

**2025 Revaluation Commercial &
Industrial Property Assessment
Valuation Model Using the
Income Approach to Valuation**



City of
Prince Albert

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Executive Summary

Appraisal Cycle: January 1, 2025 through December 31, 2028

Effective Date of Valuation: January 1, 2023

Date of Report: January 27, 2025

Net Rent Model	
Base Rent	\$16.22
Adjustments for Property Characteristics	
Age per year, maximum 75 years	-\$0.07
NBHD Suburban EAST and CENTRAL	-\$4.38
NBHD Downtown Core	-\$2.50
NBHD South / North Industrial	-\$3.80
M2 Zone Adjustment	-\$4.44
Space Type Large Retail**	-\$4.38
Space Type Warehouse	-\$3.24
Space Type Cold Storage	-\$4.35
Space Type Restaurant	\$2.95
Space Type Fast Food	\$12.55
Space Type Bank	\$10.33
Quality Adjustment – High Quality	\$9.33
Floor Upper or Basement	-\$1.91

**Space Type Large Retail – only applies to tenant spaces 15,000 square feet or larger.

Typical Vacancy Allowance	
Outside of Downtown	-4.41%
Downtown	-15.72%

Structural Reserve	-2%
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Base Cap Rate	8.5274
Adjustments to Base Cap Rate	
Location Downtown and Suburban West	4.8989
Location North Industrial	4.6367

Scope of Work

CUSPAP designates a report of this nature as a Mass Appraisal report, which also contains sales ratios and other statistical studies used in the production of the City of Prince Albert's assessed values for certain Commercial and Industrial properties. This document contains no formal opinions of value of any property and was not created for the purpose of supporting an assessed value for any specific property.

The purpose of this report is to present the City of Prince Albert and its stakeholders, such as property owners, industry groups, municipal council in the City of Prince Albert, with an overview of the Commercial and Industrial assessment models. This report specifies the assessment valuation method using the Income Approach to Valuation. Other intended uses include to provide:

- an overview of the jurisdictional exceptions required by the assessment scheme;
- summaries of the market data (lease rates, vacancy, sale information, etc.) related to the various property groups;
- descriptions of the classification of the physical characteristics that were considered to influence the value of Commercial and Industrial property;
- the valuation formulae used to calculate the assessments;
- results of the testing of the Commercial and Industrial assessment model

The only intended user is the City of Prince Albert. Liability to any other users is strictly denied.

Saskatchewan Assessment Structure | Jurisdiction Exceptions

Assessed values for most residential and commercial property in Saskatchewan for 2025 are determined using a market value standard. As detailed in the following quotes from *The Cities Act*, assessments are to be determined using mass appraisal techniques and are intended to be reflective of market value as of the base date (January 1, 2023 for the assessment cycle 2025-2028).

Section 165:

- (1) An assessment shall be prepared for each property in the city using only mass appraisal.*
- (2) All property is to be assessed as of the applicable base date.*
- (3) The dominant and controlling factor in the assessment of property is equity. (3.1) Each assessment must reflect the facts, conditions and circumstances affecting the property as at January 1 of each year as if those facts, conditions and circumstances existed on the applicable base date."*

Section 163:

(f.1) "market valuation standard" means the standard achieved when the assessed value of the property:

- (i) is prepared using mass appraisal;*
- (ii) is an estimate of the market value of the estate in fee simple in the property;*
- (ii) reflects typical market conditions for similar properties; and*
- (iv) meets quality assurance standards established by order of the agency"*

(f.2) “market value” means 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;

f.3) “mass appraisal” means 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;”

In addition to the legislation contained within *The Cities Act*, the Saskatchewan Assessment Management Agency (“SAMA”) and the International Association of Assessing Officers (“IAAO”) publish a wide variety of manuals, handbooks and guides identifying the general procedures used to value the various types of property. For the purpose of this market analysis, the following publications were reviewed:

- *Market Value Assessment in Saskatchewan Handbook* [General Commercial Properties Valuation Guide](#)
- *Market Value Assessment in Saskatchewan Handbook* [Office Building Valuation Guide](#)
- *Market Value Assessment in Saskatchewan Handbook* [Enclosed Shopping Centre Valuation Guide](#)
- *Market Value Assessment in Saskatchewan Handbook* [Warehouse Valuation Guide](#)

For commercial property in larger urban centers where there is an active leasing market, the Income approach is the most appropriate methodology available. Subject to available data, any of the Income, Direct Sales or Cost approaches can be used to value industrial property.

Identification of Model Area

The Commercial and Industrial Property Assessment Valuation Model is an Income model that values all typical non-residential income-producing properties in the City of Prince Albert. Generally described, these properties include all single and multi-tenant retail properties, restaurants, office buildings, auto dealers, light industrial manufacturing, and storage and warehousing buildings. Examples of properties not valued using this model are hotels, concrete plants, grain elevators, sawmills and other purpose-built structures that are not typically available to lease.

As noted, the Commercial and Industrial property assessment valuation model is a city-wide model. Within the City, there are a number of distinct commercial and industrial districts which are described below.

Zoning Bylaw Descriptions for Commercial, Industrial and Institutional Zones

Properties valued by the Commercial and Industrial model reflect many different zoning designations. The descriptions below are general, and do not include the full details concerning the zoning classifications.

C1 – Downtown Commercial

The purpose of the C1 – Downtown Commercial Zoning District, also known as the Central Business District, is to provide a diverse mixture of commercial, institutional and residential uses. The Central Business District prioritizes pedestrian mobility and is served by multiple modes of

transportation. As an active, 24-hour street environment, the Central Business District is the cultural, economic and entertainment hub of the city.

C2 – Small Lot Arterial Commercial

The purpose of the C2 – Small Lot Arterial Commercial Zoning District is to provide a diverse mixture of small scale, commercial and residential uses. Located along 2nd Avenue West and immediately adjacent to the Central Business District, the C2 – Small Lot Arterial Commercial Zoning District is primarily automobile oriented, though it is well served by multiple modes of transportation. Due to its unique location, the intention of this zoning district is to act as a transitional zoning district, providing both residential and commercial services to the public.

C3 – Large Lot Arterial Commercial

The purpose of the C3 – Large Lot Arterial Commercial Zoning District is to provide a diverse mixture of medium scale, commercial uses. Located exclusively along arterial corridors, the C3 – Large Lot Arterial Commercial Zoning District is automobile oriented, though well served by multiple modes of transportation. The intention of this zoning district is to provide focused, commercial shopping opportunities to the traveling public.

C4 – Highway Commercial

The purpose of the C4 – Highway Commercial Zoning District is to provide a diverse mixture of large scale, commercial uses. As an automobile dependent zoning district, the intention is to provide adequate space for large scale commercial developments, as well as easy access to the city's many arterial and highway corridors.

CMU – Commercial Mixed Use

The purpose of the CMU – Commercial Mixed Use Zoning District is to provide small scale, commercial nodes throughout the city. Located on high volume, arterial junctions and adjacent to residential neighborhoods, the CMU – Commercial Mixed Use Zoning District is supported by multiple modes of transportation and is intended to provide small service centers that cater to the day-to-day needs of the surrounding neighborhood.

RMU – Residential Mixed Use

The purpose of the RMU – Residential Mixed Use Zoning District is to provide residential development options as well as to accommodate a moderate variety of complementary commercial and institutional uses. The intention of this zoning district is two-fold: to incorporate small pockets of mixed use development within residential neighborhoods and to transition an area or neighborhood from residential to commercial.

M1 – Heavy Industrial

The purpose of the M1 – Heavy Industrial Zoning District is to provide for a diverse mixture of regional scale, heavy industrial uses. The intention of this zoning district is to establish areas of intense industrial development, situated along heavy or dangerous goods routes, where uses are expected to create noise, smoke, smells, dust, light and other similar nuisances.

M2 – Small Lot Light Industrial

The purpose of the M2 – Small Lot Light Industrial Zoning District is to provide land for a diverse mixture of small scale, light industrial and commercial uses. The intention of this zoning district is to establish limited areas of industrial development, where uses are expected to create a moderate amount of noise, smoke, smells, dust, light or other similar nuisances.

M3 – Large Lot Light Industrial

The purpose of the M3 – Large Lot Light Industrial Zoning District is to provide land for a diverse mixture of medium scale, light industrial and commercial uses. The intention of this zoning district is to establish corridors within the city where uses are served regularly by large vehicles, and expected to create a moderate amount of noise, smoke, smells, dust, light or other similar nuisances.

M4 – Airport Industrial

The purpose of the M4 – Airport Industrial Zoning District is to provide land for a medium to large scale, airport related, commercial and light industrial uses. The intention of this zoning district is to create a business node that supports the function of Prince Albert (Glass Field). All uses located within the M4 – Airport Industrial Zoning District are subject to the regulations contained in the Airport Overlay Zoning District, as well as those of Transport Canada and NAV Canada.

I1 – Institutional General

The purpose of if the I1 – Institutional General Zoning District is to provide large parcels of land throughout the city to accommodate a diverse mixture of regional scale Institutional uses. Located along arterial and collector corridors, the intention of the I1 – Institutional General Zoning District is to ensure that larger scale uses such as schools and care facilities are appropriately accommodated within residential neighborhoods and within the city.

I2 – Institutional Medical Service

The purpose of the I2 – Institutional Medical Service Zoning District is to facilitate the development of a regional, institutional hub, focused on the provision of medical services, research and development, and advanced learning centers for medical related uses. Located along arterial corridors, which provides high visibility and ease of access, the intent of this zoning district is to provide the framework required for the City to continue to provide and expand on the medical services provided to the region.

Valuation Parameters

Valuation parameters are the property characteristics (variables) that are to appropriate to consider in an assessment valuation analysis, along with the market data that can be used to determine appropriate rates and values. These parameters are used to develop the valuation formula - ie. The value-influencing characteristics and associated rates - and to ensure that results obtained are reasonable. All of the following are examples of the types of data that may be considered in developing the valuation parameters:

- The costs of construction.
- The income characteristics of the real estate:
 - Rents, other income, operating expenses, etc.
- The market place:
 - Risk profiles (i.e. capitalization rates) and sales prices.

Summarized market rent and sale data that were analyzed are found in the Commercial and Industrial Rent Statistics table and the Cap Rate Analysis table, later in this report. The City of Prince Albert collected income and expense data from the properties in the City from the years 2020, 2021 and 2022. The assessor then reviewed the income statements provided by the Owners in order to determine the Net Rent applicable to each space, typically relying on the most recent income statement. Where gross rents and operating costs were provided, rents were converted to Net.

As noted in the table, the data utilized in development of the rent model included 544 commercial and industrial net rent rates, which ranged between \$1.50 and \$54.80 per square foot (average \$12.69/sf). The fast food and bank spaces tend to command the highest rents, while lower lease rates were observed from storage and warehouse spaces and particularly from unheated storage space. In the end, the valuation parameters that were considered in this assessment analysis were sorted by:

- Property use;
- Building size/lease-able area;
- Construction style/quality;
- Condition;
- Site size, and;
- Location/zoning

After analyzing the market data associated with the property characteristics, the spaces were then classified into groups. In mass appraisal, the key to a successful market value based assessment analysis is to stratify (classify) all properties and types of lease spaces into groups containing common characteristics. Classes of property may contain very few properties (such as specialized industrial developments) or as many as hundreds or even thousands of properties (residential dwellings).

According to the *Handbook*, the objectives of the classification process are:

- To enable the valuation of a number of properties easily and efficiently.
- To stratify the properties into specific classes so that comparisons are meaningful.
- To have a broad enough definition of classes so that there are sufficient numbers within the group to establish valuation parameters and values.

Once the properties have been classified and sorted valuation parameters have been determined, the assessor will then typically use either the Multiple Regression Analysis (“MRA”) method or the stratification method to determine rent rates, expenses, EGIM’s, Cap rates and the like.

The assessment is then determined by applying the valuation formulae to the physical characteristics of a property.

Commercial and Industrial Property Classifications

As outlined above, the classification process requires that properties that share similar characteristics such as use, construction type, location or zoning be grouped together in an assessment valuation analysis. Every parcel’s zoning regulates its potential uses and stipulates the legal requirements that its development must meet. For example, the zoning prescribes minimum amounts of parking stalls and landscaped area, or maximum improvement heights or site density. Zoning also dictates potential use based not only the type of user (commercial, industrial, institutional, residential, etc.) but also intensity on expected noise or smells, or the amount of truck traffic.

The zoning descriptions explain that the intent of the M2 zone is to establish limited areas of small-scale light industrial and commercial uses, while the M3 is intended to ‘establish corridors’ for regular heavy truck traffic serving medium scale, light industrial and commercial users. CMU zones are to provide small service centers that cater to the day-to-day needs of the surrounding neighborhood while C3 zones are meant for a diverse mix of medium-scale consumer focused, commercial shopping areas.

Assessment NBHD	City Neighborhood Name	Zones
Suburban South East	Crescent Heights, Crescent Acres, Carlton Park	CMU
Suburban NorthEast and Central	Normandy Park, Goshen, Riverview, Midtown, East Flat, East Hill	CMU, RMU
Suburban West	Westview, West Flat, West Hill	CMU, I1
Downtown Core	Midtown	C1
Downtown Fringe	East Hill, West Flat	C1, C2, M2
East Mainstreet Commercial	Crescent Heights, East Flat, East Hill, Midtown	C3, M2, M3
South Mainstreet Commercial	East Hill, West Hill	C4
South Industrial	Highway Commercial, South Industrial	C4, M1, M3
North Industrial	North Industrial	M1

*A complete, zoom-able map of the City of Prince Albert complete with neighborhoods and boundaries labelled, along with the zoning designations overlaid can be found [here](#).

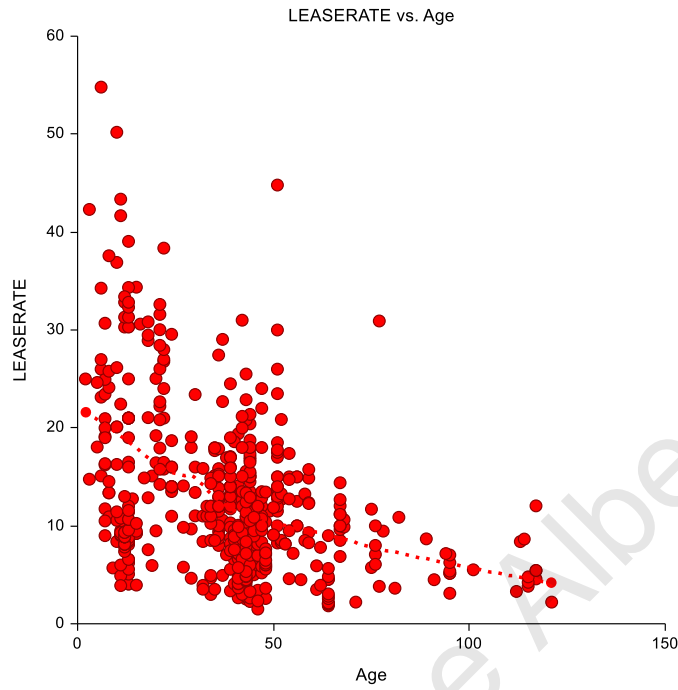
Classifying groups of properties based also on the construction type and use ensures also that the groups are based on similar income characteristics – ie. the lease rates that can be achieved in the marketplace. Characteristics such as age, lease-able area or site coverage were analyzed in linear format due to the nature of incremental changes observed throughout the range that is typically observed for each of these data types.

Space Group	Space Types
Retail	Retail
Large Retail	Market, Discount Store, Discount Warehouse
Restaurant	Free-standing Restaurant
Fast Food	Fast Food Restaurant
Convenience Store	Convenience Store
Office	Office, Medical Office
Bank	Bank
Warehouse	Warehouse, Distribution Warehouse
IND Light / Auto Service	Light Industrial, Service/Repair, Auto Service
Cold Storage Warehouse	Unheated Warehouse

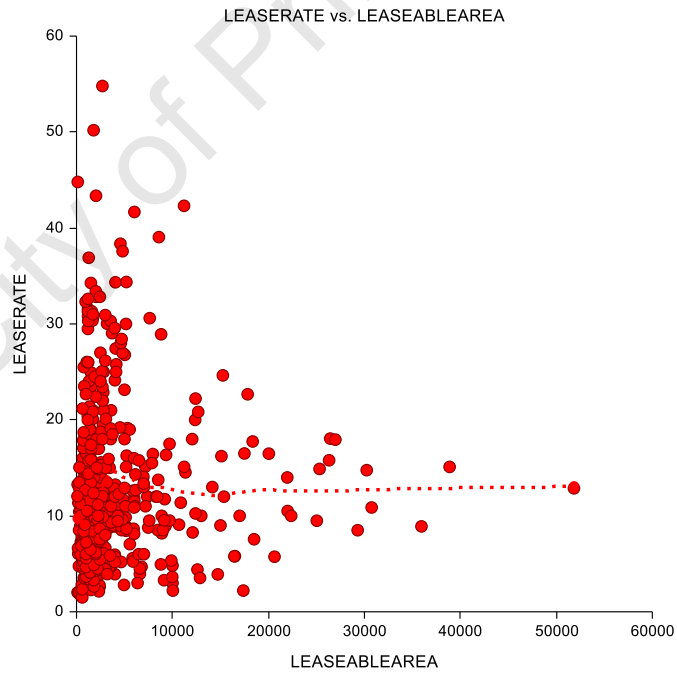
Commercial and Industrial Rent Statistics

Variable	Count	Mean	Median	Minimum	Maximum
OVERALL	544	12.69	10.83	1.50	54.80
RETAIL	143	13.79	12.00	2.27	37.58
LARGE RETAIL	39	12.59	12.87	2.21	24.64
RESTAURANT	34	19.43	16.88	4.69	34.34
FAST FOOD	9	34.91	30.03	15.00	54.80
CONVENIENCE STORE	6	14.43	16.34	2.58	22.00
OFFICE	194	11.31	10.99	1.83	42.31
BANK	11	29.55	29.48	11.79	44.80
WAREHOUSE	50	7.06	7.31	2.21	11.57
INDL / AUTOSERVICE	50	9.24	9.04	3.30	18.00
UNHEATED WAREHOUSE	8	5.59	5.33	1.50	10.25
NBHD SUBURBAN SOUTHEAST	13	7.57	6.00	2.27	15.92
NBHD SUBURBAN WEST of 2nd AVE	12	11.35	11.44	2.99	19.00
NBHD SUBURBAN NORTHEAST and CENTRAL	18	8.76	8.33	3.50	18.70
NBHD DOWNTOWN	85	8.47	8.33	1.50	31.00
NBHD DOWNTOWN FRINGE	51	10.35	8.41	3.29	30.92
NBHD EAST MAINSTREET	125	19.97	17.94	2.52	50.19
NBHD SOUTH MAINSTREET	96	15.28	13.93	4.65	54.80
NBHD SOUTH INDUSTRIAL	120	9.06	8.57	2.63	42.31
NBHD NORTH INDUSTRIAL	15	8.60	8.92	3.92	13.37
ZONE M2	44	8.25	8.00	2.52	27.44

Lease Rates – Age Trend



Lease Rates – Size Trend



Commercial and Industrial Income Model

The estimated potential net operating income (“NOI”) attributable to the building is calculated by multiplying the estimated lease rate from the Rent Model by the lease-able area of the building, adjusted downwards to account for typical vacancy and structural reserve.

The City of Prince Albert utilized the MRA method to develop its Commercial and Industrial Property Assessment Valuation Models. The rent model is an additive model that predicts rents based on the type of lease space, the location within the building (main floor, basement, or upper level), and the location within the City. The model also accounts for the various ages of the properties and makes adjustment for the highest quality space. In the end, some locations were further combined (see NBHD Suburban EAST and CENTRAL). The characteristics listed in the Rent Rate Model are those that were found to influence the lease rates.

Rent Rate Model

Net Rent Model	
Base Rent	\$16.22
Adjustments for Property Characteristics	
Age per year, maximum 75 years	-\$0.07
NBHD Suburban EAST and CENTRAL	-\$4.38
NBHD Downtown Core	-\$2.50
NBHD South / North Industrial	-\$3.80
M2 Zone Adjustment	-\$4.44
Space Type Large Retail**	-\$4.38
Space Type Warehouse	-\$3.24
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Space Type Restaurant	\$2.95
Space Type Fast Food	\$12.55
Space Type Bank	\$10.33
Quality Adjustment – High Quality	\$9.33
Floor Upper or Basement	-\$1.91

**Space Type Large Retail – only applies to tenant spaces 15,000 square feet or larger.

Commercial and Industrial Vacancy Analysis

The commercial and industrial vacancy analysis was completed by dividing the sum of all vacant space sum of all occupied and all vacant space, and then sorting the data by the different areas of the City and by property type. Differences among the vacancy rates were found between the Downtown / Outside of Downtown location groups.

	Statistics for LEASEABLEAREA
VACANTSPACE NBHD_Downtown_Core	Sum
Occupied / Outside of Downtown Core	2300307
Occupied / Downtown Core	311948
Vacant / Outside of Downtown Core	106046
Vacant / Downtown Core	58200

Vacancy = Sum of Vacant Space / (Sum of Occupied Space + Sum of Vacant Space)

**Analysis Excludes Gateway Mall

Outside of Downtown	4.41%
Downtown	15.72%

Structural Reserve

After adjusting the estimated potential net income to account for typical vacancy, a further downward adjustment to the potential net income derived for each building was made in the amount of -2% to account for reserves for replacement of long-lived components of the building.

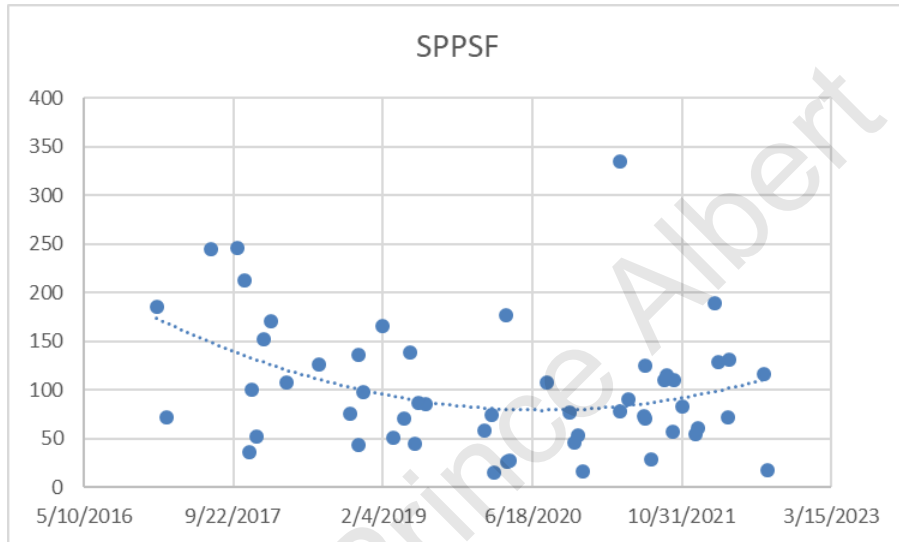
The resulting value is the estimated Net Operating Income (NOI) for the property.

Sale Analysis

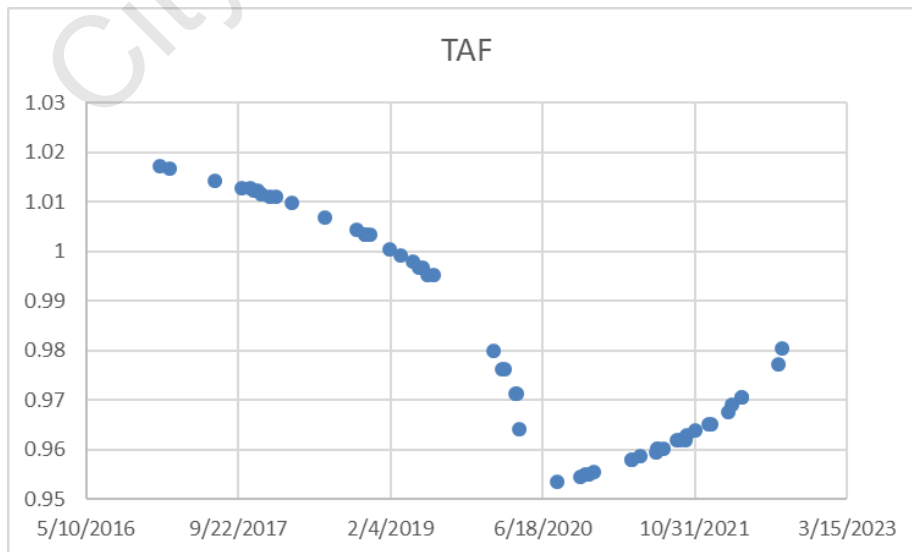
After completing the Rent Model, the valuation parameters are applied to the sold Commercial and Industrial properties. In this market analysis, the City of Prince Albert considered sales that occurred between January 1st, 2017 and December 31st, 2022 (6 years of sales). The City applied the Rent Model to the physical characteristics of the sold properties, as existed on the sale date, in order to determine the individual sale price per square foot (SPPSF) and NOI for each. Market Cap Rates were determined by dividing the NOI by the Sale Price.

Time Analysis

In order to determine whether there were any changes in the market for real estate in Prince Albert during the 6-year time frame selected, the SPPSF and Cap Rates for the sales were examined as demonstrated in the graphical analysis below. Sale prices for real estate were highest during the early part of 2017, and were already in a slight decline before beginning of 2020 when COVID-19 lockdowns began to take effect in Saskatchewan. In approximately July of 2020, prices began to rebound and continued to trend upward as time progressed towards January 1st, 2023.



The City’s time analysis resulted in the following price trend graph, with the Time Adjustment Factor for each sale plotted with its corresponding sale date.



Capitalization Rate Analysis

A capitalization (“Cap”) rate is effectively the rate of return that an investor wishes to receive in return for purchasing a stream of income. The Cap rate is calculated by dividing the NOI (generated from the Income Model) by the adjusted sale price:

$$\text{Cap Rate} = \text{NOI} / \text{Adjusted Sale Price}$$

There were a total of 48 sales analyzed in the Commercial and Industrial Cap Rate Analysis. As noted, the sales occurred between January 1st, 2017 and December 1st, 2023 and were adjusted to reflect market conditions as of January 1st, 2023. Sales were also adjusted to remove value of non-realty items and other factors when required. The sales are detailed in the following table:

Roll	Address	Sale Date	Adjusted Price	Parcel Area	Age	Floor Area	NOI	Time Adjusted Sale Price	Cap Rate
20002330	90 11TH STREET NW	11/14/2017	\$289,492.00	109875	33	8108	\$71,580.18	\$286,011.58	25.03
20002630	27 NORTH INDUSTRIAL DRIVE	4/5/2022	\$1,100,000.00	60490	23	8367	\$84,180.04	\$1,133,218.08	7.43
20002760	73 NORTH INDUSTRIAL DRIVE	2/9/2017	\$427,500.00	72374	36	5957	\$52,902.36	\$420,459.90	12.58
20003190	1100 NORTH INDUSTRIAL DRIVE	9/9/2021	\$552,806.00	91043	44	5080	\$43,781.50	\$574,644.79	7.62
10000820	40 10TH STREET E	5/22/2019	\$340,000.00	8042	49	7620	\$62,999.30	\$341,117.20	18.47
10000830	48 10TH STREET E	8/13/2022	\$285,000.00	9013	49	16576	\$69,960.24	\$290,709.17	24.07
100001510	1218 CENTRAL AVENUE	4/4/2022	\$147,500.00	3076	90	2041	\$12,390.14	\$151,954.24	8.15
100001535	1288 CENTRAL AVENUE	3/3/2022	\$2,170,391.00	27025	33	34597	\$290,626.84	\$2,239,704.10	12.98
100001680	1308 CENTRAL AVENUE	3/11/2019	\$120,000.00	3589	91	2327	\$13,588.68	\$120,089.87	11.32
100002400	1215 CENTRAL AVENUE	1/8/2020	\$212,500.00	4457	87	3630	\$22,246.98	\$216,833.18	10.26
100002580	1105 CENTRAL AVENUE	5/4/2021	\$247,000.00	3153	87	2720	\$16,826.60	\$257,627.67	6.53
100002755	1061 CENTRAL AVENUE	3/19/2018	\$5,388,688.00	104112	15	75423	\$711,191.88	\$5,336,931.47	13.33
100002990	25 RIVER STREET W	4/2/2020	\$240,000.00	11500	120	8743	\$36,900.92	\$248,896.50	14.83
100005070	1201 2ND AVENUE W	7/7/2017	\$975,000.00	22645	18	3978	\$99,945.30	\$961,211.88	10.40
101000420	107 15TH STREET W	10/6/2021	\$810,000.00	23819	75	7319	\$81,551.68	\$841,168.60	9.70
101000960	530 16TH STREET W	9/30/2021	\$155,000.00	4198	41	2700	\$22,182.30	\$161,123.33	13.77
101001200	1576 2ND AVENUE W	2/17/2022	\$510,000.00	8667	43	2704	\$33,284.72	\$527,081.18	6.31
101001850	338 17TH STREET W	7/31/2022	\$700,000.00	28314	15	6000	\$41,705.86	\$716,305.75	5.82
101002010	376 17TH STREET W	12/24/2021	\$715,000.00	45362	62	11826	\$60,296.46	\$740,877.23	8.14
101002080	573 16TH STREET W	6/28/2021	\$275,000.00	6500	51	3776	\$28,545.44	\$286,610.63	9.96
101002680	337 17TH STREET W	9/3/2021	\$330,000.00	11522	46	3000	\$23,663.08	\$343,036.76	6.90
101002730	293 17TH STREET W	11/18/2020	\$685,000.00	34382	42	12800	\$76,771.24	\$717,284.36	10.70
101002890	70 17TH STREET W	10/18/2018	\$450,000.00	12067	39	5940	\$43,051.40	\$448,050.63	9.61

101002930	20 17TH STREET W	6/28/2019	\$150,000.00	9340	79	1740	\$9,731.40	\$150,706.16	6.46
101002940	8 17TH STREET W	11/5/2020	\$450,000.00	44705	53	9685	\$42,003.78	\$471,208.71	8.91
101010180	2333 2ND AVENUE W	5/7/2019	\$300,000.00	8735	48	2158	\$24,024.70	\$300,985.76	7.98
102001200	2880 2ND AVENUE W	10/31/2017	\$2,224,998.00	26248	35	10441	\$177,847.46	\$2,197,013.44	8.09
102012110	2901 2ND AVENUE W	8/5/2020	\$2,525,000.00	64033.2	36	23504	\$316,376.34	\$2,648,294.95	11.95
103005910	3925 2ND AVENUE W	11/3/2021	\$2,096,193.00	220849.2	43	25828	\$116,873.82	\$2,174,547.12	5.37
103006200	3883 2nd Avenue West	7/5/2018	\$580,580.00	38831	18	4756	\$30,380.00	\$576,637.29	5.27
140003390	1600 15TH STREET W	10/21/2020	\$181,000.00	5817	57	2338	\$26,326.72	\$189,637.00	13.88
200005740	900 1ST AVENUE E	12/8/2017	\$350,000.00	28934	40	6720	\$54,263.58	\$345,992.79	15.68
200010030	1308 5TH AVENUE E	2/4/2020	\$427,000.00	16099	39	5690	\$47,120.36	\$437,430.75	10.77
200010110	451 13TH STREET E	11/15/2018	\$200,000.00	8049	30	4550	\$32,057.76	\$199,314.42	16.08
200010230	329 13TH STREET E	7/20/2021	\$95,000.00	8046	55	3312	\$10,673.18	\$98,930.01	10.79
200010310	239 13TH STREET E	3/27/2020	\$269,000.00	12207	43	10000	\$49,836.92	\$276,977.35	17.99
201000640	463 15TH STREET E	1/3/2018	\$1,450,000.00	48416	30	9540	\$124,241.46	\$1,434,258.73	8.66
201001310	101 15TH STREET E	11/30/2018	\$1,900,000.00	30784	51	19307	\$205,180.64	\$1,893,486.94	10.84
202012140	390 SOUTH INDUSTRIAL DRIVE	7/2/2021	\$1,400,000.00	45467	11	11200	\$115,252.90	\$1,457,915.91	7.91
202012150	406 SOUTH INDUSTRIAL DRIVE	7/2/2021	\$1,100,000.00	45462	38	15600	\$129,501.12	\$1,145,505.36	11.31
202012160	428 SOUTH INDUSTRIAL DRIVE	6/4/2019	\$440,000.00	45468	41	5040	\$41,683.32	\$442,071.40	9.43
202012170	460 SOUTH INDUSTRIAL DRIVE	1/25/2018	\$550,000.00	45463	41	3217	\$27,037.22	\$544,029.17	4.97
202012360	433 SOUTH INDUSTRIAL DRIVE	1/9/2017	\$1,225,000.00	55347	9	6597	\$66,126.48	\$1,204,300.36	5.49
202012730	153 SOUTH INDUSTRIAL DRIVE	4/6/2021	\$1,000,000.00	43579	42	12800	\$111,994.40	\$1,043,792.73	10.73
203000530	200 38TH STREET E	11/13/2018	\$375,000.00	29156	44	2755	\$19,382.44	\$373,714.53	5.19
203003720	3865 5TH AVENUE E	11/24/2017	\$440,000.00	29983	16	4368	\$44,519.44	\$434,710.09	10.24
220010650	930 6TH AVENUE E	4/17/2019	\$185,000.00	6102	57	2614	\$18,598.44	\$185,364.68	10.03
220012820	1499 10TH AVENUE E	2/1/2019	\$1,890,000.00	53482	32	11400	\$157,362.52	\$1,889,256.86	8.33

The characteristics of the sold properties were again sorted and classified based on the location and type/use. The summary data indicates that in Prince Albert, Cap rates tend to be highest in the Downtown and North Industrial locations.

Statistics for ADJ_CAP					
LOCATION	Count	Mean	Median	Minimum	Maximum
DOWNTOWN	14	13.66	13.15	6.53	24.07
DOWNTOWN FRINGE	9	9.08	9.70	5.82	13.77
EAST MAINSTREET COMMERCIAL	7	8.98	8.91	6.46	10.84
NORTH INDUSTRIAL	4	13.16	10.10	7.43	25.03
SOUTH INDUSTRIAL	10	7.59	6.70	4.97	11.31
SOUTH MAINSTREET COMMERCIAL	3	9.34	8.09	7.98	11.95
SUBURBAN WEST	1	13.88	13.88	13.88	13.88

Statistics for ADJ_CAP					
OCCUPANCY_GROUP	Count	Mean	Median	Minimum	Maximum
AUTOMOTIVE	6	10.11	8.52	6.31	16.08
BANK	1	18.47	18.47	18.47	18.47
LARGE RETAIL	5	7.75	6.90	5.37	10.73
LIGHT INDUSTRIAL	9	10.87	9.96	5.19	25.03
OFFICE	10	10.77	10.80	4.97	15.68
RESTAURANT	1	10.40	10.40	10.40	10.40
RETAIL	11	10.98	9.70	5.27	24.07
WAREHOUSE	5	10.33	8.91	5.82	17.99

The differences between the Cap rates among the occupancy classifications of properties were not significant when sufficient number of sales were present in the group.

The reconciliation process for developing the economic capitalization rates was completed using MRA. The Cap model is also an additive model, and predicts a base Cap rate along with further adjustments for the location. The Base Cap Rate and adjustments are as follows:

Base Cap Rate	8.5274
Adjustments to Base Cap Rate	
Location Downtown and Suburban West	4.8989
Location North Industrial	4.6367

The lone sale located in the Suburban West location group was included with the Downtown sales. Four sales located near 13th Street East in the Midtown neighborhood, zoned M2, were also included along with the Downtown properties in the Cap rate analysis. The properties are 1308 5TH Avenue East, 451 13th Street East, 329 13th Street East and 239 13th Street East.

After estimating the market Cap rates in the City, the rate is then applied to the NOI to determine the assessed value:

$$\text{Assessed Value} = \text{NOI} / \text{Cap rate}$$

Model Validation

In mass appraisal, the most effective means of evaluating the accuracy of appraisals is a ratio study. A ratio study compares the appraised values produced by the valuation models, to the adjusted sale prices from the transactions in the marketplace. This statistic is referred to as the Assessment to Sale Price Ratio (“ASR”).

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

The primary measure of appraisal uniformity in ratio studies is the Coefficient of Dispersion (COD). Low CODs tend to be associated with good appraisal uniformity however, CODs can be impacted by the nature of the jurisdiction, appraised properties, and observed data.

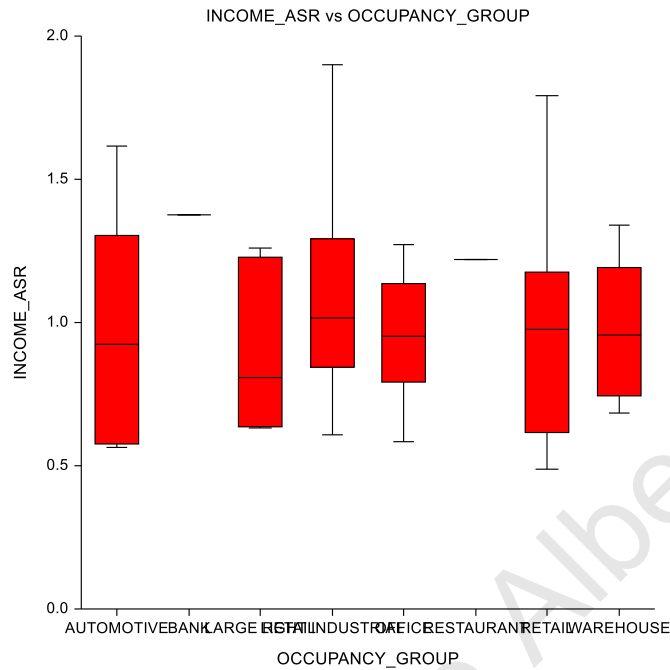
Count	48
Mean	1.000
Median	0.972
COD	0.260

Additional statistical analysis can be performed, subject to sufficiency of available data, to ensure uniformity among characteristics found throughout the analyzed properties. Common statistical tools used to accomplish this analysis are the Kruskal-Wallis test and the scatterplot.

The Kruskal-Wallis test examines whether different classifications of a characteristic, such as building classification, are assessed at equal percentages of market value. If the distribution and median ratios are similar among the different classifications then the different types of properties have been assessed equitably. The reliability of the Kruskal-Wallis test is dependent on having sufficient quantities of sales data within each defined group of characteristics.

A scatterplot is a graphical analysis used to display the dispersion of an entire array of ratio results for non-categorical (linear) characteristics such as the age or size of a building.

Building Type



Kruskal-Wallis One-Way ANOVA on Ranks

Hypotheses: H0: All medians are equal.
 H1: At least two medians are different.

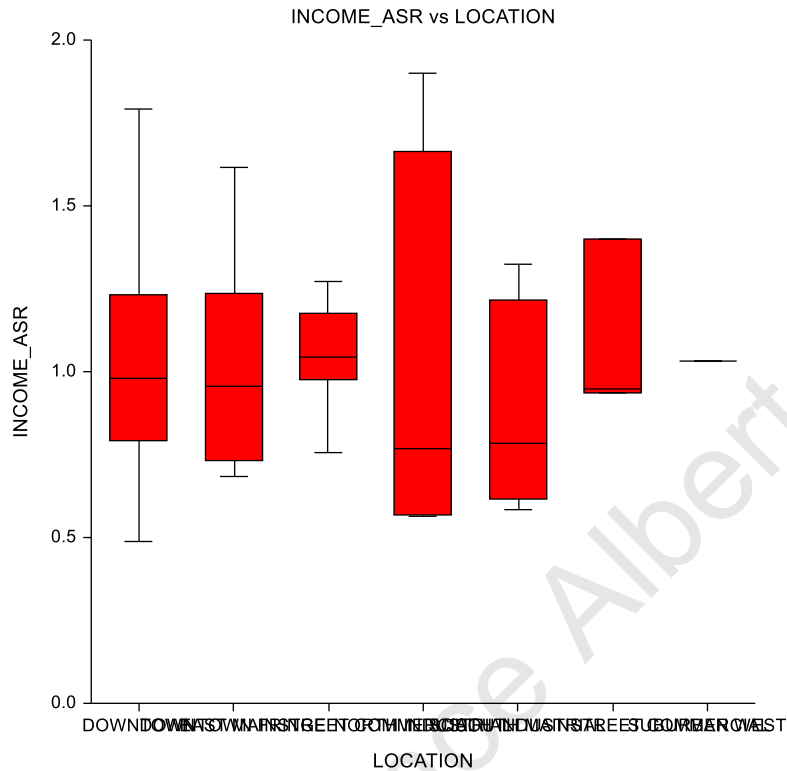
Test Results

Method	DF	Chi-Squared (H)	Prob Level	Reject H0? (α = 0.05)
Not Corrected for Ties	7	3.9953	0.78032	No
Corrected for Ties	7	3.9953	0.78032	No
Number of Sets of Ties	0			
Multiplicity Factor	0			

Group Details

Group	Count	Sum of Ranks	Mean Rank	Z-Value	Median
AUTOMOTIVE	6	130.00	21.67	-0.5300	0.9231422
BANK	1	44.00	44.00	1.4076	1.375548
LARGE RETAIL	5	111.00	22.20	-0.3881	0.8089356
LIGHT INDUSTRIAL	9	250.00	27.78	0.7792	1.015833
OFFICE	10	228.00	22.80	-0.4316	0.9512565
RESTAURANT	1	38.00	38.00	0.9745	1.219345
RETAIL	11	255.00	23.18	-0.3557	0.976773
WAREHOUSE	5	120.00	24.00	-0.0844	0.9543967

Property Location



Kruskal-Wallis One-Way ANOVA on Ranks

Hypotheses: H0: All medians are equal.
 H1: At least two medians are different.

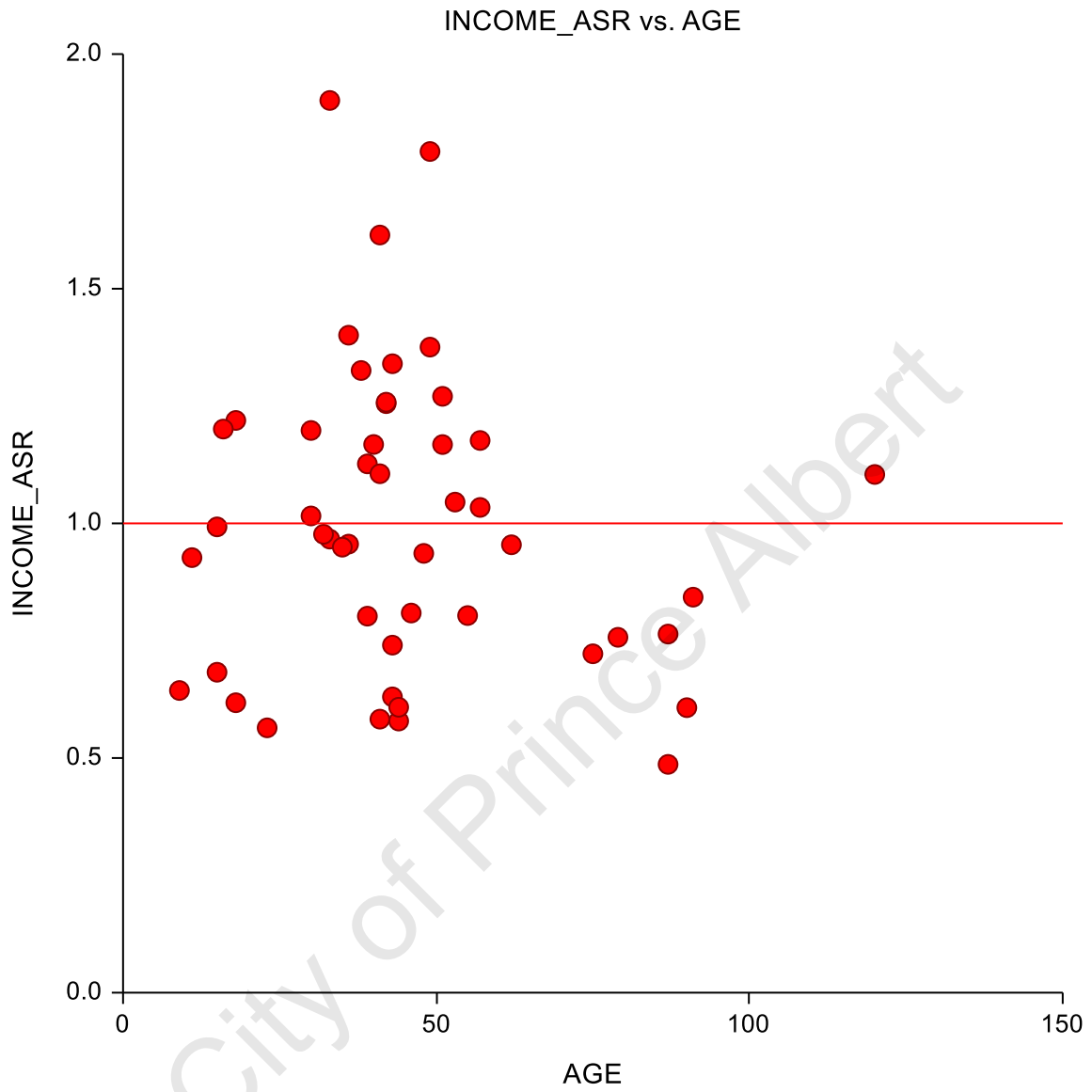
Test Results

Method	DF	Chi-Squared (H)	Prob Level	Reject H0? (α = 0.05)
Not Corrected for Ties	6	2.5919	0.85804	No
Corrected for Ties	6	2.5919	0.85804	No
Number of Sets of Ties	0			
Multiplicity Factor	0			

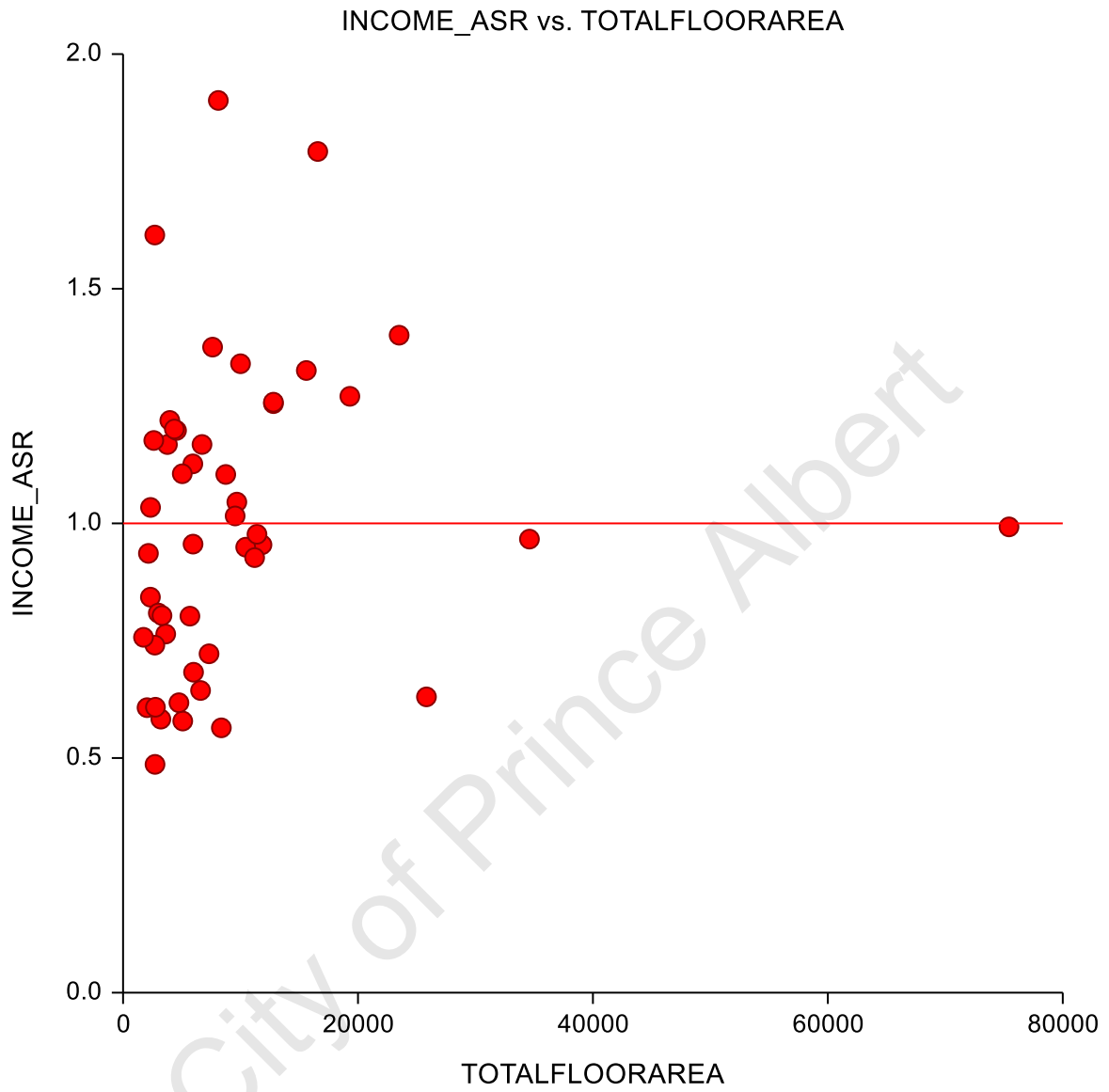
Group Details

Group	Count	Sum of Ranks	Mean Rank	Z-Value	Median
DOWNTOWN	14	353.00	25.21	0.2268	0.9794949
DOWNTOWN FRINGE	9	228.00	25.33	0.1981	0.9543967
EAST MAINSTREET COMMERCIAL	7	202.00	28.86	0.8909	1.045342
NORTH INDUSTRIAL	4	76.00	19.00	-0.8207	0.7672725
SOUTH INDUSTRIAL	10	203.00	20.30	-1.0662	0.7854787
SOUTH MAINSTREET COMMERCIAL	3	86.00	28.67	0.5324	0.9492887
SUBURBAN WEST	1	28.00	28.00	0.2526	1.033992

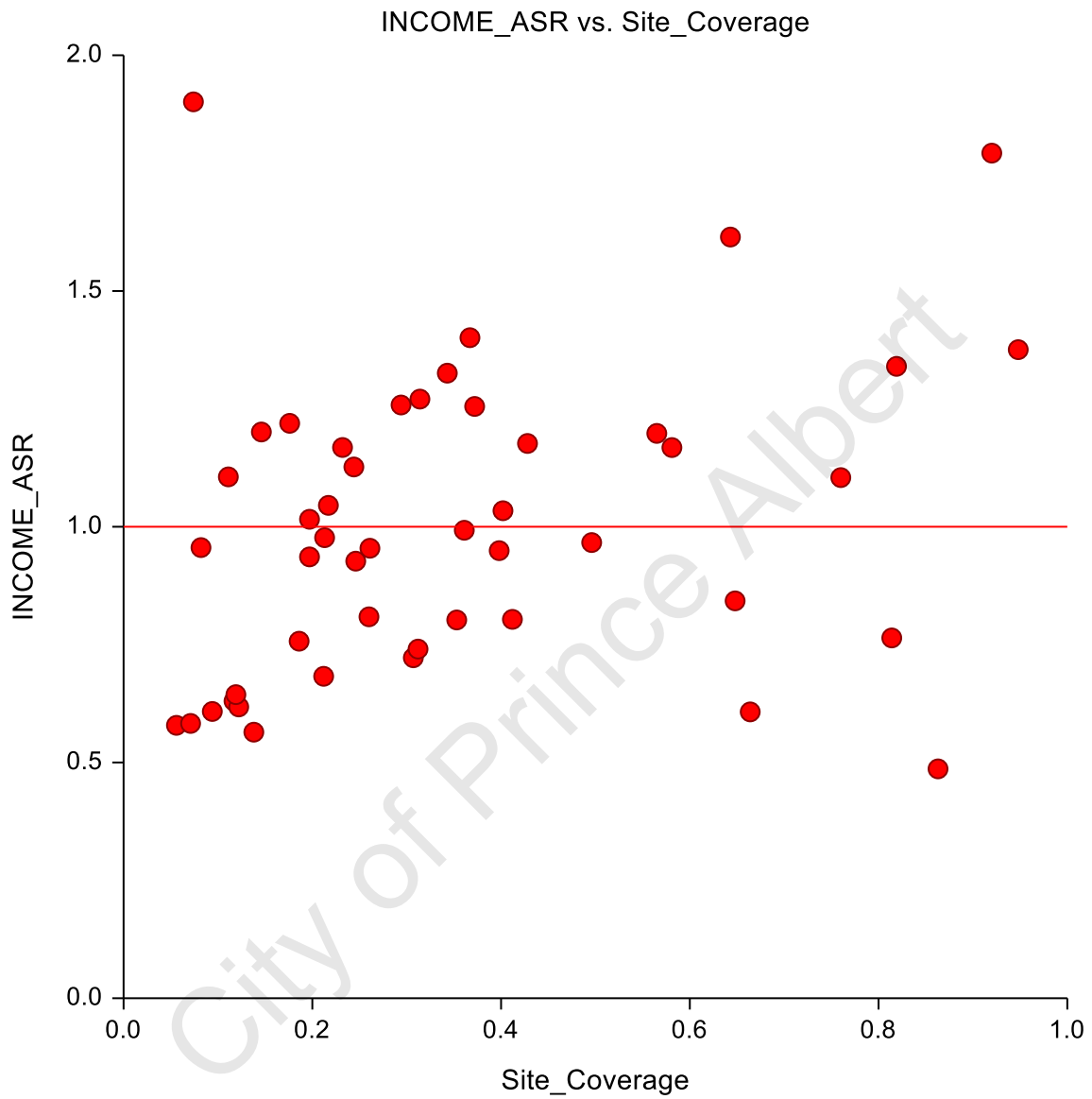
Building Age



Building Size



Property Site Coverage



Mixed Use Property

There were several sales of Mixed-Use, multi residential / commercial property in the City. Mixed multi-residential / commercial use properties have been assessed by applying the City of Prince Albert's multi-residential valuation model to the residential portion of the property, and the commercial and industrial valuation model to the commercial and industrial portion.

The result of applying the valuation formula to the four mixed-use sales resulted in the calculated ASR ratios for each:

Account	Address	ASR
100002570	1103 CENTRAL AVENUE	1.178532
201005170	1928 CENTRAL AVENUE	1.694892
201005180	1998 CENTRAL AVENUE	0.484501
240004260	320 13TH AVENUE E	1.11699
	MEDIAN	1.147761

Based on the result of this analysis, a 0.87 factor was applied to the calculation of the final assessed value for mixed-use properties.

Final ASR

The Quality Assurance Standard defines that it is the assessed values, which includes costed items, which must be submitted in order to satisfy the median ASR requirement. The final ASR of the sales utilized in the development of the City of Prince Albert's Commercial and Industrial Income model is:

MEDIAN QAS ASR	0.989343
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Please contact the Assessment Division at assessment@citypa.com or by calling 306-953-4320 ext. 2 for Assessment if you have any further questions.