

2019

ASSESSMENT METHODOLOGY

AGRICULTURAL, DEVELOPMENT AND OTHER LAND

A summary of the methods used by the City of Edmonton in determining the value of agricultural, development and dual use land properties in Edmonton for assessment purposes.

edmonton.ca/assessment

Revised: February 21, 2019 (see revision history)

Edmonton



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Scope

This guide is an aid in explaining how Agricultural, Development, Urban Service, and Other 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



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
Definition and Purpose	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
Data Collection	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
Market Analysis	Mass appraisal is predicated on highest and best use	Market analysis includes the analysis of highest and best use
Valuation Model	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
Validation	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

An assessed value is calculated by applying the appropriate valuation model to individual properties within a group.

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.

Direct Sales Approach	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.
Income Approach	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.
Cost Approach	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.

Direct Sales Approach

The direct sales approach is the most appropriate method of valuation for Agriculture, Development, Urban Service, and Other Land properties 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.

The cost approach to value was applied to improvements on Agriculture, Development, Urban Service, and Other Land properties. Improvements on these groups of land properties were valued using the Marshall and Swift Costing Manual for buildings with farm usage, and the City of Edmonton Residential Module Manual for buildings with residential usage. The income approach was not used in the valuation of these properties, since that approach is more applicable to income producing properties.

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. Sales analysis for Agriculture, Development, Urban Service, and Other Land also includes a review for future zoning changes, current and proposed area structure plans, availability of services and/or cost of providing services, and development applications.

The City of Edmonton reviews sales occurring from July 1, 2013 to June 30, 2018 for valuation of Agriculture, Development, Urban Service, and Other Land property. The City of Edmonton uses the date the legal title transfer was registered at the Land Titles Office as the sale date of a property.

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

Property Groups

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



use: means the purpose or activities for which a piece of land or its buildings are designed, arranged, developed or intended, or for which it is occupied or maintained.

Zoning Bylaw No. 12800, 207, s.6.117

Agricultural and Farm Land

Agricultural land includes land where all or part of the property is used for farming operations, as defined in Section 2(1)(f) of MRAT as:

...the raising, production and sale of agricultural products and includes:

- (i) horticulture, aviculture, apiculture and aquaculture,
- (ii) the raising, production and sale of
 - (a) horses, cattle, bison, sheep, swine, goats or other livestock,
 - (b) fur-bearing animals raised in captivity,
 - (c) domestic cervids within the meaning of the *Domestic Cervid Industry Regulation* (AR 188/2014), or
 - (d) domestic camelids,
- (iii) the planting, growing and sale of sod;
- (iv) an operation on a parcel of land for which a woodland management plan has been approved by the Woodlot Association of Alberta or a forester registered under *Regulated Forestry Profession Act* for the production of timber primarily marketed as whole logs, seed cones or Christmas trees,

but does not include any operation or activity on land that has been stripped for the purposes of, or in a manner that leaves the land more suitable for, future development;

Following the procedures set out in the Alberta Farmland Assessment Minister's Guidelines, Agricultural Land in the City of Edmonton that meets the definition of *farm land*, has been assessed for 2018 at the rate of \$787 per Hectare or \$318 per acre.

Section 7(3) of MRAT requires that the following property be assessed at market value notwithstanding that all or part of the property is used for farming operations:

- a parcel of land containing less than one acre;

- a parcel of land containing at least one acre but not more than 3 acres that is used but not necessarily occupied for residential purposes or can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;
- an area of 3 acres located within a larger parcel of land where any part of the larger parcel is used but not necessarily occupied for residential purposes;
- an area of 3 acres that is located within a parcel of land, and can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;
- any area that is located within a parcel of land, is used for commercial or industrial purposes, and cannot be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;
- an area of 3 acres or more that is located within a parcel of land, is used for commercial or industrial purposes, and can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel.

Pursuant to s. 2(1)(f) of MRAT, any lands that are “stripped for the purposes of, or in a manner that leaves the land more suitable for, future development” do not qualify as a “farming operation” and therefore are assessed at market value.

In accordance with previous decisions of the Composite Assessment Review Board, land on which agricultural activity occurs may not constitute “farm land” in certain circumstances where:

- the agricultural use is unlawful pursuant to zoning restrictions and the absence of development approval, and the landowner has no valid claim to a legal non-conforming use; or
- the farming or agricultural activity is not a *bona fide* farming operation, but occurs solely or primarily to obtain a tax benefit.

In these circumstances, the land will be assessed at market value.

Agricultural Lands are categorized into the below ratings. All of the agricultural land rates are affected by the region of the City in which a property is located, with the exception of the FARM rate. See the **Agricultural (AG) / Development Land Area Map** to view the Agricultural Regions.

Agricultural Land Rates			
Rates	Description	Rates	Description
16	1 st acre	21	Premium Location 3 rd acre
17	2 nd acre	22	Urban Influence 1 st acre
18	3 rd acre	23	Urban Influence 2 nd acre
19	Premium Location 1 st acre	24	Urban Influence 3 rd acre
20	Premium Location 2 nd acre	FARM	Farm Land

Rural Res 1st Acre (16): Rural Res 1st Acre refers to the first acre of a 3 acre site on Agricultural Land that is used but not necessarily occupied for residential purposes and is not part of a rural residential neighbourhood.

Rural Res 2nd Acre (17): Rural Res 2nd Acre refers to the second acre of a 3 acre site, on Agricultural Land that is used but not necessarily occupied for residential purposes and is not part of a rural residential neighbourhood.

Rural Res 3rd Acre (18): Rural Res 3rd Acre refers to the third acre of a 3 acre site, on Agricultural Land that is used but not necessarily occupied for residential purposes and is not part of a rural residential neighbourhood.

Rural Res Acreage 1st Acre Premium Location (19): Rural Res Acreage 1st Acre Premium Location refers to the first acre of a 3 acre site on Agricultural Land that is used but not necessarily occupied for residential purposes, is not part of a rural residential neighbourhood, and is considered a Premium Location. Premium Location refers to properties that abut or are across the road from a green space, natural reserve, lake, pond, ravine, river, or golf course.

Rural Res Acreage 2nd Acre Premium Location (20): Rural Res Acreage 2nd Acre Premium Location refers to the second acre of a 3 acre site, on Agricultural Land that is used but not necessarily occupied for residential purposes, is not part of a subdivision, and is considered a Premium Location. Premium Location refers to properties that abut or are across the road from a green space, natural reserve, lake, pond, ravine, river or golf course.

Rural Res Acreage 3rd Acre Premium Location (21): Rural Res Acreage 3rd Acre Premium Location refers to the third acre of a 3 acre site, on Agricultural Land that is used but not necessarily occupied for residential purposes, is not part of a rural residential neighbourhood, and is considered a Premium Location. Premium Location refers to properties that abut or are across the road from a green space, natural reserve, lake, pond, ravine, river or golf course.

Rural Res Proximity to Urban Influence 1st Acre (22): Rural Res Proximity to Urban Influence 1st Acre refers to the first acre of a 3 acre site on Agricultural Land that is used but not necessarily occupied for residential purposes and is abutting or across the road from development as defined in section 616(b) of the MGA or can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel.

Rural Res Proximity to Urban Influence 2nd Acre (23): Rural Res Proximity to Urban Influence 2nd Acre refers to the second acre of a 3 acre site, on Agricultural Land that is used but not necessarily occupied for residential purposes and is abutting or across the road from development as defined in section 616(b) of the MGA or can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel.

Rural Res Proximity to Urban Influence 3rd Acre (24): Rural Res Proximity to Urban Influence 3rd Acre refers to the third acre of a 3 acre site, on Agricultural Land that is used but not necessarily occupied for residential purposes and is abutting or across the road from development as defined in section 616(b) of the MGA or can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel.

Farmland (FARM): Agricultural land includes land where all or part of the property is used for farming operations, defined in Section 2(1)(f) of *MRAT*. Farm rates are prescribed by the Province of Alberta and is a standard value within the City of Edmonton.

Development Land

Development Land is land that is undergoing, or is anticipated to undergo, development activity. This may relate to all or part of the property. Pursuant to s. 616(b) of the Municipal Government Act, development means:

- (i) an excavation or stockpile and the creation of either of them,
- (ii) a building or an addition to or replacement or repair of a building and the construction or placing of any of them on, in, over or under land,
- (iii) a change of use of land or a building or an act done in relation to land or a building that results in or is likely to result in a change in the use of the land or building, or
- (iv) a change in the intensity of use of land or a building or an act done in relation to land or a building that results in or is likely to result in a change in the intensity of use of the land or building

Development rates will have different market values depending on the region of the City in which the property is located. See the **Agricultural (AG) / Development Land Area Map** to view the Agricultural Regions. The estimation of how close a parcel is to development is based upon what steps have been taken in the development process as of December 31 of the prior year. Area Structure Plans, proximity to servicing, development applications, and inspections all help to determine which phase of development the parcel is in. To reflect diminishing returns, development land is assessed at a lower rate every ten hectares. For fairness and equity, the actual time to develop as planned by the property owner or developer is not taken into consideration.

Development Land Rates					
Rates	Description	Rates	Description	Rates	Description
1	Development	6	Premium	25	Non Residential
3	Development 2 to 3 years	8	Premium 2 to 3 years	27	Non Residential 2 to 3 years
4	Development 4 to 5 years	9	Premium 4 to 5 years	28	Non Residential 4 to 5 years
5	Development > 5 years	10	Premium > 5 years	29	Non Residential > 5 years

Development Land (1): Development Land is Residential Development Land, which is ready to be developed and is typically forecasted to be subdivided into smaller parcels within a year.

Development Land Phase 2 to 3 years (3): Development Land Phase 2 to 3 years is Residential Development Land, which is ready to be developed and is typically forecasted to be subdivided into smaller parcels within 2 to 3 years.

Development Land Phase 4 to 5 years (4): Development Land Phase 4 to 5 years refers to Residential Development Land, which is ready to be developed, and is typically forecasted to be subdivided into smaller parcels within 4 to 5 years.

Development Land Phase More Than 5 years (5): Development Land Phase More Than 5 years refers to Residential Development Land which is ready to be developed and is typically forecasted to be subdivided into smaller parcels in more than 5 years.

Development Land with Premium Location (6): Development Land is Residential Land, which is ready to be developed and is typically forecasted to be subdivided into smaller parcels within a year. Premium Location refers to properties that abut or are across the road from green space, natural reserve, lake, pond, ravine, river or golf course.

Development Land with Premium Location Phase 2 to 3 years (8): Development Land Phase 2 to 3 years is Residential Development Land, which is ready to be developed and is typically forecasted to be subdivided into smaller parcels within 2 to 3 years. Premium Location refers to properties that abut or are across the road from green space, natural reserve, lake, pond, ravine, river or golf course.

Development Land with Premium Location Phase 4 to 5 years (9): Development Land Phase 4 to 5 years refers to Residential Development Land, which is ready to be developed, and is typically forecasted to be subdivided into smaller parcels within 4 to 5 years. Premium Location refers to properties that abut or are across the road from green space, natural reserve, lake, pond, ravine, river or golf course.

Development Land with Premium Location Phase Plus 5 years (10): Development Land Phase More Than 5 years refers to Residential Development Land which is ready to be developed and is typically forecasted to be subdivided into smaller parcels in more than 5 years. Premium Location refers to properties that abut or are across the road from green space, natural reserve, lake, pond, ravine, river or golf course.

Non-Residential Development Market (25): Non-Residential Development Market refers to Non-Residential Development Land that is typically forecasted to be subdivided into smaller parcels within a year.

Non-Residential Development Phase 2 to 3 years (27): Non-Residential Development Phase 2 to 3 years refers to Non-Residential Development Land that is typically forecasted to be subdivided into smaller parcels within two to three years.

Non-Residential Development Phase 4 to 5 years (28): Non-Residential Development Phase 4 to 5 years refers to Non-Residential Development Land that is typically forecasted to be subdivided into smaller parcels within 4 to 5 years.

Non-Residential Development Phase Plus 5 years (29): Non-Residential Development Phase Plus 5 years refers to Non-Residential Development Land that is typically forecasted to be subdivided into smaller parcels within 5 years or more.

Urban Service and Other Land

Assessment of Public Utility, Urban Service and Park Land			
Rates	Description	Rates	Description
AP	AP, A (Park Land)	PU	Public Utility Lot
NP	Natural Preserve	US	Urban Service Lot 1 st 2 hectares (ha)
30	Raw Land	US Unserviced	Urban Service Lot (Unserviced)
US Excess	Urban Service Lot (excess)		

A, AP Park Land (AP): Park Land refers to all or part of a property that is zoned or permitted to be used as Metropolitan Recreation Zone or Public Parks Zone as per City Zoning Bylaw 12800. If the current permitted use is different from the actual zoning of A/AP, then the appropriate market value rate would apply.

Natural Preserve Land (NP): Similar to Parkland, Natural Preserve Land refers to areas with uses severely limited by topographical, and legal permissible use. This rate is most often used in the assessment of NA zoned land and properties located in the River Valley, which are frequently limited by the slope of the embankment as well as the North Saskatchewan River Valley and Ravine System Protection Overlay in the Zoning Bylaw.

Public Utility Lot (PU): A Public Utility Lot refers to all or part of a property that is zoned or permitted to be used as Public Utility Zone as per City Zoning Bylaw 12800. A Public Utility Lot also refers to a property that provides or is intended to provide a system or works for public consumption, benefit, convenience or use that is not zoned PU but may be subject to a restrictive covenant, easement or otherwise identified for public benefit (i.e. by Area Structure Plan).

Raw Land (30): This rate is applied to all or part of a property that is vacant land and does not meet the definition of “farming operations” in Section 1(i) of MRAT. It is not serviced or prepared for development, or in close proximity to existing development. Such parcels are typically more than 5 years from development. This market rate will vary depending on the region of the City that the property is located in. See **Agricultural and Development Land Area Map**.

Urban Service Lot (US): A serviced Urban Service Lot refers to all or part of a property that is zoned or permitted to be used as Urban Service under City Zoning Bylaw 12800. Urban Service Lot (US) refers to an area up to the first two hectares of a serviced parcel of vacant land and/or the area of improved site coverage. The balance of the land is assessed at the US EXCESS rate.

Urban Service Lot (US Excess): An Urban Service Lot (US Excess) is a portion of the property that refers to all or part of a property that is zoned or permitted to be used as Urban Service under City Zoning Bylaw 12800, and that exceeds 2 hectares.

Urban Service Lot (US Unserviced): An Urban Service Lot (US Unserviced) refers to all or part of a property that is zoned or permitted to be used as Urban Service under City Zoning Bylaw 12800. Urban Service Lot (US Unserviced) refers to an area up to the first two hectares of an unserviced parcel of vacant land and/or the area of improved site coverage. The balance of the land is assessed at the US Excess rate.

Zoning

The rules and regulations for land development within Edmonton are contained in the Zoning Bylaw, No. 12800. A land zone summary is in the appendix.



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

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.



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)

Agricultural Use Zoning

In determining whether a particular agricultural use is allowed under the applicable zoning, the type of agricultural use must be characterized. The three most common agricultural uses in the City of Edmonton are Rural Farms, Recreational Acreage Farms and Urban Outdoor Farms. These use classes may impact the classification of land when it is determined that an agricultural use is non-compliant with the zoning, and the landowner does not have a right to a legal non-conforming use.



Rural Farms means development for the primary production of farm products such as: dairy products; poultry products; cattle, hogs, sheep and other animals; wheat or other grains; and vegetables or other field crops in rural and peri-urban areas. This does not include Livestock Operations, Recreational Farms, Urban Gardens, Urban Indoor Farms, Urban Outdoor Farms, or Cannabis Production and Distribution, unless licensed and operating pursuant to federal legislation.

Zoning Bylaw No. 18076, 2017, s.7.6(1)



Recreational Acreage Farms means development for small-scale, non-commercial agricultural pursuits Accessory to Residential or Residential Related Uses in rural residential areas. This Use shall be developed so that it does not unduly interfere with the general enjoyment of adjacent property. Animals shall be kept for the use or enjoyment of the householder only. This Use does not include Livestock Operations, Rural Farms, Urban Indoor Farms, Urban Outdoor Farms, Urban Gardens, or Cannabis Production and Distribution, unless licensed and operating pursuant to federal legislation.

Zoning Bylaw No. 18076, 2017, s.7.6(4)



Urban Outdoor Farms means the cultivation and harvesting of plant and/or animal products in urban areas, primarily as an interim Use on idle or under-used land for the primary purpose of wholesale or retail sales. Cultivation and harvesting may occur within unenclosed structures primarily lit by natural light and used for the extension of the growing season, such as coldframes and hoopouses. Accessory structures may include Hen Enclosures or those used for the operation of the Site. Accessory activities may include on-Site sales, composting of plants grown on-Site, or outdoor storage. This Use does not include Livestock Operations, Rural Farms, Recreational Acreage Farms, Urban Indoor Farms, Urban Gardens, or Cannabis Production and Distribution, unless licensed and operating pursuant to federal legislation.

Zoning Bylaw No. 18076, 2017, s.7.6(6)

Classification of Agricultural and Development Lands

As per MGA Section **297(1)**: When preparing an assessment of property, the assessor must assign one or more of the following assessment classes to the property:

- (a) class 1 - residential;
- (b) class 2 - non-residential;
- (c) class 3 - farmland;
- (d) class 4 machinery and equipment.

Assigning assessment classes requires a consideration of the class definitions found within MGA section 297, MRAT, City of Edmonton Charter, Edmonton Zoning Bylaw, No. 12800, and possibly the Municipal Development Plan, Area Structure Plans, and Overlays. Any legislation that affects how a property can be used will affect its classification.

The Municipal Development Plan, Area Structure Plans, and Overlays can be found on the City website, www.edmonton.ca, under “City Government > Bylaws > Zoning Bylaw” or “City Government > Urban Planning & Design > Planning > Plans in Effect”.

Land Use (LUC)

Agricultural, Development, Urban Service and Other Land may have one or more of the following Land uses (LUCs) based upon a property’s actual use. Land use (LUC) is an internal coding used to categorize the current use of a property. The LUC may affect the assessed value of a property, and indicates which corresponding tax (mill) rate will be applied.

LUC	Description	Assessment Class
272	Commercial greenhouse	Non-Residential
258	Fenced storage	Non-Residential
557	Road right of way	Non-Residential
748	Undeveloped park	Non-Residential
758	Natural preserve	Non-Residential
760	Storm water pond	Non-Residential
800	Acreage for residential use (building and land)	Residential
805	Vacant/unimproved rural land	Residential
822	Acreage for non-residential use (building and land)	Non-Residential
832	Farm-use buildings and structures	Farm Land
835	Residential development land	Residential
853	Farm land	Farm Land
855	Rural land adjacent to water and sewer (residential class)	Farm Land
900	Undeveloped non-residential land	Non-Residential
901	Utility lot for residential use	Residential
902	Remnant or utility lot for non-residential use	Non-Residential
950	Leased City-owned residential land	Residential

This list contains frequently used codes within the Agriculture, Development, Urban Service and Other Land inventory of properties; it is not a complete list of all Land uses applied by The City of Edmonton.

Farm Buildings

Farm buildings are buildings used for farming operations. They include barns, riding stables and arenas, shops, machinery storage buildings, hay sheds, calving barns, farm utility buildings, greenhouse buildings, quonsets and steel grain bins. Farm buildings do not include any building, or a portion of a building that is used for residential living accommodation, industrial, commercial, retail enterprise, or other non farming use.

In assessing farm buildings, Section 298(l)(y) of the *MGA* states the following:

- 298 (1)** No assessment is to be prepared for the following property:
(y) farm buildings, except to the extent prescribed in the regulations

Section 8 of *MRAT* qualifies this by indicating that:

- (2)** For the purposes of section 298(1)(y) of the Act, an assessment must be prepared for any farm building located in a city, town, village or summer village.
- (3)** In preparing an assessment for a farm building, the assessor must determine its value based on its use for farming operations.

A farm building may qualify for a partial tax exemption pursuant to ss. 9 of *MRAT*:

- 30 (f)** any farm building in a city, town, village or summer village, to the extent of
- (i) 60% of its assessment for the 2018 taxation year,
 - (ii) 70% of its assessment for the 2019 taxation year,
 - (iii) 80% of its assessment for the 2020 taxation year,
 - (iv) 90% of its assessment for the 2021 taxation year, and
 - (v) 100% of its assessment for the 2022 taxation year and all subsequent taxation years.

In accordance with these regulations, assessments for farm buildings were prepared using the Cost Approach. Costs were determined using the Marshall and Swift Cost Manual.

Definitions

Area Structure Plan: Area Structure Plan provides a framework for subsequent subdivision and development of an area of land and includes things such as the sequence of proposed development (*MGA* Section 633).

Bona Fide: Made in good faith without fraud or deceit; made with earnest intent.

Development applications: Development applications include subdivision, rezoning and road closure applications, and applications to create or amend an Area Structure Plan.

Lot size: The area of a specific parcel determined through Geographic Information System and Alberta Land Titles. It is measured in either imperial or metric.

Overlay: An Overlay is an additional development regulation superimposed on specific areas of the City, which supersedes or adds to the development regulations of the underlying zone. Refer to Zoning Bylaw 12800.

Servicing: The level of services available to a property. A property is fully serviced if it is or can be serviced by using services located in an adjacent property. Services include storm sewer, sanitary sewer and water service.

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

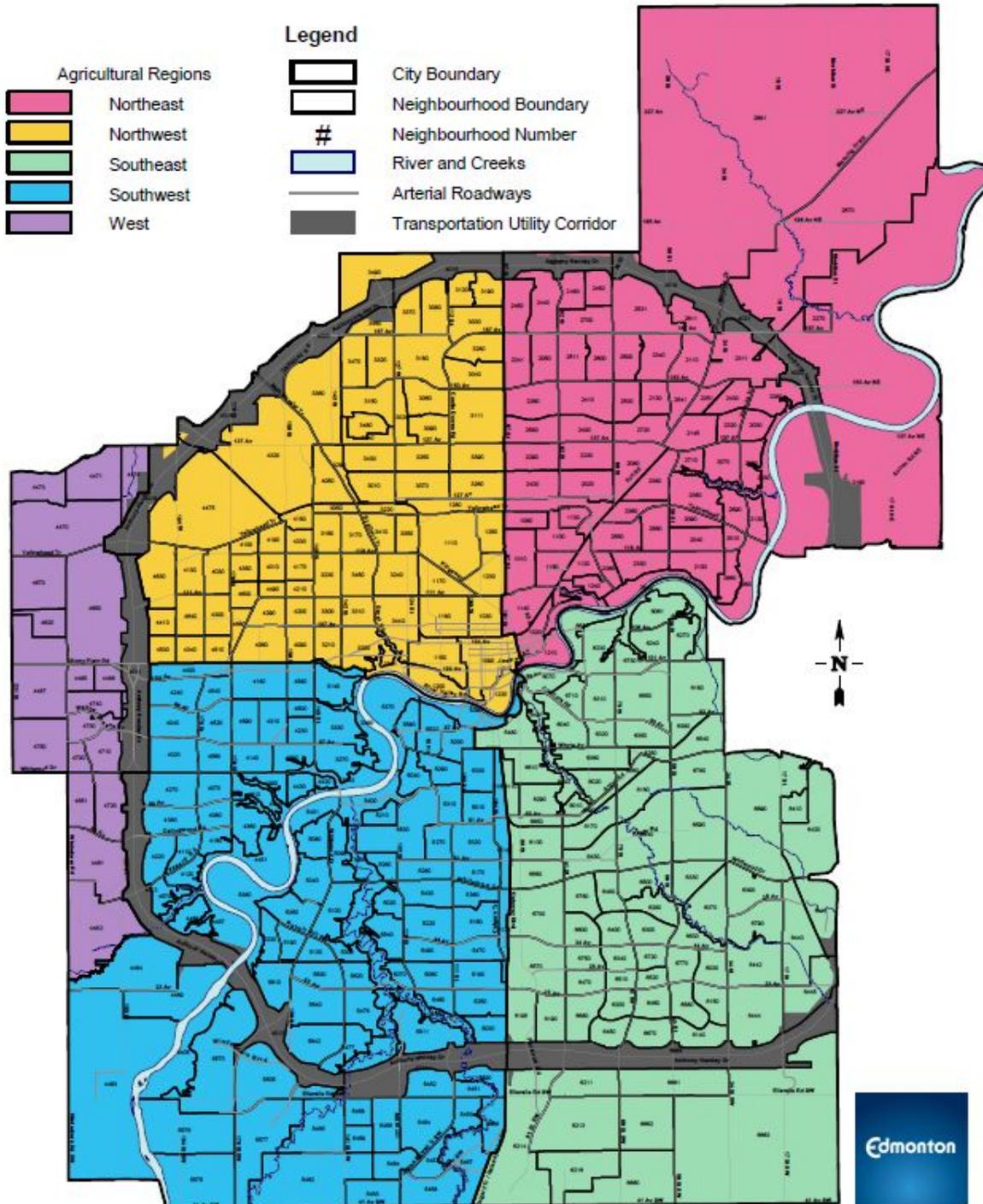
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Appendix

Map

Agricultural (AG) / Development Land Area Map



Map compiled by: Assessment & Taxation Branch
Printed: October 6, 2016

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Sample Assessment Detail Reports

Property Assessment Detail Report Assessment and Taxation



Account 1234567

Report Date	January 1, 2019	page 1 of 1
2019 Assessed Value	\$793,000	
Date of Issue	January 1, 2019	
Property Address	1234 EXAMPLE AVENUE NW	
Legal Description	Plan: 1234 Block: X	
Neighbourhood	Gorman	
Assessment Class	FARMLAND	
Land Use	2% Farm land	
Zoning	AG - Agricultural District	
Effective Zoning	AG - Agricultural District	
Taxable Status	January 1 - December 31, 2019; FULLY TAXABLE	
Assessment Class	FARMLAND	
Land Use	98% Rural land adjacent to water and sewer (residential class)	
Zoning	AG - Agricultural District	
Effective Zoning	AG - Agricultural District	
Taxable Status	January 1 - December 31, 2019; FULLY TAXABLE	
Unit of Measurement	METRIC (metres, square metres)	

Factors Used to Calculate Your 2019 Assessed Value

				MARKET VALUE APPROACH	DIRECT SALES
LAND					
Plot	Measurement	Rate	Rating		Base Value (\$)
1	1.214 Ha	640,000.00\$/Ha	Development Land		776,960
2	21.001 Ha	787.00\$/Ha	Farm Land		16,528
				Land Value	793,488

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Visit myproperty.edmonton.ca • email assessment@edmonton.ca • call 311 (780-442-5311)

Zone Charts for Agriculture, Development, Urban Service and Other Land

Agriculture and Reserve Zones	
AG	Agricultural Zone (s.610) is to conserve agricultural and rural land use activities
AGU	Urban Reserve Zone (s.620) is to allow for agricultural and rural land use activities and a limited range of other uses, that do not prejudice the future use of these lands for urban use
AGI	Industrial Reserve Zone (s.630) is to allow for agricultural and rural land use activities that do not prejudice future use when the lands are required for industrial use

Urban Services	
US	Urban Services Zone (s.510) provides for publicly and privately owned facilities of an institutional or community service nature
PU	Public Utility Zone (s.520) is to provide for a system or works that is used to provide for public consumption, benefit, convenience or use such as water or steam, sewage disposal, public transportation, irrigation, drainage, fuel, electric power, heat, waste management and telecommunications.
AP	Public Parks Zone (s.530) is to provide an area of public land for active and passive recreational uses, and allow for an opportunity for public schools
NA	Natural Areas Protection Zone (s.531) is to conserve, preserve and restore identified natural areas, features and ecological processes.
A	Metropolitan Recreational Zone (s.540) is to preserve natural areas and parkland along the river, creeks, ravines and other designated areas for active and passive recreational uses and environment protection
AN	River Valley Activity Node (s.541) is to allow for limited commercial development within activity nodes in designated areas of parkland along the river, creeks and ravines
MA1	Municipal Airport Zone (s.550)
MA2	Municipal Airport Airfield Zone (s.551)
MA3	Municipal Airport General Business Zone (s.553)
AJ	Alternative Jurisdiction Zone (s.560)

CS1	For low to medium density housing on lands now surplus to public education needs
CS2	Community Services 1 Zone (s.570) is to provide for publicly and privately owned facilities of an institutional or community service nature
CS3	Community Services 2 Zone (s.571) is to provide an area of public land for active and passive recreation uses
CS4	Community Services 3 Zone (s.572) is to allow for agricultural and rural land use activities and a limited range of other uses, that do not prejudice the future use of these lands for urban use
CS4	Community Services 4 Zone (s.573) is to conserve agricultural and rural land use
UI	Urban Institutional Zone (s.574) is to provide for facilities of an educational or institutional nature, within mature areas of the city that could include additional uses that would complement the institutional development.

Residential	
RF1	Single Detached Residential Zone (s.110) is to provide for single detached housing while allowing other forms of small scale housing
RSL	Residential Small Lot Zone (s.115) is to provide for smaller lot single detached housing with attached garages
RF2	Low Density Infill Zone (s.120) is to retain single detached housing, while allowing infill on narrow lots, uses include duplex housing
RPL	Planned Lot Residential Zone (s.130) is to provide for small lot single detached housing, serviced by both a public roadway and a lane
RF3	Small Scale Infill Development Zone (s.140) is to provide for single detached housing and semi-detached housing while allowing small-scale conversion and infill redevelopment to buildings containing up to four dwellings
RF4	Semi-Detached Residential Zone (s.150) is to provide a zone primarily for Semi-detached Housing and Duplex Housing
RMD	Residential Mixed Dwelling Zone (s.155) is to provide for a range of dwelling types and densities including single detached, semi-detached and row housing
RF5	Row Housing Zone (s.160) is to provide for relatively low to medium density housing, generally referred to as Row Housing

UCRH	Urban Character Row Housing Zone (s.165) is to provide for medium density Row Housing in a manner that is characteristic of urban settings and can include more intensive development
RF6	Medium Density Multiple Family Zone (s.170) is to provide for medium density housing, where some units may not be at Grade

Residential	
RA7	Low Rise Apartment Zone (s.210) provides for low rise apartment buildings
RA8	Medium Rise Apartment Zone (s.220) provides for medium rise apartment buildings
RA9	High Rise Apartment Zone (s.230) provides for high rise apartment buildings
RR	Rural Residential Zone (s.240) is to provide for single detached residential development of a permanent nature in a rural setting, generally without the provision of the full range of urban utility services
RMU	Mobile Home Zone (s.250) is to provide for Mobile Homes developed within a Mobile Home Park or Mobile Home Subdivision.

The following areas have unique zoning requirements in the Special Areas section of the Zoning Bylaw 12800:

- 910 Special Area Downtown
- 920 Special Area Terwillegar
- 930 Special Area Ellerslie Industrial
- 940 Special Area Griesbach
- 950 Special Area Clareview Campus
- 960 Special Area Ambleside
- 970 Special Area Edmonton Energy and Technology Park
- 980 Special Area Heritage Valley Low Density Zone
- 990 Special Area Heritage Valley Town Centre
- 995 Special Area Graydon Hill
- 997 Special Area Blatchford

Commercial	
CNC	Neighbourhood Convenience Commercial Zone (s.310) is to provide for convenience commercial and personal service uses, which are intended to serve the day-to-day needs of residents within residential neighbourhoods.
CSC	Shopping Centre Zone (s.320) is to provide for larger shopping centre developments intended to serve a community or regional trade area. Residential, office, entertainment and cultural uses may also be included within such shopping complexes
CB1	Low Intensity Business Zone (s.330) is to provide for low intensity commercial, office and service uses located along arterial roadways that border residential areas
CB2	General Business Zone (s.340) provide for businesses that require large sites and a location with good visibility and accessibility along, or adjacent to, major public roadways.
CHY	Highway Corridor Zone (s.350) is to provide for high quality commercial development along those public roadways, which serve as entrance routes to the City or along limited access public roadways intended to provide a connection to entrance routes.
CO	Commercial Office Zone (s.360) is to provide for medium intensity office, commercial and residential development
CB3	Commercial Mixed Business Zone (s.370) is to create a mixed-use zone to provide for a range of medium intensity commercial uses as well as enhance opportunities for residential development in locations near high capacity transportation nodes

Industrial	
IB	Industrial Business Zone (s.400) is for industrial businesses that carry out their operations such that no nuisance is apparent outside an enclosed building
IL	Light Industrial Zone (s.410) provides for high quality, light industrial developments, that operate with no nuisance factor apparent outside an enclosed building, limited outdoor activities
IM	Medium Industrial Zone (s.420) 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	Heavy Industrial Zone (s.430) 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	
DC1	Direct Development Control (s.710) 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: <ul style="list-style-type: none"> 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	Site Specific Development Control (s.720) is to provide for direct control over a specific proposed development where any other Zone would be inappropriate or inadequate.

Special Areas

The purpose of these Provisions is to provide a means to regulate the Use, design and extent of development within specific geographic areas of the City in order to achieve the planning objectives of an Area Structure Plan or Area Redevelopment Plan for those areas with special or unique attributes, which cannot be satisfactorily addressed through conventional land Use zoning.

Special Area: Downtown

CCA	Core Commercial Arts Zone (s.910.5)
CMU	Commercial Mixed Use Zone (s.910.6)
HA	Heritage Area Zone (s.910.7) is to establish a special heritage character Zone, in which the existing concentration of historical resources shall be preserved, rehabilitated and reused, and to ensure new developments are pedestrian friendly and compatible
HDR	High Density Residential Zone (s.910.8) is to accommodate high density housing with minor local commercial uses in a predominantly residential environment and to support the concept of a livable urban village with a strong sense of identity and place
JASMSC	Jasper Avenue Main Street Commercial Zone (s.910.9)
RMU	Residential Mixed Use Zone (s.910.10)
UW	Urban Warehouse Zone (s.910.11)
AED	Arena & Entertainment District Zone (s.910.12)

Special Area: Terwillegar

RPLt	Terwillegar Planned Lot Residential Zone (s.920.4)
RF4t	Terwillegar Semi-detached Residential Zone (s.920.5)
RF5t	Terwillegar Row Housing Zone (s.920.6)
TSDR	Terwillegar Single Detached Residential (s.920.8)
TSLR	Terwillegar Small Lot Residential Zone (s.920.9)
TMU	Terwillegar Mixed Use Zone (s.920.10)

Special Area: Ellerslie Industrial

EIB	Ellerslie Industrial Business (s.930.4)
EIM	Ellerslie Medium Industrial Zone (930.5)

Special Area: Griesbach

GLD	Griesbach Low Density Residential Zone (s.940.5)
GVC	Griesbach Village Centre Zone (s.940.6)
RF5g	Griesbach Row Housing Zone (s.940.7)
RA7g	Griesbach Low Rise Apartment Zone (s.940.8)
GLG	Griesbach Low Density Residential with Garage Suites Zone (s.940.9)

Special Area: Clareview Campus

CCHD	Clareview Campus High Density Residential Zone (s.950.4)
CCMD	Clareview Campus Medium Density Residential Zone (s.950.5)
CCLD	Clareview Campus Low Density Residential Zone (s.950.6)
CCSF	Clareview Campus Single Family Residential Zone (s.950.7)
CCNC	Clareview Campus Neighbourhood Commercial Zone (s.950.8)

Special Area: Ambleside

RA7a	Ambleside Low-Rise Apartment zone (s.960.4)
CSCa	Ambleside Shopping Centre Zone (s.960.5)
UVCa	Ambleside Urban Village Commercial Zone (960.6)

Special Area: Edmonton Energy and Technology Park

EETB	Business Park Zone (s.970.6)
EETC	Edmonton energy and Technology Park Chemical Cluster Zone (s.970.7) is to provide opportunity for the development of a petroleum chemical industrial cluster precinct as defined in the Edmonton Energy and Technology Park Area Structure Plan
EETL	Logistics Zone (s.970.8)
EETM	Edmonton Energy and Technology Park Manufacturing Zone (s.970.9) is to provide for the development of manufacturing uses and industrial uses that support and complement petrochemical cluster development as described in the Edmonton Energy and Technology Park Area Structure Plan.
EETR	Industrial Reserve Zone (s.970.10)

Special Area: Heritage Valley Low Density Zone

HVLD	Heritage Valley Low Density Zone (s.980)
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Special Area: Heritage Valley Town Centre

TC-C	Heritage Valley Town Centre Commercial Zone (s.990)
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Special Area: Graydon Hill

GHL D	Graydon Hill Low Density Residential Zone (s.995)
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Special Area: Blatchford	
BP	Blatchford Parks Zone (s.997.7)
BRH	Blatchford Row Housing (s.997.8)
BLMR	Blatchford Low to Medium Rise Residential Zone (s.997.9)
BMR	Blatchford Medium Rise Residential Zone (997.10)

Measure Conversion Chart

Imperial to Metric – Length	Imperial to Metric – Area
1 inch (in) = 2.54 centimetres (cm)	1 square foot (sqft) = 0.09290 square metre (m²)
1 foot (ft) = 0.3048 metres (m)	1 acre (ac) = 4,046.86 square metre (m²)
Imperial Conversions	1 acre (ac) = 0.40469 hectares (ha)
1 acre (ac) = 43,560 square feet (sqft)	Metric Conversions
1 square mile = 640 acres (ac)	1 square kilometer (sq km) = 100 hectares (ha)
1 section = 640 acres (ac)	1 hectare (ha) = 10,000 square metres (m²)