Appendix K

14. PARKING AND LOADING REGULATIONS

PART 14A

PURPOSE OF CHAPTER

(1) The purpose of this Chapter is to establish minimum off-street parking standards necessary for the parking needs of the various land uses allowed in this Bylaw.

(2) Minimum standards are provided for the loading and unloading of goods for various commercial and industrial uses. Also, mechanisms are provided to encourage the use of alternative modes of transportation.

(3) The intent is to:

(a) protect the capacity of the City's street system and avoid undue congestion of the streets; and

(b) lessen conflicts between pedestrians and vehicles. [1992/9250]

PART 14B

PARKING REGULATIONS FOR ALL LAND USES

14B.1 APPLICATION OF OFF-STREET PARKING REQUIREMENTS

1.1 NEW, ALTERED OR CHANGED USES

The requirements of this Chapter apply to every development, whether:

(a) a new building or structure;

(b) an alteration or enlargement of an existing structure or building; or

(c) a change in use of an existing building or structure. [1992/9250]

1.2 COUNTING RULES - SINGLE AND MULTIPLE USES

(1) The parking requirements for a single lot or building containing more than one use shall be the total of the parking requirements for each use on the lot or in the building.

(2) No parking space provided to meet the requirements for one building or use shall be counted as part of the spaces required for another building or use, except as detailed in Subpart 14B.6 or 14B.7. [1992/9250]

1.3 COMPLIANCE WITH REGULATIONS - OWNER'S OBLIGATION

As long as a use exists on a property, and the use is required to provide parking spaces by this Bylaw, it shall be the continuing obligation of the owner and occupant of the property on which the use is situated to provide the parking spaces. [1992/9250]

1.4 TANDEM PARKING

Unless otherwise specified in this Bylaw, no parking spaces shall be provided as tandem parking. [2003-1]

1.5 MUNICIPAL HERITAGE PROPERTY AND PROVINCIAL HERITAGE PROPERTY[2013-64]

(1) Notwithstanding any other parking requirements contained within the *Regina Zoning Bylaw, 9250*, development of designated Municipal Heritage Property and Provincial Heritage Property shall not be required to provide parking and loading facilities in accordance with the provisions of Chapter 14.

(2) Where required, the number of parking spaces existing upon Municipal Heritage Property and Provincial Heritage Property, at the time of such heritage designation, shall be maintained with any development approved after such date.

14B.2 DETERMINATION OF STATUS

2.1 UNSPECIFIED REQUIREMENTS

(1) Where the parking requirements of any use allowed by this Bylaw is not specified, the Development Officer shall:

(a) establish an interim standard to allow the developer to proceed with his project; and

(b) recommend an amendment to this Bylaw to incorporate the interim standard.

(2) In establishing the interim standard, the Development Officer shall be guided by the standards for similar uses in the City. [1992/9250]

2.2 FRACTIONAL SPACES

If in determining the number of required parking spaces a fractional space is arrived at:

(a) any fraction up to and including one-half shall be disregarded; and

(b) fractions over one-half shall be deemed to be equivalent to one space. [1992/9250]

14B.3 REGULATIONS FOR NON-RESIDENTIAL PARKING

All surface parking lots and parking garages associated with non-residential uses shall be developed in accordance with the provisions of this Subpart. [1992/9250]

3.1 LOCATION

(1) Subject to subsections (2) and (3), all parking spaces shall be located:

(a) on the same building site as the uses they serve; or

(b) subject to the registration of a caveat as described in section 3.14, on a separate lot in a zone which allows caveated parking.

(2) The lot dedicated to off-site caveated parking in accordance with clause (1)(b), shall be located:

(a) in the D - Downtown Zone, no further than 150 metres from the lot for which it is being provided; and

(b) in all other zones, no further than 30 metres from the lot for which it is provided.

(3) Subsections (1) and (2) do not apply to parking provided in connection with the payment-in-lieu of parking described in section 3.15. [1992/9250; 1993/9488]

3.2 APPROACH RAMP LOCATION

(1) The location of vehicular approach ramps or driveways at the street line shall be no closer than 10 metres from the point of intersection of the two curbs at a street intersection. [2015-1]

(2) Where:

(a) the approach ramp will provide access to a parkade that will be part of a new building or part of an addition to an existing building; and

(b) there will be a grade difference from the parkade to the street or alley;

the ramp shall provide a flat area of not less than 5.5 metres and with a maximum slope of 2% for vehicles to stop before they proceed to enter the street or alley (refer to Figure 14.1A). [1992/9250; 2005-34]

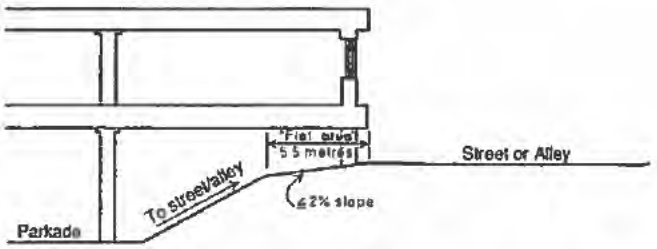

Figure 14.1A: Ramp Design Illustration [2005-34]

3.3 FRONT YARD PARKING [2003-1]

(1) Parking in the required front yard shall be prohibited in:

(a) all zones in the Transitional Area;

(b) the LC3 zone; and

(c) the IP zone. [1992/9250]

(2) For the purposes of this section, "Transitional Area" means the area shown in Figure 14.1.AA.

Figure 14.1AA: Transitional Area Boundaries [2003-1]

3.4 PAVING, DRAINAGE AND VISIBILITY [2003-32]

(1) The parking area shall be suitably paved with a satisfactory hard surface material, a minimum of 50 millimetres of asphaltic concrete, or some other appropriate material to the satisfaction of the Development Officer.

(2) Each parking space in the parking area shall be clearly demarcated.

(3) The parking area shall have visible boundaries.

(4) All storm water drainage shall be collected by means of an internal storm sewer system and connected to the public storm sewer system at locations acceptable to the City. [1992/9250; 2003-1; 2011-64; 2014-44]

(5) Subsections (1), (2) and (4) do not apply to parking areas associated with:

(a) park and open space uses; or

(b) athletic fields

that do not have a building on the site. However, the parking areas associated with these uses must be designed to meet the standards in Table 14.1.

(6) Structures such as concessions, timekeeper's booths, batting cages and equipment storage facilities which are used on a seasonal basis are not considered to be buildings for the purposes of subsection (5).

(7) All storm water drainage associated with the uses described in subsection (5) must be approved by the City. [2011-64; 2014-44]

3.5 STALL AND DRIVEWAY DIMENSIONS

(1) Table 14.1 offers a number of minimum parking stall and driveway dimensions that can be selected depending on the use which the spaces are designed to serve.

(2) Spaces and aisle dimensions may be designed to a specific standard or a mix of different arrangements, as illustrated in Figure 14.1.

(3) Notwithstanding Table 14.1, where 90-degree parking spaces are provided adjacent to an alley measuring 6.096 metres or less, the length of the parking spaces shall be a minimum of 7.5 metres, in order to ensure compliance with the requirements of section 3.8 to provide adequate manoeuvring space. [1992/9250; 1995/9736]

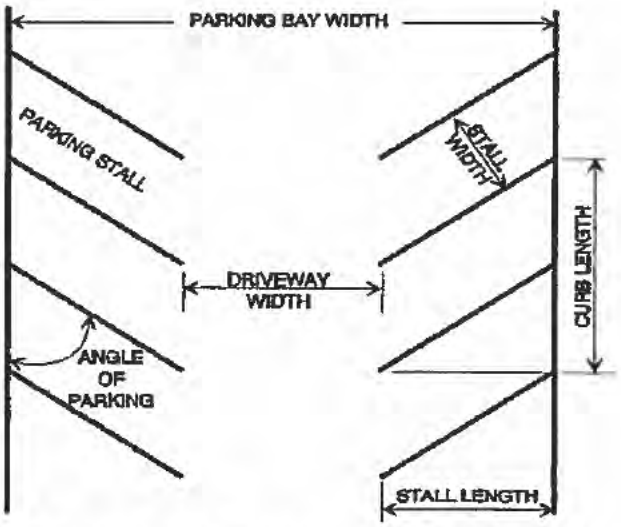

Figure 14.1: Illustration of Parking Area

TABLE 14.1: PARKING AREA STANDARDS [2002-2]					
ANGLE OF PARKING (IN DEGREES)		MINIMUM REQUIRED STALL WIDTH (IN METRES)	MINIMUM REQUIRED CURB LENGTH PER CAR (IN METRES)	MINIMUM REQUIRED STALL LENGTH (IN METRES)	MINIMUM REQUIRED DRIVEWAY WIDTH (IN METRES)
0	Option 1	2.5	6.5	2.5	4.0
30	Option 1	2.5	13.95	5.17	4.0
	Option 2	2.73	14.32	5.11	4.0
45	Option 1	2.5	9.55	6.01	4.0
	Option 2	2.73	9.68	5.82	4.0
60	Option 1	2.5	6.61	6.45	5.5
	Option 2	2.73	6.69	6.13	5.5
90	Option 1	2.5	2.5	6.0	7.5
	Option 2	2.73	2.73	5.5	7.5
Compact Space					
30	Sole Option	2.29	12.25	4.43	2.8
45		2.29	8.31	5.08	3.1
60		2.29	5.75	5.39	5.3
90		2.29	2.29	4.9	7.0

3.6 PARKING AND ROAD RIGHTS-OF-WAY

All required parking spaces shall be located outside of existing and proposed road rights-of-way. Subject to Subpart 15B.4 of Chapter 15, property lines should have either a fence or curbs to prevent encroachment onto road rights-of-way or adjacent lots, and to delineate driveways in areas where rolled curb is present. [1992/9250]

3.7 PARKING AND LANDSCAPING

All parking spaces shall be located in such a manner that the required landscaping for the parking area, as specified in Chapter 15, can be provided. [1992/9250]

3.8 MANOEUVRING SPACE

All parking lots for:

(a) non-residential uses; and

(b) all uses on major thoroughfares

shall be designed so as to eliminate the need for backing and manoeuvring from, or onto roads, pedestrian walkways, in order to get out of spaces or leave the lot. [1992/9250]

3.9 HOUSE FORM COMMERCIAL

(1) Notwithstanding any other provision in this Bylaw, when an existing house form building is converted to a House-Form Commercial/Residential Building use, no parking shall be required for the new use above what was required for the building prior to the change of use.

(2) All parking stalls in existence on the lot prior to the change in use mentioned in subsection (1) shall be maintained. [1992/9250]

3.10 PARKING FOR PERSONS WITH DISABILITIES [2003-1]

(1) Notwithstanding any other provision in this Bylaw, in all zones a minimum of two percent of all required parking spaces shall be provided in the form of accessible parking spaces, with a minimum stall width of 3.9 metres and a minimum stall length of 5.5 metres. [2001/10264]

(2) Parking spaces for persons with disabilities shall be located as close as possible to a building entrance, and shall be clearly designated with signs indicating their purpose as accessible parking stalls. [1992/9250]

3.11 MOTORCYCLE PARKING

(1) Where at least 30 parking spaces are required by this Bylaw, motorcycle spaces may be provided in lieu of or in addition to automobile parking spaces in accordance with the standards specified in Table 14.2.

TABLE 14.2: MOTORCYCLE AND BICYCLE PARKING STANDARDS		
VEHICLE TYPE	**WIDTH (METRES)**	**DEPTH (METRES)**
Motorcycle	0.9144	3.048
Bicycle	0.6096	1.8288

(2) The parking spaces shall be clearly marked as reserved for motorcycles.

(3) Where motorcycle spaces are provided in lieu of automobile parking spaces, not more than 2% of the automobile parking spaces may be converted. [1992/9250]

3.12 BICYCLE PARKING

(1) Spaces for bicycles shall be provided in safe and convenient locations, in accordance with Tables 14.2 and 14.3.

(2) When any covered automobile parking is provided, all bicycle parking shall be covered.

(3) The parking spaces may be located in the rear 50% of any required front yard setback, but not in any vehicle parking space required by Subpart 14B.5.

(4) The parking spaces shall be clearly marked as reserved for bicycles. [1992/9250]

TABLE 14.3: REQUIRED BICYCLE PARKING SPACES		
TYPE OF USE	**NUMBER OF SPACES REQUIRED**	**PERFORMANCE STANDARDS**
Institution and Apartment Dwelling Units	5% of required vehicle spaces	♦ Visible from the use for which the spaces are provided. ♦ Located on the same lot as the principal use or within 20 metres of the lot.
Amusement Centre	20% of required vehicle spaces	♦ Visible from the use for which the spaces are provided. ♦ Located on the same lot as the principal use or within 20 metres of the lot.
Bowling Lane	10% of required vehicle spaces	
Child Care Centre	10% of required vehicle spaces	
Community Centre	20% of required vehicle spaces	
Convenience Store	20% of required vehicle spaces	
Library	30% of required vehicle spaces	
Recreation, Outdoor	20% of required vehicle spaces	
Shopping Centre	10% of required vehicle spaces	

3.13 COMPACT CARS

Up to 30% of the required parking spaces in any parking garage may be designed as Compact Space in accordance with Table 14.1. [1992/9250]

3.14 OFF-SITE CAVEATED PARKING

(1) Where off-site caveated parking is a discretionary use in a zone, the caveated parking area shall require the approval of City Council in accordance with the discretionary use process specified in Chapter 18 of this Bylaw.

(2) Where the off-site caveated parking is provided on a lot that is separate from the lot containing the building or structure for which it is provided, in accordance with subsection 14B.3.1, there shall be recorded in the office of the City Clerk, City of Regina, a registrable agreement between the:

(a) City;

(b) owner of the lot on which the parking is provided; and

(c) owner of the lot for which the parking is required.

(3) The agreement executed pursuant to subsection (2) shall bind on the owner mentioned in clause (2)(c) and his heirs and successors, and restrict the use of the lot for the purpose of off-street parking so long as the use for which the parking was provided exists.

(4) A caveat based on the agreement mentioned in subsection (2) shall be registered by the City against the lots mentioned in clauses (2)(b) and (c) in the Regina Land Titles Office. [1992/9250; 1993/9488]

3.15 PAYMENT-IN-LIEU OF PARKING

(1) Council may, at its discretion, waive all or part of the parking requirements in the:

(a) D - Downtown Zone in exchange for a payment-in-lieu of the waived spaces calculated on the basis of $7,000 per waived parking space (in 1992 dollars); or [2014-44]

(b) WH - Dewdney Avenue Warehouse Zone in exchange for a payment-in-lieu of the waived spaces calculated on the basis of $2,500 per waived parking space (in 1992 dollars). [2014-44]

3.16 REQUIRED REDUCTIONS

(1) The parking requirements for a building containing a mixed-use in which the gross floor area devoted to non-residential uses exceeds 5,000 square metres shall be reduced by 20% of the parking otherwise required to be provided for the non-residential uses.

(2) Notwithstanding any provision in this Chapter, when an existing building is reconstructed on Lots 11 to 20, Block 434, Plan Old 33, Regina Subdivision:

(a) no parking shall be required for the first 600 square metres of gross floor area of the building; and

(b) any parking shall only be required in accordance with the standards of this Chapter for the gross floor area in excess of 600 square metres.

(3) Notwithstanding any other provision in this Chapter, when an existing building is reconstructed in the WH - Dewdney Avenue Warehouse Zone, unless otherwise indicated, the most stringent parking requirements of this Chapter shall be reduced by 50%. [1992/9250]

14B.4 REGULATIONS FOR RESIDENTIAL PARKING

Where, in this Bylaw, parking facilities are required or provided for:

(a) a detached dwelling unit;

(b) a detached zero lot line dwelling unit;

(c) a semi-detached dwelling unit;

(d) a duplex dwelling unit;

(e) a triplex dwelling unit;

(f) a fourplex dwelling unit;

(g) a townhouse dwelling unit;

(h) an apartment dwelling unit;

(i) a rooming house;

(j) a converted dwelling;

(k) a supportive living home; or

(l) a secondary suite,

the provisions of this Subpart shall apply. [1992/9250; 2001-91; 2003-1]

4.1 LOCATION [2015-29]

(1) The parking area shall be provided on the same lot as the use it serves.

(2) Vehicles parked on site shall only be parked in approved parking spaces or on a legal driveway leading up to a garage, carport or legal parking pad located on site.

(3) Parking is not permitted on any required landscape area.

4.2 SPACE DIMENSIONS

The minimum parking stall and driveway sizes shall comply with Table 14.1. [1992/9250]

4.3 SURFACING AND MARKING [2003-1]

(1) The parking area for developments containing more than four dwelling units, and supportive living homes, shall be suitably paved and each parking space in the parking area shall be clearly demarcated.

(2) Where the parking area for a development containing four or fewer dwelling units is accessed from a street, the parking area, including the driveway, shall have a durable, dust-free hard surface of asphalt, concrete, brick or other similar material excluding gravel or slag.

4.4 APPROACH RAMP [2015-1]

(1) The location of vehicular approach ramps or driveways at the street line shall not be closer than 10 metres from the point of intersection of the two curbs at a street intersection.

(2) Where:

(a) the approach ramp will provide access to a parkade that will be part of a new building or part of an addition to an existing building; and

(b) there will be a grade difference from the parkade to the street or alley;

the ramp shall provide a flat area of not less than 5.5 metres and with a maximum slope of 2% for vehicles to stop before they proceed to enter the street or alley (refer to Figure 14.1A).

4.5 FRONT YARD PARKING [2015-29]

(1) Front yard parking shall be permitted on a lot that:

(a) has an attached garage with access provided from the front yard; or

(b) has a detached garage, a carport or a parking pad located in the side or rear yard, with access provided from the front yard; or

(c) has no alley access and insufficient room to provide access from the front yard to the rear or side yards.

(2) Where a lot meets the criteria of clause (1), the number of spaces that may be located in the front yard is limited to the capacity of the garage, carport or parking pad, or two spaces, whichever is greater.

(3) Except for a Bed and Breakfast Homestay and Supportive Living Home, vehicles parked in tandem shall be considered to constitute one required parking space.

(4) Each parking space which is located entirely or in part in the front yard shall not exceed 22 square metres in area.

(5) Notwithstanding subsection (1):

(a) no parking shall be permitted in the front yard of an apartment building; and

(b) no parking of any class A or C motor home, any travel trailer, fifth wheel trailer, boat or any similar vehicle shall be permitted in the front yard from November 1 to April 1, inclusive.

4.6 PROHIBITED VEHICLES

No vehicle, business or otherwise, with a combined weight (vehicle and load carried by the vehicle) exceeding 4,500 kilograms, shall be parked on-site in a residential zone. Notwithstanding the above, recreational vehicles may be parked in a residential zone in compliance with Subpart 14B.4 – Regulations for Residential Parking. [2014-44]

4.7 NUMBER OF RECREATIONAL VEHICLES

Where recreational vehicle parking is provided for a detached dwelling unit in accordance with the regulations of this Bylaw, the number of recreational vehicles shall not exceed two. [2002-12]

Figure 14.1B Repealed [2004-1]

4.8 UNLICENSED VEHICLES

Every unlicensed vehicle shall be maintained in operable condition. Where not so maintained, the vehicle shall be deemed a junked vehicle pursuant to *The Regina Property Maintenance Bylaw* and any other applicable bylaws of the City of Regina. [2002-12; 2004-1]

4.9 DOWNTOWN PARKING

Where more than one parking space is provided for a dwelling unit located in the D – Downtown zone, the parking spaces may be provided as tandem parking. [2003-1]

14B.5 NUMBER OF MINIMUM REQUIRED PARKING SPACES

5.1 RESIDENTIAL USES

As specified in Table 14.4. [1992/9250; 1997/9918]

5.2 INSTITUTIONAL USES

As specified in Table 14.5. [1992/9250]

5.3 COMMERCIAL USES

As specified in Table 14.6. [1992/9250]

5.4 INDUSTRIAL USES

As specified in Table 14.7. [1992/9250]

TABLE 14.4: OFF-STREET PARKING REQUIREMENTS FOR RESIDENTIAL USES [2005-34]	
USE OF BUILDING OR LOT	**MINIMUM NUMBER OF PARKING SPACES**
Apartment Dwelling Units	
a) In R6 and MS Zones b) In D Zone c) All other zones	1.5 spaces per dwelling unit No requirement 1 space per dwelling unit
Bed and Breakfast Homestay [2005-88]	1 space in addition to the parking requirement for the dwelling [2005-88]
Detached, Semi-detached, Duplex, Triplex, Fourplex, Converted, Townhouse and Secondary Suite dwelling units [1994/9605; 2001-91]	1 space per dwelling unit
Dwelling Units in House Form Commercial Residential Buildings:	See Section 3.9 of Subpart 14B.3
Mobile Homes	1 space per mobile home
Portions of Buildings with residential uses	1 space per dwelling unit
Residential Homestay [2013-74]	0.5 space per guest room in addition to the parking requirements for the dwelling
Seniors Assisted Living Apartment Building [1997/9918; 2005-34]	
a) In D Zone	No requirement
b) All other zones	0.4 space per dwelling unit
Supportive Living Home	2 spaces per home; plus, 1 space per employee to a maximum of 2 additional parking spaces; plus 1 parking space per business vehicle. [1999/10110]

TABLE 14.5: OFF-STREET PARKING REQUIREMENTS FOR INSTITUTIONAL AND RECREATIONAL USES [2003-2; 2003-6; 2003-32]	
USE OF BUILDING OR LOT	**MINIMUM NUMBER OF PARKING SPACES**
Auditoriums – Public Assembly auditoriums including: Convention hall Exhibition hall Gymnasium Health, social, cultural or recreational hall Ice and hockey rink Club Athletic fields [2003-32] Labour union and lodge hall Other recreational or amusement places	1 space per 5 seating places for the public OR 1 space per 10 square metres of gross floor area used by patrons, whichever is greater
Bowling Alleys	3 spaces per alley
Business, Technical or Commercial Schools and Community Colleges	
a) D Zone b) All other zones	No requirement 1 space per 100 square metres of gross floor area
Community Centres	1 space per 20 square metres of gross floor area
Curling Rinks	8 spaces per sheet of ice
Day Care Centres	
a) D Zone b) All other zones	No requirement 1 space per centre
Elementary Schools	1 space per each teacher, employee or administrator
Fire Stations	1 space per employee on maximum work shift
Golf Courses	4 spaces per green, plus 50% of the requirements for the associated uses
Golf Driving Range	1.5 spaces per driving tee
High Schools	5 spaces per classroom plus 1 space per 10 square metres of assembly room floor area
Hospitals or other similar uses	1 space per 100 square metres of gross floor area
Humanitarian Service Facilities [2003-2]	1 space per 100 square metres of gross floor area

TABLE 14.5: OFF-STREET PARKING REQUIREMENTS FOR INSTITUTIONAL AND RECREATIONAL USES [2003-2; 2003-6]	
USE OF BUILDING OR LOT	**MINIMUM NUMBER OF PARKING SPACES**
Individual and Family Social Service Home	1 space per 6 beds plus 1 for each vehicle operated in connection with the home
Museums, Art Galleries, Libraries and other similar facilities	1 space per 50 square metres of gross floor area, but not less than 1 space per 20 square metres of the assembly room floor area of the largest assembly room within the building
Recreational Service Facilities [2014-44]	1 space per 20 square metres of gross floor area used by patrons
Religious Institutions [2013-64]	
a) D Zone b) All other zones	No requirement 1 space per 4 seating places
Special Care Homes	1 space per 6 beds
Sports Stadia	
a) Less than 10,000 seats b) over 10,000 seats	Same as auditorium standards in Table 14.5 No requirement
Universities and Colleges	1 space per 200 square metres of gross floor area

TABLE 14.6: OFF-STREET PARKING REQUIREMENTS FOR COMMERCIAL USES	
USE OF BUILDING OR LOT	**MINIMUM NUMBER OF PARKING SPACES**
Animal Hospitals or Animal Shelters	1 space per 100 square metres of gross floor area
Auctioneering Establishments	1 space per 3 seats
Bingo Halls	1 space per 3.1 seats, plus 10% of the total number of stalls if the site adjoins a residentially zoned property
Confectionery Stores	
a) D, TAR, NC, MX, and LC3 Zones	No requirement
b) All other zones	1 space per 20 square metres of gross floor area
Convenience Stores	
a) NC Zone	6 spaces for first 200 square metres of gross floor area plus 1 space per 25 square metres over 200 square metres in gross floor area
b) All other zones	1 space per 20 square metres in gross floor area
Drive-In Restaurants	1 space per 5 seats plus an additional 5 car stack-up per drive-in window
Drive-In Establishments not elsewhere classified	Required space prescribed for use plus 5 car stack-up per drive-in window plus additional regulations as per Subparts 7D.1 and 7D.2 [1994/9572; 1997/9904]
Funeral Homes	1 space per 4 persons
Gas Bars	No requirement
Hotels	
a) D Zone	1 space per 3 guest rooms
b) All other zones	1 space per guest room
Liquor Stores	1 space per 20 square metres of gross floor area
Medical Clinics [2013-64]	No requirements if less than 325 square metres. 325 square metres or greater, 1 space per 60 square metres of gross floor area.
Nightclubs	
a) D Zone	No requirement
b) All other zones	Same as auditorium standards in Table 14.5

TABLE 14.6: OFF-STREET PARKING REQUIREMENTS FOR COMMERCIAL USES	
USE OF BUILDING OR LOT	**MINIMUM NUMBER OF PARKING SPACES**
Offices, Banks, or Financial Institutions	
a) D and LC3 Zones	
i) less than 325 square metres of gross floor area	No requirement
ii) for that portion in excess of the first 325 square metres in gross floor area	1 space per 100 square metres of floor area
b) Lots 11-30, both inclusive in Blocks 403 and 411 and Lots 1-20 both inclusive gross in Blocks 404 and 412, Plan Old 33, Regina Subdivision	1 space per 100 square metres of floor area
c) Lots 11-20, both inclusive in Block 123; Lots 1-10, both inclusive in Block 139; and E.17' of Lot 21, all of Lots 2-29, both inclusive, and the S.20' of Lot 30, all in block 200; all of the above in Plan Old 33, Regina Subdivision	No requirement for existing buildings being constructed
d) All other zones	1 space per 60 square metres of gross floor area
Pool Halls, Amusement Arcades	
a) D Zone	No requirement
b) All other zones	1 space per 20 square metres of gross floor area
Public Self-Storage Facility [1996/9821]	1 space per 600 metres of gross floor area
Restaurants [2012-49]	
a) D Zone	No requirement
b) LC3 Zone	No requirement
c) All other zones	1 space per 5 seats
Bakery shops Fast Food Outlets [1994/9572] Grocery Stores Home Improvement Centres Personal Service Establishments Repair Shops Retail Stores	
a) D Zone	
i) less than 325 square metres of gross floor area	No requirement
ii) for that portion in excess of the first 325 square metres in the gross floor area	1 space per 50 square metres of gross floor area

TABLE 14.6: OFF-STREET PARKING REQUIREMENTS FOR COMMERCIAL USES	
USE OF BUILDING OR LOT	**MINIMUM NUMBER OF PARKING SPACES**
b) LC3 Zone	
i) less than 325 square metres of gross floor area	No requirement
ii) for that portion in excess of the first 325 square metres in the gross floor area	1 space per 50 square metres of gross floor area
c) Repealed. [2003-1]	
d) MX and TAR Zone	1 space per 50 square metres of gross floor area
e) WH-Zone and Lots 1-10, both inclusive, in Blocks 77 and 124; Lots 21-40, both inclusive, in Block 183; Lots 1-20, both inclusive, in Block 184; Lots 26-40, both inclusive, in Block 200, Plan Old 33, Regina Subdivision; and uses other than retail (for retail uses, see Table 14.6) on Lots 1-10, both inclusive, in Block 139, and Lots 11-20, both inclusive, in Block 123, Plan Old 33, Regina Subdivision	
i) For the first 1000 square metres in gross floor area	1 space per 50 square metres of gross floor area
ii) For that portion in excess of the first 1,000 square metres in gross floor area	1 space per 100 square metres of gross floor area
f) Retail stores on Lots 1-10, both inclusive, in Block 139, Plan Old 33, and Lots 11-20, both inclusive, in Block 123, Plan Old 33	
i) The main floor and the floor below grade in existing buildings	No requirement
ii) For entire new buildings and for floor other than the main floor and the floor below grade in existing buildings	i) For the first 1000 square metres in gross floor area, one space per 50 square metres of gross floor area ii) For that portion in excess of the first 1000 square metres in gross floor area, one space per 100 square metres of gross floor area
g) All other zones	1 space per 20 square metres of gross floor area
Theatres	
a) D Zone	No requirement
b) All other zones	1 space per 5 seating spaces
Automobile Repair Establishment	6 spaces for first two service bays plus 2 spaces for each additional service bay

TABLE 14.7: OFF-STREET PARKING REQUIREMENTS FOR INDUSTRIAL USES	
USE OF BUILDING OR LOT	MINIMUM NUMBER OF PARKING SPACES
Laundry or Dry Cleaning Plants and other similar industrial uses Manufacturing and Industrial Plants Repair, Rental Servicing Establishments Warehousing and Storage Buildings and Yards Wholesaling	1 space per 3 employees on maximum work shift but not less than 1 space per 150 square metres of gross area

14B.6 EXCEPTIONS TO REQUIRED PARKING - SHARED PARKING

Notwithstanding the requirements of Subpart 14B.5, shared parking shall apply to all zones in accordance with the requirements in this Subpart. [1992/9250]

6.1 GENERAL PROVISIONS FOR SHARED PARKING

(1) Shared parking may be allowed between two or more uses to satisfy all or a portion of the minimum off-street parking requirements specified in Subpart 14B.5.

(2) Shared parking may be allowed between uses with different hours of operation.

(3) A use for which an application is being made for shared parking shall be located within 20 metres of the parking facility.

(4) A registrable agreement providing for the shared use of parking shall be executed between:

(a) the City;

(b) owner of the lot on which the parking is provided; and

(c) owner of the lots for which the shared parking is required.

(5) The agreement executed pursuant to subsection (4) shall bind on the owner mentioned in clause (4)(b) and his heirs and successors, and restrict the use of the lot for the purpose of parking so long as the uses for which the shared parking was provided exists. [2005-34]

(6) A caveat based on the agreement mentioned in subsection (4) shall be registered by the City against the lots mentioned in clauses (4)(b) and (c) in the Regina Land Titles Office.

(7) The shared parking privileges shall continue in effect only as long as the agreement, binding on all parties, remains in force.

(8) If the agreement is no longer in force, parking shall be provided as required in Subpart 14B.5. [1992/9250]

6.2 SPECIFIC REGULATIONS FOR SHARED PARKING

(1) Shared parking may be allowed between daytime and nighttime or Sunday uses under the conditions and exceptions provided in Table 14.7AA.

(2) For the purpose of this section, the following uses are deemed to be daytime uses:

(a) retail sales and service, except eating and drinking establishments, lodging and entertainment uses;

(b) wholesale, storage and distribution uses; and

(c) manufacturing uses.

(3) For the purpose of this section, the following uses are deemed to be night time or Sunday uses:

(a) auditorium;

(b) religious institutions;

(c) entertainment uses, including bowling alleys, theatres and dance halls; and

(d) eating and drinking establishments.

(4) The applicant shall show that there is no substantial conflict in the principal operating hours of the uses for which the sharing of parking is proposed. [1992/9250]

TABLE 14.7AA: SHARED PARKING ARRANGEMENTS -DIFFERENT OPERATING HOURS			
DAYTIME USE	**NIGHTTIME USE**	**CONDITIONS**	**EXCEPTIONS**
Any use specified in subsection 6.2(2)	Any use specified in subsection 6.2(3)	1. Up to 90% of the parking requirements for the daytime use may be supplied by the off-street parking provided by the nighttime or Sunday use. 2. Where the nighttime or Sunday use is a religious facility, up to 100% of the parking requirements for the daytime use may be supplied by the off-street parking provided by the religious facility.	None

14B.7 OTHER EXCEPTIONS TO REQUIRED PARKING

7.1 APPLICATION

(1) Notwithstanding the parking requirements of Subpart 14B.5, adjustments may be made by Council, at the request of an applicant, to those parking requirements on the basis of the rules specified in this Subpart.

(2) In order to prevent the development of on-street parking, an application may be made or approved for only one of the exceptions provided in sections 7.2 to 7.5 of this Subpart. [1992/9250]

7.2 PROXIMITY TO TRANSIT ROUTE

(1) A reduction of up to 20% in the minimum parking requirement may be allowed by Council for a new or expanding administrative or manufacturing building or complex which is:

(a) located in a commercial or industrial zone; and

(b) within 76.2 metres of any street with transit service headways of 20 minutes or less in each direction during morning or evening rush hour.

(2) The 76.2 metre distance mentioned in subsection (1) shall be the shortest distance measured from the nearest bus stop on the street to the property line of the lot containing the use, building or complex. [1992/9250; 1993/9488]

7.3 SUBSTITUTION OF ALTERNATIVE TRANSPORTATION - CARPOOL PROGRAM

(1) For a new or expanding administrative or manufacturing building or complex, which requires 40 or more parking spaces, the minimum parking requirement may be reduced by up to a maximum of 40% by the substitution of a carpool program that meets the following minimum requirements:

(a) an individual or department must be designated to manage the program;

(b) the program must provide an active matching service using manual or automated matching of addresses and providing employees with potential carpools (passive matching alone such as bulletin boards is not acceptable); and

(c) the carpool spaces on-site or off-site must be clearly identified for the sole use of the pool cars.

(2) For every carpool space provided and identified by the applicant, and certified by the Development Officer, the required parking shall be reduced by 2 spaces, to a maximum of 40% of the parking requirement (see sample carpool program in Table 14.7A). [1992/9250]

TABLE 14.7A: SAMPLE CARPOOL PROGRAM

REQUIRED PARKING	CARPOOL SPACE PROVIDED	REDUCTION IN PARKING REQUIREMENT	PARKING SPACE TO BE PROVIDED	% OF PARKING TO BE PROVIDED
40	1	2	38	95
	2	4	36	90
	3	6	34	85
	4	8	32	80
	5	10	30	75
	6	12	28	70
	7	14	26	65
	8	16	24	60

7.4 SUBSTITUTION OF ALTERNATIVE TRANSPORTATION - VANPOOL PROGRAM

(1) For a new or expanding administrative or manufacturing building or complex, which requires 40 or more parking spaces, the minimum parking requirement may be reduced by up to a maximum of 30% by the substitution of a vanpooling program that meets the following minimum requirements:

(a) an individual or department must be designated to manage the program; and

(b) the applicant must operate or hire vans, buses, or similar vehicles with seating capacity for at least six people to provide exclusive employee transportation to and from residential areas.

(2) For every vanpool and parking space provided by the applicant under subsection (1), and certified as such by the Development Officer, the parking requirement shall be reduced by six spaces to a maximum of 30% of the parking requirement (see sample Vanpool Program in Table 14-7B). [1992/9250]

TABLE 14.7B: SAMPLE VANPOOL PROGRAM

REQUIRED PARKING	VANPOOL SPACE PROVIDED	REDUCTION IN PARKING REQUIREMENT	PARKING SPACES TO BE PROVIDED	% OF PARKING TO BE PROVIDED
40	1	6	34	85
	2	12	28	70

7.5 SUBSTITUTION OF ALTERNATIVE TRANSPORTATION -TRANSIT PROGRAM

(1) For a new or expanding administrative or manufacturing building or complex that:

(a) requires 40 or more parking spaces; and

(b) is within 76.2 metres of a street served by the Regina Transit System

the minimum parking requirement may be reduced by 2.5 for every five transit passes to the Regina Transit System, with at least 50% cost reduction, provided to employees in a proposed structure or building for a minimum of five years, or the duration of the business establishment (see sample Transit Pass program in Table 14.7C).

(2) The reduction in the required parking mentioned in subsection (1) shall not exceed 40%. [1992/9250]

TABLE 14.7C: SAMPLE TRANSIT PASS PROGRAM

PARKING REQUIRED BY BYLAW	MAXIMUM PARKING REDUCTION	DESIRED PARKING REDUCTION	TRANSIT PASSES REQUIRED FOR REDUCTION	TOTAL COST AT JULY 1991 PRICES ($)	ADJUSTED REQUIRED PARKING
40	16	1	2	1,192.50	39
		2	4	2,385.00	38
		4	8	9,540.00	36
		5	10	11,925.00	35
		6	12	14,310.00	34
		7	14	16,695.00	33
		8	16	19,080.00	32
		9	18	21,465.00	31
		10	20	23,850.00	30
		11	22	26,235.00	29
40	16	12	24	28,620.00	28
		13	26	31,005.00	27
		14	28	33,390.00	26
		15	30	35,775.00	25
		16	32	38,160.00	24

7.6 ENFORCEMENT AND MONITORING OF EXCEPTIONS TO REQUIRED PARKING PROGRAMS

(1) Prior to the issuance of a certificate of occupancy for the use, building or complex for which a reduction in the required parking has been granted pursuant to section 7.2 to 7.5:

(a) the details of the alternative transportation program shall be spelled out in a memorandum of agreement between the City and the applicant which shall be filed in the same way as an off-site caveated parking agreement specified in section 3.14 of Subpart 14B.3; and

(b) the details shall be verified by the Development Officer. Such verification must include a review of copies of any contracts, lease agreements, purchase agreements, proof of purchase of transit passes, and any other relevant documentation.

(2) A memorandum of understanding filed pursuant to subsection (1) shall provide for an annual report to be submitted by the owner, subsequent owner or lessee of the building concerning:

(a) compliance with the agreement; and

(b) the status of the alternative transportation program, including but not limited to:

(i) the number of employees involved in the program; and

(ii) the percentage of participants to total work force involved in the program.

PART 14C

LOADING REGULATIONS FOR ALL LAND USES

14C.1 APPLICATION OF OFF-STREET LOADING REQUIREMENTS

1.1 NEW, ALTERED OR CHANGED USES

Vehicular loading and unloading spaces with access from a public roadway or alley shall be provided and maintained in accordance with the provisions of this Part by every commercial and industrial development, whether:

(a) a new building or structure;

(b) an alteration or enlargement of an existing structure or building; or

(c) a change in use of an existing building or structure. [1992/9250]

1.2 COMPLIANCE WITH REGULATIONS - OWNER'S OBLIGATION

As long as a use exists on a property, and the use is required to provide loading spaces by this Bylaw, it shall be the continuing obligation of the owner and occupant of the property on which the use is situated to provide the loading spaces. [1992/9250]

1.3 Where the use of the existing building is changed and the building is not enlarged or increased in capacity, but does not and cannot provide the required off-street loading spaces, the requirements of this section shall not apply, and no off-street loading space shall be required. [1993/9488]

14C.2 DETERMINATION OF STATUS

2.1 UNSPECIFIED REQUIREMENTS

(1) Where the loading requirements of any use allowed by this Bylaw are not specified, the Development Officer shall:

(a) establish an interim standard to allow the developer to proceed with his project; and

(b) recommend amendment to this Bylaw to incorporate the interim standard.

(2) In establishing the interim standard, the Development Officer shall be guided by the standards for similar uses in the City. [1992/9250]

2.2 FRACTIONAL SPACES

If, in determining the number of required loading spaces, a fractional space is arrived at:

(a) any fraction up to and including one-half shall be disregarded; and

(b) fractions over one-half shall be deemed to be equivalent to one space. [1992/9250]

14C.3 PERFORMANCE STANDARDS

3.1 Every off-street loading space and access thereto shall be hard surfaced if the access thereto is from a street or lane which is hard surfaced. Where hard surfacing is provided or required, it shall be constructed of concrete, asphalt or a similar durable, dust-free material. [1993/9488]

3.2 DIMENSIONS

(1) Where tractor-trailer deliveries are expected on a premise, loading berths shall be provided. The dimensions of the loading spaces shall conform with the requirements in Table 14.8, and shall, at the minimum, facilitate deliveries by a 50 foot wheel base (WB-50) truck design vehicle (see Figure 14.2).

(2) Where deliveries by vehicles other than tractor-trailers are expected on a premise, delivery spaces shall be provided. The dimensions of the delivery spaces shall conform with the requirements in Table 14.8 and shall, at the minimum, facilitate deliveries by trucks or pick-ups with two axles (see Figure 14.2). [1992/9250]

TABLE 14.8: REQUIRED LOADING BERTH DIMENSIONS						
DESIGN VEHICLE	LENGTH IN METRES (L)	DOCK ANGLE (α)	CLEARANCE IN METRES (D)	BERTH WIDTH IN METRES (W)	APRON SPACE IN METRES (A)	TOTAL OFFSET IN METRES (T)
Delivery Truck Space - Two Axles	5.67	90°	5.67	3.00	7.14	12.81
				3.65	6.35	12.02
				4.26	5.89	11.56
		60°	4.98	3.00	5.20	10.18
				3.65	4.52	9.50
				4.26	3.96	8.94
		45°	4.08	3.00	4.19	8.27
				3.65	3.62	7.70
				4.26	3.28	7.36
Loading Space - (WB-50) 50 Foot Wheel Base	16.76	90°	16.76	3.00	23.46	40.23
				3.65	21.94	38.70
				4.26	20.42	37.18
		60°	14.63	3.00	16.76	31.39
				3.65	15.54	30.17
				4.26	14.02	28.65
		45°	11.88	3.00	13.71	25.60
				3.65	12.19	24.07
				4.26	11.27	23.16

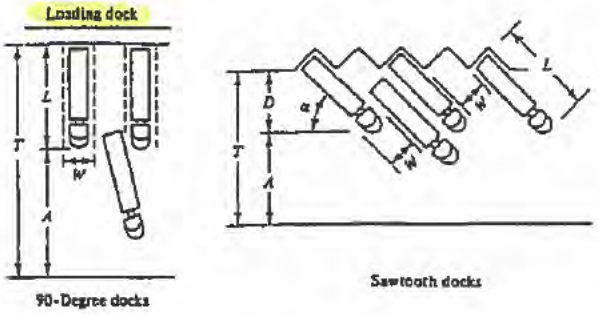

Figure 14.2: Loading Berth Dimensions

3.3 LOCATION

(1) Every loading facility shall be located on the same building site as the use it serves.

(2) All loading areas shall be reserved and clearly marked for loading purposes.

(3) Directional information to assist traffic flow shall be provided by either pavement marking or sign.

(4) All loading spaces shall be located so that vehicles using the spaces do not project into any public right-of-way or otherwise extend beyond the property boundaries.

(5) All loading spaces shall be located so that vehicles using the spaces would not be required to back to, or from, an adjacent street, sidewalks or other public right-of-way.

(6) No loading spaces shall be provided within a minimum front yard.

(7) No loading spaces shall be provided within the minimum side yard on a lot:

(a) within the IP - Prestige Industrial Service Zone; or

(b) within or abutting a Residential Zone.

(8) Loading spaces provided within the minimum side yard shall be open and uncovered. [1992/9250]

3.4 MANOEUVRING SPACE

(1) All loading spaces shall be provided with a manoeuvring area sufficient to allow vehicles to move in and out of the loading space.

(2) In order to allow the driver of a delivery vehicle to see along the truck when backing, the circulation pattern and loading position shall be designed for counter clockwise entry and for left-side backing manoeuvre (see Figure 14.2A). [1992/9250]

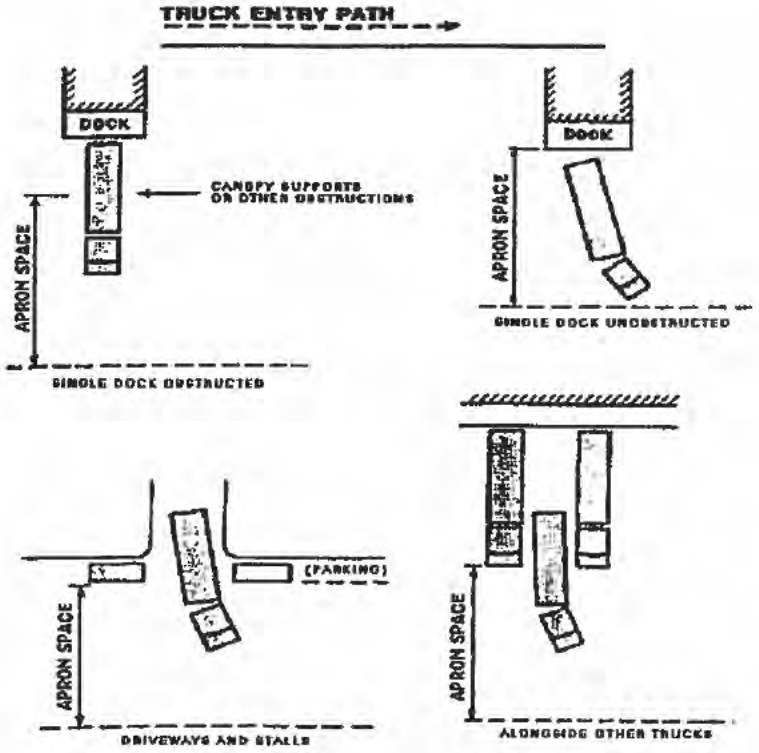

Figure 14.2A: Loading Berth Configurations and Approach

3.5 SEPARATION FROM PARKING SPACES

Loading spaces and manoeuvring areas shall be separated from required parking facilities. [1992/9250]

14C.4 MINIMUM REQUIRED LOADING SPACES

The required off-street loading spaces shall be as provided in Table 14.9. [1992/9250]

TABLE 14.9: REQUIRED LOADING SPACES			
LAND USE	**FLOOR AREA OF LAND USE (IN SQUARE METRES)**	**REQUIRED DELIVERY SPACE**	**REQUIRED LOADING SPACE**
Industrial Use, All Manufacturing Use, All Personal Service Establishments Repair Shops, Restaurants, Retail Store	100-800	1	0
	801-1,400	2	0
	1,401-2,500	0	2
	2,501-10,000	0	2♦
	More than 10,000	0	5▪
Assembly Place Club Hospital Nursing Home Office Building Public Utility School	100-1,400	1	0
	1,401-3,000	0	1
	3,001-6,000	1	1
	6,001-10,000	2	1
	10,001-15,000	3	1
	15,001-20,000	3	2
	More than 20,000	4	2
	More than 27,000*		

♦Plus 1 for each additional 2,500 square metres or a fraction of it.

▪ Plus 1 for each additional 4,000 square metres or a fraction of it.

*Council may at its discretion require additional loading space for buildings exceed 27000 square metres.

PART 14D

REGULATIONS FOR SPECIFIC LAND USES

14D.1 DAY CARE CENTRES/NURSERY SCHOOLS

1.1 PASSENGER DROP-OFF SPACE REQUIREMENTS [2005-34]

(1) On-site passenger drop-off spaces shall be provided where a day care centre or nursery school does not have an on-street parking capacity to serve as a drop-off area without impeding traffic flow.

(2) Parking spaces required pursuant to subpart 14B.5 shall not be used to satisfy the drop-off space requirements.

(3) Drop-off spaces shall comply with Table 14.1.

(4) All drop-off spaces shall be reserved and clearly marked for passenger drop-off purposes.

1.2 MINIMUM REQUIRED SPACES

The number of drop-off spaces provided pursuant to section 1.1 shall be in accordance with the Table 14.10. [1992/9250; 2005-34]

TABLE 14.10: DAY CARE CENTRE/NURSERY SCHOOL DROP-OFF SPACE REQUIREMENTS [2005-34]

MAXIMUM CAPACITY OF DAY CARE CENTRE/ NURSERY SCHOOL	NUMBER OF DROP-OFF SPACES REQUIRED
10 to 15 children	2
16 to 30 children	3
31 to 45 children	4
46 to 60 children	5
more than 60 children	2 further spaces for each increment of 15 children in excess of 60 [1999/10113]

Appendix L

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Manuals, Handbooks & Guides

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

Market Value Assessment in Saskatchewan Handbook

Warehouse

Valuation Guide

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Warehouse Valuation Guide

Warehouse Valuation Guide

Market Value Based Assessment Legislation in Saskatchewan

Saskatchewan has different assessment legislation[1] than other jurisdictions in Canada that must be taken into account when valuing properties for assessment and taxation purposes. There are specific definitions in Saskatchewan for "base date", "market value", "Market Valuation Standard" and "mass appraisal". It is important to understand how these definitions relate to one another and the requirement for market value based assessments to be determined in accordance with the Market Valuation Standard.

Base Date is defined as "...the date established by the agency for determining the value of land and improvements for the purpose of establishing assessment rolls for the year in which the valuation is to be effective and for each subsequent year in which the next revaluation is to be effective;" (Refer to the Preface for specific base dates.)

Market Value is defined as the "...amount that a property should be expected to realize if the estate in fee simple in the property is sold in a competitive and open market by a willing seller to a willing buyer, each acting prudently and knowledgeably, and assuming that the amount is not affected by undue stimuli;".

Market Valuation Standard means the "standard achieved when the assessed value of property:

(i) is prepared using mass appraisal;

(ii) is an estimate of the market value of the estate in fee simple in the property;

(iii) reflects typical market conditions for similar properties; and

(iv) meets quality assurance standards established by order of the agency;"

Mass appraisal is defined as "...the process of preparing assessments for a group of properties as of the base date using standard appraisal methods, employing common data and allowing for statistical testing;".

Assessment legislation in Saskatchewan requires that non-regulated property assessments be determined pursuant to the Market Valuation Standard. Throughout this Handbook the term "market value based assessments" is used to refer to non-regulated property assessments. Unlike single property appraisals, market value based assessments must be prepared using mass appraisal and "...shall not be varied on appeal using single property appraisal techniques". All Handbook references to market value are subject to the requirements of the Market Valuation Standard.

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[1] The following Acts provide the statutory basis for property assessment in Saskatchewan:

- *The Assessment Management Agency Act*
- *The Interpretation Act, 1995*
- *The Cities Act*
- *The Municipalities Act*
- *The Northern Municipalities Act, 2010*

For more details on how to access this information refer to Appendix 2: Resources - Section 2a (Queen's Printer).

1.0 Introduction

The primary functions of a warehouse are to store, mix, consolidate, and distribute raw materials, goods, and/or finished products. Warehouses can provide a number of these functions, or can be designed for one specific use.

Typically, warehouses are an integral part of a manufacturing or retailing operation, or act as trans-shipment points for goods and materials. Warehouses can be constructed of different kinds of materials (wood, concrete, metal). They can range in size from large, nation-wide distribution centres to small, local storage facilities. They can be owner-occupied, single tenanted, or multi-tenanted. They can be single-storey or multi-storey.

Although there is a wide variety of uses and styles of warehouses, such buildings are generally uncomplicated structures that can be adapted to a number of commercial and many light industrial uses. Warehouses are purchased, leased, or built to suit any or all of these conditions. Like any other property, the functionality of a warehouse is measured in terms of how well the facility serves its required purposes.

1.1 Warehouses Covered in this Valuation Guide

The methods described in this valuation guide are designed to suit warehouses ranging from storage warehouses up to mega-warehouses.

Although the methods presented here may be applicable to other types of industrial or commercial-industrial properties such as warehouse-showroom retail outlets, this valuation guide does not directly address these or any other types of properties.

1.2 Scope of Valuation Guide

- This valuation guide is designed as an aid in the valuation of warehouses for assessment purposes.
- It sets out procedures to follow to derive market value based assessments for warehouses using the:
  - income approach to value
  - sales comparison approach to value
  - cost approach to value
- This valuation guide provides a practical tool to evaluate and determine market value based assessments.
- Valuation parameters provide the guidelines that establish statistically sound market value based assessments for warehouses as of the base date.
- The valuation guide is designed as a tool to aid the assessor in deriving market value based assessments; it is not intended to replace the assessor's judgement in the valuation process.

- The methods presented in this valuation guide are aimed at deriving assessment values for a number of different groups of warehouses.

Hypothetical data and analysis are provided throughout this Valuation Guide in the narrative and in various examples, tables and forms. These examples are provided for illustrative purposes only. The exact form of the market value based assessment analysis is up to the discretion of the assessor subject to the Market Valuation Standard and other relevant legislation.

2.0 Analysis of Valuation Approaches

2.1 Approaches to Value

Sales Comparison Approach

Warehouses of all types and sizes are sold on the open market from time to time. However there are many types of warehouses and it may not always be possible to obtain a sufficient number of sales for a particular type of property (e.g. storage, distribution or transit warehouse) in every assessment valuation period. Where sales information is present and applicable, the sales comparison approach can be a useful tool for establishing market value based assessments. If sales information is not sufficient then other approaches to value may be considered.

Income Approach

Although many warehouses are owner-occupied and form part of an integrated manufacturing or distribution system, many others have lease arrangements so it is generally possible to obtain rental information for the various types of warehouses. Furthermore, there are generally sales available to indicate capitalization rates required in determining market value based assessments using the income approach. The income approach is an appropriate method for establishing market value based assessments for any warehouse property subject to adequate sales and rental information. Also, any warehouse building sale that does occur should be researched and verified as such analysis is useful in establishing capitalization rates and in confirming the values derived using other approaches to value.

Cost Approach

The cost approach method provides a good indication of value if the property is newer and this approach is useful in situations where there is insufficient income and sales data. This method is widely understood and with appropriate analysis of depreciation it produces good results. Although warehouses vary in size and function and can be constructed of many types of building materials, they are generally not complicated properties from a construction point of view. Therefore, the cost approach can be a useful tool for establishing market value based assessments.

The cost approach is based on the development of replacement models depicting the replacement costs to build typical warehouses. Such models can be developed from local warehouse construction data or obtained from cost publications such as *Marshall Valuation Service*. Usually a cost publication will utilize replacement cost rates to determine the cost of the warehouse improvements as new. Tables in these publications indicate normal depreciation due to aging. Other forms of depreciation and obsolescence may be established by research and comparison of property values established by using the sales comparison or income approaches.

2.2 Recommendation

For the valuation of warehouse properties for assessment purposes any one of the three approaches to value – income, sales comparison or cost – can be used, subject to adequate underlying income, sales or cost information.

The approach that best reflects the manner in which the market views these properties should be used, subject to the availability of sufficient data for analysis.

2.3 Practical Valuation Process

In this valuation guide, the income approach, sales comparison approach and cost approach have been developed into practical valuation tools with guidelines on:

- Collecting data;
- Analysing information;
- Developing valuation parameters;
- Determining market value based assessments; and
- Testing the quality of assessment values. (Refer to the Valuation Parameters Guide for a general discussion on statistical testing.)

3.0 Warehouse Valuation Process

3.1 Overview of the Procedure

1) Collect appropriate information.
2) Analyse data and classify warehouses into homogeneous groups.
3) Select the appropriate approach to value:
   - Income approach
   - Sales comparison approach
   - Cost approach
4) Apply method(s) to derive market value based assessments.
5) Add / deduct for other appropriate value, if required.
6) Determine a market value based assessment of the property.
7) Test results.

3.2 Collecting the Appropriate Data

More than any other factor, the type and quality of information available dictate the methods that can be used to value properties. Uniform and accurate valuation of property requires correct, complete, and up-to-date property data. The effort put in at the information collection stage will determine the quality of the final analysis.

Supporting Information

Sources of supporting information include: warehouse building owners/managers, real estate consultants and brokers, real estate publications, industry associations and government sources.

Property Information

To compare, classify and develop valuation parameters for warehouse buildings, it is necessary to obtain pertinent physical and descriptive information. Typical information that could be collected for a property and entered into the assessor's valuation system is shown on the Warehouse Data Entry Example. *(Refer to Figure 5.)*

Assessment Records

Where possible, the assessor will verify the existing assessment record information when inspecting the property. Where the information is not available or obtainable from inspection, the property owner (or the designated contact person) is typically contacted to provide the following information:

- Year built,

- Size,
    - area of site;
    - floor areas;
    - building dimensions;
    - heights;
    - number of floors; and
- Construction dates.

Property Inspection

To keep existing records up to date, all assessed properties are generally inspected from time to time. The following types of items may be noted when inspecting a warehouse property:

- Physical measurements of the warehouse;
- Type of warehouse/goods handled (e.g., storage, cold storage, distribution);
- Quality of building;
- Other buildings/improvements on site;
- Condition of improvement;
- Construction class (materials e.g. wood, concrete or steel);
- Floor loading/floor thickness;
- Wall height;
- Truck door/dock type;
- Quality and amount of office space;
- Type of heating/air conditioning;
- Sprinkler system;
- Location/access;
- Lot size site;
- Site characteristics (topography, drainage and utility lines)
- Layout / design;
- Recent renovations;
- Functionality of property;
- Photograph of the property.

Where there appears to be surplus or excess land, the assessor may note this on the record and review the zoning and land use by-laws governing the property to decide how to value the surplus or excess land.

An analysis of the property information and property inspection information will enable the assessor to arrive at conclusions about:

- The characteristics and nature of the warehouse building market in the jurisdiction and/or market area;
- Typical vacancy and collection loss factors;
- Typical management and operating expenses; and
- Typical market rents for various types of buildings and various types of space (office, retail, storage, etc.).

Income Data

If the income approach is to be used, then income and expense information is collected. However, even if the income approach is not used, information such as market rents and vacancy rates can assist in estimating depreciation and obsolescence. To collect the appropriate property income related information the assessor could send a Request for Information Form to the warehouse building property owner (or the designated contact person). *(Refer to section 9.0 for examples.)* If possible, request the following information.

- Gross leasable areas (GLA);
- Rents and financial information, including other income (if any);
- Records and details of tenant inducements;
- Vacancy rates and collection loss;
- Operating expenses;
- Copies of leases; and
- Unrecovered expenses.

Sales Data

Sales data should be collected whenever possible. Even though there may not be a sufficient number of sales to use the sales comparison approach for a certain class of warehouses, the sales information may still be useful in the development of market-based depreciation schedules in the cost approach, and in the derivation of capitalization rates or discount rates. The assessor can request the following type of information:

- Property address and legal description;
- Sale price;
- Date of transfer;
- Instrument number;
- Name and address of vendor and purchaser;

- Interests transferred (fee simple or other);
- Financing conditions; and
- Value of chattels.

Construction Costs

The construction costs of a building can be estimated from a number of different cost publications such as *Marshall Valuation Service* which are complete, authoritative guides for developing estimates of costs and depreciation for commercial buildings and other improvements. Current cost and depreciation data adjusted to the local market is also required for the cost approach.

In determining the value of a particular type of property, it is also useful to analyse local construction costs. Therefore, assessors may ask warehouse owners for construction cost data for all new warehouses and all major reconstruction work. It may also be useful to consider the information provided on any building permit. The analysis of local cost data may assist in confirming rates found in cost publications.

When analysing construction cost data, exercise caution to ensure that the local costs reflect the cost of all assessable items and only those items that are assessable.

An Issue to Consider in the Collection of Data: Measurements

Under ideal conditions, all building areas would be measured and reported in the same manner and all building heights would reflect the same measure. In reality, the reporting of such measures can vary greatly.

Building structures are usually measured by either square footage or volume. It is important that when collecting and analysing this information that the units of comparisons are classified into groups with similar units of measurement.

Heights often reflect either the clear height, which is the distance measured from the top of the floor to the bottom of the lowest hanging overhead obstruction, or the structural height, which is the distance measured from the floor (top or bottom of one floor or ceiling– depending on the cost publication) to the top of the next floor or the structural steel of the roof. The height of the structural steel can vary between one and eight feet in height (depending on the size of the building and the type of construction).

Data Analysis

For the assessor to gain full value from the data collected, the data should be organized in such a way that meaningful comparisons can be made and valuation conclusions drawn. By collecting and organizing the data on a number of warehouse buildings it becomes possible to establish the typical performance, characteristics, and valuation parameters to apply in the valuation of other warehouse buildings.

Collecting and tabulating such data also enables the assessor to distinguish between the typical value of real estate components and the actual performance of a specific property. A market value based assessment determined through mass appraisal methods demands the application of a property's typical performance in the marketplace, not its actual performance. As noted in the Valuation Parameters Guide,

this requirement is established in the Market Valuation Standard mandated in legislation in Saskatchewan's municipal Acts.

3.3 Classifying the Warehouse

The following is a list of various types of warehouses:

- Storage warehouses - Designed primarily for storage; small percentage of total area may be office space;
- Distribution warehouses - Designed to accommodate breakdown and transshipment of goods; a larger percentage of the total area for office/sales;
- Mega-warehouses – Designed as large storage-distribution facilities; interior build-out is typically a small percentage of total area;
- Transit warehouses - Designed for temporary closed storage, freight segregation and loading; will have additional facilities for transient personnel;
- Cold storage warehouses - Designed to keep stored commodities at various temperature levels; and
- Mini-warehouses - Designed primarily to be rented for small self storage or noncommercial storage; may include some office-living space.

To facilitate the valuation process, the assessor groups warehouses into homogeneous classes. This process is commonly referred to as stratification. The ability to compare properties is also crucial in the mass appraisal process because it allows the assessor to determine typical market conditions.

The functionality, viability, and value of a warehouse is largely dependent on its characteristics: area, height, accessibility, location, truck or rail connections, number of truck doors, floor height, turnover or processing abilities, and competition from other warehouses. Therefore, the valuation of a warehouse property is based on the analysis and comparison of similar properties.

Establishing Warehouse Classes

The following characteristics are examples of attributes that can be used to classify warehouses:

- Function;
- Size;
- Age/condition;
- Percent of office space;
- Floor thickness and loading capacity;
- Height;
- Location; and
- Land/building ratio.

Classes

When the cost approach is used the classes can be further stratified by type of construction (steel, wood and concrete) and subdivided according to the quality of the facility for example: (excellent, good, average and low cost).

4.0 Income Approach to Value

4.1 Application of the Income Approach

Income Approach Methods

In general, there are two methods available to convert future income into a present value:

1. Direct capitalization, and
2. Yield capitalization (discounted cash flow analysis).

The direct capitalization method is most applicable to the valuation of income-producing properties in a mass appraisal environment. It requires the least amount of data to apply, reflects typical rents and market conditions, and is best suited to the use of statistical analysis. The yield capitalization method is not suitable for use in mass appraisal valuations in Saskatchewan due to its consideration of individual investor preferences (reflects personal versus typical market conditions), its need for more market data and numerous estimates of rents, holding periods and projected reversions, and its lack of suitability for statistical analysis. For these reasons the yield capitalization method will not be further detailed in this Guide.

Overview of the Direct Capitalization Method

The analysis in this section presents a direct capitalization method that is suited for mass appraisal applications.

Direct capitalization converts or "capitalizes" the expected level of potential net income into a market value based assessment using an overall capitalization rate. The conversion factor or capitalization rate is a reflection of all of the investor's relative and comparative feelings and aspirations about the property in light of the investment characteristics offered by the asset and in comparison to other investment opportunities on the market.

In its most basic form, the direct capitalization method is an elementary mathematical ratio involving the estimation of typical net operating income (NOI), as of the base date, which is then capitalized into value to produce a market value based assessment.

The Direct Capitalization Method

$$\text{Market Value} = \frac{\text{Net Annual Operating Income}}{\text{Capitalization Rate}} \qquad V = \frac{NOI}{R}$$

For example

NOI			=	$100,000
Capitalization Rate (R)			=	10%
Market Value	= $100,000	÷ 0.10	=	$1,000,000

Although there are other methods of converting expected future income into an estimate of value (e.g. discounted cash flow), the direct capitalization method lends itself to mass appraisal applications. It is possible to develop market value based assessments under this formula through proper evaluation of the potential net income and through the selection of an appropriate capitalization rate.

In establishing market value based assessments using the income approach, the objective is to evaluate the typical income generated by the real estate. For warehouses, this process involves determining the net operating income for the space. Establishing net operating income may involve analysis of both income and expenses, as there are a number of different types of leases ranging from net leases to gross leases. Where there is insufficient lease data, another approach should be used.

4.2 Income Approach Analysis

Using Market Rents

In determining potential income, the assessor is not bound by the contractual rent between the landlord and the tenant. Market rents should be used to form the basis of valuation as opposed to actual rents because actual rents may reflect what market rents were at the time a given lease was negotiated (before the base date). Therefore, in order to capture the fee simple value of the real estate as of a particular date, typical market rents that reflect the market conditions as of the base date should be employed.

Fee Simple Interest

For assessment purposes, the market value of a property is its fee simple value. Fee simple estate is defined (*The Appraisal of Real Estate, 3rd Canadian Edition*, 2010) as "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the four powers of government: taxation, expropriation, police power, and escheat." A fee simple title is the ultimate ownership estate in real property and reflects all rights, title and interests in the property.

Leasehold Interests

Leasehold interests are created in a property where tenants pay less than the market rent. Such tenants could conceivably sublet their space for higher rents and enjoy some of the value of the property. To obtain a proper market value under these circumstances it is necessary to value interests of both the property owner and the tenants.

Following this line of thought, if all warehouse space is valued on the basis of market rents, the expected potential income represents both the income collected by the owner and the fee simple estate in the property.

Analysing Market Rents for Warehouse Buildings

The assessment valuation procedure for warehouse buildings relies upon the derivation of typical net rent for the typical leased space in a building and the application of these appropriate net rental rates to each space type to derive the potential net income of the property. The essential task in this procedure is to determine the typical rent commanded by the market for the space as of the base date.

This task requires two steps:

- Determine the types and amount of space in the warehouse building; and
- Determine the market rents for that space.

Establishing Net Market Rents

Rents and expenses are typically determined on the basis of rents per square foot.

Lease arrangements for warehouse space can vary from net to gross; they can include charges for the handling of goods and management of the property or the lessee can be fully in charge of all property operations. Because lease arrangements vary so much, financial statements and lease arrangements must be analysed in the determination of rent.

Net Leases

Where leases are net (tenant pays all operating expenses including property taxes), rental rates reflect the net market rent at the time the lease was signed.

Gross Leases

Where the lease rate includes some operating charges (for example, landlord pays taxes or operating expenses), the effective operating charges should be deducted from the lease payment to obtain the net market rent, so that all rents are converted to a common comparable basis.

Example of Net Lease Calculation from Gross Lease Rates

Gross Lease Rate	$7.20	per square foot
- Heat / utilities	-0.40	
- Admin & mgmt.	-0.25	
- Other operating	-0.10	
- Taxes	-1.10	
Net Lease Rate	$5.35	per square foot

Leases Including Handling Charges or Other Fees

Any lease that stipulates rent for purposes other than rental of the real estate should be adjusted to reflect the net market rent for fee simple real estate. For example, a lease may include a payment for the internal movement and management of goods (in effect, the tenant simply parks a truck at the door and the warehouse owner handles the storage and sorting of goods). To establish the net market rent in this situation the handling and management fees should be determined and deducted from the lease payment.

Establishing Typical Market Rents for a Class of Warehouses

For mass appraisal purposes, typical net market rent can be established by analysing the net market rents that reflect the market conditions as of the base date for a number of similar properties, i.e., warehouses within one class.

4.3 Steps in the Income Approach

Estimation of Potential Gross Income (PGI)

The estimation of the potential gross income (PGI) is derived by valuing all leasable volume or areas in the warehouse and multiplying this value by the market rent for that space.

All Areas X Market Rent for Space = PGI

Determine Effective Gross Income (EGI)

Effective gross income (EGI) is equal to PGI less the typical vacancy and collection loss. Vacancy and collection loss allowances are generally expressed as a percentage of gross income.

Vacancies

Vacancies reflect the amount of space that is typically vacant in a type of warehouse. All classes of warehouse do not necessarily have the same vacancy rates. *(Refer to Figure 1.)*

Collection Loss

Collection loss represents rental and other payments that tenants owe but do not pay. In this valuation approach, deductions for collection loss are considered part of the allowance given for typical vacancy rates.

EGI = PGI - Vacancy and Collection Loss

Figure 1: Warehouse Valuation Parameters Example

Parameter (areas in 1,000 cubic feet)	Storage				Distribution		Transit		Mini
	<500	500 - 1,000	1001 - 2,500	>2,500	<1,000	≥1,000	<500	≥500	>500
Typical rent per cubic foot	$0.175	$0.155	$0.147	$0.135	$0.171	$0.141	$0.193	$0.167	$0.216
Vacancy Allowance	5.0%	5.0%	5.0%	5.0%	4.0%	4.0%	3.0%	3.5%	8.5%
Unrecovered Operating Expense	7.0%	7.0%	7.0%	7.0%	7.5%	7.5%	7.0%	7.5%	8.5%
Capitalization Rates	10.0%	9.0%	9.0%	8.5%	9.0%	9.0%	9.0%	9.5%	11.0%

Establish Net Operating Income (NOI)

The operating expenses that are not recovered are deducted from the effective gross income (EGI) to obtain the net operating income (NOI) from the property.

Even on a net rental basis there are unrecovered operating expenses, i.e., expenses, not paid for under the operating agreements that must be covered by the owner. The effective gross income must be reduced by the total amount of these unrecovered expenses to determine the net operating income received by the owner.

Unrecovered Operating Expenses

Unrecovered operating expenses is the term used in this Handbook to refer to the total of the operating expenses that are not recovered from the tenants. This includes non-recoverable operating expenses and vacant space shortfall.

Non-Recoverable Operating Expenses (typically not included in a lease)

The non-recoverable operating expenses that are typically not recovered from tenants under the terms of a lease are as follows:

- Legal and audit fees
- Structural repairs and capital repairs that are outside standard maintenance and repair work (e.g., roof and wall repairs and parking lot resurfacing). In the general operation of a warehouse, these types of expenses do not normally occur every year.

- Advertising and promotion – This only includes only advertisements by the management in the operation of the warehouse, for example, advertising to fill vacant space.
- Leasing commissions - In times of high vacancies and when the building is first being leased up, leasing commissions, even though amortized over the term of the lease for which they are incurred, can have a large effect on the net income generated for the property. Leasing commissions should be taken into account when establishing the net effective rent paid by a tenant, but if they have not been properly accounted for in the determination of rent, they form part of the deduction for unrecovered operating expenses.

Vacant Space Shortfall

Expenses related to the cost of carrying vacant space may not be chargeable to other tenants under typical lease arrangements. When space becomes vacant, the owner of the warehouse carries the operating costs of that space. These costs include such things as heating and security associated with the unoccupied space, as well as some operating expenses and realty tax payments that would otherwise have been made by a tenant. The expense represents a shortfall to the owner and, therefore, a deduction from the amount of income received from the warehouse. In assessing the warehouse, the vacant space expense shortfall should be based on typical vacancy levels; that is, the same vacancy factor that is used to determine EGI.

Studies completed as part of the warehouse valuation parameters indicate the typical amount of costs to be deducted due to vacant space shortfall.

Vacant Space Shortfall = Typical Vacant Space x Vacant Space Operating Cost Per ft^2

Determination of Net Operating Income

NOI = EGI - Unrecovered Expense

The objective of this valuation process is to determine the annual net operating income (NOI). When making deductions for typical unrecovered operating expenses from the EGI, the assessor may annualize expenses such as structural and other extraordinary repairs over a reasonable period of years. By deducting the annualized portion of these expenses from the EGI provides a more realistic picture of the NOI and a foundation for a more stabilized market value based assessment for the warehouse. (*Refer to Figure 2.*)

Figure 2: Net Operating Income Calculation Example

Procedure	Area SF	Rate	Amount
1. Establish PGI with typical net rent	50,000	$5.35	$267,500
2. Deduct typical vacancy		5.0%	- $13,375
3. Establish EGI			$254,125
4. Deduct typical unrecovered operating expense		9.0%	- $22,871
5. Net Operating Income			$231,254

Capitalize the Net Operating Income into Value

The value of the rental income stream is determined by capitalizing the net operating income.

Value = Net Operating Income ÷ Capitalization Rate

Establishing Capitalization Rates

Sales of Warehouse Buildings – Recommended Approach

Turning the equation in the income approach around produces the appropriate formula for establishing capitalization rates:

Capitalization Rate = Net Operating Income ÷ Value (Sale Price)

In the same manner that income and rents are analysed for property valuation purposes, the income and other data should be analysed for warehouse properties that have sold as of the base date in order to establish the capitalization rates to be applied to warehouse buildings.

Other Approaches

If there is insufficient market sales evidence to establish capitalization rates, there are other possible ways such as mortgage-equity or band of investments to derive rates. These other approaches are not suitable for use in mass appraisal valuations in Saskatchewan.

Other Sources

Published capitalization rate studies and similar reports may be used in some markets as a general check on the rates determined by the assessor.

Selection of a Capitalization Rate

Selection of an appropriate capitalization rate is essential to the estimation of an equitable and realistic value for a property. The selection task starts with an analysis of the capitalization rates demonstrated in the sales of similar warehouse properties.

The following comments are guidelines for selecting an appropriate capitalization rate.

A number of factors can affect the capitalization rate to be applied. In general, favorable conditions may lower the capitalization rate and raise the value; negative conditions may raise the capitalization rate and lower the value. Some of the issues to consider when establishing a capitalization rate are:

- Competition, and expected changes in competition,
- Location – access by roads, rail, etc.,
- Age and condition of the property,
- Design of the property, and
- Expansion capabilities.

After a review of the available information, appropriate statistical measures (median, mean, and range, etc.) can be determined for capitalization rates for each type of warehouse building. From this the typical capitalization rates can be determined for the group of properties being valued.

Effective Tax Rate

In some income valuation procedures, the capitalization rate is adjusted for taxation considerations. However, in the examples used in this valuation guide this adjustment is not required because net incomes are being used and taxes have been deducted as an expense.

4.4 Add / Deduct Other Values

There may be certain properties where the entire value of the property is not completely captured by the foregoing application of a given valuation approach. In these situations a lump sum adjustment may be required. For example, a property may have surplus or excess land which is not developed due to current market conditions. This land may be valued separately and added to the market value based assessment for the entire property. A similar lump sum adjustment may also be applied for improvements if warranted.

4.5 Market Value Based Assessment of Property using the Income Approach

When using the income approach, a market value based assessment is determined by establishing the typical net operating income generated through the foregoing analysis and applying the appropriate typical capitalization rate to this. Then if required, any additional value is added to this total to determine an overall market value based assessment for the property.

An example of a warehouse building valuation using the income approach is presented in *Figure 3 – Warehouse Income Analysis Example.*

Figure 3: Warehouse Income Analysis Example

Address		Base Date	
Assessment Roll #		Class	Mega-Whse

Type of Space	Rentable Area in sf	Net Market Rent per sf	Rent - Total
Warehouse	265,000	$3.50	$ 927,500
Cold Storage	78,800	$4.00	$ 315,200
Basement	10,000	$1.00	$ 10,000
Other	250		$ 0
Operating Expense Recoveries			
Other Income			
Potential Gross Income			**$1,252,700**

Valuation Parameters		Comments
Other Net Income		
Other Value		
Vacancy Rate %	4.0%	
Unrecovered Operating expense %	6.00%	
Capitalization rate %	11.00%	

Effective Gross Income		
Potential gross income		$ 1,252,700
Vacancy rate	4.0%	- $ 50,108
Sub-total		$ 1,202,592
Other net income		$ 0
EGI		**$ 1,202,592**

Net Operating Income		
Unrecovered expense	6.0%	$ 72,156
NOI		**$ 1,130,436**

Market Value	
Capitalization rate	11.00%
Value sub-total	$10,276,669
Other value	$ 0
Market Value Based Assessment	**$10,276,000**

5.0 Sales Comparison Approach to Value

5.1 Application of the Sales Comparison Approach

The sales comparison approach to value models the behavior of the market-place by comparing a property with similar properties that have recently sold. (Refer to the Introduction Chapter for a general discussion on the Sales Comparison Approach).

In mass appraisal, the sales comparison approach is applied by developing a property valuation model that develops estimates of value, based on physical and location characteristics such as building area, age, lot dimensions, and immediate neighbourhood.

All value adjustments are derived directly from the local marketplace. A mass appraisal process results in estimates of value that are accurate in comparison to actual sales in the local market, and uniform in comparison to similar properties.

To establish market value based assessments multiple regression analysis (MRA) is a statistical technique that is commonly used in the sales comparison approach. MRA is used to analyze market (independent) variables, such as lot size, building size, building quality and location to predict the value of a single (dependent) variable, that being sale price (market value estimate). MRA is an effective tool for mass appraisal where there are adequate sales available for analysis. (Refer to the Introduction chapter for a general discussion on MRA.)

Apart from the investigation of properties and the collection of data, the key to a successful sales comparison analysis in a mass appraisal environment is to stratify or classify all the warehouse properties into common groups and allow for statistical testing (Refer to the Valuation Parameters Guide for a general discussion on statistical testing).

6.0 Cost Approach to Value

6.1 Application of the Cost Approach

Two principle tasks are involved in estimating the value of a property using the cost approach:

1) Valuing the land, and
2) Valuing the improvements.

Land value is usually established by analysing comparable market sales data.

To value the improvements:

- Estimate the cost new of the assessable improvements as of the base date.
- Deduct from the cost new value an amount that reflects all forms of physical deterioration. (Refer to the Depreciation Analysis Guide for a detailed discussion of depreciation and obsolescence.)
- Apply a market adjustment factor (MAF) that adjusts for all normal functional and external obsolescence not already accounted for in the replacement cost through physical deterioration adjustments. (Refer to the Depreciation Analysis Guide for a general discussion on the MAF.)

The resulting value will be an estimate of the contribution of the improvements to the market value based assessment of the property, depreciated for all causes.

The final sum of land value plus improvement value establishes the market value based assessment for the property.

Establishing Cost New

Cost new can be estimated from a number of sources including:

- Nationally recognized cost publications such as *Marshall Valuation Service*
- A study of actual costs (local contractors).

Actual cost information is useful in verifying the estimates generated by using a cost publication.

The cost of improvements is estimated using either the reproduction or replacement cost method. (Refer to the Depreciation Analysis Guide for a general discussion of replacement versus reproduction costs.)

In the case of common properties such as warehouses that are reasonably similar in nature, the replacement cost approach is an acceptable and appropriate method of arriving at a market value based assessment.

If a reproduction cost analysis is used, the assessor must ensure that all forms of depreciation are considered to arrive at a market value based assessment.

6.2 Overview of the Procedure

1) Determine the market value based land assessment using the sales comparison approach.
2) Classify the warehouse buildings into homogeneous groups.
3) Estimate the replacement cost new of improvements.
4) Determine normal age-related depreciation and if present, any typical functional and external obsolescence. Deduct from cost new.
5) Determine market adjustment factor for the comparable buildings and structures.
6) Add / deduct other appropriate values, if required to determine a market value based assessment of the improvements.
7) Add the market value based assessment of land to the market value based assessment of the improvements to determine a market value based assessment of the property.
8) Test results.

6.3 Establishing Land Values

The cost approach requires valuation of the land along with analysis of building values. Land is typically valued using the sales comparison approach.

Preferably, the comparable land sales will be of sites having approximately the same area with similar zoning and situated in a comparable location.

Land values can be established on the basis of dollar(s) per square foot or dollar(s) per acre.

Adjustments to value may have to be made for the following points of comparison:

- Location;
- Size of site;
- Zoning;
- Topography;
- Soil conditions; and
- Date of sale.

6.4 Estimating Replacement Cost New

Since warehouses are usually not complex properties in terms of construction, the cost new should be evaluated on the basis of a replacement cost analysis. The replacement model of a warehouse is based on the square foot area, volume, size, floor height, quality of offices, and other pertinent physical characteristics.

Cost of Warehouse

The *Marshall Valuation Service*, for example, provides two methods to determine cost new:

- The calculator method: summary approach providing average base costs for typical building plus refinements so that the base costs can be modified to fit buildings different from the standard description.
- The segregated method: more detailed cost analysis by building component, suitable for complex properties.

  Either the calculator or segregated cost approach can be used. The example provided in this valuation guide is based on a calculator method. *(Refer to Figure 4 Warehouse Valuation Cost Summary Example.)*

The costs so developed would include the value of all assessable items typically associated with a warehouse operation.

The following are common additions and rate adjustments:

Additions:

- Heating, ventilation and air conditioning,
- Sprinkler,
- Floor (truck height, loading), and
- Elevators.

Rate Adjustments:

- Floor area/perimeter multiplier,
- Height multiplier,
- Required multipliers.

Cost of Other Improvements

Other improvements include such things as mezzanines, offices and gate houses. These items are classified and costed according to their quality. Costs per square foot or cubic foot (or linear foot) can be found in cost publications.

Figure 4: Warehouse Valuation Cost Summary Example

Address	
Municipality	
Assessment Roll #	

Base Date	
Local Cost Multiplier (LCM) X	
Current Cost Multiplier (CCM)	

Warehous
Volume
Type / Cl

Replacement Cost Analysis

Item	Units in square feet	Base Rate	HVAC Addn	Sprkler Addn	Misc. Addn	Total Rate	Area Mltplier	Height Mltplier	LCM X CCM	Final Rate	Costs New	Effective Age
Warehouse	265,000	$20.96	$2.00	$1.00		$23.96	0.859	1.181	1.2416	$30.18	$7,997,700	1966
Cold Storage	78,800	$51.09				$51.09	0.859	1.181	1.2416	$64.35	$5,070,780	1966
Basement	10,000	$17.38	$2.00	$1.00		$20.38	0.859	1.000	1.2416	$21.74	$217,400	1976
Other	0					$0.00	0.859	1.000	1.2416	$0.00	$0	
Gate House	250	$62.00				$62.00	1.000	1.000	1.2416	$76.98	$19,245	1966
Garage	0					$0.00	1.000	1.000	1.2416	$0.00	$0	
Other	0					$0.00	1.000	1.000	1.2416	$0.00	$0	
Elevator	1	$35,000				$35,000			1.2416	$43,456	$43,500	1975
Scale	1	$18,000				$18,000			1.2416	$22,349	$22,300	1982
Pavement	190,000	$1.50				$1.50			1.2416	$1.86	$353,900	
Fence (linear)	5,000	$8.10				$8.10			1.2416	$10.06	$50,300	
Other Yard	0					$0.00				$0	$0	
Total											$13,775,125	

Obsolescence Note	
There does not appear to be any abnormal depreciation or obsolescence.	Less Obsolescence% (se
Value per square foot is within the range of the market sales evidence.	Value of Improvements

Land Value	
Site Area	978,300
Value/ sq. foot	$ 1.45
Land Value	**$ 1,418,535**

Value Summary
Land Value
Building Value
Market Value Based Assessment

6.5 Deduct Depreciation and Obsolescence

Depreciation due to age reflects the physical deterioration of the property over time and the normal decline in value as the functionality of a property also declines. Such depreciation is usually expressed as a percentage of cost new. Obsolescence reflects the "abnormal" depreciation that arises in some properties due to functional and/or externally generated economic problems.

Deduct from the cost new value an amount that reflects all forms of depreciation. (See the Depreciation Analysis Guide for a detailed discussion of depreciation and obsolescence.)

Market Adjustment Factor (MAF)

Market adjustment factors are often required to adjust values obtained from the cost approach. This adjustment is developed to ensure that the estimated values are consistent with the overall market level of value as of the legislated base date. These adjustments should be applied by type of property and area based on sales ratio studies or other market analyses. (Refer to the Depreciation Analysis Guide for a general discussion on the MAF).

6.6 Add / Deduct Other Values

There may be certain properties where the entire value of the property is not completely captured by the foregoing application of a given valuation approach. In these situations a lump sum adjustment may be required. For example, a property may have surplus or excess land which is not developed due to current market conditions. This land may be valued separately and added to the market value based assessment for the entire property. A similar lump sum adjustment may also be applied for improvements if warranted.

6.7 Market Value Based Assessment of Property using the Cost Approach

When using the cost approach the market value based assessment of improvements is the product of subtracting depreciation from cost new. The market value based assessment of the land is added to this figure to determine the total market value based assessment of the property.

7.0 Validation of Results

The strength of an assessment system rests on two tenets: (1) its ability to produce appropriate market value based assessments, and, (2) its treatment of similar properties in a fair and consistent manner.

To accomplish these ends, the valuation process reflects the views and methods used in the marketplace. The process is applicable to all properties.

There are two areas where the quality of the results can be ensured quickly and efficiently:

1) Valuation parameters; and
2) Check against sales values.

Valuation Parameters

The assessor's valuation system has valuation parameters that have been researched, collected and analysed by local assessors. Appropriate statistical measures (median, mean, range, etc.) can be determined for each valuation parameter. When the assessor applies these valuation parameters to all similar properties, then the market value based assessments will be fair and consistent.

Check against Sales Values

To ensure that the market value based assessments developed are in line with the local market, the assessment values will typically be checked against any sales of similar properties that took place. Such sales also have inferences for values of similar properties.

8.0 Warehouse Valuation Example

The following two pages present a hypothetical example of a market value based assessment analysis of a warehouse.

Figure 5: Warehouse Data Entry Example

Example of typical pertinent physical and descriptive data about the property.

Figure 6: Warehouse Property Valuation Summary Example

Example of summary data that would enable the assessor to calculate the appropriate market value based assessment for the property.

Figure 5: Warehouse Data Entry Example

Address	
Company Name	
Municipality	
Assessment Roll #	

Base Date:	
Type / Class:	Mega-Whse
Measurements in:	feet

Occupancy Code	Area in sq. feet	Flr. Ht feet	# Flrs.	Volume in cubic feet	Dimensions	Perimeter feet	Build Date	Occupancy Type	Const. Class	Const. Quality
Warehouse	265,000	23.0	1.0	6,095,000	435 x 610	1,596	1974	Storage	S	Average
Cold Storage	78,800	18.0	1.0	1,418,400	150 x 525	1,350	1977	Cold Strg	C	Good
Basement	10,000	13.0	1.0	130,000	50 x 200	500	1974	Standard	C	Average
Other				0						

Other Bldg										
Gate House	250	10.0		2,500			1982			Good
Garage				0						
Other				0						

Yard		Comments
Elevator	1	Freight elevators
Scale	1	
Pavement	190,000	Paved truck parking area
Fence (linear)	5,000	
Other Yard		

Land	
Site area: square feet	978,300
Coverage Ratio	36.2%
Value per square	$1.45

Inspection Notes	
Inspection date	Sept. 12, 1996
Bldg. construction	Steel frame, metal and brick walls
Office/ construction/ quality	Drywall partitions, carpeting, average, 9.1% of total space
Floor height/ Loading	On grade, standard loading, site excavated for truck dock height
Heating/ cooling	Heating and ventilation - moderate weather, A/C in office
Sprinklers	Wet system throughout warehouse & office, none in cold storage
Docking doors	Sealed doors with levellers
Extra features - yard	Large paved apron & scale
Condition	Good
Comment on use/ vacancy	Close to full at inspection
Internal goods movement	Forklifts
Comment on access	Close to hwy. 17, rail siding - used intermittently
Comment on location	Good - serves a wide area

Figure 6: Warehouse Property Valuation Summary Example

Address	
Municipality	
Assessment Roll #	

Base date	
Class	Mega-Whse

Description	
Total Area in square feet	353,800
Warehouse volume	7,643,400

Land / bldg ratio	36.2%
Year built	1974
Condition	Good

Value by Sales Comparison Approach		
Value per sq. Feet	$30.13	$10,660,000
Value per cubic feet	$1.42	$10,853,600
Value Estimate (by sq. ft.)		**$10,853,600**

Value Summary by Income Approach		
Gross potential income		$1,252,700
Vacancy allowance	4.0%	($50,108)
Other income		$0
Effective gross income		$1,202,592
Unrecovered operating expense	6.0%	($72,156)
Net operating income		$1,130,436
Overall capitalization rate		11.00%
Value Estimate		**$10,276,000**

Value Summary by Cost Approach		
Improvements cost new		$13,775,125
Depreciation	42.9%	$5,913,598
Obsolescence	0.0%	$0
Improvement market value		$7,861,527
Land value		$1,418,535
Value Estimate		**$9,280,000**

Market Value Based Assessment (Income Approach)	**$10,276,000**

9.0 Appendices

A. Request for Information Form – Warehouse Example

As part of the ongoing assessment process, certain income and expense information is required from you pertaining to the property identified as:

Building Name	
Address	
City	
Assessment Roll #	

Any information received will be treated in a confidential manner.

Failure to provide information has potential consequences.

Information Required - If building leased

Tenant Information

Tenant	Leased Area	Clear Height	Volume	Lease Start Date	Term / Years	Lease Amount per sf.

Income and Expense Information

* 20__ Income and Expense Statement
* 20__ Income and Expense Statement

Containing the following:

Rental Income Totals (all forms of rent)

Other Income

Expense Recoveries

Tax Recoveries

Other Recoveries

Operating Expense Total

Property Taxes

Vacancy Rate

* 20__ Vacancy Rate
* 20__ Vacancy Rate

Information Format

Information can be submitted in either electronic (by computer disk), or paper format, or by filling in the enclosed forms.

B. Income and Expense – Request Form Example

THE INFORMATION REQUESTED ON THIS FORM CAN BE SENT IN YOUR OWN FORMAT (HARD COPY)

THIS FORM TO BE FILLED OUT IN CASES WHERE INCOME AND EXPENSE INFORMATION IS OTHERWISE NOT AVAILABLE

Building Name:	
Address:	

RENTAL INCOME	20__	20__
RENTAL INCOME		
OTHER INCOME		
TOTAL RENT		
EXPENSE RECOVERIES		
RECOVERIES - OTHER		
RECOVERIES - PROPERTY TAXES		
MISCELLANEOUS		
TOTAL INCOME		
OPERATING EXPENSES		
INSURANCE		
OPERATING EXPENSE		
MAINTENANCE		
CLEANING		
UTILITIES		
ADMINISTRATION		
MANAGEMENT		
LEASING AND PROMOTION		
OTHER EXPENSE		
TOTAL OPERATING EXPENSE		
PROPERTY TAXES		
TOTAL EXPENSE		

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Appendix N

City of Regina - Production v7.05 - Taxation and Assessment Suite
Income (SPSS) Detail Report

Account: 10018625 **Nbhd:** 1999 - Ross Industrial **Asmt Period:** 2003 / **Type:** REGULAR **As of:** Jan. 26, 2017

Filing #: 475202000 **Zoning:** IB **EVZ:** IB **LUC1:** **LUC2:** **For:** 2017

Land Use: 3400: (100%) Office Building ; TAXABLE (100%)

Mkt Area: **Master:** N **Bldg Only:** N **Reinspect:** 2017 **Approach:** INCOME

Study Area: 5206 **Lease:** N **Mobile Home:** N **Lot Size:** 564,899.697 **UOM:** IMP

Address: 221 N WINNIPEG STREET
REGINA SK
S4R 8T6

Legal: Plan: 84R22521 Block: T
Plan: 101221142 Block: C
Plan: FA4603 Block: C

Parcel: Plan: FA4603 Block: C Lot: ; Plan: 101221142 Block: C Lot: ; Plan: 84R22521 Block: T Lot:

SPSS Calculation Output

Building - 1	Warehouse Main	91,799.99447	671,000
Building - 1	Warehouse Upper	44,085.03502	248,082
Vacancy - 1	Main Floor and BMT Vacancy	-5.09000	-34,153
Vacancy - 1	Upper Vacancy	-10.90000	-27,040
Shortfall - 1	Shortfall	-1.31000	-11,238
Building - 1	NOI		846,649
Building - 1	Cap Rate	7.83960	10,799,649
Building - 1	Total Building Value		10,799,649
Building - 2	Warehouse Main	288.05165	2,834
Vacancy - 2	Main Floor and BMT Vacancy	-5.09000	-144
Shortfall - 2	Shortfall	-1.31000	-35
Building - 2	NOI		2,654
Building - 2	Cap Rate	7.83960	33,862
Building - 2	Total Building Value		33,862
Building - 3	Cost Building Value		86,423
Building - 3	Total Building Value		86,423

Final Assessment: 10,919,900

City of Regina - Production v7.04 - Taxation and Assessment Suite
Income (SPSS) Detail Report

Account: 10169644 **Nbhd:** 1999 - Ross Industrial **Asmt Period:** 2010 / **Type:** REGULAR **As of:** Jan. 18, 2017

Filing #: 475548040 **Zoning:** IB **EVZ:** IB **LUC1:** **LUC2:** **For:** 2017

Land Use: 3720: (100%) Storage and Warehousing ; TAXABLE (100%)

Mkt Area: **Master:** N **Bldg Only:** N **Reinspect:** 2023 **Approach:** INCOME

Study Area: 5203 **Lease:** N **Mobile Home:** N **Lot Size:** 87,015.000 **UOM:** IMP

Address: 2216 E EMMETT HALL ROAD
REGINA SK
S4N 3M3

Legal: Plan: 101987590 Block: 40 Lot: 3 **Parcel:** Plan: 101987590 Block: 40 Lot: 3

SPSS Calculation Output

Building - 1	Warehouse Main	3,479.99979	40,712
Building - 1	Warehouse Upper	1,619.99990	16,052
Vacancy - 1	Main Floor and BMT Vacancy	-5.09000	-2,072
Vacancy - 1	Upper Vacancy	-10.90000	-1,749
Shortfall - 1	Shortfall	-1.31000	-693
Building - 1	NOI		52,248
Building - 1	Cap Rate	4.44640	1,175,081
Building - 1	Total Building Value		1,175,081
Land	Site Coverage Adjustment	4.44000	466,335

Final Assessment: 1,641,400