

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:**

- ✓ Physical characteristics of the property such as the number of rooms, room types, and property amenities.
- ✓ Property income and expense data. This information is typically found in income tax returns, management reports, and annual financial reports.
- ✓ **Please include a copy of your Audited Income and Expense Statements for the calendar year 2020.**
- ✓ If your fiscal year does not correspond to the calendar year, and you are reporting based on your fiscal year, please indicate the fiscal year end closest but prior to May 31, 2021.

## **Section A: General Information**

1. **Name of Hotel/Motel:** Indicate the hotel/motel name.
2. **Is the property managed by the owner?** Indicated whether or not the property is owner managed. If the manager is not related to the owner, please indicate the manager and phone number.
3. **Type of Hotel/Motel:** Indicate the type of hotel based on the following criterion:
  - **Conference** - Designed to accommodate large groups and functions. Larger banquet rooms typically with break-out areas. Many amenities.
  - **Full Service** – Offer most of the amenities of a conference, but a smaller amount of meeting space and common area.
  - **Limited Service** – Rooms only hotel/motel. May in some instances have a restaurant, pool and/or small meeting rooms. Typically between 90-100% of the revenue is generated from the rooms.
  - **Beverage** – Small amount of revenue from rooms. Large portion of revenue from beverage room.
4. **Hotel/Motel Amenities:** Please check off the **features/amenities** that apply to this specific property.  
**Franchise Affiliation:** If the hotel/motel is a franchise affiliation, provide the franchise name and report the franchise fee in Section C Income and Expenses.
5. **Site Amenities:** Complete the Parking Section of the form indicating the number of parking stalls for each surface, covered or underground. Indicate if the cost is included in the room rate, whether the stalls are rented to the public and how many, as well the monthly rate per stall where applicable.
6. **Additional Room Information, Room Closures, and Services typically included in Room Rates:**
  - **Additional Room Information:** Please indicate the number of rooms rented on a **nightly, weekly or monthly basis**.
  - **Room Closures:** Report the number of rooms that were closed during the year. Please ensure that this number is reported as a **total number of room nights**. See following example:  
2 Queen rooms @ 14 nights each = **28 room nights**  
1 King room @ 6 nights = **6 room nights**  
**Total Room Nights Closed: 34**

In addition, include **reason for closure** (eg. Fire Damage Repair, Renovations, etc).

- **Services Included in the Room Rate:** Circle (Y/N) the **charges** that are typically included in the room rate.

**7. Last Major Building Renovations and FF&E (Furniture, Fixture & Equipment) upgrade:**

Please provide the **year** and **dollar** amount spent on the last major building renovation and/or FF&E upgrade. If these expenses occurred within this reporting year, **do not** include these expenses in the POMEAC (Property Operations, Maintenance and Energy Costs) Section of this report on page 6. Please report the relevant costs in **Section D** titled “**Major Capital Expenses and Replacement Items.**”

- 8. Have any appraisals been completed on this property in the last three years:** Please advise if there have been any single property appraisals completed on this property and provide a copy.
- 9. Sales information:** Please provide sales information if property has sold within the last five years (Purchase Date and Sales Price).
- 10. Furniture, Fixtures and Equipment (FF&E):** Please report any information that you may have as it pertains to the FF&E at your property.

**Section B: General Lease Information/Commercial Tenant Information – As of December 31, 2020**

This section requests rental information for all the commercial occupants in the building(s) 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 (2<sup>nd</sup>), third floor (3<sup>rd</sup>), etc. If more than one floor, indicate the actual floors inhabited by that occupant. For example, if a tenant is located on the 2<sup>nd</sup> and 3<sup>rd</sup> 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 tenant’s 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 either occupied or vacant.

**Leasable Area:** Indicate leasable area in square feet 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: (Net Monthly Rent X 12) ÷ Leasable Area = Rent Per Sq Ft Per Year

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

**Monthly Occupancy Costs** (if applicable): If it is a net lease or semi-gross 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:** The date the lease was signed and became effective.

**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 C: Income & Expenses**

The property income and expenses reported should **exclude** mortgage payments, income taxes, 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, 2020, provide those yearend amounts. If your fiscal yearend is not December 31, please provide information on your fiscal yearend that is closest but prior to May 31, 2021, and include the date and year of that fiscal year end.** If you have owned the property for less than 12 months (as of December 31, 2020) and did not obtain a full year of financial records from the previous owner, please indicate this in Section E – Notes. You do not need to complete Section C.

## REVENUES:

1. **Room Information & Mix:** Please indicate the number of rooms for each room type, and the posted rate for each room type. In addition, please indicate the total number of rooms, total gross room revenue, average daily rate (based on paid rooms), annual occupancy (%) (Only include rooms that are occupied and paying a rate, please exclude complimentary rooms), and RevPAR.

$$\text{Annual Occupancy Rate} = \frac{\text{Total no. of occupied room nights per year}}{\text{Total no. of room nights available per year}} \times 100\%$$

$$\text{Average Daily Room Rate} = \frac{\text{Total annual Room Revenue}}{\text{Total no. of occupied room nights (based on paid rooms)}}$$

$$\text{RevPAR} = \frac{\text{Total annual Room Revenue}}{\text{Total no. of rooms available per year}}$$

2. **Revenues (Gross):** All departmental revenues should be reported as gross revenues and will be considered as such unless otherwise noted.
- **Food & Beverage Revenue** – The chart for revenue generated from food and beverage sales is straightforward.
  - **Other Revenue** – Other income includes income generated from services other than room or food and beverage sales. Space has been included for additional items (VLT, telephone, parking, etc). Examples of Other Revenue: commissions, concessions, salvage revenue, laundry, etc.
  - **Commercial Tenant Rent** – Report commercial rent collected and complete Section C.

**Total Gross Revenue** – Total of all the above revenue departments

## EXPENSES:

3. **Department Expenses (Cost of Goods Sold):** City of Saskatoon Assessment & Valuation has adopted the standards set forth by the *Uniform System of Accounts for the Lodging Industry* – 9<sup>th</sup> Revised Edition. Under this system, only direct operating expenses are charged to operating departments of the hotel. General overhead items such as administration, marketing and maintenance, which are applicable to the operations as a whole, are classified as Undistributed Operating Expenses. The appropriate expenses associated with each category are requested.

- **Telephone Expense** – All costs associated with the operation of the hotel telephone department. This would also include the wages, salaries and benefits of dedicated telephone operators traditionally found in larger hotel operations. Other items to be included are the rental of telephone equipment, and the cost of local and long distance calls.
- **Parking Expense** – Costs directly associated to the parking revenue. For example, parking lot attendants.

**Total Departmental Expenses** – Total of all departmental expenses (room, food, beverage, off-sale and banquet/meeting room expense, telephone, parking & other)

#### 4. Undistributed Operating Expenses

Care must be taken that only those expenses directly attributed to the operation of the property are reported. Many of these expenses are self-explanatory; however, a brief description will be given for each.

##### A. Administration and General Expense Information (excluding management fees/wages)

- a) **Accounting** – This fee relates to the accounting costs associated to the operation of the real estate **only** and not to the costs associated to the owners business, such as preparing tax returns or managing the investment portfolio.
- b) **Automobile** – Costs associated to vehicles used in the operation of the hotel, such as an airport shuttle. Examples of some of these expenses are gas, lease payments, insurance etc.
- c) **Bad Debt** – Uncollectible debt.
- d) **Bank Service Charges** – Typical Service Fees (exclude mortgage and interest payments).
- e) **Credit Card Commissions** – Fee charged by credit card companies for the use of their services.
- f) **Courier** – Courier costs.
- g) **Canada Pension Plan** - Deductions for employees not included in other departmental expenses.
- h) **Cash Over and Short** – Adjustment for cash overages and shortages.
- i) **Employment Insurance** - Deductions for employees not included in other departmental expenses such as room's staff, and kitchen staff, which are to be included in their relevant departmental expenses.
- j) **Employment Benefits** - Deductions for employees not included in other departmental expenses such as room's staff, and kitchen staff, which are to be included in their relevant departmental expenses.
- k) **Equipment Rental & Lease** – Expenses associated to the rental or lease of equipment, such as audio visual equipment, photocopiers, etc.
- l) **Garbage** – Costs of garbage removal.
- m) **Hotel Supplies** – Supplies that cannot be attributed to an individual department.
- n) **Janitorial Services** – Cleaning services that cannot be attributed to an individual department.
- o) **Legal Fees** – This fee relates to the property operation only and not costs associated with running a business. For example, fees to incorporate a business are not a real estate expense.
- p) **Salaries & Wages** - These are general payroll expenses to all employees whose services are needed for the operating of the property, but **have not** been included in other expense sections, such as the rooms department or food and beverage department.
- q) **Office Supplies** – Cost of products used to operate the front desk and any administrative offices.
- r) **Professional Fees** – Costs for financial audit, etc.
- s) **Employee Transport** - Cost of transportation for employees (ie. taxi).
- t) **Security** – Cost of contract security for the property.
- u) **Sign Rentals** –Excludes costs that could be charged to marketing.
- v) **Travel & Entertainment** – Expense associated to such items as sending employees to conferences, etc.
- w) **Worker's Compensation** - Deductions for employees not included in other departmental expenses such as room's staff, and kitchen staff, which are to be included in their relevant departmental expenses.
- x) **Recruitment** – Costs associated to recruiting new employees. May include some travel and entertainment costs.
- y) **Other** - Any addition expenses that don't fall into the above categories (please identify).

**Total Administration and General** – total of all expenses from lines a through y.

**B. Property Operations, Maintenance and Energy Costs (POMEC)**

- a) **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, etc. Also to be included are wages paid to full time maintenance staff. To be **excluded** is work that is of a substantial cost which has been incurred to repair or replace an item that has a long life span. This is actually a major renovation or repair. Items like replacement of a heating boiler, complete replacement of a roof membrane, replacement of windows, etc. are major renovations. **Major Replacement Items are not to be included here.**
- b) **Heating, Light, Power & Water** - This expense reflects the cost of heating (natural gas, propane or oil and associated taxes) the cost of power and associated taxes, and municipal charges for water and sewer services.
- c) **Elevators** – This expense reflects the maintenance costs as well as the licensing of elevators.
- d) **Decorating** – Includes paint, wallpaper, etc.
- e) **Other Expenses**

**Total POMEC** – Total all POMEC expenses from lines a through e.

**C. Franchise Fees** – Fees paid to a hotel-motel company to use the name, trademarks and various services offered by the chain.

**D. Marketing & Guest Entertainment (Advertising & Promotion)** – This expense category includes all expenses associated with the advertising, sales and promotion of the hotel/motel. These costs include such items as wages for dedicated marketing staff, fees and commissions.

**Total Undistributed Operating Expense** – Total all Administration and General, POMEC, Franchise Fees and Marketing and Guest Entertainment expenses.

**5. FIXED EXPENSES**

- A. Management Fees** – Include fees and wages paid to the property manager. Please exclude owner's draws.
- B. Property & Liability Insurance** - Includes reasonable property and liability insurance. Unusually high premiums should be explained.
- C. Property taxes** – The amount reported should be the actual amount of taxes paid for the fiscal year.

**Total Fixed Expenses** – Total all fixed expenses from lines A through C.

**Total of All Expenses** – The Total of Undistributed Operating Expenses, and Fixed Expenses.

**NET OPERATING INCOME:** Gross Revenues **Less** All Expenses (Departmental Expenses + Undistributed Expenses + Fixed Expenses)

**Section D: Major Capital Expenses & Major Replacement Items**

**Major renovations/Capital expenditures** – This includes major additions, repairs etc. that do not occur on an annual basis (examples would be the replacement of a boiler, new roof covering, etc.). An explanation of the expenditure should be provided under the Comments column. Also, please indicate any major replacement items for the year including linens, case goods, etc.

## Section E: Notes

**Notes and Comments** - This area is intended to alert the appraiser of any unique situations, which should be given consideration. Feel free to provide any comments about items that you believe affect the value of your property but have been missed in the questionnaire.

**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 – 3<sup>rd</sup> Avenue North  
Saskatoon, SK S7K 9Z9**

**Or**

**Fax to (306) 975-2891**

**Or**

**Email to [asmt.submit@saskatoon.ca](mailto: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](http://www.qp.gov.sk.ca).