

2019 Guide to Completing the Self Storage Request for Information Form

If you have any questions or would like assistance, please call City of Saskatoon – Assessment & Valuation at (306) 975-3227.

Before You Start

You will need the following information:

- ✓ General information regarding the property including space types and leasable areas.
- ✓ A copy of the storage and parking rent roll as of **December 31, 2019**.
- ✓ A copy of the rent roll as of **December 31, 2019**, including lease start and expiry dates, tenant inducements, etc.
- ✓ The property income and expense statement for fiscal year end (December 31, 2019 or the fiscal yearend closest but prior to May 31, 2020).

Section A: General Information

This section is only applicable to other buildings or structures on site, not the self storage buildings.

- 1. Does the property owner or a company related to the property owner, manage the property:** Indicate whether or not the property is owner managed. If the manager is not related to the owner, please indicate the manager and phone number.
- 2. Building Name:** Indicate the building name (if applicable)
- 3. Is the property completely owner occupied, or occupied by a company that is related to the property owner?** If there is any business or personal relationship between the property owner and an occupant, we consider this to be owner occupied. If, for example, the occupant is Joe's Woodworking Ltd or a company related to Joe, and the property is owned by Joe and his spouse – this is owner occupied.
- 4. Total owner occupied area:** If the property is partly or fully owner occupied, report the building square footage area occupied by the owner.
- 5. Number of rentable floors at or above grade:** This is a count of the number of floors that are at or above ground level. Basements and semi-basements are not included. If there is a floor or floors that are closed off with utilities shut down, exclude those from the count, and describe these in Section G – Notes.
- 6. Total area at or above grade:** This is the total leasable area (excluding basement and mezzanine). It should correspond to the total leasable areas reported in Section D. If there is a rental mezzanine area, please indicate this separately.
- 7. If there is rentable basement space, indicate the square footage that is rentable (exclude unfinished storage space):** Rentable basement space is normally finished and has a common entry that is accessible from the exterior of the building. In other words, it is space that can be leased to a different tenant than the main floor tenant. Where this is the case, report the amount of rentable space.

Section B: Self Storage & Parking – Rents – as of December 31, 2019

This section requests rental information for all the storage units and parking spaces on the property. Note that some of this information is populated based on previously reported information. Please confirm the accuracy of the number

of heated and unheated storage unit sizes and parking sizes. If our information is not correct, please make necessary corrections. In addition, show the average monthly rent for each unit or parking space as of Dec 31, 2019.

Section C: Vacancy – As of December 31, 2019

Please report all vacancies based on unit sizes as of December 31, 2019.

Section D: Commercial Lease Information (Excluding Storage and Parking) – As of December 31, 2019

This section is only applicable if your property has other commercial buildings

This section requests rental information for all the occupants in the building(s), **excluding storage units and parking spaces**, plus details on vacant spaces. Please complete one line for each tenant, owner occupant, and/or vacant space. The total of the individual building spaces should be equal to the total leasable areas in the building(s).

A. Floor #: Indicate basement (B), semi-basement (SB), main (M), mezzanine (Mezz), second floor (2nd), third floor (3rd), etc. If more than one floor, indicate the actual floors inhabited by that occupant. For example, if a tenant is located on the 2nd and 3rd Floors indicate 2 & 3, etc.

Unit #: Indicate unit number of occupant or multiple unit numbers if required.

B. Tenant, Owner, or Vacant: Indicate whether the space is vacant, or occupied by a tenant or the property owner.

Occupant Name: Record tenants business name or name as it appears on the rent roll.

C. Tenant Space Type: Indicate the type of space by selecting one of the following:

- Automotive
- Bank
- Convenience Store
- Grocery
- Office
- Office – Medical
- Restaurant
- Retail
- Warehouse or
- Other (Explain in space provided)

D. Free Standing: Space that does not adjoin any other tenant space.

Leasable Area: The leasable area in sq. ft. occupied by the tenant, owner or vacant space.

Mezzanine: Indicate the mezzanine space used by each occupant. Options are: none, storage only or, fully finished. Typical criteria for a space to be considered a mezzanine are as follows:

- The floor structure and interior finish is found within the shell of the structure.
- The leasable space does not have an exterior entrance separate from that of the main floor tenant.

E. Lease Type: Please indicate whether the lease is a:

- Net Lease – A lease where, in addition to the rent stipulated, the tenant is responsible for payment of all of the costs associated with the property, such as taxes, insurance, utilities, maintenance, property

management, etc. Payments can be either through the tenant being billed directly, or through the property manager charging a proportionate share of the costs to each tenant (i.e. occupancy costs).

- Gross Lease – A lease which specifies that the property **owner** is responsible for all the property expenses. (ex: the tenant does not pay any occupancy costs)
- Semi-Gross Lease – A lease in which the tenant pays part of the property expenses (either directly or indirectly) and the property owner pays the remaining expenses.
- Land Lease – A lease in which only the land portion of the property is rented.

Rent Per Sq Ft Per Year: Amount of rent paid based on leasable area excluding GST and occupancy costs.

Formula: $(\text{Net Monthly Rent} \times 12) \div \text{Leasable Area} = \text{Rent Per Sq Ft Per Year}$

Net Monthly Rent: The monthly base amount paid for the use of the property. Please indicate if there is additional rent paid based on gross sales, net operating income or other adjustments in section G – Notes.

Monthly Occupancy Costs: (If applicable) If it is a net lease please indicate the monthly occupancy costs. If the tenant directly pays all expenses and the information is not available please indicate.

Lease Term: The length of the lease in years from the start to the expiry date. If the rental agreement is month to month please identify as MTM.

F. Lease Start Date: This is the year and month the lease began and rental terms were set

G. Expenses Paid by Owner and Not Recovered from Tenant: Please indicate which of the following services are paid for by the owner in a gross or semi-gross lease (abbreviations in brackets):

- Taxes (tx)
- Water (wtr)
- Electricity (ele)
- Heat (ht)
- Building Insurance (ins)
- Property Management (mgt)
- Repairs (rep)
- Other

Section E: Property Income and Expenses

The property income and expenses reported should **exclude** mortgage payments, income taxes, business income and expenses, loan interest and depreciation/amortization. The amounts reported should be for the entire property for a full 12 months. If your fiscal yearend is December 31, 2019, provide those yearend amounts. If your yearend is not December 31, please provide information on your fiscal yearend that is closest but prior to May 31, 2020, and indicate the date and year of the fiscal yearend. If you have owned the property for less than 12 months (as of December 31, 2019), and did not obtain a full year of financial records from the previous owner, please indicate this in Section G - Notes. You do not need to complete Section C.

RENTAL INCOME:

1. Actual Total Rental Income - This is the total rental income received during the fiscal year. The amount reported should exclude miscellaneous income and expense recoveries.

2. **Miscellaneous Income** – Income that is received from on site parking and other associated services that are part of the operation of the property. If parking income is not reported separately, include this in the Actual Total Rental Income, and make a note to that effect. Do not include income or expenses from the sale of packing or moving supplies.
3. **Expense Recoveries** – Expense recoveries apply when the lease(s) is net or semi gross. Under a net lease, costs such as property taxes, insurance, utilities, management fees, repairs, etc. that are paid by the property owner or manager are usually recovered through monthly billing of the tenants. As this is an income category, report the amount that tenants paid during the year excluding property tax recoveries.
4. **Recoveries/Property Taxes** – Revenue that comes from recovering all or part of the property taxes from the tenants.
5. **Recoveries/Other-** Specify any other additional revenues.

EFFECTIVE GROSS INCOME – This is the total income from all operations of the property.

OPERATING EXPENSES:

The property expenses reported should **exclude** mortgage payments, business expenses, income taxes, loan interest and depreciation/amortization. Depending on the expense categories in your financial statements, it may be necessary to group certain costs together. Examples could include grouping “grounds maintenance” with “minor repairs/maintenance”, or “legal and audit fees” plus “office supplies” with “administration fees”. If you have grouped any costs, please indicate this in the “Notes or Comments” column. The expense amounts reported should be for the entire property for a full 12 months.

6. **Management Fees** - These are any fees associated with the **managing of the property**. If the property is owner managed, do not show a management fee.
7. **Administration Fees** – This category may include expenses such as advertising, office supplies, telephone and other reasonable costs.
8. **Salaries and Benefits** - These are general payroll expenses to all employees whose services are needed for the **operation of the property**, but have not been included in other expense sections. The property caretaker's and janitor's wages and benefits should be reported here.
9. **Heating** - This expense reflects the cost of natural gas, propane or oil and associated taxes only.
10. **Electricity** - This is your SaskPower or City of Saskatoon electricity bill. This expense reflects the cost of power and associated taxes only. If The City of Saskatoon supplies both electricity and water, those expenses can be combined, but please indicate this in Section E.
11. **Water and Sewer** – The City of Saskatoon charges for water & sewer.
12. **Grounds Maintenance** – Includes snow and garbage removal.
13. **Security** – This expense applies to security services hired to prevent damage to buildings and landscaping. Security required due to the nature of the business occupying the building should not be included.
14. **Property Taxes** – The amount reported should be the actual amount of taxes paid for the fiscal year.
15. **Insurance** - Includes property and liability insurance. The amount reported should exclude insurance costs normally required for a business operation such as building contents, business interruption, errors and omissions, etc.

- 16. Legal & Audit Fees** – These fees should relate to the property operation only and not costs associated with running a business. For example, legal fees incurred to draw up leases are a property expense, but fees to incorporate a business are not a real estate expense.
- 17. Supplies** – These would normally relate to supplies stocked for cleaning and routine maintenance. Do not include income or expenses from the sale of packing or moving supplies.
- 18. Repairs & Maintenance** – These are costs associated with the routine maintenance and repairs of the property. This would include maintenance of plumbing, heating and electrical equipment, minor repairs to roofing, elevator service contracts, etc. Any work that is of a substantial cost which has been incurred to repair or replace an item that has a long life span is a major renovation. Items like replacement of a heating boiler, complete replacement of a roof membrane, replacement of windows, etc. are Major Renovations (see point 20 below for definition of Major Renovations).
- 19. Other Expenses**
- Tenant Improvements – These are costs that are often incurred by a tenant to modify a space to make it suitable to their use. Under some rental agreements, the landlord provides an allowance for this work or covers the cost them self. If the landlord has paid for tenant improvements report this as an expense. Where the landlord pays for tenant improvements, those costs are often recovered through a higher rental payment. If owner paid tenant inducements influence the rental payment, please report the details in Section F.
- Other expenses - Other reasonable expenses may be reported in the space provided along with an explanation of the item in the “Notes and Comments” column.
- 20. Major Renovations/Capital Expenditures** – Any work that is of substantial cost to repair or replace an item that has a long life span is a Major Renovation (or a capital expenditure). Items like replacement of a heating boiler, complete replacement of a roof membrane, replacement of windows, etc are major renovations. Where these expenses are reported, please indicate briefly the nature of the work and the associated cost.

TOTAL PROPERTY EXPENSES – Total of all expenses from lines 6 to 20.

NET OPERATING INCOME – Effective gross income minus total property expenses.

VACANCY & BAD DEBT – This expense should only be reported if there are tenants (i.e. this does not apply to owner occupied space). If vacancy and bad debt are accounted for in dollar terms, please report the corresponding amounts.

Section F: Tenant Inducements (Exclude Storage & Parking) – at December 31, 2019

Do any tenants benefit from a rent free period? On occasion, new tenants are granted a rent free period. This may be the time required to complete renovations to the space. If there is any rent free period(s), please indicate the tenant(s) this applies to and the number of rent free months. Also indicate whether occupancy costs are being charged during the rent free period. Do not report for the self storage.

Is there any tenant improvements (TI's) included in the rent? If the landlord has paid for any tenant improvement costs, please indicate the tenant(s) this applies to and the total cost covered by the property owner.

Do any tenants have capped or fixed occupancy costs? If any tenants pay for less than their proportionate share of occupancy costs, indicate the tenant(s) this applies to, the amount of costs the tenant pays, and the normal occupancy cost.

Are there any other rental inducements in place? Provide full details on any other types of rental inducements.

Section G: Notes

Notes or Comments – Any additional information that may be relevant to the value of the property should be indicated here. The comments are intended to alert the appraiser of any unique situations which should be given consideration.

Be sure to date and sign the declaration, print your name and corporate title, and provide contact information.

Please mail the fully completed form using the self-addressed business envelope to:

**City of Saskatoon
Assessment and Valuation
222 – 3rd Avenue North
Saskatoon, SK S7K 9Z9**

Or

Fax to (306) 975-2891

Or

Email to asmt.submit@saskatoon.ca

Legislative Authority and Compliance

Assessors have authority to ask for information relating to the property and the property income and expenses under section 171 of *The Cities Act*. This data can be requested from "...any person who owns, uses, occupies, manages or disposes of the property." (171(1)).

Included in *The Cities Act*, is a requirement that the person who receives the request shall provide a "... written declaration signed by the person stating that the information provided by the person is complete, true and accurate to the best of his or her knowledge." (171(4)(a))

The Cities Act allows the assessor to set a reasonable response deadline of "...not less than 30 days after the date of receiving the request." (171(4))

The legislation outlining penalties for failure to provide information or supplying incorrect information is stated in *The Cities Act* section 172, subsections 1 to 8. Those sanctions include fines of up to \$10,000, and loss of the right to appeal the assessment of the property.

The Cities Act and other provincial legislation and regulations can be reviewed on the Saskatchewan Queen's Printer website at: www.qp.gov.sk.ca.