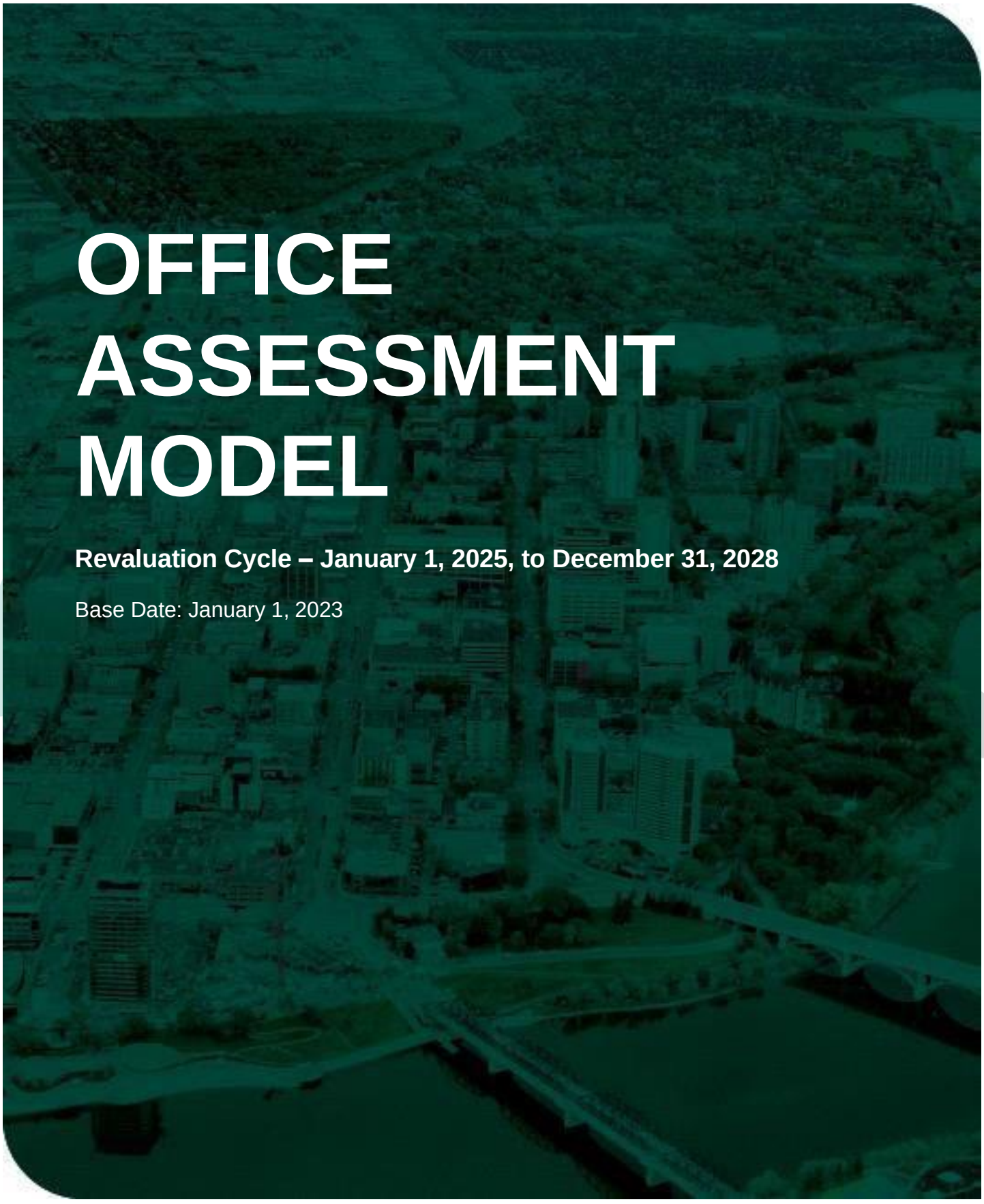

OFFICE ASSESSMENT MODEL

Revaluation Cycle – January 1, 2025, to December 31, 2028

Base Date: January 1, 2023

City of Saskatoon

OFFICE ASSESSMENT MODEL

The Office Model is an income model that values office properties.

The Office Model is a city-wide model in application. There are a number of Assessment Office Neighborhoods [AO NBHDs] located throughout the city. They are combined into Market Areas.

Revaluation Cycle – January 1, 2025 to December 31, 2028

Effective Date of Valuation – January 1, 2023

Date of Report – January 1, 2025

City of Saskatoon

Model Summary

Central Business District (CBD) Rent Model

	Rate per sq ft	Count
Constant	16.11	382
Site Characteristics		
Class 1	9.12	40
Class 2 & 3	1.88	102
Class 4	0	125
Class 5	0	8
Class 6	0	62
Class 7 & 8	-5.15	45
Tenant Characteristics		
Basement/Semi Basement	-5.48	10
Main Floor Rental Space	1.73	84
Upper Floor Rental Space	0	288
Retail (Retail CRU, Retail Freestanding, Restaurant CRU, Restaurant Freestanding)	2.66	45

City of Saskatoon

CBD Parking Model

	Non-Electrified	Electrified	Covered	Enclosed
Net Rent per Month (Rounded)	94.00	87.00	118.00	191.00

Non-CBD Rent Model

	Rate per sq ft	Count
Constant	18.22	603
Site Characteristics		
North of CBD (30001, 30004, 30022, 30024)	0	22
West Central #1 (30002, 30003, 30005, 30014, 30018, 30032, 30102)	-4.33	24
West Central #2 (30027, 30028, 30030, 30015, 30031, 30024, 30029, 30033)	-5.39	27
Industrial North (30006, 30007, 30013, 30017, 30019, 30023, 30026, 30114, 30113, 30016, 30021, 50000, 50001, 50002, 50100, 60000, 60100, 80000, 80002, 80004, 80100, 80105)	-5.81	160
North East (30108, 30115, 30116, 30107, 30103, 30117)	-6.65	66
North East Central (30100, 30101, 30105, 30109, 30110, 30112, 30020, 30104, 30111)	0	168
Innovation Place (30106, 70100, 70101, 70102)	-3.08	136
Effective Age Adjusted ≥ 2000	Linear Curve[1]	603
Office Mixed Use	-3.79	11
Elevator	1.43	221
Tenant Adjustments		
Basement/Semi Basement	-6.20	1
Main Floor	0	451
Upper Floor	0	151
Warehouse/Warehouse Freestanding	-5.96	2
Warehouse Multi-Tenant Flex/Warehouse Office-Single Tenant	-5.96	23

[1] See Non-CBD Effective Age Linear Curve Adjustment

Non-CBD Effective Age Linear Curve Adjustment

Effective Age	Per Sq Ft
2000	$2.41
2001	$4.00
2002	$5.21
2003	$6.21
2004	$7.05
2005	$7.79
2006	$8.46
2007	$9.06
2008	$9.61
2009	$10.12
2010	$10.59
2011	$11.03
2012	$11.45
2013	$11.84
2014	$12.22
2015	$12.57
2016	$12.91
2017	$13.24
2018	$13.55
2019	$13.85
2020	$14.14
2021	$14.42
2022 & After	$14.69

City of Saskatoon

Vacancy - CBD

Building	Class	Vacancy %
Office	1	23
	2 & 3	26
	4, 5 & 6	11
	7 & 8	10

Vacancy – Non-CBD

AO NBHD	Vacancy (%)
30001, 30004, 30022, 30024	2
30027, 30028, 30029, 30015, 30030, 30031, 30033, 30034	11
30006, 30007, 30013, 30017, 30019, 30023, 30026, 30114, 30113, 30016, 30021, 50000, 50001, 50002, 50100, 60000, 60100, 80000, 80002, 80004, 80100, 80105	11
30002, 30003, 30005, 30014, 30018, 30032, 30102	9
30106, 70100, 70101, 70102	16
30108, 30115, 30116, 30107, 30103, 30117	14
30100, 30101, 30105, 30109, 30110, 30112, 30020, 30104, 30111	6

City of Saskatoon

Expense

Non-Recoverables – CBD

Building	Per Sq Ft
Non-Elevatored	10.50
Elevatored	13.50
Medical Non-Elevatored	15.90
Medical Elevatored	15.90

Non-Recoverables – Non-CBD

Building	Per Sq Ft
Non-Elevatored Office	8.90
Elevatored Office	13.50
Medical Elevatored	14.50
Medical Non-Elevatored	14.50

Structural Allowance

Structural allowance is applied at 0.60 per sq ft city wide.

City of Saskatoon

Sales

Size	# of Sales	Median Cap Rate
≤7,100 ft^2	39	4.77
> 7,100 to ≤ 25,000 ft^2	14	5.14
> 25,000 ft^2	9	9.04
Citywide	62	N/A

Ratio Study

Number of Sales	62
Median Assessment to Sale Price Ratio (ASR)	1.00
Coefficient of Dispersion (COD)	28.56%

City of Saskatoon

Scope of Data and Analysis

Valuation Approach

The appraisal method employed for office properties is direct capitalization of market net operating income. Direct capitalization is widely used in mass appraisal and achieves acceptable results while being relatively straightforward.

The analysis starts with estimating the market rents and vacancies for each property. Typical rental agreements for office properties are net rents. The tenant is responsible for paying all the costs associated with occupying the property such as property taxes, insurance, utilities, routine maintenance, property management, etc.

The only expenses that are not passed on to the tenant are the costs associated with periodic replacement of major building components (such as roof cover or replacement of heating equipment) and costs that cannot be passed on to tenants due to vacancy. In valuation terminology, the first is a “structural allowance”, and the second is a “non-recoverable expense”.

Once market rents, vacancies, and expenses are determined, they are used to derive a stabilized estimate of net operating income (NOI) for each property. The NOI is then expressed as a percentage of the sales price. The resulting percentage is the estimated capitalization rate (cap rate) of the sale. The relationship between the NOI and sale price captures a number of factors including risk and economic conditions.

Each valid sale is analyzed in this manner. The market groups are then defined and a typical capitalization rate is determined for each market segment. Market rents, vacancies, and expenses are an integral part of the process; capitalization rates may vary when different market rents, vacancies, or expenses are employed.

Excluded from the analysis are partially completed buildings and those where there is a significant amount of deferred maintenance.

Once typical capitalization rates are determined, they are used to value office property where market rents, vacancies, and expenses are estimated.

Using direct capitalization rates in mass appraisal is straightforward when net rents are typical in the marketplace. When net rents are used, the influence of expenses in estimating net operating income is small. Direct capitalization rates are a widely accepted method used within the commercial real estate industry to reflect the rates of return negotiated by buyers and sellers. Sales transactions ultimately determine the capitalization rates.

City of Saskatoon

Rent Model

Contract rents in Saskatoon are typically negotiated on a per square foot per year basis. The assessor's annual Request for Information documents requests property owners and managers to report based on the amount of leasable area.

Property owners and managers were asked to provide rental information for the years 2019, 2020, 2021 and 2022. The data was analyzed using Multiple Regression Analysis (MRA). When sample sizes are relatively large, MRA is the most commonly used analytical tool in the mass appraisal of real estate. MRA is a statistical technique that allows the user to predict one value (rent, etc.) from the known values of other multiple variables simultaneously such as location, age, size, etc.

The rent model, unlike the sales stratification, was developed using MRA. The rent Model reflects the rental market – made up of landlords and tenants – whereas the sales stratification reflects the investment market – made up of vendors and purchasers. This distinction is important.

The data was tested for time trends over four years (2019, 2020, 2021, 2022) resulting in no significantly measurable changes. It was concluded that the rental data for all four years is representative of the office rental market as of January 1, 2023 (base year).

Similar to previous valuation cycles, data between these four years indicated a statistical delineation between the CBD and NON-CBD. For the 2025 revaluation cycle, the office rent model is stratified by CBD and NON-CBD.

A total of 603 net rents were used for analysis in the NON-CBD analysis, and 382 rents were used in the CBD analysis. Both models are based on the following:

- net leases
- lease start date between January 1, 2019 and December 31, 2022
- rents were used once, based on the lease start date for each lease contract between January 1, 2019 and December 31, 2022.

City of Saskatoon

Rent Statistics

CBD Office Rent

CBD Office Rent	Count	Mean	Median	Minimum	Maximum
Total	382	$17.51	$16.50	$2.12	$48.00
Class 1	40	$25.81	$29.00	$13.25	$37.00
Class 2	23	$18.55	$16.50	$5.21	$31.00
Class 3	79	$18.54	$19.00	$5.00	$48.00
Class 4	125	$16.02	$16.00	$5.11	$32.00
Class 5	8	$17.90	$17.65	$13.00	$26.00
Class 6	62	$17.63	$16.30	$2.12	$45.02
Class 7	38	$11.03	$10.40	$6.00	$22.30
Class 8	7	$15.14	$13.00	$12.00	$27.00
Tenant Characteristics					
Basement/Semi Basement	10	$12.90	$10.00	$5.00	$32.00
Main Floor Rental Space	84	$19.54	$17.29	$2.12	$48.00
Upper Floor Rental Space	288	$17.07	$16.50	$5.11	$38.16
Retail (Retail CRU, Retail Freestanding, Restaurant CRU, Restaurant Freestanding)	45	$21.30	$19.98	$2.12	$48.00
Effective Age <1920	38	$19.27	$15.00	$2.12	$45.02
Effective Age 1920s	9	$17.94	$16.00	$14.00	$33.00
Effective Age 1930s	4	$12.75	$12.50	$12.00	$14.00
Effective Age 1940s	11	$10.39	$8.04	$6.00	$17.00
Effective Age 1950s	19	$17.03	$18.00	$10.00	$27.00
Effective Age 1960s	54	$14.83	$15.11	$5.11	$25.00
Effective Age 1970s	78	$15.84	$15.51	$5.99	$26.00
Effective Age 1980s	106	$17.35	$16.50	$5.00	$48.00
Effective Age 1990s	15	$18.16	$16.60	$5.70	$31.00
Effective Age 2000s	1	$16.50	$16.50	$16.50	$16.50
Effective Age >2010s	24	$30.71	$30.50	$23.12	$37.00
Tenant Size					
Tenant Size < 5,000	323	$16.87	$16.00	$2.12	$48.00
Tenant Size > 5,000 to 6,000	10	$17.78	$18.00	$8.30	$24.00
Tenant Size > 6,000 to 7,000	15	$19.84	$17.00	$14.30	$34.00
Tenant Size > 7,000 to 8,000	12	$19.87	$18.50	$5.70	$34.00
Tenant Size > 8,000 to 9,000	3	$20.17	$14.50	$13.00	$33.00
Tenant Size > 9,000 to 10,000	2	$15.00	$15.00	$13.00	$17.00
Tenant Size > 10,000 to 11,000	1	$16.50	$16.50	$16.50	$16.50
Tenant Size > 11,000 to 12,000	0	0	0	0	0
Tenant Size > 12,000 to 13,000	1	$18.00	$18.00	$18.00	$18.00

Tenant Size > 13,000 to 14,000	1	$29.00	$29.00	$29.00	$29.00
Tenant Size > 14,000 to 15,000	8	$29.38	$29.00	$29.00	$32.00
Tenant Size > 15,000 to 16,000	3	$23.33	$22.00	$14.00	$34.00
Tenant Size > 16,000 to 17,000	1	$25.00	$25.00	$25.00	$25.00
Tenant Size > 17,000 to 18,000	0	0	0	0	0
Tenant Size > 18,000 to 19,000	1	$23.00	$23.00	$23.00	$23.00
Tenant Size > 19,000 to 20,000	0	0	0	0	0
Tenant Size > 20,000	1	$15.83	$15.83	$15.83	$15.83

Non-CBD Office Rent

Non-CBD Office Rent	Count	Mean	Median	Minimum	Maximum
Total	603	$17.67	$17.00	$1.82	$43.00
North of CBD (30001, 30004, 30022)	22	$17.19	$18.00	$5.00	$23.70
West Central #1 (30002, 30003, 30005, 30014, 30018, 30102)	24	$14.23	$13.11	$5.56	$30.38
West Central #2 (30027, 30028, 30030, 30015)	27	$18.60	$18.00	$7.60	$32.00
Industrial North (30006, 30007, 30013, 30017, 30019, 30023, 30026, 30114)	160	$13.65	$12.91	$5.00	$27.00
North East (30108, 30115, 30116)	66	$22.75	$23.00	$13.00	$34.00
North East Central (30100, 30101, 30105, 30109, 30110, 30112, 30020)	168	$21.67	$18.00	$9.35	$43.00
Innovation Place (30106)	136	$15.52	$16.46	$1.82	$25.71
Effective Age ≥ 1989	338	$19.96	$19.50	$1.82	$43.00
Elevator	221	$19.16	$20.00	$1.82	$32.00
Basement/Semi Basement	1	$15.00	$15.00	$15.00	$15.00
Main Floor	451	$17.70	$16.50	$3.00	$43.00
Upper Floor	151	$17.63	$17.65	$1.82	$32.00
Warehouse (Warehouse, Warehouse Freestanding, Warehouse/Office-Single Tenant, Warehouse Multi-Tenant Flex)	25	$9.54	$10.00	$3.00	$20.00

Effective Age <1920	0				
Effective Age 1920s	0				
Effective Age 1930s	0				
Effective Age 1940s	0				
Effective Age 1950s	1	$13.44	$13.44	$13.44	$13.44
Effective Age 1960s	28	$14.10	$12.43	$5.00	$30.38
Effective Age 1970s	68	$14.14	$14.88	$5.00	$30.00
Effective Age 1980s	174	$15.21	$15.00	$6.00	$29.00
Effective Age 1990s	186	$15.78	$16.44	$1.82	$28.00
Effective Age 2000s	59	$20.37	$20.00	$5.56	$34.00
Effective Age >2010s	87	$28.57	$26.00	$10.00	$43.00
Tenant Size < 5,000	516	$17.66	$16.67	$1.82	$43.00
Tenant Size > 5,000 to 6,000	28	$20.23	$20.39	$5.56	$34.00
Tenant Size > 6,000 to 7,000	10	$18.95	$17.65	$14.00	$32.00
Tenant Size > 7,000 to 8,000	13	$17.01	$18.97	$6.00	$25.00
Tenant Size > 8,000 to 9,000	6	$13.70	$10.50	$9.00	$23.70
Tenant Size > 9,000 to 10,000	8	$17.21	$18.18	$9.80	$24.00
Tenant Size > 10,000 to 11,000	5	$17.33	$20.00	$7.48	$21.50
Tenant Size > 11,000 to 12,000	1	$8.92	$8.92	$8.92	$8.92
Tenant Size > 12,000 to 13,000	5	$11.77	$11.62	$3.28	$16.50
Tenant Size > 13,000 to 14,000	1	$5.00	$5.00	$5.00	$5.00
Tenant Size > 14,000 to 15,000	2	$19.50	$19.50	$15.00	$24.00
Tenant Size > 15,000 to 16,000	1	$16.46	$16.46	$16.46	$16.46
Tenant Size > 16,000 to 17,000	0	0	0	0	0
Tenant Size > 17,000 to 18,000	1	$17.65	$17.65	$17.65	$17.65
Tenant Size > 18,000 to 19,000	0	0	0	0	0
Tenant Size > 19,000 to 20,000	0	0	0	0	0
Tenant Size > 20,000	6	$18.97	$20.42	$12.14	$23.00

CBD Parking Model

CBD parking rents are analyzed based on the type of stall. Parking rents are included within the CBD office model because office property owners typically charge rent for them in the CBD market.

Market rents were calculated using only the rents which were reported by fully rented and partially owner-occupied properties. Properties that did not charge rent were not used in the analysis.

The analyzed data included only the parking stalls which were part of an office development. This approach inherently considers the possibility that office property owners may be giving their tenants a parking rental rate benefit, compared to independently operated parking lots and parkades.

The typical market incomes and expenses associated with each type of parking stall were estimated and stabilized. The market expense estimates were then deducted from the market income estimates to determine the typical net operating income per stall per month for each of the parking stall types.

City of Saskatoon

Vacancy

Vacancies are *stabilized* to reflect the short- to mid-term expectations of buyers. In the income approach, vacancy rates are deducted from the potential gross income in order to arrive at an estimate of net operating income.

The assessor sends annual Request for Information forms to commercial property owners and managers. These queries include data on tenants, rents, property income and expenses, and vacancies. Actual annual vacancies and vacant space as of December 31st were requested and collected.

In the 2025 reassessment cycle, stabilized vacancy rates are based on reported annual vacancy rates in 2019 and 2022. Estimates are rounded to include an allowance for bad debts. The AO CAMA system does not allow for partial percentages, and this is taken into consideration when stabilizing vacancy rates. Reported average annual vacancies are calculated to one decimal point – for example, 3.1%. The corresponding stabilized average annual vacancy is established by rounding the average annual vacancy to a whole percentage. All vacancy rates are rounded up. For example, 2.7% is rounded to 3%, and 3.1% is rounded to up to 4%.

The assessor should not be overly optimistic or pessimistic in estimating a stabilized vacancy rate. It is generally acknowledged that unusually low vacancies encourage development, and this increases rates. Accordingly, where the average annual vacancy is less than 2%, or there is no reported average annual vacancy, a minimum vacancy percentage of 2% is established.

City of Saskatoon

Expense

With net rents, the tenant is responsible for paying all costs of occupying the property. The only expenses that are not passed on to the tenant are costs associated with periodic replacement of major building components (such as roof cover or replacement of heating equipment) and costs that cannot be passed on to tenants due to vacancy. In valuation terminology, the first is a “structural allowance”, and the second is a “non- recoverable expense”

Non-Recoverables

In order to estimate occupancy costs for office properties, the reported occupancy charges for each tenant from 2019 to 2022 were analyzed. The data set excluded owner-occupied and vacant areas. It incorporated only records where the rent type was reported as “net”, and a dollar amount was stated. The amounts were calculated to a common unit of measurement – the annual cost per square foot of leased area.

Non-recoverable expenses may also be known as the occupancy cost. A total of 1,751 occupancy costs were collected between 2019 and 2022. In order to ensure that actual costs were not understated, only data where the stated amount was greater than zero was included in the analysis. Due to the sufficiency of data, only one of the four years was selected to represent the market as of the base date of January 1, 2023. The year that was selected was 2022 as it occurred within the closest allowable timeframe relative to the base date. The CBD used 257 occupancy costs from 2022. The Non-CBD used 359 occupancy costs from 2022.

Structural Allowance

A structural allowance is normally provided in real estate valuations to account for periodic replacement of major building components. Considering the life span and cost of roof cover and heating equipment, an allowance of 0.60/ft^2 per year is applied. This value was determined using the 2022 Marshall and Swift Cost Manual.

Sales

Once market rents, vacancies, and expenses are determined, they are used to derive a stabilized estimate of net operating income (NOI) for each property. The NOI is then expressed as a percentage of the sales price. The resulting percentage is the estimated capitalization rate (cap rate) of the sale. The relationship between the NOI and sale price captures a number of factors including risk and economic conditions.

Each valid sale is analyzed in this manner, then market groups are defined, and a typical cap rate is determined for each market segment. Because market rents, vacancies, and expenses are an integral part of the process, cap rates may vary when different market rents, vacancies, or expenses are employed.

City of Saskatoon

There was a total of 62 office sales that occurred between 2019 and 2022 that were used in the cap rate analysis. The 62 sales represent approximately 12% of the inventory. Unlike the previous revaluation, the cap rates for the 2025 revaluation cycle require a time adjustment.

The median capitalization rate analysis involved 62 sales and are detailed in the following table:

Group	Roll	Address	Sale Date	AO NBHD	Size	Fully TimeAdj Sale Price	Modelled NOI	TimeAdj Cap Rate
≤7,100	475958775	202 419 Willowgrove Sq	Feb-22	30108	754	97,196	14,482	14.90
≤7,100	484902100	213 33rd St W	May-19	30005	800	132,202	9,107	6.89
≤7,100	504916400	317 20th St W	Feb-20	30002	820	376,659	9,216	2.45
≤7,100	474917950	1215 Idylwyld Dr N	Jun-20	30018	912	180,739	10,250	5.67
≤7,100	474917950	1215 Idylwyld Dr N	Mar-21	30018	912	279,614	10,250	3.67
≤7,100	535520210	210 3502 Taylor St E	Aug-22	30112	947	303,086	15,145	5.00
≤7,100	485103400	622 Duchess St	May-21	30001	1312	543,635	22,406	4.12
≤7,100	515134020	201 611 University Dr	Jul-22	30110	1335	365,316	21,350	5.84
≤7,100	484901200	415 33rd St W	Jan-22	30005	1560	387,577	17,533	4.52
≤7,100	484901200	415 33rd St W	Jul-19	30005	1560	248,180	17,533	7.06
≤7,100	495125250	323 6th Ave N	Nov-20	30009	1698	640,712	30,574	4.77
≤7,100	495605950	310 103rd St E	Apr-22	30114	1728	782,444	16,357	2.09
≤7,100	495605950	310 103rd St E	Jan-22	30114	1728	654,036	16,357	2.50
≤7,100	565220120	150 502 Wellman Cres	Nov-20	30116	1765	389,998	34,935	8.96
≤7,100	565220125	100 502 Wellman Cres	Apr-19	30116	1840	753,189	36,420	4.84
≤7,100	495006830	206 224 Pacific Ave	Nov-22	30008	1948	656,476	25,727	3.92
≤7,100	495006825	205 224 Pacific Ave	Nov-21	30008	2002	640,055	27,049	4.23
≤7,100	565236170	210 206 Wellman Cres	Jan-22	30116	2045	968,942	37,398	3.86
≤7,100	494821390	1006 22nd St W	Aug-19	30003	2579	626,663	28,985	4.63
≤7,100	525218650	1220 8th St E	Oct-19	30100	2582	1,028,074	60,846	5.92
≤7,100	474919890	620 33rd St W	Feb-22	30005	2898	609,906	32,570	5.34
≤7,100	535412120	3026 Taylor St E	Feb-21	30109	2928	880,526	46,827	5.32
≤7,100	494709600	701 Ave P N	Mar-21	30028	3000	681,323	27,671	4.06
≤7,100	464803140	237 Robin Cr	Jun-20	30007	3040	741,111	28,776	3.88

City of Saskatoon

Group	Roll	Address	Sale Date	AO NBH D	Size	Fully TimeAdj Sale Price	Modelled NOI	TimeAdj Cap Rate
≤7,100	535412060	3020 Taylor St E	Mar-21	30109	3069	766,291	48,051	6.27
≤7,100	464803090	243 Robin Cres	Mar-19	30007	3076	595,513	29,117	4.89
≤7,100	504916500	301 20th St W	Jul-20	30002	3140	862,584	35,290	4.09
≤7,100	515231570	1249 8th St E	Nov-22	30100	3261	1,390,000	43,352	3.12
≤7,100	505202050	1324 College Dr	Jun-22	30110	3680	1,476,339	58,854	3.99
≤7,100	525046040	1809 Lorne Ave	Apr-21	30110	3976	1,083,984	103,155	9.52
≤7,100	495016100	493 2nd Ave N	Mar-21	30004	4054	1,033,731	69,233	6.70
≤7,100	565236141	104 210 Wellman Cres	Apr-20	30116	4133	1,865,065	84,071	4.51
≤7,100	525311840	1125 Louise Ave	Jun-19	30105	4322	2,518,963	57,919	2.30
≤7,100	565236140	103 210 Wellman Cres	Feb-20	30116	4402	1,833,555	89,543	4.88
≤7,100	495004735	10 502 Idylwyld Dr N	Dec-20	30018	5393	1,024,474	91,060	8.89
≤7,100	515231690	1231 8th St E	Oct-19	30100	5704	1,765,605	74,601	4.23
≤7,100	495007500	313 Ontario Ave	Apr-21	30008	6434	1,885,190	91,984	4.88
≤7,100	474917790	1219 Idylwyld Dr N	Dec-21	30018	6666	839,887	74,919	8.92
≤7,100	515231980	1205 8th St E	Nov-21	30100	7054	2,471,536	112,813	4.56
> 7,100 to ≤ 25,000	455843001	219 Evergreen Sq	Jun-19	30117	8000	2,828,310	157,297	5.56
> 7,100 to ≤ 25,000	565230100	318 Wellman Lane	Feb-19	30116	9782	3,526,361	185,028	5.25
> 7,100 to ≤ 25,000	505038200	211 4th Ave S	Nov-21	30009	10122	2,118,514	129,764	6.13
> 7,100 to ≤ 25,000	485602590	801 Gray Ave	May-20	30114	10800	1,026,311	72,435	7.06
> 7,100 to ≤ 25,000	505039050	345 4th Ave S	Oct-21	30009	11238	2,879,993	144,708	5.02
> 7,100 to ≤ 25,000	494916280	202 22nd St W	Jun-22	30003	12160	3,198,735	136,665	4.27
> 7,100 to ≤ 25,000	565223080	203 Wellman Cres	Jul-21	30116	13567	5,897,545	252,468	4.28

City of Saskatoon

Group	Roll	Address	Sale Date	AO NBHD	Size	Fully TimeAdj Sale Price	Modelled NOI	TimeAdj Cap Rate
> 7,100 to ≤ 25,000	444905510	810 45th St W	Jul-22	30007	13960	2,685,568	132,144	4.92
> 7,100 to ≤ 25,000	505014690	250 2nd Ave S	Sep-22	30009	14800	2,568,534	169,539	6.60
> 7,100 to ≤ 25,000	505029940	325 20th St E	Apr-19	30009	16725	2,285,055	136,915	5.99
> 7,100 to ≤ 25,000	505030450	310 20th St E	Oct-20	30009	16994	4,814,223	233,159	4.84
> 7,100 to ≤ 25,000	505010200	101 2nd Ave N	Dec-20	30010	19704	4,377,296	180,029	4.11
> 7,100 to ≤ 25,000	515530350	3333 8th St E	Mar-19	30100	19930	7,256,578	538,363	7.42
> 7,100 to ≤ 25,000	524621250	1503 Fletcher Rd	Sep-21	30027	24709	4,831,203	243,129	5.03
>25,000	505024000	230 20th St E	May-20	30009	26738	4,524,890	400,009	8.84
> 25,000	505050300	145 1st Ave N	Nov-21	30009	27886	4,092,584	370,149	9.04
> 25,000	454914890	2309 Hanselman Pl	Sep-21	30007	29089	8,230,655	559,496	6.80
> 25,000	454914540	817 45th St W	Apr-20	30007	29928	2,956,253	248,085	8.39
> 25,000	454914800	2313 Hanselman Pl	Mar-19	30007	32563	2,453,915	308,238	12.56
> 25,000	464808400	2103 Airport Dr	Jun-21	30007	50109	3,793,302	474,327	12.50
> 25,000	425007280	3427 Faithfull Ave	Sep-21	30017	60750	16,844,130	1,261,840	7.49
> 25,000	505008450	122 1st Ave S	Jul-22	30010	130618	13,329,104	2,100,663	15.76
> 25,000	505010700	123 2nd Ave S	Sep-22	30010	133111	13,910,823	2,359,077	16.96

Saskatoon

Sale Stratification

Size	# of Sales	Group Cap Rate
≤ 7,100 ft^2	39	4.77
> 7,100 to ≤ 25,000 ft^2	14	5.14
> 25,000 ft^2	9	9.04
Citywide	62	N/A

Sales Time Adjustment

Sales over four years were used to develop market cap rate. The data was reviewed and a time adjustment factor was assigned to each sale month. The following time adjustment factors in the chart are applied to the sale prices.

Sale Month (#)	Time Adjustment Factor	Sale Month (#)	Time Adjustment Factor	Sale Month (#)	Time Adjustment Factor
1	0.869	17	0.912	33	0.957
2	0.874	18	0.915	34	0.960
3	0.876	19	0.918	35	0.963
4	0.879	20	0.920	36	0.966
5	0.881	21	0.923	37	0.969
6	0.884	22	0.926	38	0.972
7	0.886	23	0.929	39	0.975
8	0.889	24	0.931	40	0.978
9	0.891	25	0.934	41	0.981
10	0.894	26	0.937	42	0.984
11	0.897	27	0.940	43	0.987
12	0.899	28	0.943	44	0.991
13	0.902	29	0.946	45	0.994
14	0.904	30	0.948	46	0.997
15	0.907	31	0.951	47	1.000
16	0.910	32	0.954	48	1.003

Ratio Study

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 arm's length sale transactions in the marketplace.

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

The median assessment-to-sale ratio and Coefficient of Dispersion for this office model is provided below:

Number of Sales	62
Median Assessment to Sale Price Ratio (ASR)	1.00
Coefficient of Dispersion (COD)	28.56%

City of Saskatoon