

2025 Revaluation Multi-Unit Residential Assessment Model Report



City of
Prince Albert

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City of Prince Albert

2025 Revaluation Multi-Unit Residential Model Summary

Appraisal Cycle Date: January 1, 2019 to December 31, 2022

Effective Date of Valuation: January 1, 2025

Base Date: January 1, 2023

City of Prince Albert

Model Specification

The 2025 Multi-Unit Residential Model is based on the income approach and is utilized for determining values for all multi-unit residential properties. Lease rates and sales were examined and determined the lease rates by property type, location, suite type, and effective gross income multiplier (EGIM) were the substantial indicators to be applied in the model.

Combined Neighbourhoods

When the data was being analyzed, there were several neighbourhoods that had limited number of property types, sales and rental information, therefore the neighbourhoods were combined.

The following chart shows which neighbourhoods were combined together:

New Variable	Neighbourhood
Cres Acres	Cres Acres (1100)
	Carlton Park (1000)
E Hill	East Hill (1400, 1410)
	Crescent Heights (1200, 1210)
	Hamilton (1600)
	River Heights (2300)
Midtwn/E&W Flat	Midtown (1800, 1810, 1820)
	East Flat (1300)
	Goshen (1500)
	River Street East (3400)
	West Flat (2600, 2610, 2620)
	Westview (2800)
W Hill	Lakeview/Kerr Cove (3350)
	West Hill (2700, 2710)

Data and Analysis

The lease rates, vacancy, collection loss, and tenant inducements information was collected from returned income and expense forms from 2019-2022. Since a time adjustment was not required it was determined to use the 2022 income and expense information. In 2022 the return rate for the income and expense forms was 84.62%.

A total of 2274 multi-unit residential rental rates from the 2022 year were analyzed. The rent model stratification determined location, property type and suite type as the major factors in determining the predicted rents. Below are the counts for each property type:

Suite Type	Townhouse Property Count
Bachelor	N/A
1 Bedroom	22
2 Bedroom	265
3 Bedroom	46
Total	333

Suite Type	Low Rise Property Count
Bachelor	50
1 Bedroom	260
2 Bedroom	557
3 Bedroom	147
Total	1014

Suite Type	High Rise Property Count
Bachelor	21
1 Bedroom	302
2 Bedroom	432
3 & 4 Bedroom	57
Total	812

Suite Type	Four Plex Property Count
Bachelor	N/A
1 Bedroom	21
2 Bedroom	60
3 Bedroom	34
Total	115

RENTAL RATES

Once the analysis was complete, the results showed rental rates were stratified by Location, Property Type, and Suite Type by using the median rate. Below is the summary of the rates:

Location Name	Tenant Type Name	Suite Count	Rental Rate
Carlton Park & Crescent Acres	High Rise Bachelor	3	\$750.00
	High Rise 1 Bedroom	44	\$794.00
	High Rise 2 Bedroom	185	\$905.00
	High Rise 3 - 4 Bedroom	36	\$935.00
	Townhouse 2 - 4 Bedroom	68	\$1,000.00
	Fourplex 2 - 4 Bedroom	12	\$1,000.00
	Low Rise Bachelor - 1 Bedroom	13	\$727.00
	Low Rise 2 Bedroom	106	\$785.00
	Low Rise 3 - 4 Bedroom	81	\$885.00

Location Name	Tenant Type Name	Count	Rental Rate
Crescent Heights, East Hill, Riverview, & River Heights	High Rise Bachelor - 1 Bedroom	20	\$819.00
	High Rise 2 - 4 Bedroom	32	\$970.00
	Townhouse 1 Bedroom	6	\$620.00
	Townhouse 2 – 4 Bedroom	72	\$1,000.00
	Fourplex 1 Bedroom	18	\$750.00
	Fourplex 2 Bedroom	57	\$800.00
	Fourplex 3 Bedroom	20	\$975.00
	Low Rise Bachelor	25	\$650.00
	Low Rise 1 Bedroom	123	\$815.00
	Low Rise 2 Bedroom	176	\$875.00
	Low Rise 3 Bedroom	7	\$900.00
Midtown, East Flat, West Flat, & Westview	High Rise Bachelor	10	\$700.00
	High Rise 1 Bedroom	180	\$926.00
	High Rise 2 – 4 Bedroom	95	\$995.00
	Townhouse 1 Bedroom	16	\$750.00
	Townhouse 2 – 4 Bedroom	100	\$850.00
	Fourplex 1 Bedroom	3	\$600.00
	Fourplex 2 – 4 Bedroom	5	\$950.00
	Low Rise Bachelor	18	\$505.00
	Low Rise 1 Bedroom	77	\$610.00
	Low Rise 2 Bedroom	184	\$750.00
	Low Rise 3 Bedroom	6	\$1,043.00
West Hill, Lakeview/Kerr Cove	High Rise Bachelor	8	\$765.00
	High Rise 1 Bedroom	58	\$925.00
	High Rise 2 Bedroom	121	\$975.00
	High Rise 3 – 4 Bedroom	20	\$1,050.00
	Townhouse 2 – 4 Bedroom	71	\$1,650.00
	Low Rise Bachelor	7	\$650.00
	Low Rise 1 Bedroom	47	\$775.00
	Low Rise 2 Bedroom	91	\$916.00
	Low Rise 3 Bedroom	53	\$1015.00

VACANCY

Vacancy	%
Low Rise	5.30
High Rise	4.30
Townhouse	0.00
4 Plex	4.26

OVERALL EFFECTIVE GROSS INCOME MULTIPLIERS

EGIM	Multiplier
Overall	9.25

ASSESSMENT TO SALES RATIO SUMMARY RESULTS

Ratio Statistics for Assessment/Adjusted Price	
Statistic	Value
Number of Sales	29
Median ASR	1.00
Coefficient of Dispersion	12.13%

Median ASR is the ratio of the assessed value to the sale price (or adjusted sale price) of a property or group of properties.

Coefficient of Dispersion (COD) is most common measure of appraisal uniformity. This is the average deviation of a group of numbers from the median expressed as a percentage of the median.

Example Assessment Calculation

Provided below is an example of how an assessment value is calculated based on the variables determined in the 2025 Multi-unit Residential Model.

In the example, we will use a 10 unit, low rise apartment in Midtown, with a suite mix of 1- bachelor unit, 2 - 1 bedroom units, and 7 - 2 bedroom units and will be annualized for the year.

<u>Suite Type</u>	<u>Number of units</u>	<u>Monthly Lease Rate</u>	<u>Total</u>
Bachelor	1 x	\$505 x 12 months	= \$6,060
1 Bedroom	2 x	\$610 x 12 months	= \$14,640
2 Bedroom	7 x	\$750 x 12 months	= <u>\$63,000</u>
		Total	= \$83,700
		Less Vacancy (Low Rise – 5.30%)	= <u>-\$4,436</u>
		Total	= \$79,264
		Effective Gross Income Multiplier (x 9.25)	= <u>\$733,192</u> or \$733,200 rounded

Market Value Based Assessment Legislation in Saskatchewan

“Saskatchewan has different assessment legislation 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 Value 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;"

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;"¹

“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 the subject to the requirements of the Market Valuation Standard.”¹

Property Type

There are 4 property types in multi-unit residential:

Low Rise Apartment: The building has typically 1-3 stories with 4 or more units. They usually have a common entrances and the unit access is from an interior hallway. The units are self-contained and secure.

¹ Market Value Assessment in Saskatchewan Handbook Introduction May 21, 2020 page 1.

High Rise Apartment: The building has typically 4 or more rentable stories. The Marshall & Swift description of high-rise apartment is “...multiple dwelling units with 3 or more floors, with kitchen facilities.”² There is a common entrance and the suite access is from an interior hallway. The units are self-contained and secure and the building will usually have an elevator.

Townhouse: Properties typically have 4 units or more that are side by side or have units on each corners and have common wall between each unit. They typically are bi-level or two story and the main floor and basement are occupied by the same resident. Each unit has a private entrance, electrical, plumbing, and heating systems.

Townhouse classification also includes semi-detached units when they are part of a larger multi-unit residential parcels. Semi-detached dwellings accommodate two dwellings with a common wall between them and separate entry, electrical, plumbing, and heating systems.

Fourplex: Typically constructed like a low-rise apartment, but only has 4 units. The building will have 2 units in the semi-basement and 2 units on the main floor. There is usually a common entrance and the units are self-contained and secure with separate electrical, plumbing, and heating systems.

Low Rise House-Style: Originally, these would have been residential homes but have been split into separate suites of 4 units or more. The units may have a separate entrance, but some properties will have a common entrance. They are entered as a low rise apartment.

Neighbourhood Details

Below are the multi-unit residential neighbourhood areas, neighbourhood codes, and the number of multi-unit residential properties within each area.

Carlton Park (1000): There are 4 multi-unit residential properties where there is 2 low rise and 2 high rise apartments built between 1977 and 2000.

Crescent Acres (1100): There are 21 multi-unit residential properties where there are 3 fourplex properties, 12 townhouse, 1 low rise, and 5 high rise properties built between 1985 and 1986.

Crescent Heights (1200 & 1210): There are 22 multi-unit residential properties where there is 15 fourplex properties, 1 townhouse, 5 low rise, and 1 high rise property built between 1964 and 1979.

East Flat (1300): There are 17 multi-unit residential properties where there is 1 fourplex, 11 townhouse, 2 low rise, and 3 high rise properties built between 1969 and 2011.

East Hill (1400 & 1410): There are 82 multi-unit residential properties where there is 28 fourplex properties, 30 townhouses, 21 low rise, and 4 high rise properties built between 1912 and 2019

Midtown (1800, 1810, & 1820): There are 42 multi-unit residential properties where there is 16 townhouse, 19 low rise, 7 high rise properties built between 1910 and 2019.

River Heights (2300): There is 1 multi-unit residential property which is a low rise property built in 1980. The lease rate value is based on the East Hill neighbourhood because there are 2 low rise apartments of similar ages and style as the one in River Heights.

² Marshall & Swift Valuation Service 2022 Section 11 Page 1 November 2020.

West Flat (2600, 2610, & 2620): There are 15 multi-unit residential properties where there is 1 fourplex, 5 townhouses, 7 low rise, and 3 high rise properties built between 1905 and 2019.

West Hill, Lakeview/Kerr Cove (2700, 2710 & 3350): There are 19 multi-unit residential properties where there is 4 townhouse, 11 low rise, and 3 high rise properties built between 1910 and 2021.

Westview (2800): There are 6 multi-unit residential properties where there are 3 townhouses and 3 low rise properties built between 1976 and 1978.

Multi-Unit Residential Analysis 2025

Modelling – Ratio Study

The Multi-Unit Residential Model is an income model that values the multi-unit residential properties in the City of Prince Albert. Multi-unit residential properties include non-condominium properties with four or more self-contained units.

The City of Prince Albert is required by Saskatchewan legislation to update the assessment values of all the properties every four years. This ratio study will determine the multi-unit residential assessment values for the 2025 revaluation. The 2025 revaluation has a base date of January 1, 2023 and uses valid sales and returned income and expense information between the period of January 1, 2019 and December 31, 2022. The information collected during that time frame is statistically analyzed and will determine updated assessed values for the multi-unit residential properties.

Within the model, the analysis looked at the sales and determine if a time adjustment is warranted, determined any stratification amongst the properties, and determined an effective gross multiplier(s). The information collected from the properties were analyzed to determine vacancy rates, bad debts, incentives and rental rates.

Ratio studies are a recognized method to compare assessed values to market values. The Assessment to Sales Ratio (ASR) is the most common indicator to measure how the assessed value compares to the sales price of the property.

$$\text{ASR} = \text{Assessed Value} / \text{Adjusted Sale Price}$$

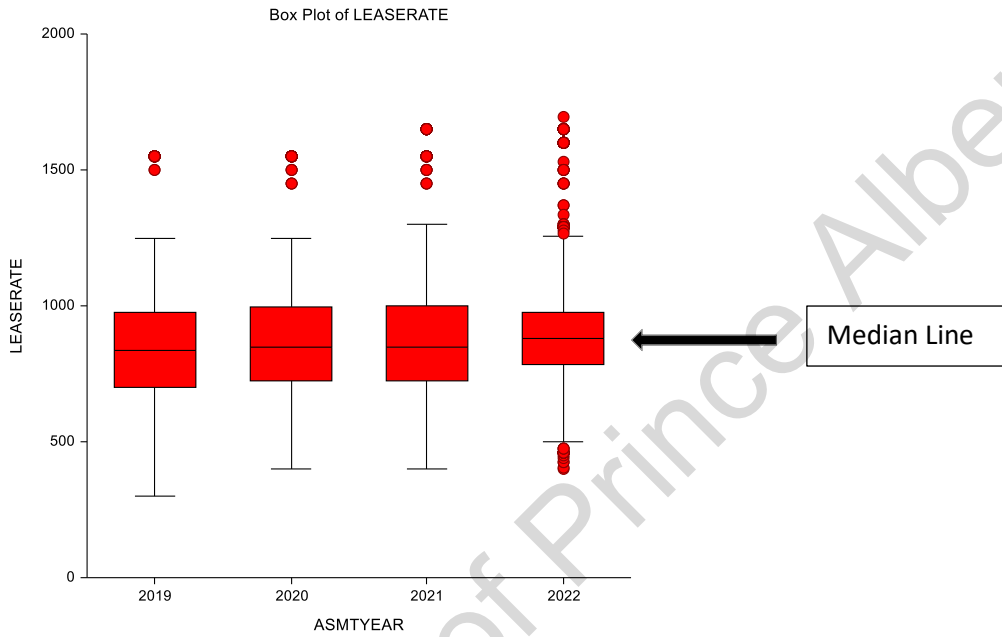
Measures of appraisal level is using statistical measures of central tendency such as mean, median, or weighted mean. The median is most commonly used as it is less influenced by outliers.

Measures of appraisal uniformity are used to determine the magnitude of the differences “between each individual ratio of appraisal level (ASR) and the average ratio (ASR) of the group. Appraisal uniformity between groups is measured by comparing the measures of average appraisal level calculated for each group of properties.

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. The COD also indirectly measures the quality of the appraisal process by which appraisal modelled values are developed.

Income Approach

In the multi-unit residential model, there were 29 multi-unit residential properties sold from 2019-2022 that were used in the analysis. The first step is to determine if a time adjustment is needed. The boxplot results below show the medians are flat and as a result a time adjustment is not needed.



Income-producing multi-unit residential property value for assessment purposes is calculated by using the Effective Gross Income Multiplier (EGIM) method of capitalization.

The effective gross income (EGI) is calculated using the potential gross income of the property (i.e. the rents), minus an allowance for vacancy.

$$\text{EGI} = \text{Gross Income} - \text{Vacancy Allowance}$$

The sale price of a property that has sold, divided by the property's EGI, will determine the EGIM.

$$\text{EGIM} = \text{Sale Price} / \text{EGI}$$

Once the multipliers have been determined, they are applied to the multi-unit residential properties to estimate value.

$$\text{Value} = \text{Income (EGI)} \times \text{Rate (EGIM)}$$

For the revaluation period the overall EGIM of 9.25 will be used.

Multi-Unit Residential Sales 2019-2022

Roll Number	Address	Sale Month	Sale Year	Adjusted Sales Price	EGI (Rounded)	EGIM	Predicted Value	ASR
101005550	36 20 th Street West	3	2022	\$1,130,000	\$119,092	9.4884	\$1,101,600	0.97
101007780	2101 1 st Street West	7	2022	\$362,000	\$53,182	6.8068	\$492,000	1.36
200000130	510 River Street East	11	2020	\$1,100,000	\$102,422	10.7399	\$947,400	0.86
200000840	517 5 th Street East	4	2020	\$375,000	\$58,800	6.3776	\$543,900	1.45
200002080	568 6 th Street East	12	2021	\$310,000	\$40,800	7.598	\$377,400	1.22
200009180	239 12 th Street East	12	2022	\$650,000	\$111,876	5.81	\$1,034,900	1.59
201010500	73 24 th Street East	1	2022	\$315,000	\$37,103	8.49	\$343,200	1.09
201013030	450 27 th Street East	3	2021	\$337,500	\$36,192	9.3254	\$334,800	0.99
201013220	475 27 th Street East	10	2021	\$414,900	\$36,192	11.464	\$334,800	0.81
201013270	533 27 th Street East	2	2022	\$404,000	\$35,043	11.5288	\$324,100	0.80
201013480	490 28 th Street East	2	2019	\$350,000	\$36,192	9.6707	\$334,800	0.96
201014000	44 26 th Street East	4	2022	\$1,674,000	\$173,013	9.6756	\$1,600,400	0.96
202000530	2926 5A Avenue East	1	2021	\$635,000	\$48,000	13.2292	\$444,000	0.70
202000910	3060 5 th Avenue East	4	2021	\$435,000	\$48,000	9.0625	\$444,000	1.02
202000975	2920 5 th Avenue East	2	2021	\$400,000	\$48,000	8.3333	\$444,000	1.11
202000980	2900 5 th Avenue East	2	2021	\$400,000	\$48,000	8.3333	\$444,000	1.11
220008626	779 7 th Street East	11	2021	\$390,000	\$40,800	9.5588	\$377,400	0.97
220008636	785 7 th Street East	11	2021	\$390,000	\$40,800	9.5588	\$377,400	0.97
220009060	957 7 th Street East	1	2021	\$420,000	\$40,800	10.2941	\$377,400	0.90
221016560	616 28 th Street East	1	2019	\$322,000	\$36,192	8.8971	\$334,800	1.04
221016580	632 28 th Street East	11	2019	\$315,000	\$36,192	8.7037	\$334,800	1.06
221016640	692 28 th Street East	10	2020	\$313,750	\$36,192	8.6691	\$334,800	1.07
221016650	704 28 th Street East	10	2020	\$313,750	\$36,192	8.6691	\$334,800	1.07
241010510	2190 15 th Avenue East	7	2019	\$465,000	\$48,000	9.6875	\$444,000	0.95
241010520	2182 15 th Avenue East	11	2020	\$445,000	\$48,000	9.2708	\$444,000	1.00
241010530	2168 15 th Avenue East	12	2021	\$444,000	\$48,000	9.25	\$444,000	1.00
241010590	2072 15 th Avenue East	8	2019	\$470,000	\$48,000	9.7917	\$444,000	0.94
241016250	1640 Olive Diefenbaker Drive	4	2020	\$3,195,000	\$384,000	8.3203	\$3,552,000	1.10
242005910	2815 Eagle Crescent	9	2019	\$1,090,000	\$123,437	8.8304	\$1,141,800	1.05