



**Assessment and Taxation
Évaluation et taxes**

VALUATION OF INCOME-PRODUCING PROPERTIES

2025 General Assessment

City of Winnipeg
Assessment and Taxation Department
February 16, 2024

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Introduction

This document provides an overview of the City of Winnipeg Assessment and Taxation Department's mass appraisal models for income-producing properties for the 2025 general assessment. These models predict the full market value of the fee simple interest for each property as of the reference date of April 1, 2023.

The income approach models described on the following pages are developed using multiple regression analysis. These models are comprised of sub-models which predict the potential income (rent, parking, and other), vacancy and collection loss, operating expenses, and capitalization rates.

The ratio statistics for the income-producing models meet the *Standard on Ratio Studies* published by the International Association of Assessing Officers (approved April 2013).

Data Collection

Physical Characteristics

The physical descriptions of land and improvements are obtained and updated from field inspections, building plans, and property owners. This information is stored in the Assessment and Taxation Department's ADVIS database.

Sales

Basic details regarding transfers of land come from the Land Titles Office of the Property Registry. The sales are investigated to determine if they are arm's-length transfers and good indicators of market value. Questionnaires mailed to the purchasers assist in this verification process.

Rents, Vacancy, and Expenses

Rents, vacancy rates, and operating expenses come primarily from questionnaires mailed to property owners. Also considered is rent, vacancy, and operating expense information in published reports (such as CMHC's Rental Market Report, The Johnson Report, and reports published by various real estate firms). Additional information filed in connection with revisions/appeals is also used.

Model Description

Income-producing properties are valued for assessment purposes using direct capitalization of net operating income (income approach).

The basic equation for direct capitalization is as follows:

$$\text{Market Value} = \frac{\text{Net Operating Income (NOI)}}{\text{Capitalization Rate}}$$

Net operating income is calculated as follows:

$$\text{Net Operating Income} = \text{Potential Annual Income} - \text{Vacancy and collection loss} - \text{Non-recoverable Operating Expenses}$$

Valuation of Multi-Family Properties

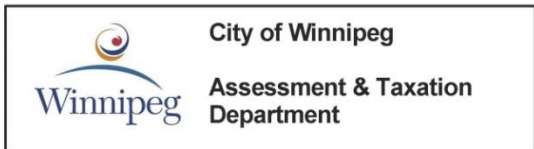
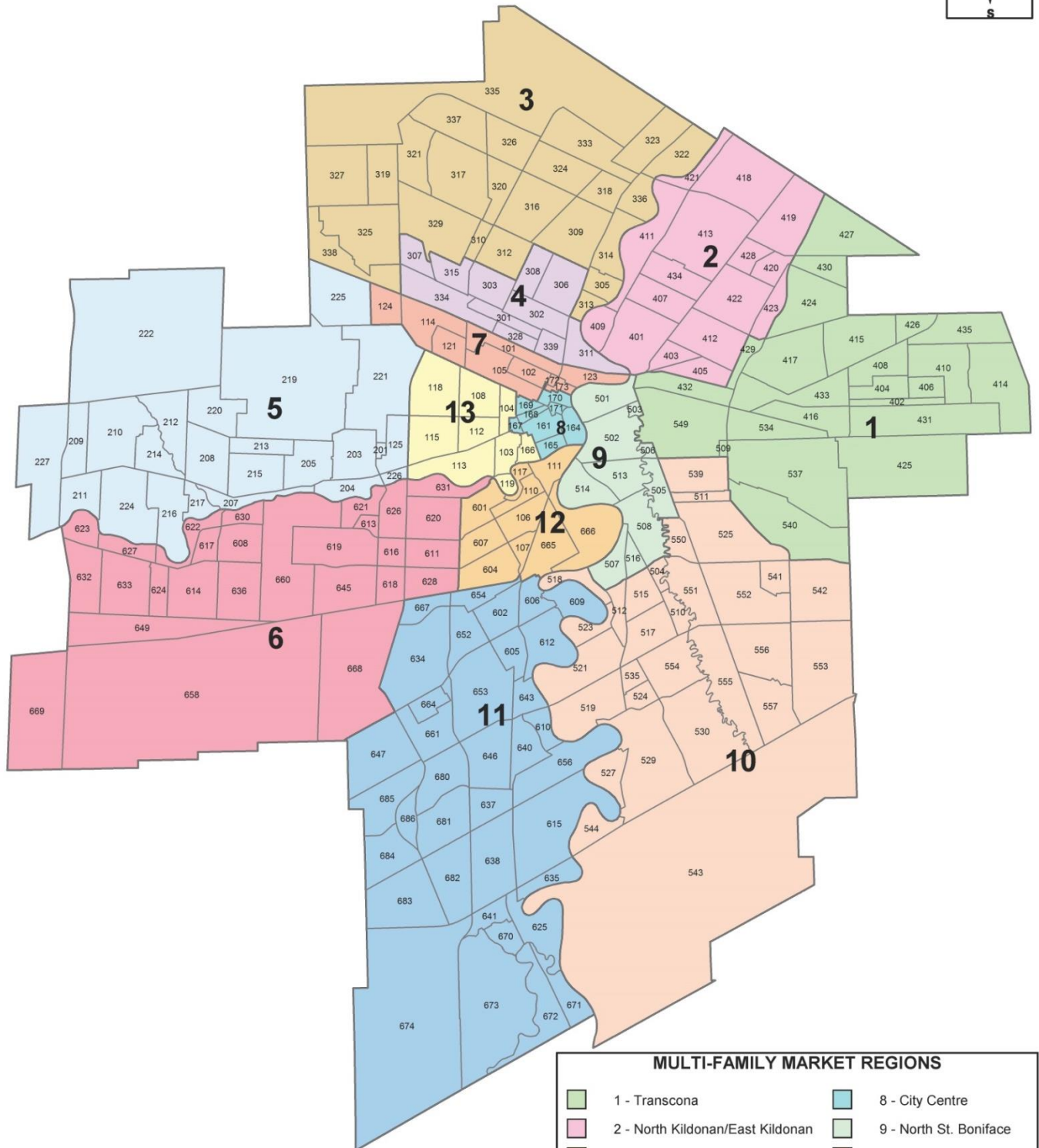
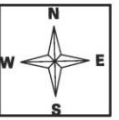
Market Regions

For valuation purposes, the city is divided into thirteen multi-family market regions.

Market Region	General Description
1	Transcona
2	North Kildonan / East Kildonan
3	Old Kildonan / West Kildonan
4	North End
5	St. James / Assiniboia
6	Charleswood / Tuxedo
7	Centennial
8	City Centre
9	North St. Boniface
10	St. Boniface / St. Vital
11	Fort Garry
12	Fort Rouge
13	West End

A map of the above market regions is shown on the following page.

Multi-Family Market Regions



MULTI-FAMILY MARKET REGIONS	
■ 1 - Transcona	■ 8 - City Centre
■ 2 - North Kildonan/East Kildonan	■ 9 - North St. Boniface
■ 3 - Old Kildonan/West Kildonan	■ 10 - St. Boniface/St. Vital
■ 4 - North End	■ 11 - Fort Garry
■ 5 - St James/Assiniboia	■ 12 - Fort Rouge
■ 6 - Charleswood/Tuxedo	■ 13 - West End
■ 7 - Centennial	

Description of Multi-Family Inventory

The following tables show the multi-family inventory profile by market region, effective age group, unit group, size group and storey group (all counts are approximate at the time of this report).

Market Region	Count
1 Transcona	59
2 North Kildonan / East Kildonan	239
3 Old Kildonan / West Kildonan	150
4 North End	117
5 St. James / Assiniboia	115
6 Charleswood / Tuxedo	60
7 Centennial	91
8 City Centre	117
9 North St. Boniface	185
10 St. Boniface / St. Vital	155
11 Fort Garry	128
12 Fort Rouge	294
13 West End	340
Total	2,050

Effective Year Built	Count
Before 1946	242
1946 to 1959	327
1960 to 1974	703
1975 to 1997	469
1998 to 2009	66
After 2009	243
Total	2,050

Unit Group	Count
10 or less	464
11 to 30	768
31 to 60	349
61 to 100	212
101 to 200	207
Over 200	50
Total	2,050

Size Group (sqft)	Count
Less than 8,000	424
8,000 to 14,999	395
15,000 to 29,999	445
30,000 or More	786
Total	2,050

Storey Group	Count
1 to 3	1,578
4 to 6	296
7 to 9	71
10 or more	105
Total	2,050

Independent Variables

The variables that affect the estimated potential gross income (PGI)—which includes rent, parking, and other income—are as follows:

- Market region
- Effective year built
- Quality
- Number of rental units
- Total gross floor area
- Average rental unit size
- Unit type mix
- Amount of parking
- Amenities
- Site influences

Calibration of the Sub-Models

Potential Gross Income (PGI)

The PGI estimates generated by the model range between \$420 to \$3,590 per unit per month; the median is \$960. Most of the PGI estimates fall between \$785 and \$1,225 (20th and 80th percentiles).

Vacancy and Collection Loss

The vacancy and collection loss rates in the model range from 2.6% (for market regions 1, 2, 5 and 9) to 5.3% (for market region 7). Other vacancy rates are 3.0% (for market region 3), 3.3% (market region 4), 3.4% (market region 6), 4.3% (market region 8), 3.6% (market regions 10 and 13), 3.1% (market region 11) and 3.2% (for market region 12).

Operating Expenses

The operating expenses generated by the model range from 34.83% to 69.74% of effective gross income (EGI); the median is 48.41%. (EGI is the potential gross income less vacancy and collection loss.)

Capitalization Rates

Capitalization rates for the sold properties are calculated by dividing the model-generated NOI estimates by sale prices that are time-adjusted to April 1, 2023. Analysis of these rates results in the model capitalization rates ranging from 3.50% to 7.95%. Capitalization rates for most properties range from 4.75% to 5.45% (20th and 80th percentiles).

Valuation of Office and Retail Properties

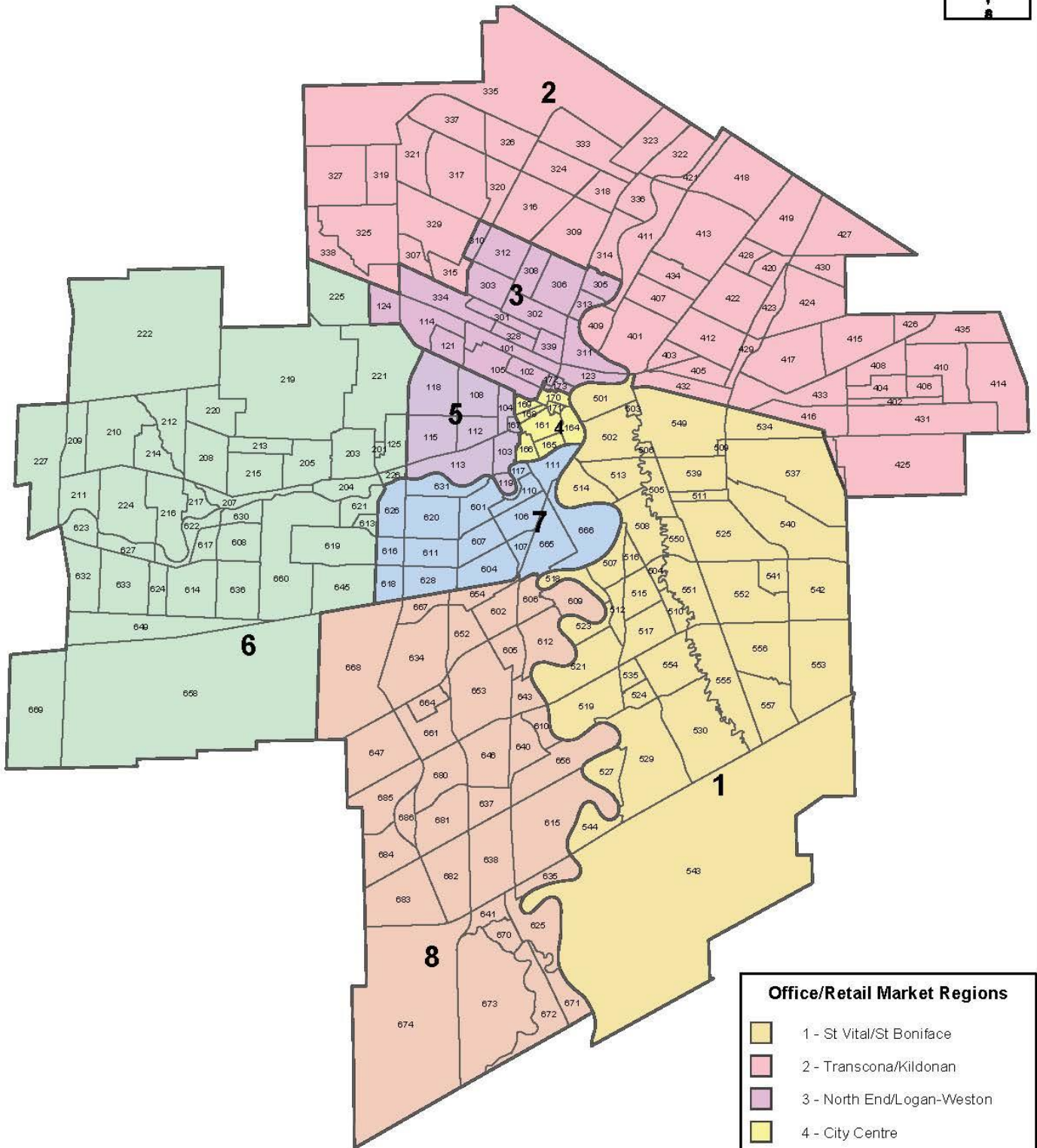
Market Regions

For valuation purposes, the city is divided into eight office-retail market regions.

Market Region	General Description
1	St. Vital / St. Boniface
2	Transcona / Kildonans
3	North End / Logan / Weston
4	City Centre
5	West End / Wolseley
6	St. James / Charleswood / Tuxedo
7	River Heights
8	Fort Garry

A map of the above market regions is shown on the following page.

Office/Retail Market Regions



Office/Retail Market Regions	
	1 - St Vital/St Boniface
	2 - Transcona/Kildonan
	3 - North End/Logan-Weston
	4 - City Centre
	5 - West End/Wolseley
	6 - St James/Charleswood/Tuxedo
	7 - River Heights
	8 - Fort Garry



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Description of Office, Retail and Vehicle Inventory

The following tables show the office, retail and vehicle inventory profile by market region, age, and building size (all counts are approximate at the time of this report and exclude the Parking Property Types).

Market Region	Count		
	Office	Retail	Vehicle
1 St. Vital / St. Boniface	169	277	67
2 Transcona / Kildonans	125	389	119
3 North End / Logan / Weston	145	330	76
4 City Centre	197	93	4
5 West End / Wolseley	125	260	28
6 St. James / Charleswood / Tuxedo	123	270	60
7 River Heights	132	244	33
8 Fort Garry	82	146	42
Total	1,098	2,009	429

Effective Year Built	Count		
	Office	Retail	Vehicle
Before 1926	22	77	1
1926 to 1945	38	145	3
1946 to 1974	363	731	168
1975 to 1997	442	686	153
1998 to 2009	141	241	58
After 2009	92	129	46
Total	1,098	2,009	429

Size (sq ft)	Count		
	Office	Retail	Vehicle
5,000 or less	448	1,173	211
5,001 to 15,000	361	485	118
15,001 to 30,000	107	153	55
30,001 or more	182	198	45
Total	1,098	2,009	429

Independent Variables

The variables that affect the estimated potential rental income are as follows:

- Market region
- Effective year built
- Quality
- Property type
- Leasable area
- Tenant class
- Premise location
- Amount of parking
- Site influences

Office Property Types	
OFA	Office–Class A
OFB	Office–Class B
OFC	Office–Class C
OFD	Office–Older
OFS	Office–Under 4 Storeys
OFM	Office–Dental/Medical
OFR	Office–Residential Conversion
BNK	Bank

Retail Property Types	
CSC	Concourse Shopping Centre
NSC	Neighbourhood Shopping Centre
RET	Retail
RRC	Retail–Residential Conversion
RSC	Regional Shopping Centre
RST	Restaurant
RWC	Retail Warehouse
SKP	Store/Kiosk with pumps
STP	Strip Mall
SUM	Supermarket

Vehicle Property Types	
VCD	Vehicle Dealership
VCW	Vehicle Car Washes
VSG	Vehicle Service Garage

Parking Property Types	
PKL	Parking Lot
PST	Parking Structure

Tenant class	
A1	High Quality Finish
A2	High Quality Restaurant
B1	Banks / Credit Unions
C0	Fast Food Restaurants
C1	Retail Warehouse
C2	Standard Finish
C3	Food Court
C4	Standard Quality Restaurant
C5	Kiosk
C6	Storage / Mezzanine
C7	Government
C8	Cinema / Entertainment
C9	Basement Leasable
O8	Substandard Basement / Storage

Calibration of the Sub-models

Potential Rental Income

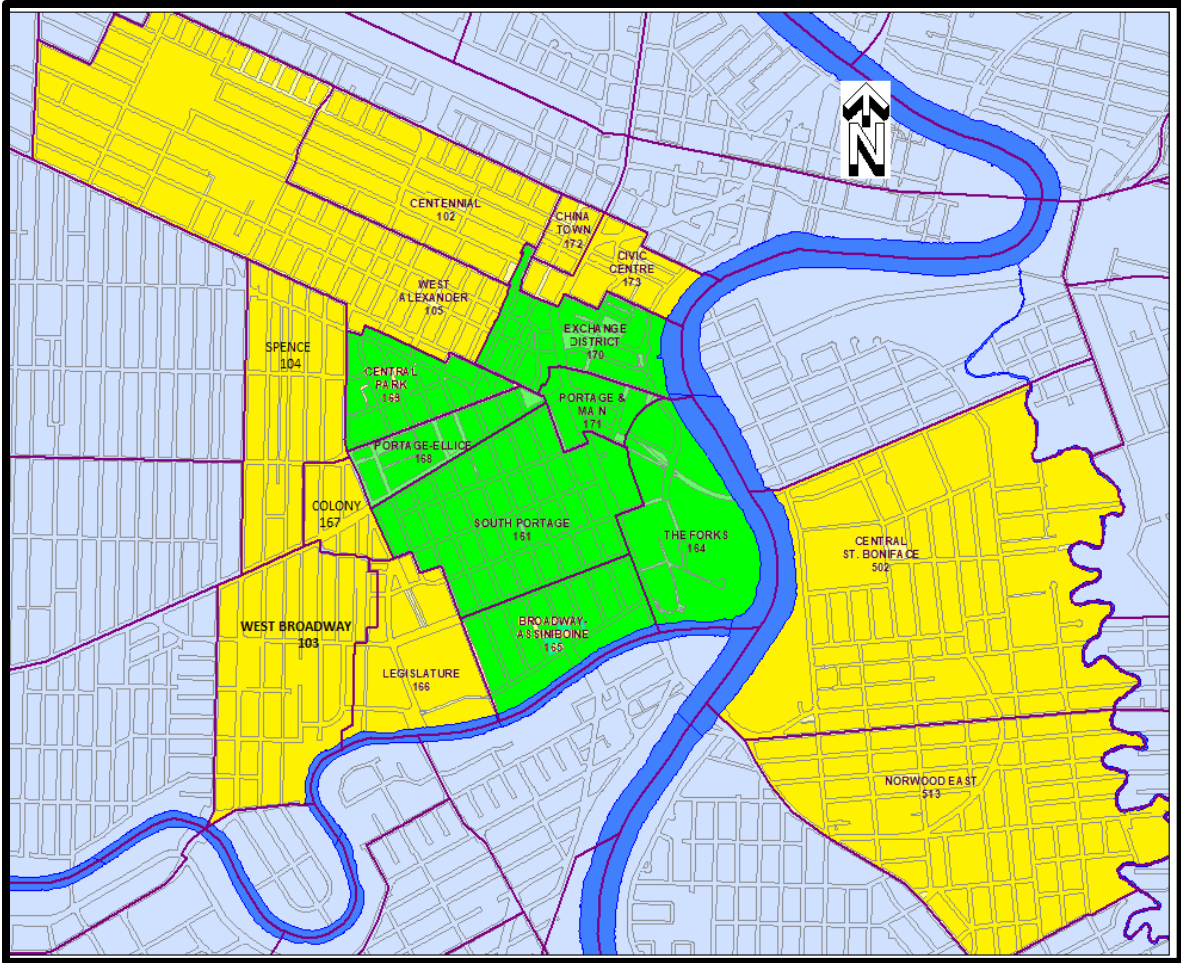
Most of the net rents generated by the model fall between \$11.42 and \$21.99 per square foot (20th and 80th percentiles); the median is \$15.73.

Parking Income

The net monthly incomes per stall for surface parking lots and parking structures are shown in the table below. These income rates are net of vacancy loss and operating expenses.

Parking Type	Location	Net income per stall (\$) Range
PKL Parking Lot (Inner Downtown)	NCA's 161, 164, 168, 170, 171 (green area)	56.00 – 104.00
PKL Parking Lot (Outer Downtown)	NCA's 102, 103, 104, 105, 165, 166, 167, 169, 172, 173, 502, 513 (yellow area)	31.50 – 58.50
PKL Parking Lot (Suburbs)	All other NCA's	21.00 – 39.00
PST Parking Structure (heated)	All areas	63.00 – 117.00
PST Parking Structure (unheated)	All areas	56.00 – 104.00

Parking Map



Vacancy and Collection Loss

Vacancy	
Property Type Class	Rate (%)
BNK – Bank	2.0
CSC – Concourse Shopping Centre – Wpg Square in NCA 171	10.0
CSC – Concourse Shopping Centre – Wpg Square East in NCA 171	10.0
CSC – Concourse Shopping Centre – Portage Place in NCA 168	10.0
CSC – Concourse Shopping Centre – City Place in NCA 161	10.0
CSC – Concourse Shopping Centre – The Forks in NCA 164	10.0
CSC – Concourse Shopping Centre – True North Square in NCA 161	10.0
CSC – Concourse Shopping Centre – Airport in NCA 219	10.0
CSC – Concourse Shopping Centre – Convention Centre in NCA 161	10.0
RET – Retail	5.0
SKP – Store/Kiosk w/pumps	2.0
NSC – Neighbourhood Shopping Centre	4.0
RST – Restaurant	4.0
RWC – Retail Warehouse	4.0
RSC – Regional Shopping Centre – Polo Park in NCA 125	5.0
RSC – Regional Shopping Centre – St. Vital Centre in NCA 535	5.0
RSC – Regional Shopping Centre – Kildonan Place in NCA 433	5.0
RSC – Regional Shopping Centre – Seasons of Tuxedo in NCA 668	5.0
RSC – Regional Shopping Centre – Garden City in NCA 316	5.0
RSC – Regional Shopping Centre – Grant Park in NCA 604	5.0
SUM – Supermarket	4.0
RRC – Retail Residential Conversion	5.0
STP – Strip Mall	4.0
OFA – Office Class A	11.0
OFB – Office Class B	12.0
OFC – Office Class C	13.0
OFD – Office Older	14.0
OFS – Office S Suburbs & OFR – Suburbs	6.0
OFS – Office S Downtown & OFR – Downtown	11.0
OFM – Office M Suburbs	5.5
OFM – Office M Downtown	15.0
VCD – Vehicle Dealership	2.0
VCW – Vehicle Car Wash	2.0
VSG – Vehicle Service Garage	2.0

Non-Recoverable Operating Expenses

Shortfall	
Property Type Class	Rate (\$)
BNK – Bank	8.00
CSC – Concourse Shopping Centre – Wpg Square in NCA 171	18.00
CSC – Concourse Shopping Centre – Wpg Square East in NCA 171	18.00
CSC – Concourse Shopping Centre – Portage Place in NCA 168	18.00
CSC – Concourse Shopping Centre – City Place in NCA 161	18.00
CSC – Concourse Shopping Centre – The Forks in NCA 164	18.00
CSC – Concourse Shopping Centre – True North Square in NCA 161	18.00
CSC – Concourse Shopping Centre – Airport in NCA 219	18.00
CSC – Concourse Shopping Centre – Convention Centre in NCA 161	18.00
RET – Retail	7.00
SKP – Store/Kiosk w/pumps	6.00
NSC – Neighbourhood Shopping Centre	9.00
RST – Restaurant	9.00
RWC – Retail Warehouse	6.50
RSC – Regional Shopping Centre – Polo Park in NCA 125	35.00
RSC – Regional Shopping Centre – St. Vital Centre in NCA 535	30.00
RSC – Regional Shopping Centre – Kildonan Place in NCA 433	30.00
RSC – Regional Shopping Centre – Seasons of Tuxedo in NCA 668	25.00
RSC – Regional Shopping Centre – Garden City in NCA 316	16.00
RSC – Regional Shopping Centre – Grant Park in NCA 604	16.00
SUM – Supermarket	6.50
RRC – Retail Residential Conversion	7.00
STP – Strip Mall	9.00
OFA – Office Class A	17.00
OFB – Office Class B	14.00
OFC – Office Class C	10.00
OFD – Office Older	8.00
OFS – Office S Suburbs & OFR – Suburbs	8.00
OFS – Office S Downtown & OFR – Downtown	8.00
OFM – Office M Suburbs	8.00
OFM – Office M Downtown	10.00
VCD – Vehicle Dealership	6.00
VCW – Vehicle Car Wash	6.00
VSG – Vehicle Service Garage	6.00

Non-Recoverable Expenses	
Property Type	Rate (%)
All office, retail and garage properties	3.0

Capitalization Rates

Capitalization rates for the sold properties are calculated by dividing the model-generated NOI estimates by sale prices that are time-adjusted to April 1, 2023. Analysis of these rates results in the model capitalization rates ranging from 3.40% to 10.15%.

Capitalization rates for most properties range from 5.60% to 7.25% (20th and 80th percentiles).

Valuation of Industrial Properties

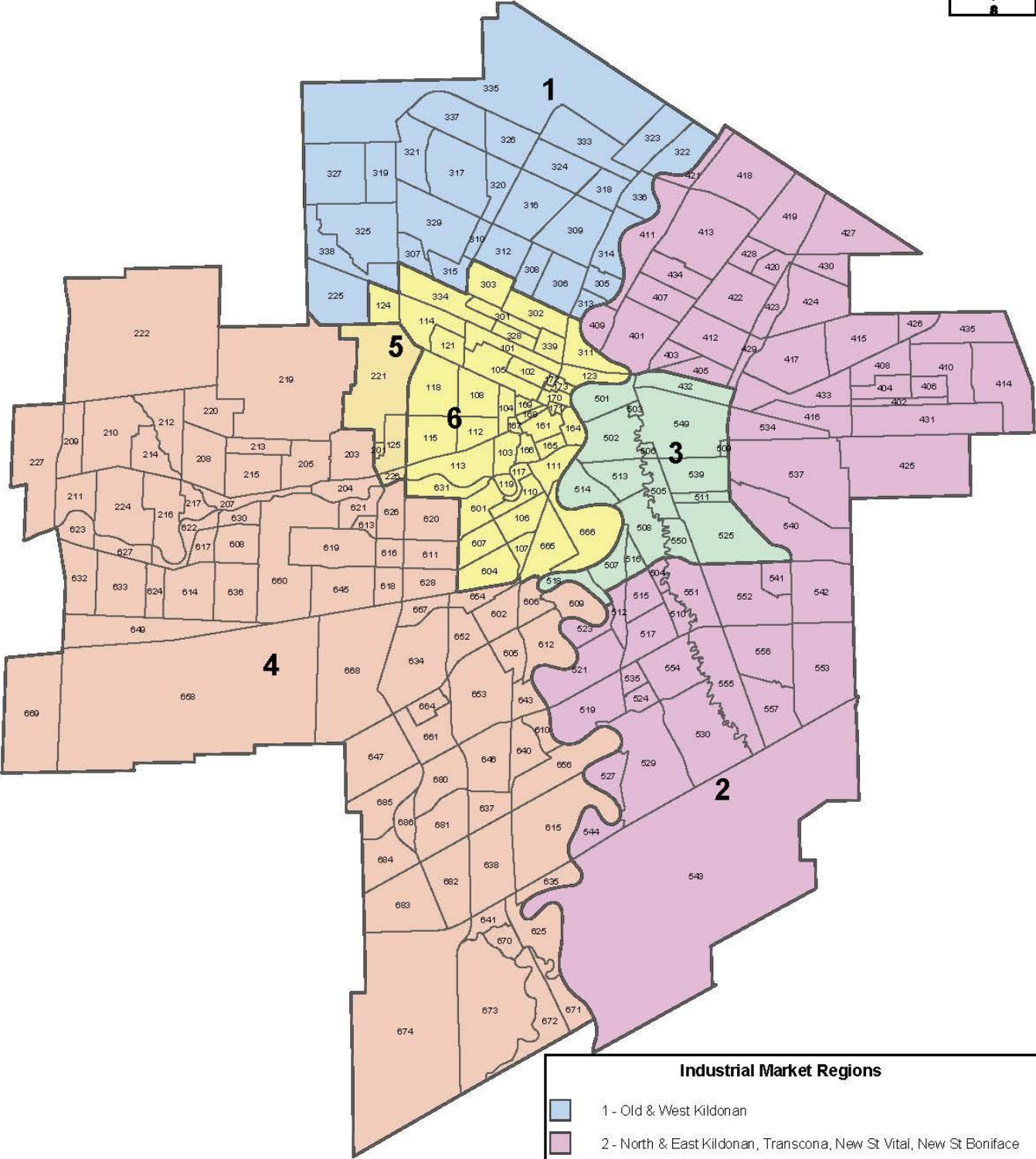
Market Regions

For valuation purposes, the city is divided into six industrial market regions.

Market Region	General Description
1	Old Kildonan / West Kildonan
2	North Kildonan / East Kildonan / Transcona / New St. Vital / New St. Boniface
3	Old St. Vital / Old St. Boniface
4	Fort Garry / Charleswood / Tuxedo / River Heights / St. James West
5	St. James East
6	City Centre / West End / North End / Fort Rouge

A map of the above market regions is shown on the following page.

Industrial Market Regions



Industrial Market Regions	
■	1 - Old & West Kildonan
■	2 - North & East Kildonan, Transcona, New St Vital, New St Boniface
■	3 - Old St Vital, Old St Boniface
■	4 - Ft Garry, Charleswood, St James West
■	5 - St James East
■	6 - City Centre, West End, North End, Fort Rouge


City of Winnipeg
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Description of Industrial Inventory

The following tables show the industrial inventory profile by market region, age, and building size (all counts are approximate at the time of this report).

Market Region	Count
1 Old Kildonan / West Kildonan	341
2 North Kildonan / East Kildonan / Transcona / New St. Vital / New St. Boniface	290
3 Old St. Vital / Old St. Boniface	220
4 Fort Garry / Charleswood / Tuxedo / River Heights / St. James West	281
5 St. James East	338
6 City Centre / West End / North End / Fort Rouge	676
Total	2,146

Effective Year Built	Count
Before 1955	283
1955 to 1979	1,134
1980 to 1994	446
1995 to 2009	200
After 2009	83
Total	2,146

Size (sqft)	Count
6,000 or less	531
6,001 to 15,000	572
15,001 to 40,000	547
40,001 to 100,000	346
Over 100,000	150
Total	2,172

Independent Variables

The variables that affect the estimated potential rental income are as follows:

- Market region
- Neighbourhood
- Effective year built
- Quality
- Property type
- Leasable area
- Tenant class
- Premise location
- Wall height
- Heat
- Basement / Mezzanine space

Industrial Property Types	
FWH	Flex Warehouse Flex Finished (50% - 100%) Flex Standard (0% - 25%)
LWH	Loft Warehouse
DWH	Distribution Warehouse
SWH	Storage Warehouse
MWH	Manufacturing – Heavy
MWL	Manufacturing – Light
TRW	Transit Warehouse – Truck Terminal

Tenant class	
A1	High Quality Finish
A2	High Quality Restaurant
B1	Banks / Credit Unions
C0	Fast Food Restaurants
C1	Retail Warehouse
C2	Standard Finish
C3	Food Court
C4	Standard Quality Restaurant
C5	Kiosk
C6	Storage / Mezzanine
C7	Government
C8	Cinema / Entertainment
C9	Basement Leasable
O8	Substandard Basement / Storage

Calibration of the Sub-models

Potential Rental Income

Most of the net rents generated by the model fall between \$6.39 and \$10.01 per square foot (20th and 80th percentiles); the median is \$7.97.

Vacancy and Collection Loss

Vacancy	
Property Type Class / Location	Rate (%)
Market region 1	3.5
Market region 2	1.5
Market region 3	3.0
Market region 4	4.5
Market region 5	4.5
Market region 6	4.0
Loft Warehouse	15.0

Non-recoverable Operating Expenses

Shortfall	
Property Type	Rate (\$)
All industrial properties	4.00

Non-Recoverable Expenses	
Property Type	Rate (%)
All industrial properties	3.0

Capitalization Rates

Capitalization rates for the sold properties are calculated by dividing the model-generated NOI estimates by sale prices that are time-adjusted to April 1, 2023. Analysis of these rates results in the model capitalization rates ranging from 3.55% to 9.65%.

Capitalization rates for most properties range from 5.35% to 7.30% (20th and 80th percentiles).

Testing and Evaluation of the Models

The ratio statistics for the income-producing models meet the *Standard on Ratio Studies* published by the International Association of Assessing Officers (approved April 2013).

Mixed-Use Properties

Properties with a combination of residential, office, retail, or industrial space are valued by applying the appropriate model to the income stream from each type of space. The total property value is the sum of the capitalized values of each income stream.