis involved 139 sales, detailed in the table below:

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	\$4,100	0.59
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	\$9,100	4.80
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:

<b>Description</b>	<b>Rate (%)</b>
Base Cap Rate	6.279
<b>Adjustments to Base Cap Rate</b>	
Industrial Flex Buildings	1.265
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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.

## 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	22.3%

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

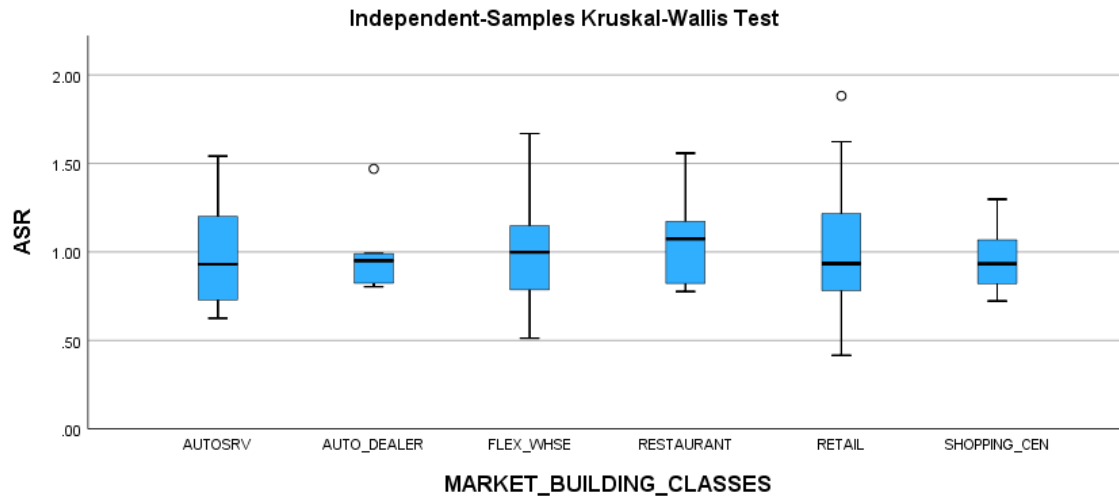
## Building Type

### 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.

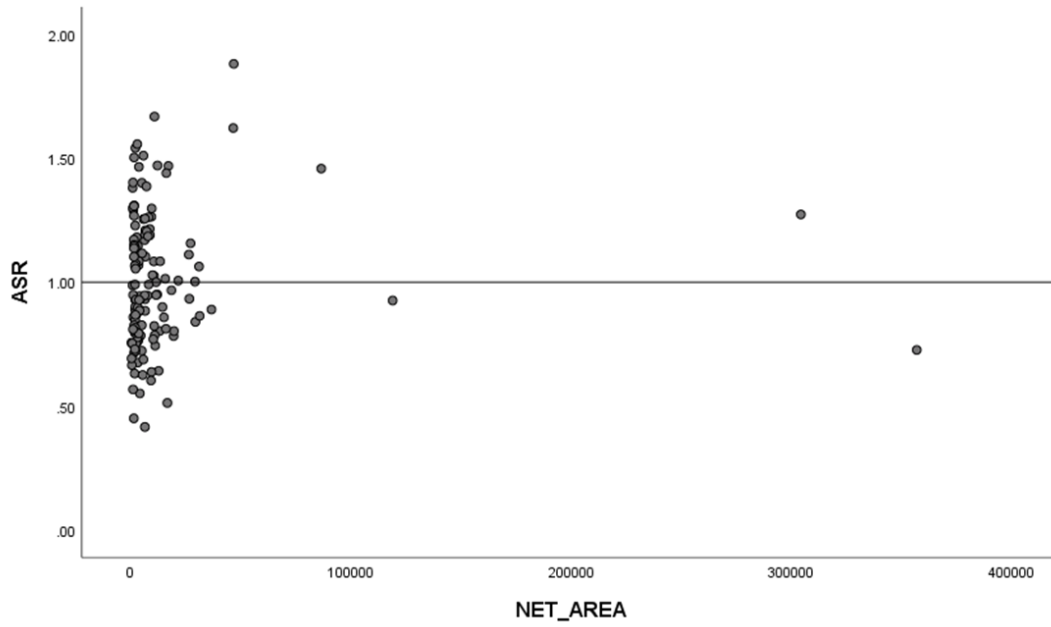


## Ratio Statistics by Study Area Groups (Location):

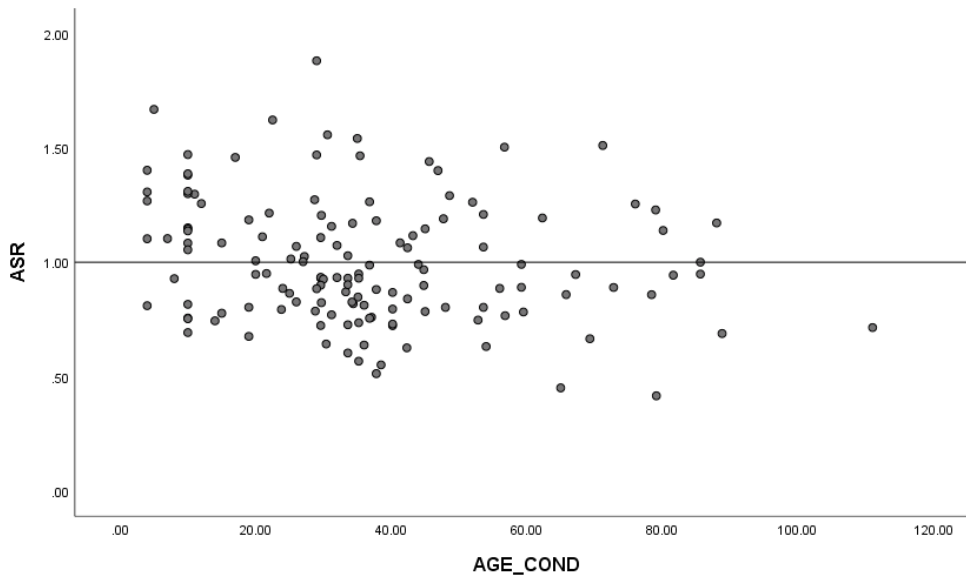
<b>Ratio Statistics for ASR by Study Area (Location)</b>			
Stratification	# of obs.	Median	COD
Study Area 4410 Series	34	1.020	0.177
Study Area 4420, 4425	21	0.930	0.200
Study Area 4450	4	0.825	0.252
Study Area 4460	3	0.931	0.068
Study Area 4470, 4475	11	0.898	0.237
Study Area 4510, 4520	7	1.139	0.244
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

