

# 2019

## ASSESSMENT METHODOLOGY

### INDUSTRIAL LAND

A summary of the methods used by the City of Edmonton in determining the value of industrial land properties in Edmonton for assessment purposes.

[edmonton.ca/assessment](http://edmonton.ca/assessment)

*Revised: February 21, 2019 (see revision history)*

Edmonton



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## Scope

This guide is an aid in explaining how industrial land properties are valued for assessment purposes. It sets out the valuation method and procedure to derive market values. The information presented in this guide is aimed at deriving values for a group of properties with similar property characteristics. In some circumstances, not every property's valuation parameters will be covered.

The guide is intended as a tool; it is not intended to replace the assessor's judgment in the valuation process.



This icon signifies when legislation is quoted.

## Introduction

Property assessments in the City of Edmonton are prepared in accordance with the requirements of the *Matters Relating to Assessment and Taxation Regulation*, 2018, Alta Reg 203/2017, (hereinafter "MRAT"). This regulation establishes the valuation standard to be used, defines the procedures to be applied, and proposes objectives for the quality to be achieved in the preparation of assessments. The legislation requires the municipality to prepare assessments that represent *market value* by application of the *mass appraisal process*. All assessments are expected to meet quality standards prescribed by the province in the regulation.

Property assessments represent:

- an estimate of the value
- of the fee simple estate in the property
- as it existed on December 31, 2018
- would have realized if it had been sold on July 1, 2018
- on the open market and under typical market conditions
- from a willing seller to a willing buyer

The assessment is a prediction of the value that would result when those specific, defined conditions are met.

*"Fee simple interest [is] absolute ownership unencumbered by any other interest or estate...leased fee interest [is] the ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires....leasehold interest [is] the interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions."*

Appraisal Institute of Canada, *The Appraisal of Real Estate Third Canadian Edition*, Vancouver, Canada, 2010, page 6.4.

Both *market value* and *property*, along with additional terms are defined in the *Municipal Government Act*, RSA 2000, c M-26 (hereinafter the “MGA”) and *MRAT* :



s.284(1)(r) “**property**” means

- (i) a parcel of land
- (ii) an improvement, or
- (iii) a parcel of land and the improvements to it

MGA .s.284(1)(r)

s.1(k) “**regulated property**” means

- (i) land in respect of which the valuation standard is agricultural use value,
- (ii) designated industrial property, or
- (iii) machinery and equipment

MRAT s.1(k)

s.9(1) the **valuation standard** for the land and improvements is market value unless subsection (2)... applies

MRAT s.9(1)

s.1(1)(n) “**market value**” means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer

MGA s.1(1)(n)

s.5 An assessment of property based on **market value**

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property

MRAT s.5

s.289(2) Each assessment must reflect

- (a) the characteristics and physical condition of the property on **December 31** of the year prior to the year in which a tax is imposed

MGA s.289(2)(a)

s.6 Any assessment prepared in accordance with the Act must be an estimate of the value of a property on **July 1** of the assessment year

MRAT s.6

s.1(g) “**mass appraisal**” means the process of preparing assessments for a group of properties using standard methods and common data and allowing for statistical testing

MRAT s.1(g)

## Mass Appraisal

Mass appraisal is the legislated methodology used by the City of Edmonton for valuing individual properties, and involves the following process:

- properties are stratified into groups of comparable property
- common property characteristics are identified for the properties in each group
- a uniform valuation model is created for each property group

**property characteristic:** *A feature that helps to identify, tell apart, or describe recognizably, a distinguishing mark or trait*

[www.thefreedictionary.com](http://www.thefreedictionary.com)



31(c) **“valuation model”** means the representation of the relationship between property characteristics and their value in the real estate marketplace using a mass appraisal process

MRAT s.31(c)

The following two quotations indicate how the International Association of Assessing Officers distinguishes between mass appraisal and single-property appraisal:

*... “single-property appraisal is the valuation of a particular property as of a given date: mass appraisal is the valuation of many properties as of a given date, using standard procedures and statistical testing.”*

*... “Also, mass appraisal requires standardized procedures across many properties. Thus, valuation models developed for mass appraisal purposes must represent supply and demand patterns for groups of properties rather than a single property.”*

*Property Appraisal and Assessment Administration, pg.88-89.*

For both mass appraisal and single-property appraisal, the process consists of the following stages:

	Mass Appraisal	Single Appraisal
<b>Definition and Purpose</b>	Mass appraisal is used to determine the assessment base for property taxation in accordance with legislative requirements	The client specifies the nature of the value to be estimated, including rights to be valued, effective date of valuation, and any limiting conditions
<b>Data Collection</b>	Mass appraisal requires a continuing program to maintain a current database of property characteristics and market information.	The extent of data collection is specific to each assignment and depends on the nature of the client's requirements
<b>Market Analysis</b>	Mass appraisal is predicated on highest and best use	Market analysis includes the analysis of highest and best use
<b>Valuation Model</b>	Valuation procedures are predicated on groups of comparable properties	Subject property is the focus of the valuation. The analysis of comparable properties is generally six or less
<b>Validation</b>	The testing of acceptable analysis and objective criteria	The reliability of the value estimate is more subjective. Acceptability can be judged by the depth of research and analysis of comparable sales

## Valuation Models

A valuation model creates an equation of variables, factors and coefficients that explains the relationship between estimated market value and property characteristics.



*s.31(a) “**coefficient**” means a number that represents the quantified relationship of each variable to the assessed value of a property when derived through a mass appraisal process*

*(b) “**factor**” means a property characteristic that contributes to a value of a property;*

*(d) “**variable**” means a quantitative or qualitative representation of a property characteristic used in a valuation model*

**MRAT, s.31 (a), (b) and (d)**

*s.33(3) Information prescribed...does not include coefficients*

**MRAT, s.33(3)**

### Valuation Model

- variables are created from property characteristics
- analysis of how variables affect market value
- factors and coefficients are determined
- the resulting valuation models are applied to property characteristics

Depending on the property type multiple regression analysis or other mass appraisal techniques are used to determine variables, factors and coefficients.

*“**Multiple Regression Analysis (MRA)**: a statistical technique used to analyze data to predict market value (dependent variable) from known values of property characteristics (independent variables)”*

**Property Appraisal and Assessment Administration, p. 653**

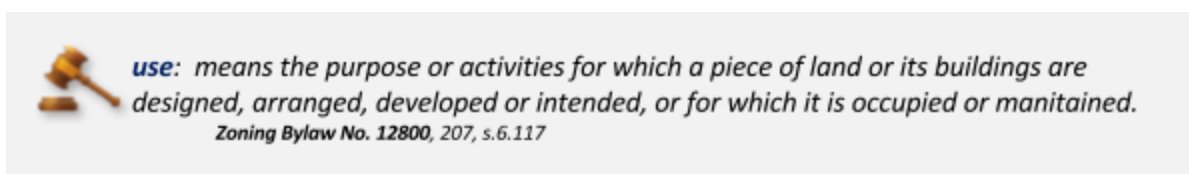
## Approaches to Value

The most common approaches to determine market value are the direct sales, income, and cost. Each emphasizes a particular kind of market evidence.

<b>Direct Sales Approach</b>	Typical market value (or some other characteristic) is determined by referencing comparable sales and other market data. It is often used when sufficient sales or market data is available. It may also be referred to as the Sales Comparison Approach.
<b>Income Approach</b>	This approach considers the typical actions of renters, buyers and sellers when purchasing income-producing properties. This approach estimates the typical market value of a property by determining the present value of the projected income stream. Often used to value rental or leased property.
<b>Cost Approach</b>	Typical market value is calculated by adding the depreciated replacement cost of the improvements to the estimated value of land. It is often used for properties under construction or when there is limited market data available.

## Property Groups

The use of a property determines the property groupings and the valuation model applied.



### Industrial

There are a number of reasons why a given property is included in the industrial inventory. Zoning and highest and best use are key indicators in a property's classification. As well, based on the principles of urban economics, properties of similar use typically cluster together, and even when competing firms in the same sector cluster there may be advantages because the cluster attracts more suppliers and customers than a single firm could achieve alone.

### Sub-Group

Some property groups have sub-groups based on property characteristics. This guide is for the industrial land sub-group.

### Industrial land

For the 2019 tax year, vacant properties were included in the industrial land inventory based upon their effective zoning. Properties included in the City of Edmonton Zoning Bylaw 12800 Industrial Zones, with the addition of the Industrial Reserve Zone, are included in the 2019 industrial land inventory. See the

definition of zoning provided later in this brief for a complete list of industrial land zonings. Some parcels may have minor improvements such as paving or fencing.

## Direct Sales Approach

For this property group, the assessment is determined using the Direct Sales approach. It is the most appropriate method of valuation for industrial land in the City of Edmonton because it mirrors the actions of buyers and sellers in the marketplace and sufficient sales data exists in order to derive reliable market estimates.

Support for the Direct Sales approach comes from several reputable sources, for example:

*This approach is usually the preferred approach for estimating values for residential and other property types with adequate sales. (IAAO, 2013, sec. 4.3).*

*The Direct Comparison approach provides the most credible indication of value for owner-occupied commercial and industrial properties, i.e., properties that are not purchased primarily for their income-producing characteristics. These types of properties are amenable to direct comparison because similar properties are commonly bought and sold in the same market. (Appraisal Institute of Canada [AIC], 2010, p. 13.4).*

*Appraisers should rely on several sold properties as comparable sales. Three to five comparables are usually adequate, but a larger number improves confidence in the final estimate, increases the awareness of patterns of value, and stabilizes assessments over time . (UBC, 2009, p. 7.2).*

## Sales

The City of Edmonton validates all land title transactions (sales). The validation process can include site inspections, interviews with parties involved, a review of land title documents, corporate searches, third party information, and sale validation questionnaires.

The City of Edmonton reviews sales occurring from July 1, 2013 to June 30, 2018 for valuation of industrial land properties. Time adjustments are applied to sale prices to account for any market fluctuations occurring between the sale date and the legislated valuation date.

**Sale price reflects the condition of a property on the sale date and may not be equal to the assessment.**

## Time Adjustments

Time adjustment refers to the adjustment applied to the sale price of a property to account for the effects of price changes reflected in the market between the date of sale and the July 1, 2018 valuation date. The time adjustments are shown below.

### 2019 TIME ADJUSTMENTS FOR INDUSTRIAL LAND MODEL

YEAR	MONTH	ADJUSTMENT		YEAR	MONTH	ADJUSTMENT
2013	Jul	1.2090		2016	Jan	1.1895
2013	Aug	1.2006		2016	Feb	1.1824
2013	Sep	1.1923		2016	Mar	1.1753
2013	Oct	1.1840		2016	Apr	1.1683
2013	Nov	1.1757		2016	May	1.1613
2013	Dec	1.1676		2016	Jun	1.1544
2014	Jan	1.1594		2016	Jul	1.1475
2014	Feb	1.1514		2016	Aug	1.1407
2014	Mar	1.1434		2016	Sep	1.1339
2014	Apr	1.1354		2016	Oct	1.1271
2014	May	1.1275		2016	Nov	1.1204
2014	Jun	1.1197		2016	Dec	1.1137
2014	Jul	1.1119		2017	Jan	1.1071
2014	Aug	1.1042		2017	Feb	1.1005
2014	Sep	1.0965		2017	Mar	1.0939
2014	Oct	1.0889		2017	Apr	1.0874
2014	Nov	1.0813		2017	May	1.0809
2014	Dec	1.0738		2017	Jun	1.0744
2015	Jan	1.0663		2017	Jul	1.0680
2015	Feb	1.0589		2017	Aug	1.0617
2015	Mar	1.0516		2017	Sep	1.0553
2015	Apr	1.0443		2017	Oct	1.0490
2015	May	1.0370		2017	Nov	1.0428
2015	Jun	1.0549		2017	Dec	1.0366
2015	Jul	1.0732		2018	Jan	1.0304
2015	Aug	1.0917		2018	Feb	1.0242
2015	Sep	1.1106		2018	Mar	1.0181
2015	Oct	1.1298		2018	Apr	1.0121
2015	Nov	1.1494		2018	May	1.0060
2015	Dec	1.1692		2018	Jun	1

## Zoning

The rules and regulations for land development within Edmonton are contained in the Zoning Bylaw, No. 12800.



*s.6.123 **zone:** means a specific group of listed Uses and Development Regulations which regulate the Use and Development of land within specific geographic areas of the City...*

*Zoning Bylaw No. 12800, 2017, s. 6.123*

An industrial zone summary is in the appendix.

The actual zoning may affect the property's classification; however, not all property conforms to the zoning use set out in the Zoning Bylaw. In these cases, an effective zoning is applied to reflect the current use and/or development potential of the property. The effective zoning may differ from the actual zoning.



*643(1) If a development permit has been issued on or before the day on which a land use bylaw or a land use amendment bylaw comes into force in a municipality and the bylaw would make the development in respect of which the permit was issued a nonconforming use or nonconforming building, the development permit continues in effect in spite of the coming into force of the bylaw*

*MGA, s. 643(1)*

In cases where a legal non-conforming use is discontinued for six (6) or more months, any future use must conform to the Zoning Bylaw.



*643(2) A non-conforming use of land or a building may be continued but if that use is discontinued for a period of 6 consecutive months or more, any future use of the the land or building must conform with the land use bylaw then in effect.*

*MGA, s. 643(2)*

## Variables

Below is the list of variables that affect the assessment value for 2019.

Lot size	Market area
Traffic	Effective zoning

**Lot size:** The area of a specific parcel determined through a Geographic Information System (GIS) and Alberta Land Titles.

**Market area:** Market Areas are geographic areas defined using location boundaries. See enclosed maps entitled 2019 Industrial Land Market Areas. The Market Areas are as follows:

Market Areas
1
2
3
4
5
6
7
8
9
10
11
12

For 2019, the following market areas were grouped together:

- Market Area 1, Market Area 2, and Market Area 11
- Market Area 3, Market Area 7, and Market Area 9

**Traffic:** This attribute is only applied to properties that have access to a traffic influence.

The level of influence is based upon the annual weekday traffic volume counts (2011 – 2016) as reported by the City of Edmonton Transportation Planning Branch. The 2011-2016 Average Annual Weekday Traffic Volumes Report is accessible on the City website:

[https://www.edmonton.ca/transportation/traffic\\_reports/traffic-reports-flow-maps.aspx](https://www.edmonton.ca/transportation/traffic_reports/traffic-reports-flow-maps.aspx)

Definitions for each individual traffic attribute are as follows:

<b>Minor</b>	<ul style="list-style-type: none"> <li>Roads with recorded traffic flows of 1,500-5,000 vehicles per day</li> </ul>
<b>Moderate</b>	<ul style="list-style-type: none"> <li>Roads with recorded traffic flows of 5,001-15,000 vehicles per day</li> </ul>
<b>Major</b>	<ul style="list-style-type: none"> <li>Roads (e.g. 50<sup>th</sup> Street, 170<sup>th</sup> Street, 99<sup>th</sup> Street) with recorded traffic flows of 15,001-50,000 vehicles per day</li> </ul>
<b>Extreme</b>	<ul style="list-style-type: none"> <li>Roads (e.g. <u>Whitemud Drive</u>, <u>Yellowhead Trail</u>) with recorded traffic flows of over 50,000 vehicles per day</li> </ul>

**Effective zoning:** Effective zoning is an internal coding applied to reflect the current use and/or development potential of a parcel. Effective zoning will generally reflect the actual zoning of a parcel, but may differ on properties with a legal non-conforming use, Direct Control zoning or in other limited circumstances. Refer to the Appendix for further zoning information. For 2019, Industrial Reserve (AGI), Business Industrial (IB), and Heavy Industrial (IH) zoning affects the assessment value.

## Adjustments

Adjustments may be applied to properties with atypical influences on a site specific basis to recognize their effect on value. Adjustments include but are not limited to:

### Servicing

The following services have been analyzed for 2019 valuation purposes: street lighting, sanitary sewer, storm sewer, water, paving and sidewalk, curb & gutter.

All properties are valued as fully serviced. If a property lacks a specific service, it is adjusted based on the values presented in the table below. If a property is entirely unserviced a total of -30% adjustment is applied to the account:

Services	Servicing Cost Adjustment
No street lighting	0.60%
No sanitary sewer	6.30%
No storm sewer service	11.40%
No water service	6.30%
No paving (to property line)	3.60%
No sidewalk, curb and gutter	1.80%

**Yes** indicates that a property has a specified service and **No** indicates that a property does not have a specified service.

The individual servicing adjustments are defined as follows:

**Street lighting:** Street lighting is considered as part of the public road and walkway access infrastructure for a property.

- **Yes** - Our records show that street lighting exists as part of the public road and walkway access for the property.
- **No** - Our records show that street lighting does not exist as part of the public road and walkway access for the property.

**Sanitary sewer:** Sanitary sewers refer to the public infrastructure (either separate or combined with storm sewers) provided for a property to collect sanitary waste water.

- **Yes** - Our records show that sanitary sewers exist to collect sanitary waste water from the property.
- **No** - Our records show that sanitary sewers do not exist to collect sanitary waste water from the property.

**Storm sewer:** Storm sewers refers to the public infrastructure (either separate or combined with sanitary sewers) provided for a property to collect storm water.

- **Yes** - Our records show that storm sewers exist to collect storm water from the property.
- **No** - Our records show that storm sewers do not exist to collect storm water from the property.

**Water service:** Water service refers to the public water supply infrastructure available to a property. Property is considered serviced if a branch (stub) line from the City of Edmonton or EPCOR main line to the property line exists.

- **Yes** - Our records show that the property does have water supply services.
- **No** - Our records show the property is without water supply services.

**Paving:** Paving of public roads is considered as part of the public roadway access infrastructure for a property.

**Yes** - Our records show that a paved road exists as part of the public roadway access for the property.

**No** - Our records show that paved road does not exist as part of the public roadway access for the property.

**Sidewalk, curb and gutter:** Sidewalks and/or curbs and gutters are part of the public road access infrastructure adjacent to a property, depending on the typical standards for a given street or subdivision.

- **Yes** - Our records show that sidewalks, curbs and gutters exist as part of the public road and walkway access for the property.
- **No** - Our records show that sidewalks, curbs and gutters do not exist as part of the public road and walkway access for the property.

## Other Adjustments

The following listed adjustments can be made to the below characteristics, with the exception of utility remnant lot, neighbourhood and land market adjustment (LMA):

- **Minor** - 5% negative adjustment
- **Moderate** - 10% negative adjustment
- **Major** - 15% negative adjustment
- **Extreme** - 20% negative adjustment

**Lot Access:** Landlocked properties that do not have reasonable future accessibility to a city roadway.

**Easement:** An easement is a legal encumbrance registered against the title of land allowing the right to use and/or enter onto the real property of another without possessing it. Easements may include easements for access, locating utilities, or otherwise limiting or precluding the use of the area subject to the easement.

**Restrictive covenant:** An agreement that restricts the use or occupancy of all or part of a property and that may be registered on the title to a property and runs with the land.

**Shape influence:** an adjustment is only applied if the shape of a property hinders the developability of the property where it cannot be developed to a site coverage of 40%.

**Topography:** An adjustment is only applied if the topography of a property hinders the developability of the property.

**Large Parcel Adjustment:** An adjustment is applied to properties with a titled area larger than fifty (50) acres or larger than twenty (20) acres in Market Area 8.

**Utility remnant lot:** A remnant lot is a property that is too small or oddly shaped to easily support independent development.

**Contamination:** Contamination refers to property that has been affected by environmental contamination which includes adverse conditions resulting from the release of hazardous substances into the air, surface water, groundwater, or soil. Refer to the City of Edmonton Assessment Valuation Procedures in Relation to Contaminated Properties.

**Neighbourhood:** Each property is located in a neighbourhood according to boundaries set by the City of Edmonton. Maps identifying these neighbourhood boundaries are accessible on the City website, <http://maps.edmonton.ca/map.aspx> (click on “Areas” in the Legend and select “Neighbourhood” in the “I’m looking for” drop-down menu). For 2019, the following areas received adjustments:

- **Market Area 2** - 3350 (Prince Charles)
- **Market Area 5** - 6690 (Southeast Annexed Industrial)

**Land market adjustment (LMA):** An LMA is applied after all other adjustments to accounts for characteristics not common to many properties but can be demonstrated to impact market value. This adjustment is used in rare circumstances where the influence on the property cannot be accounted for or described by the usual attributes such as topography or shape, etc. The reason for the LMA will be provided upon request under Section 299 or 300 of the MGA.

A Land Market Adjustment is a negative adjustment, and changes in increments of 5%. An LMA may be indicated as follows:

- **Land market adjustment applied (Yes)**

## Site Improvements

Some parcels may have improvements such as paving or fencing. Typical market value is calculated by adding the depreciated replacement cost of the improvements to the estimated value of land.

**Fencing:** An industrial land property may be improved with fencing. Fencing on industrial land properties was valued using the Marshall & Swift Costing Manual.

**Pavement:** An industrial land property may be improved with hard surfacing, such as asphalt. Pavement on industrial land properties was valued using the Marshall & Swift Costing Manual.

## Definitions

**Land use (LUC):** Land use is an internal coding used to categorize the current use of a property. The amount of a property subject to any specific LUC will be expressed as a percentage of total assessed value. For 2019, the LUC did not affect the value of industrial land. Industrial land may have the following LUCs:

- 900 – Undeveloped non-residential land
- 258 – Fenced storage
- 530 – Paved/fenced parking lot for non-residential use
- 531 – Unpaved/unfenced parking lot for non-residential use
- 853 – Farm land
- 855 – Rural land adjacent to water and sewer (residential class)
- 987 – Transitional land: non-residential to residential

**Type:** Type specifies whether the variable applies to the account, unit, site, or building.

1. Account - An adjustment that is applied to the property on the account. The property on the account includes the parcel of land and the improvements.
2. Unit - An adjustment that is applied to a condominium unit.
3. Site - An adjustment that is applied to the land.
4. Building - An adjustment that is applied to the building.

## Sample Assessment Detail Report

### Property Assessment Detail Report Assessment and Taxation

Account **8888888**



Report Date	December 20, 2018
2019 Assessed Value	<b>\$2,000,000</b>
Date of Issue	January 2, 2019
Property Address	6000 SAMPLE STREET NW
Legal Description	Plan: 888888 Lot: 1
Neighbourhood	Sample Industrial
Assessment Class	NON-RESIDENTIAL
Land Use	100% Undeveloped non-residential land
Zoning	IM - Medium Industrial District
Effective Zoning	IM - Medium Industrial District
Taxable Status	January 1 - December 31, 2019; FULLY TAXABLE
Unit of Measurement	IMPERIAL (feet, square feet)

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### Factors Used to Calculate Your 2019 Assessed Value

			MARKET VALUE APPROACH	DIRECT SALES
LAND				
Variable	Factor	Type		
Lot size	307146	Site		
Market area	5	Site		
Effective zoning	IM	Site		
Paving	YES	Site		
Sanitary sewer	NO	Site		
Storm sewer	NO	Site		
Water service	NO	Site		
Street lighting	NO	Site		
Sidewalk, curb and gutter	NO	Site		
			Land Value	<b>3,855,699</b>

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Visit [myproperty.edmonton.ca](http://myproperty.edmonton.ca) • email [assessment@edmonton.ca](mailto:assessment@edmonton.ca) • call 311 (780-442-5311)

## General Practices

**The most common unit of comparison for industrial properties is value per square foot of lot size.**

**Averages:** As no two industrial properties are identical, **averages can become misleading**; however, where differences are **minor** averages can be useful. Numerous sales must be considered and appropriately weighted to arrive at a reasonable estimate of value. According to mass appraisal theory, *Appraisers should rely on several sold properties as comparable sales. Three to five comparables are usually adequate, but a larger number improves confidence in the final estimate, increases the awareness of patterns of value, and stabilizes assessments over time.* (UBC, 2009, p. 7.2).

**Onus:** Proving the incorrectness of an assessment is the responsibility of the individual alleging it. This individual must provide sufficiently compelling evidence on which a change to the assessment can be based.

**Post facto sales:** A sale which occurs after the valuation date of July 1, 2018 may be considered for market trending only. Accordingly, the City of Edmonton does not use post facto sales for modeling.

## Methods to Adjust Comparables

There are two techniques for adjusting comparables: **quantitative** and **qualitative**.

### Quantitative Adjustments

Each characteristic of a property can be measured or quantified by a mathematical expression and adjusted for.

*Several techniques are available to quantify adjustments to the sale prices of comparable properties: data analysis techniques (including paired data analysis, grouped data analysis, and secondary data analysis, statistical analysis, graphic analysis... (AIC, 2010, p. 14.2).*

*In the direct comparison approach, the best comparables are those sales that require the least **absolute** adjustment.* (AIC, 1995, p. 245).

Quantitative adjustments involve adjusting a known value (sale price for example) by adding or subtracting an amount that a given characteristic adds to or subtracts from that value. A quantitative adjustment should be made for each characteristic that differs between the subject property and the comparable property.

Due to the legislative requirement to use mass appraisal, the City has used statistical analysis to determine annual assessments.

*“coefficient” means a number that represents the quantified relationship of each variable to the assessed value of a property when derived through a mass appraisal process.*

*MRAT s.31(a)*

The City is not required to disclose the coefficients. In the absence of quantitative adjustments, an alternative technique is qualitative analysis.

## Qualitative Analysis

Each comparable property is compared with the subject property on an overall basis. In a qualitative analysis, comparable properties are identified as inferior, similar, or superior overall to the subject property in order to bracket the probable value range of the subject property.

*When a sale property is considered to offer important market evidence but finding the means to make quantitative adjustments is lacking, the appraiser may turn to other major direct comparison techniques, **qualitative analysis**. (AIC, 2005, p. 19.10).*

*In reconciling value indications in the direct comparison approach, the appraiser evaluates the number and magnitude of adjustments and the importance of the individual elements of comparison in the market to judge the relative weight a particular comparable sale should have in the comparative analysis. (AIC, 2010, p. 13.16 ).*

*Qualitative analysis recognizes ... the difficulty in expressing adjustments with mathematical precision. (AIC, 2010, p. 14.6 ).*

*...reliable results can usually be obtained by bracketing the subject between comparables that are superior and inferior to it. (AIC, 2010, p. 14.7).*

*If one or two comparable properties require fewer total adjustments than the other comparables, an appraiser may attribute greater accuracy and give more weight to the value indications obtained from these comparables, particularly if the magnitude of the adjustments is approximately the same. (AIC, 2010, p. 13.16).*

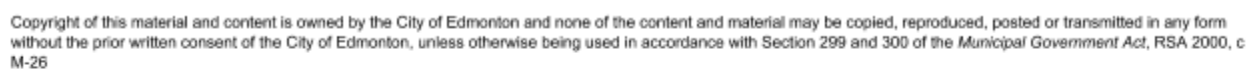
## Revision History

February 21, 2019 - removed Provincial Quality Standards section

## References

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## Map



## Zone Summary

Industrial (s.400)	
IB	<b>Industrial Business Zone (s.400)</b> is for industrial businesses that carry out their operations such that no nuisance is apparent outside an enclosed building
IL	<b>Light Industrial Zone (s.410)</b> provides for high quality, light industrial developments, that operate with no nuisance factor apparent outside an enclosed building, limited outdoor activities
IM	<b>Medium Industrial Zone (s.420)</b> provides for manufacturing, processing, assembly, distribution, services and repair uses that carry out a portion of their operations outdoors, any nuisance should not generally extend beyond the boundaries of the site
IH	<b>Heavy Industrial Zone (s.430)</b> provides for industrial uses that, due to their appearance, noise, odour, risk of toxic emissions, or fire and explosion hazards are incompatible with residential, commercial, and other land uses. Normally located on the interior of industrial or agricultural areas.
Direct Control Provisions (s.700)	
DC1	<b>Direct Development Control (s.710)</b> is to provide for detailed, sensitive control of the use, development, siting and design of buildings and disturbance of land where this is necessary to establish, preserve or enhance: a. areas of unique character or special environmental concern b. areas or sites of special historical, cultural, paleontological, archaeological, prehistorical, natural, scientific or aesthetic interest
DC2	<b>Site Specific Development Control (s.720)</b> is to provide for direct control over a specific proposed development where any other Zone would be inappropriate or inadequate.
Agriculture and Reserve Zones (s.630)	
AGI	<b>Industrial Reserve Zone (s.630)</b> is to allow for agricultural and rural land use activities that do not prejudice future use when the lands are required for industrial use
Special Area: Ellerslie Industrial (s.930)	
EIB EIM	<b>Ellerslie Industrial Business (s.930.4)</b> <b>Ellerslie Medium Industrial Zone (930.5)</b>

For additional zone detail, please refer to the Zoning Bylaw.