

Appendix B

Industrial

IDENTIFICATION of MODEL AREA

The Industrial model is an income model that values the majority of properties that are zoned for industrial uses (IA, IA1, IB, IP, IT, RR and WH). Properties with these zoning designations that are considered special purpose in nature or for which there is little or no available market data (rents or sales) are valued outside of this model using the Cost Approach to Value.

The Industrial model is applied to those properties which are primarily located within the City of Regina's (the City's) industrial study areas (5201, 5203, 5204, 5205, 5206, 5207 and 5208). As a result of the market analysis for the 2017 revaluation it was determined that there were five distinct industrial study neighbourhoods located within the City's municipal boundaries, each with varying types and ages of commercial buildings, land sizes and locational characteristics. These neighbourhoods are defined on the enclosed map and individually described below.

Zoning Descriptions

Properties valued by the Industrial model reflect numerous zoning classifications. The following are cursory, generalized descriptions only and are not meant to reflect complete details concerning the predominant zonings found within the City's industrial study area:

- IA, IA1 – Light Industrial: accommodates the manufacturing of finished products or parts predominantly from previously prepared materials. The IA1 zone is confined to existing industrial properties that are located on the fringes of the Inner City
- IB, IB1 – Medium Industrial: allows for manufacturing, processing, assembly, distribution, service and repair activities that require outdoor use and storage. This zoning is restricted to locations on the interior of industrial neighbourhoods along collector roadways
- IC, IC1 – Heavy Industrial: industrial uses which, due to appearance, noise, odour, risk of emission of toxic waste, risk of fire or explosion hazards, etc. are incompatible with commercial, residential and other land uses. Accordingly, new office, business and retail uses within this zone are limited. Development with direct access to local and collector residential streets is not allowed in this zone
- IP – Prestige Industrial Service: accommodates industrial and related business service uses that incorporate high standards of design, landscaping and open space. The IP zone is found in locations that are visible, have adequate facilities and services and will provide a buffer for adjacent residential and commercial uses
- IT – Industrial Tuxedo Park: provides for light to medium industrial uses, including commercial and service, on those properties located in Tuxedo park
- LP – Logistics Park: specialized industrial park that supports transportation and logistics related development and complementary industrial and commercial uses.
- WH – Dewdney Avenue Warehouse: intent is the preservation of the warehouse character through retention and reuse of existing warehouses. Accommodates a wide range of administrative, service, retail, wholesale and light manufacturing uses

- RR – Railway Zone: regulate land uses that are directly associated with transportation by railroad, switching and terminal operations

Neighbourhood 5201

Neighbourhood 5201 is comprised of three small pockets encompassing all industrial zoned parcels located within the boundaries of North Central Regina. The west most pocket is located on the south side of the CN tracks, west of Albert Street and North of 1st Avenue. The central pocket is situated on the north side of the CN tracks between the laneway east of Albert Street and the laneway immediately west of Scarth Street with 1st Avenue North providing its northern boundary. The east pocket is likewise located north of the CN tracks with Winnipeg Street as its eastern boundary and 5th Avenue North as its northern most boundary.

The properties situated in this neighbourhood are zoned IA, IA1 (light industrial) and IB (medium industrial) and feature, for the most part, small light industrial properties.

64% of the industrial buildings found in this neighbourhood were constructed in the 1960s and 1970s reflecting an average year built of 1976. Buildings range in size from approximately 600 square feet to 45,500 square feet with an average size of approximately 7,500 square feet.

Improved lot sizes range from approximately 2,000 square feet to 4.40 acres with an average lot size of 21,500 square feet.

Neighbourhood 5203

Neighbourhood 5203 is known as the Ross Industrial Park and is the largest industrial area in the city. This area encompasses the City's northeast corner and is roughly bordered by Winnipeg Street to the west, the CN tracks to the southwest, CP tracks to the southeast, the eastern municipal boundary of the city to the east and the northern municipal boundary of the city to the north.

The northern one-third of this neighbourhood is almost entirely occupied by the Consumers' Co-operative Refineries (CCRL). Imperial Oil, Enbridge Pipelines and several other large oil tank farms are located along the west boundary of this neighbourhood and abut the southern boundary of the CCRL property. The Ross Industrial Park features a broad mixture of zones with the majority of properties (85%) zoned IA (light industrial) or IB (medium industrial). There are 36 IC (heavy industrial), 15 IP (prestige industrial) and 22 properties zoned RR (railway). This neighbourhood comprises a broad range of property sizes, types and uses from light to heavy and prestige industrial. Property uses include small workshops to large manufacturing operations, chemical processing, mega warehousing (>200,000 square foot buildings), industrial, office, retail and restaurant uses necessary to service the area.

The majority of the buildings situated in this neighbourhood (52%) were constructed in the 1970s and 1980s with a further 29% being constructed since 2000. The average year built for buildings in this neighbourhood is 1982. Buildings range in size from approximately 110 square feet to 395,000 square feet with an average size of 25,500 square feet.

Improved lot sizes range from approximately 6,000 square feet to 337 acres with an average lot size of eight acres.

Neighbourhood 5204

Neighbourhood 5204 is located immediately adjacent to the southwest corner of the Ross Industrial Park and encompasses all industrial zoned properties that are located along its west, south and eastern borders. Specifically along the east side of Winnipeg Street (west border), between the CP tracks and 7th Avenue (south border), and along the west side of McDonald Street (east border). These properties are primarily zoned IA and IA1 (light industrial). Three of the 127 properties in this neighbourhood are zoned IB (medium industrial).

71% of the buildings in this neighbourhood are small industrial buildings which were constructed in the 1950s through 1980s reflecting an average year built of 1969. Buildings in this neighbourhood range in size from approximately 222 square feet to 28,000 square feet with an average size of 4,750 square feet.

Improved lot sizes range from approximately 3,100 square feet to 1.83 acres. The average lot size in this neighbourhood is 12,500 square feet.

The analysis completed for the 2017 revaluation resulted in a decision to combine the 31 available rents for neighbourhood 5204 with the 201 rents from neighbourhood 5205.

Neighbourhood 5205

Neighbourhood 5205 is located in central Regina just north of the downtown core. This area is referred to as the Old Warehouse District and is bordered on its south side by the CP tracks abutting the north side of Saskatchewan Drive, 4th Avenue to the north, Albert Street to the west and Winnipeg Street to the east. This area is somewhat transitional in nature with many properties being used for a mix of general commercial uses including retail, office, nightclubs and residential condominiums.

The majority of the properties on this neighbourhood (85%) are zoned IA, IA1 (light industrial) and IB (medium industrial) and feature, for the most part, small light industrial properties with buildings constructed from the 1910s to 2015 with the majority (64%) being built in the 1950s through the 1980s, reflecting an overall average year built of 1960. The area along Dewdney Avenue abutting the CP rail yards (between Albert and Broad Streets) features larger mill style warehouses constructed in the early 1900s. This section is zoned WH which as noted earlier, is a zoning designation that is intended to preserve the character of these buildings, many of which are now used for restaurant, nightclub, office and residential uses. Five of the properties in this neighbourhood are zoned RR.

Buildings range in size from approximately 150 square feet to 333,000 square feet with an average size of 18,500 square feet. Improved lot sizes range from approximately 2,200 square feet to 22.50 acres with an average lot size of 45,950 square feet.

As noted above, Neighbourhoods 5204 and 5205 have been combined for analysis purposes for the current revaluation. The following data supported the decision to combine these two industrial neighbourhoods for market analysis purposes.

Report

NET_PSF

Study_Area	N	Median	Mean	Minimum	Maximum	% of Total N	Std. Deviation
5204.00	31	8.8836	9.2132	5.08	22.27	13.4%	3.21711
5205.00	201	9.0500	9.1982	1.09	22.75	86.6%	3.62171
Total	232	9.0195	9.2002	1.09	22.75	100.0%	3.56380

Neighbourhood 5206

Neighbourhood 5206 is sandwiched between Neighbourhoods 5201 and 5205 in North Central Regina. This area is roughly bordered by McIntyre Street to the west, Winnipeg Street to the east, the CN tracks to the north and 4th Avenue to the south. As well, this neighbourhood extends north up Winnipeg Street from Ross Avenue (south) to the Ring Road (north). This northerly arm encompasses the former Imperial Oil Refinery site that ceased operations in the late-1970s and is now occupied by the City's Transit Operations and the local Food Bank, among other uses.

This neighbourhood primarily features a mixture of IA (light industrial) and IB (medium industrial) zoning and is generally developed with medium to large property sizes featuring mostly warehousing and manufacturing uses.

This neighbourhood has had the majority of its buildings constructed steadily since the 1950s, reflecting an average year built of 1975. Buildings range in size from approximately 400 square feet to 194,000 square feet with an average size of 60,000 square feet.

Improved lot sizes range from approximately 11,000 square feet to 31 acres with an average lot size of 5.15 acres.

Neighbourhood 5207

Neighbourhood 5207 is known as Tuxedo Park and is located in East Central Regina immediately south of Neighbourhoods 5204 and 5205 and the most southerly portion of Neighbourhood 5203. This area is roughly bordered by Broad Street to the west, Park Street to the east, the CP tracks to the north and 10th Avenue, Arcola Avenue and Victoria Street to the south.

This neighbourhood is predominantly zoned IT (light to medium industrial), features a small pocket (41 properties) of IA1 (light industrial) zoning in its west arm, and three IC (heavy industrial) sites. There is a mixture of small, medium and large property sizes featuring a mixture of industrial and general commercial uses, including retail and office uses.

Although there has been steady construction in this neighbourhood from the 1950s to present day, the majority of the buildings (61%) were constructed in the 1960s, 1970s and 1980s, reflecting an overall average year built for this neighbourhood of 1977.

Buildings range in size from approximately 150 square feet to 170,000 square feet with an average size of 16,100 square feet.

Improved lot sizes range from approximately 1,900 square feet to 12.30 acres. The average lot size in this neighbourhood is 1.47 acres.

Neighbourhood 5208

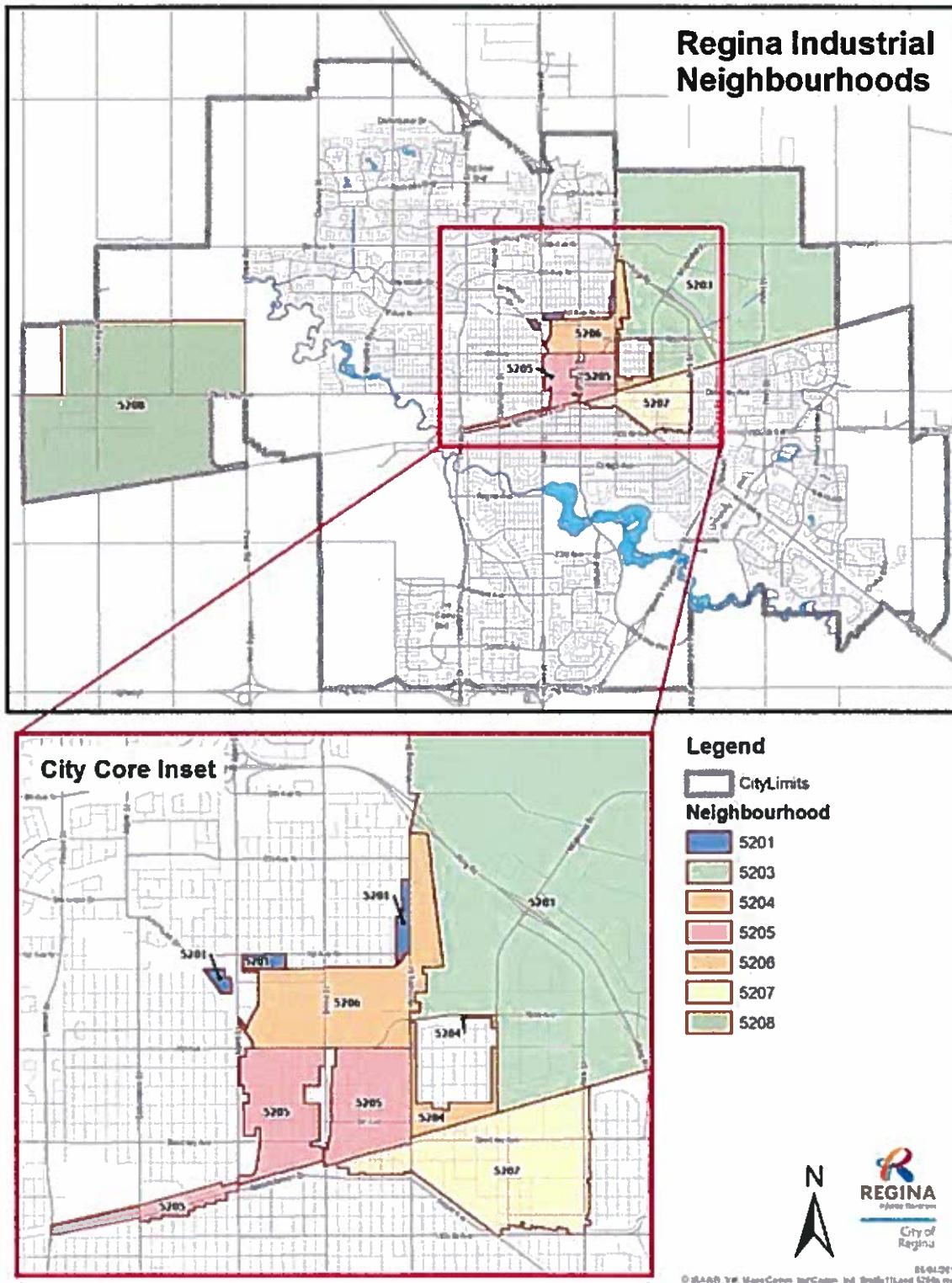
Neighbourhood 5208 is the City's newest industrial area and is located on land annexed to the City extending west of the city along the CP tracks. This area, now referred to as the Global Transportation Hub or GTH, is bordered by West Boundary Road to the west, the Sakimay Reserve to the east, Dewdney Avenue to the north and the CP tracks to the south.

The majority of this neighbourhood is zoned LP (logistics park) and is intended to accommodate inter-modal shipping, trucking and mega-style warehousing on large sites. Loblaws has developed and is operating a one-million+ square foot inter-modal shipping centre in this neighbourhood. Smaller distribution facilities have been developed over the past six years. The southern portion of this neighbourhood is zoned RR (railroad) and houses Canadian Pacific Railway's inter-modal facility.

Buildings range in size from approximately 100 square feet to 1,054,000 square feet with an average size of 252,000 square feet.

Improved lot sizes range from approximately 1,100 square feet to 298.81 acres. The average lot size in this neighbourhood is 58.8 acres.

MAP



EXECUTIVE SUMMARY
Industrial Model

Appraisal Cycle Date – January 1, 2017 to December 31, 2020

Effective Date of Valuation – January 1, 2015

Date of Report – December 8, 2016

Rent Model

Description:	Rate per sqft
Base Rent	\$8.88
Positive Adjustments to Base Rent:	
Office space In a Loft Building	\$6.36
Restaurant or Retail space In a Loft Building	\$3.91
All space in a Retail Building	\$1.30
All space in an Office Building	\$3.81
Fast Food Restaurant Building	\$18.90
Buildings built in 1980 to 1999, inclusive	\$0.97
Buildings built in 2000 or newer	\$2.83
Negative Adjustments to Base Rent:	
Space located in a Basement	-\$2.86
Upper Floor space including finished Mezzanine	-\$1.79
Buildings Located in Neighbourhood 5201	-\$1.20
Buildings Located in Neighbourhoods 5204 and 5205	-\$0.60
Buildings built before 1950	-\$2.22
Single-tenant Warehouse space >= 65,000 sqft	-\$2.53
Other Adjustments:	
Unheated Warehouse space	-43%

SCOPE of DATA and ANALYSIS

Industrial Rent Model

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

A total of 882 net and effective net rents were analyzed using multiple regression analysis. The rent model is an additive model that predicts rents based on the lease area size, building and space classification, location and effective age of building. The following table provides a breakdown of these rents along with general statistical measurements.

Industrial Rent Statistics

Strata	Count	Mean	Median	Minimum	Maximum
Overall	882	\$9.79	\$9.52	\$1.09	\$36.17
Office Lease Space in a Loft Building	19	\$10.83	\$12.50	\$3.24	\$18.00
Restaurant or Retail Lease Space in a Loft Building	24	\$9.09	\$8.14	\$4.60	\$16.00
Warehouse Lease Space in a Loft Building	3	\$2.33	\$1.39	\$1.09	\$4.50
Single Tenant Retail Lease Space	73	\$10.57	\$10.68	\$4.13	\$15.00
Single Tenant Office Lease Space	71	\$12.82	\$11.44	\$2.35	\$36.17
Freestanding Fast Food Restaurant	3	\$29.36	\$29.00	\$26.00	\$33.09
Single Tenant Warehouse Lease Space	365	\$9.25	\$9.19	\$2.08	\$22.75
Single Tenant Industrial Flex Lease Space	313	\$9.51	\$9.50	\$3.20	\$21.94
Single Tenant Service Repair Lease Space	6	\$9.38	\$8.75	\$4.07	\$17.55
Single Tenant Unheated Warehouse Lease Space	5	\$5.68	\$5.75	\$5.00	\$6.36

Vacancy and Shortfall

Typical 2015 base date vacancy and shortfall adjustments were estimated from the returned rent rolls from property owners. The overall industrial vacancy rate were estimated as follows:

Rent Type	N	Sum (sqft)
OWNER	170	1,055,810
TENANT	1,109	7,025,273
VACANT	93	403,808

Total 1,372 8,484,891

Vacancy = $403,808/8,484,891 = 0.0476$ (4.76%)

The estimates for main floor vacancies are as follows:

Rent Type	N	Sum (sqft)
OWNER	150	946,528
TENANT	982	6,181,932
VACANT	71	382,569
Total	1,203	7,511,029

Vacancy = $382,569/7,511,029 = 0.0509$ (5.09%)

The upper floor and mezzanine vacancies were determined as follows:

Rent Type	N	Sum (sqft)
OWNER	12	19,889
TENANT	69	143,859
VACANT	19	20,037
Total	100	183,785

Vacancy = $20,037/183,785 = 0.1090$ (10.90%)

The typical operational costs reported as a ratio to typical net rents for warehouse properties is 41%. The historic ratio of costs associated with vacant space in comparison to costs associated with occupied space (dark space ratio) was 67%. The shortfall adjustment is calculated as follows:

Shortfall = (op cost/net rent ratio) x (dark space ratio) x (typical Vacancy)

$$= 0.41 \times 0.67 \times 0.0476$$

$$= 0.0131 \text{ (1.31\%)}$$

Overall Capitalization Rates and Adjustments

Economic Capitalization Rates were estimated by dividing the predicted base date net operating income (generated from the net rent model) by the adjusted sale prices for all qualified industrial sales. Sales used in this analysis occurred between January 1, 2011 and December 31, 2014. These sales have been confirmed as appropriate for sales analysis purposes through a sales verification process which included the mailing of questionnaires to all vendors and purchasers with further follow-up and field inspection of the sold properties, as required.

Sales have been adjusted for non-realty items and other significant factors, when warranted. Sales were also adjusted to the base date of January 1, 2015. The indicated time adjustment was approximately 1.3% per month for the first 28 months (January 2011 to April 2013) and no further adjustment for sales occurring after April 2013.

The economic capitalization rate analysis involved 136 sales, detailed in the following table.

ACCOUNT ADDRESS	SALE YEAR	SALE MONTH	ADJUSTED SALE PRICE	PREDICTED INCOME	ECONOMIC CAP
10013922 290 HODSMAN ROAD	2012	8	1,180,931	57,876	4.90
10013945 315 HODSMAN ROAD	2013	2	1,026,167	64,200	6.26
10013946 325 HODSMAN ROAD	2014	5	999,998	62,000	6.20
10013951 100 N MCDONALD STREET	2012	12	14,005,179	432,300	3.09
10013957 125 HENDERSON DRIVE	2011	3	1,201,585	60,700	5.05
10013976 370 N LONGMAN CRESCENT	2014	5	574,999	29,500	5.13
10013978 350 N LONGMAN CRESCENT	2011	1	992,093	61,300	6.18
10013978 350 N LONGMAN CRESCENT	2012	8	1,194,481	61,300	5.13
10013990 235 N MCDONALD STREET	2014	2	1,649,997	113,600	6.88
10014003 1110 E PETTIGREW AVENUE	2012	11	13,013,865	868,100	6.67
10018417 502 QUEBEC STREET	2011	4	381,754	14,300	3.75
10018420 464 QUEBEC STREET	2013	6	711,999	31,400	4.41
10018435 353 QUEBEC STREET	2014	3	150,000	17,900	11.93
10018441 370 QUEBEC STREET	2014	8	275,000	13,800	5.02

10018633	420 HOFFER DRIVE	2012	2	5,212,196	458,700	8.80
10018657	515 MCDONALD STREET	2011	7	708,258	41,500	5.86
10018662	435 MCDONALD STREET	2011	11	1,382,556	60,300	4.36
10018674	580 PARK STREET	2013	10	8,949,984	502,500	5.61
10018682	264 E 1ST AVENUE	2012	3	1,685,532	99,700	5.92
10018688	909 E PETTIGREW AVENUE	2012	10	2,323,242	123,100	5.30
10018689	1105 E PETTIGREW AVENUE	2011	9	1,821,351	115,200	6.32
10018690	1117 E PETTIGREW AVENUE	2011	6	4,384,509	355,200	8.10
10018693	1405 E PETTIGREW AVENUE	2011	7	2,728,104	153,800	5.64
10018705	380 HENDERSON DRIVE	2013	4	1,579,997	69,700	4.41
10018717	445 MAXWELL CRESCENT	2011	2	2,042,667	88,900	4.35
10018718	435 MAXWELL CRESCENT	2011	4	3,067,669	174,500	5.69
10018733	205 N LEONARD STREET	2013	6	2,794,995	154,300	5.52
10018736	705 HENDERSON DRIVE	2012	7	7,469,747	374,000	5.01
10018744	380 MAXWELL CRESCENT	2011	7	1,606,696	66,300	4.13
10018745	1150 E WEAVER STREET	2011	9	1,246,187	62,700	5.03
10018747	1130 E WEAVER STREET	2011	12	983,649	41,500	4.22
10018752	470 MAXWELL CRESCENT	2013	9	1,149,998	68,300	5.94
10021967	645 ANGUS STREET	2013	11	945,998	50,300	5.32
10021970	620 ANGUS STREET	2012	11	777,632	43,100	5.54

10022100	2350 2ND AVENUE	2013	5			
				2,599,995	220,285	8.47
10022138	805 TORONTO STREET	2011	10			
				1,110,330	78,700	7.09
10022390	805 WINNIPEG STREET	2012	6			
				1,251,660	65,100	5.20
10022453	310 E 4TH AVENUE	2012	3			
				2,483,941	209,800	8.45
10022463	942 PARK STREET	2012	2			
				2,186,726	139,500	6.38
10022516	1750 E MACRAE DRIVE	2014	1			
				849,998	35,200	4.14
10022528	1507 E ROSS AVENUE	2012	3			
				2,353,830	165,500	7.03
10026892	1835 5TH AVENUE	2013	11			
				1,249,998	111,300	8.90
10026894	1140 ROSE STREET	2013	6			
				364,999	16,800	4.60
10026927	1430 MCINTYRE STREET	2012	12			
				1,579,531	73,100	4.63
10026930	1374 MCINTYRE STREET	2012	9			
				333,861	11,600	3.47
10026936	1324 MCINTYRE STREET	2011	2			
				349,772	26,816	7.67
10026940	1333 MCINTYRE STREET	2012	10			
				226,921	20,800	9.17
10026960	1428 LORNE STREET	2012	10			
				302,562	15,500	5.12
10026998	1366 CORNWALL STREET	2013	5			
				384,999	15,800	4.10
10027014	1355 CORNWALL STREET	2012	11			
				789,366	34,000	4.31
10027017	2139 8TH AVENUE	2013	1			
				453,745	16,000	3.53
10027056	1431 SCARTH STREET	2013	4			
				389,999	15,700	4.03
10027119	1255 CORNWALL STREET	2012	2			
				539,193	31,000	5.75
10027154	1401 ST JOHN STREET	2013	6			
				1,049,998	77,500	7.38

10027197	1361 HALIFAX STREET	2012	5	461,066	50,200	10.89
10027200	1625 8TH AVENUE	2013	1	1,507,286	76,000	5.04
10027246	1516 6TH AVENUE	2011	4	327,218	29,300	8.95
10027247	1136 ST JOHN STREET	2011	11	871,882	34,200	3.92
10027266	1162 OSLER STREET	2013	2	2,869,572	192,700	6.72
10027267	1148 OSLER STREET	2012	8	1,219,741	79,100	6.48
10027272	215 7TH AVENUE	2013	4	741,999	42,800	5.77
10027290	555 7TH AVENUE	2013	11	159,499	7,400	4.64
10027298	1335 BRODER STREET	2013	5	374,999	23,900	6.37
10027321	1326 ATKINSON STREET	2014	6	250,000	25,100	10.04
10027327	1349 WALLACE STREET	2012	5	219,006	11,400	5.21
10027343	1337 WINNIPEG STREET	2013	3	229,612	12,700	5.53
10027348	980 DEWDNEY AVENUE	2013	4	1,899,997	79,700	4.19
10027354	728 DEWDNEY AVENUE	2014	9	416,999	16,800	4.03
10027919	1025 WINNIPEG STREET	2012	11	357,988	10,500	2.93
10027920	1037 WINNIPEG STREET	2011	5	483,115	29,700	6.15
10027925	135 6TH AVENUE	2013	5	1,628,247	103,600	6.36
10027980	1420 FLEURY STREET	2013	11	2,669,995	183,400	6.87
10027982	1410 FLEURY STREET	2014	11	1,999,996	80,100	4.01
10027987	580 E DEWDNEY AVENUE	2013	8	1,465,997	77,500	5.29

10032066 2825	2012	6			
SASKATCHEWAN			1,678,362	117,700	7.01
DRIVE					
10032088 2901	2012	9			
SASKATCHEWAN			990,633	44,100	4.45
DRIVE					
10032114 1873 CAMERON	2014	5			
STREET			275,000	41,200	14.98
10032130 3426	2012	5			
SASKATCHEWAN			945,185	82,600	8.74
DRIVE					
10033263 1500 WINNIPEG	2013	3			
STREET			769,879	37,300	4.84
10033272 1160 9TH AVENUE	2013	10			
			349,999	11,600	3.31
10033335 1600 TORONTO	2013	12			
STREET			304,999	18,600	6.10
10033463 1575 ELLIOTT	2013	2			
STREET			2,154,951	282,300	13.10
10033464 1539 ELLIOTT	2014	9			
STREET			770,999	57,100	7.41
10033800 1601 MCARA	2012	3			
STREET			1,052,718	83,800	7.96
10033807 500 E 10TH	2014	5			
AVENUE			3,599,984	392,000	10.89
10033814 715 E DEWDNEY	2011	9			
AVENUE			1,310,094	109,700	8.37
10033823 305 E DEWDNEY	2011	5			
AVENUE			2,113,081	135,800	6.43
10033828 101 DEWDNEY	2013	3			
AVENUE			1,012,998	62,400	6.16
10033847 1920 MCARA	2012	8			
STREET			1,006,840	46,900	4.66
10033876 1818 MCARA	2011	12			
STREET			368,869	20,736	5.62
10033878 1774 MCARA	2011	8			
STREET			550,272	41,900	7.61
10033885 1705 MCARA	2013	5			
STREET			474,999	27,600	5.81
10033897	2014	12			

1842 MACKAY STREET			824,999	47,200	5.72
10033920 1740 FRANCIS STREET	2012	3	650,556	44,200	6.79
10033928 535 E 12TH AVENUE	2012	10	994,130	62,300	6.27
10059440 127 HODSMAN ROAD	2013	6	215,000	9,100	4.23
10059441 129 HODSMAN ROAD	2013	7	180,000	8,900	4.94
10059451 332 HODSMAN ROAD	2014	6	266,865	11,600	4.35
10059725 1135 E WEAVER STREET	2011	12	555,762	33,000	5.94
10065679 1347 WINNIPEG STREET	2013	9	280,000	13,826	4.94
10070876 1168 WINNIPEG STREET	2012	10	270,144	19,000	7.03
10070876 1168 WINNIPEG STREET	2012	11	373,349	19,000	5.09
10070877 1170 WINNIPEG STREET	2013	6	528,999	33,900	6.41
10070879 1180 WINNIPEG STREET	2014	2	499,999	25,500	5.10
10086976 1301 OSLER STREET	2013	10	1,549,997	95,100	6.14
10091137 1330 OSLER STREET	2013	10	1,149,998	63,800	5.55
10091223 1201 LORNE STREET	2013	7	1,399,998	105,000	7.50
10093003 390 N LONGMAN CRESCENT	2012	8	1,718,725	91,200	5.31
10093276 310 E 6TH AVENUE	2012	5	1,757,814	132,900	7.56
10093276 310 E 6TH AVENUE	2014	5	2,099,996	132,900	6.33
10113530 505 PARK STREET	2013	9	2,589,995	166,900	6.44
10113531 535 PARK STREET	2014	1	3,699,993	320,200	8.65

10120535	602 DEWDNEY	2013	4			
	AVENUE			138,000	14,200	10.29
10120676	1800 GARNET	2012	12			
	STREET			579,162	27,200	4.70
10133583	1355 LORNE	2014	10			
	STREET			459,999	17,300	3.76
10136588	722 DEWDNEY	2014	2			
	AVENUE			417,499	16,800	4.02
10147651	2102 E TURVEY	2012	10			
	ROAD			594,318	26,300	4.43
10167385	20 2206 DEWDNEY	2012	7			
	AVENUE			207,805	10,300	4.96
10167387	22 2206 DEWDNEY	2012	7			
	AVENUE			247,119	9,700	3.93
10213813	1660 REYNOLDS	2013	5			
	STREET			848,998	63,200	7.44
10226517	202 SOLOMON	2014	2			
	DRIVE			3,499,994	149,500	4.27
10256290	1 1801 E TURVEY	2012	2			
	ROAD			461,309	28,700	6.22
10256291	2 1801 E TURVEY	2012	2			
	ROAD			461,309	28,400	6.16
10256292	3 1801 E TURVEY	2012	8			
	ROAD			426,909	28,400	6.65
10256294	5 1801 E TURVEY	2012	10			
	ROAD			416,022	28,400	6.83
10256295	6 1801 E TURVEY	2013	2			
	ROAD			399,179	28,400	7.11
10256296	7 1801 E TURVEY	2013	6			
	ROAD			388,999	28,700	7.38
10259150	730 DEWDNEY	2014	8			
	AVENUE			416,999	16,800	4.03
10271843	412 DEWDNEY	2014	1			
	AVENUE			639,999	29,000	4.53
10271844	410 DEWDNEY	2012	5			
	AVENUE			393,382	16,500	4.19
10271845	408 DEWDNEY	2012	10			
	AVENUE			414,423	16,300	3.93
10271846	406 DEWDNEY	2013	12			
	AVENUE			374,999	16,300	4.35

10271847 404 DEWDNEY	2013	12			
AVENUE			321,599	16,500	5.13
10271848 402 DEWDNEY	2013	10			
AVENUE			324,999	16,500	5.08
10271849 414 DEWDNEY	2014	10			
AVENUE			689,999	32,300	4.68
10271850 400 DEWDNEY	2014	9			
AVENUE			409,999	18,400	4.49

The reconciliation process for determining the industrial economic capitalization rates applied to each property involved the use of Multiple Regression Analysis. The variables that were determined to affect the economic capitalization rate were the Industrial Light Manufacturing building type, effective age, site coverage ratio and total building area <> 10,000 square feet, which was supported by a consultation process with individuals active in the Regina real estate market. Industry recognized published capitalization rate data were also reviewed. The economic capitalization rates are as follows:

Overall Capitalization Rates

Description	Rate
Base Cap Rate	6.862
Condo	-1.101
Site Coverage Adjustment, Less than 30%, to minimum 9%	-.060
Area Adjustment, from 10,000, per 1000sqft, to 50,000	.044
Industrial Light Manufacturing Type Adjustment	-.940

Adjustments Outside the Model

Extra Land

Extra Land is the difference between a property’s actual parcel size, and the maximum parcel size that would be required to accommodate the existing improvement.

Site coverage in the Industrial model ranges from 6% to 88%. The median site coverage is 30%. When site coverage is less than the median value, the Capitalization Rate for the building is adjusted according to the results of the regressed Capitalization Rate model, to a minimum of 9% site coverage.

When the site coverage ratio is less than 9%, then:

Extra Land Value = (Lot Size-(building foot print / .09))/Lot Size*Land Assessment

MODEL TESTING

In mass appraisal, the most effective means of evaluating the accuracy of assessed values is a ratio study. A ratio study compares the assessed values produced by the valuation models to arm's length sale transactions in the marketplace.

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

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

Assessment to Sales Summary Results

Number of Sales	136
Median Assessment to Sale Price Ratio (ASR)	0.976
Coefficient of Dispersion (COD)	23.20%

Other Adjustments

Extra Land

Extra Land is the difference between a property's actual parcel size, and the maximum parcel size that would be required to accommodate the existing improvement.

Site coverage in the Industrial model ranges from 6% to 88%. The median site coverage is 30%. When site coverage is less than the median value, the Capitalization Rate for the building is adjusted according to the results of the regressed Capitalization Rate model, to a minimum of 9%.

When the site coverage ratio is less than 9%, then:

Extra Land Value = ((9 – site coverage ratio) / 9) x Land Value

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