

Appendix 18



Market Value Assessment in Saskatchewan Handbook

Glossary

Gross leasable area (Offices)	All areas within the outside walls, including lobbies, washrooms, janitor closets and so on, but excluding building stairs, fire towers, elevator shafts, flue vents, stacks, pipe shafts, and vertical ducts if they serve more than one floor.
Gross leasable area (Retail)	Total floor area designed for tenants' occupancy. Area for the exclusive use of the tenant including, basements, mezzanines or upper floors and measured from the centreline of the joint partition and from outside walls.
Gross lease	In a gross lease, the landlord (lessor) pays all the operating expenses.
Highest and best use	That use which will generate the highest net return to the property over a period of time, given probable legal, physical, locational, and financial constraints. (A more or less synonymous term is "most probable use".)
Income approach	Approach for estimating market value based assessments that analyzes the anticipated future benefits or income from a property and converts this income into an estimate of present value.
Income stream	Series of payments (usually net income payments) receivable from an investment over the life of the investment.
Independent variable	Item used to predict or explain a dependent variable.
Lease	Lease is an agreement whereby the owner (lessor) grants exclusive possession of real or personal property for a certain period of time to a tenant (lessee) in return for the payment of rent.
Leasehold improvements	Fixtures and finishes that are installed under the direction of the tenant (generally to some minimum standards as set out by the owner) that enables the tenant to carry on their business. Either the tenant or the landlord pays for leasehold improvements and in almost all cases they become the property of the owner upon the termination of the lease.
Limited service hotel	Hotel with only some of the amenities found in a full service property.
Locational obsolescence	A form of external obsolescence where the loss in value is due to suboptimal siting of the improvement.
Location variable	Variable such as the distance to the nearest commercial district or traffic count on an adjoining street that seeks to measure the contribution of locational factors to the total property value.
Major vertical penetration	Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition.