



May 2013

NORTHWEST LRT TO CITY LIMITS: PROPERTY ACQUISITION

LRT AND PROPERTY VALUE

A number of academic studies were conducted in both Canada and the United States to review the impact of property values close to LRT stations.

The May 2009 *Edmonton Transportation Effect* report, released by the national research group The Real Estate Investment Network, stated the following:

- *“When people look for a property to purchase - be it their primary residence or an investment property - they take into consideration affordability, commute times and commute costs. If you can reduce commute and travel times to and from an area, you make that much more desirable as a place to live, and thus an increase in demand occurs.”* - Don Campbell, lead report author.
- With the completion of the Ring Road and the extension of the LRT, real estate prices in key neighbourhoods will increase more quickly due to improved transportation linkages. Improved accessibility drives real estate demand.
- In studies conducted across North America, the values of homes in neighbourhoods close to mass transit had premiums ranging between 3 % and 40 %, depending on the different types of housing and socioeconomic positions of the real estate owners.

PROPERTY ACQUISITION PROCESS

The Concept Plan for the Northwest LRT was approved by City Council on May 8, 2013. The LRT project team has identified properties that might be purchased in order to build this LRT line, however, City Council would have to provide direction and funding to proceed.

Currently, there is no funding in place to purchase land and build the Northwest LRT line.

Once funding is provided, the City would negotiate with the property owners based on a fair market evaluation. Provincial government legislation defines “fair market value” as the “amount the land might be expected to realize if sold in the open market by a willing seller to a willing buyer”. Typically, the City uses a property appraiser to determine fair market value.

PROPERTY EXPROPRIATION PROCESS

Expropriation is a process by which an authority such as a municipality can compel a property owner to sell a property or a portion of the property to it. The Alberta Expropriation Act sets out the procedures to be followed in the expropriation process. The act can be requested from the Government of Alberta or accessed online at www.gp.alberta.ca. Expropriation in Alberta is overseen by the [Land Compensation Board](#).

If the City decides to proceed with an expropriation, it must notify the property owner of its intention. Once notified, a property owner may consent to the acquisition or object and request a hearing to determine whether the expropriation is fair, sound and reasonably necessary. Throughout the expropriation process, the City and the property owner can continue to discuss the compensation and try to reach an agreement. If the City and the property owner cannot agree on compensation, the Land Compensation Board may determine the compensation payable.

FOR MORE INFORMATION

Visit: edmonton.ca/LRTprojects
Call: 780-496-4874
Email: LRTprojects@edmonton.ca