

2019

ASSESSMENT METHODOLOGY

RESIDENTIAL CONDOMINIUM

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

edmonton.ca/assessment

Revised: February 21, 2019 (see revision history)

Edmonton

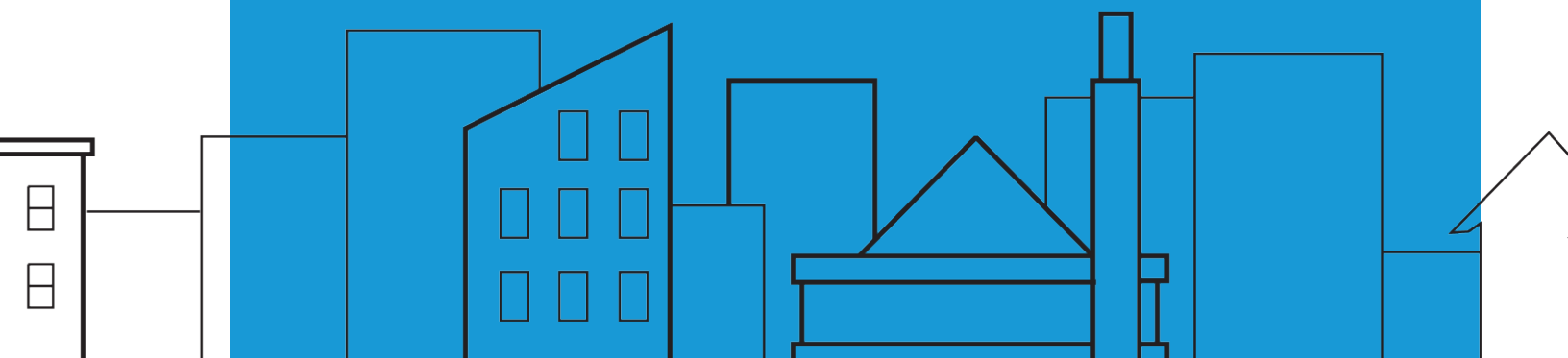


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Scope

This guide explains how 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

The Alberta assessment and taxation system is based on the laws outlined in the *Municipal Government Act*, RSA 2000, cM-26 [MGA], and all associated regulations, including, for example *Matters Relating to Assessment and Taxation Regulation*, Alta Reg 203/2017 [MRAT].

The MGA requires the assessment of property be prepared using mass appraisal. Properties are valued based on a valuation date of July 1, 2018 and the property's condition of December 31, 2018. Many of these terms are defined in the legislation.



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)

While there are many forms of ownership, the legislation requires the City of Edmonton to assess the fee simple estate. The fee simple estate is unencumbered by any other interest or estate, and subject only to the limitations of government.

fee simple – in land ownership, complete interest in a property subject only to governmental powers

Glossary for Property Appraisal and Assessment, p. 56

In summary, a property assessment is:

- ***an estimate of the property's market value on July 1, 2018***
- prepared using ***mass appraisal***
- an estimate of the value of the fee simple estate in the property
- a reflection of the property's condition on ***December 31, 2018***
- prepared assuming typical market conditions on the open market by a willing seller to a willing buyer

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)

The factors and variables are reported on the Property Assessment Detail Report (see Sample Assessment Detail Report). “**Type**” is also indicated and specifies whether the variable applies to the account, unit, site or a given building:

- Account - An adjustment that is applied to a property account. A property account includes all of the improvements and site.
- Unit - An adjustment that is applied to a condo unit.
- Site - An adjustment that is applied to the site.
- Building - An adjustment that is applied to the building.

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.

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).

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

Residential Condominiums are single dwelling units that are typically part of a larger building site or complex. These units are registered as separate titles, and therefore can be **bought and sold separately**. They can include living units, storage units, parking units and common area units.

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

The income approach is not used in the valuation of this property group as this approach is more applicable to income producing properties or in limited markets. The majority of these properties in this inventory are owner occupied with only a small portion of the inventory traded based on the property's ability to generate income.

The cost approach may be used to determine the value of residential condominiums while under construction and partially complete. Once construction is completed, residential condominiums are valued using the sales comparison approach.

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 *three years of sales* occurring from July 1, 2015 to June 30, 2018 for valuation of Residential Condominium High-rise and Low-rise properties. The City of Edmonton reviews *four years of sales* occurring from July 1, 2014 to June 30, 2018 for valuation of Residential Condominium Townhouse properties. Time adjustments are applied to living unit sale prices to account for any market fluctuations occurring between the sale date and the legislated valuation date.

For the parking stall inventory, due to the lack of sales, 5 years of sales were used (July 1, 2013 to June 30, 2018).

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

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

Residential land use zones vary in part due to density.



s.6.24 density: means, when used in reference to Residential and Residential-Related development, the number of Dwellings on a Site expressed as Dwelling per hectare.

Zoning Bylaw No. 12800, 2017 s.6.24

A residential zone summary is in the appendix. For Residential Condominiums, actual zoning will be identified on the Assessment Detail Report.



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)

Valuation Models

There are four distinct valuation models for the residential condominium inventory: low-rise, high-rise, townhouse and parking stall condominiums. The classification of the condominium unit type determines which valuation model is used. The City of Edmonton classification of the condominium unit types are described in the following sections.

High-Rise Condominium Units

"apartment style" refers to a residential structure with several individual apartments with a common entrance and hallway.

Condominium units are under the high-rise classification when they are "apartment style" and the condominium complex building has dwellings located on **six stories or greater**. The condominium plan registered with Alberta Land Titles has sufficient information to determine the classification for each registered condominium unit.

Study Area	Boundaries
North	Includes all high-rise condominiums located north of the North Saskatchewan River
South	Includes all high-rise condominiums located south of the North Saskatchewan River.

Low-Rise Condominium Units

Condominium units are under the low-rise classification when they are “apartment style” and the condominium complex building has dwellings located on **five stories or less**. The condominium plan registered with Alberta Land Titles has sufficient information to determine the classification for each registered condominium unit.

Study Area	Boundaries
North	Includes all low-rise condominiums (other than neighbourhoods in the Central market Area) located north of the North Saskatchewan River.
South	Includes all low-rise condominiums (other than neighbourhoods in the Central market Area) located south of the North Saskatchewan River.
Central	Includes all low-rise condominiums in the central core of the City consisting of the following five neighbourhoods: Downtown, Oliver, Rosedale, Garneau, and Strathcona.

Townhouse Condominium Units

The criteria and definitions below are the factors that determine whether a condominium unit falls under the “townhouse” model.

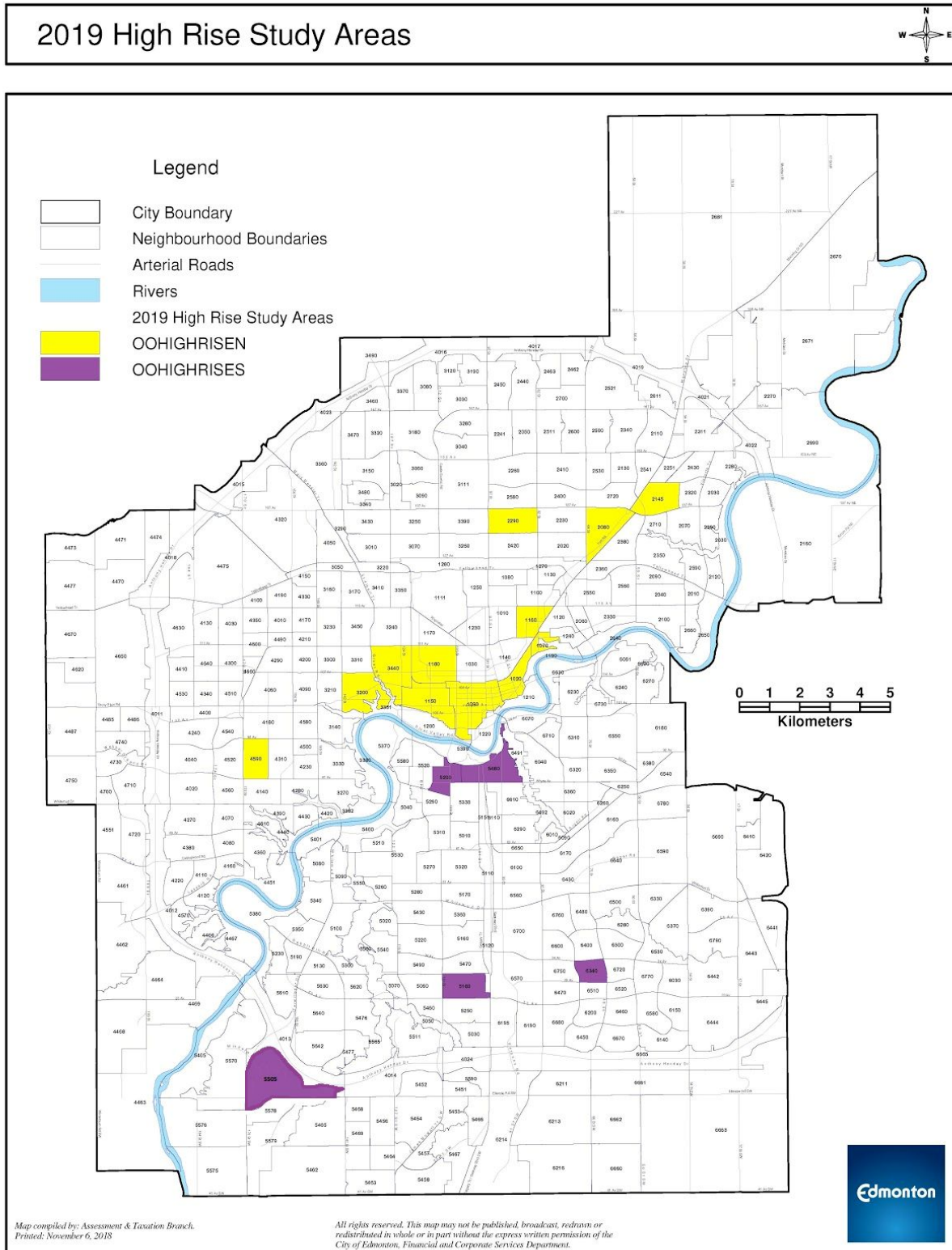
The traditional townhouse or row house is the largest component of this inventory. Townhouse and rowhouse condominium units are condominiums that have two or more units per building. They usually are arranged in rows and may contain living space on multiple levels. The townhouse inventory can consist of single detached homes, duplexes, fourplexes, row housing or carriage or coach homes. For townhouse units, the land is common property.

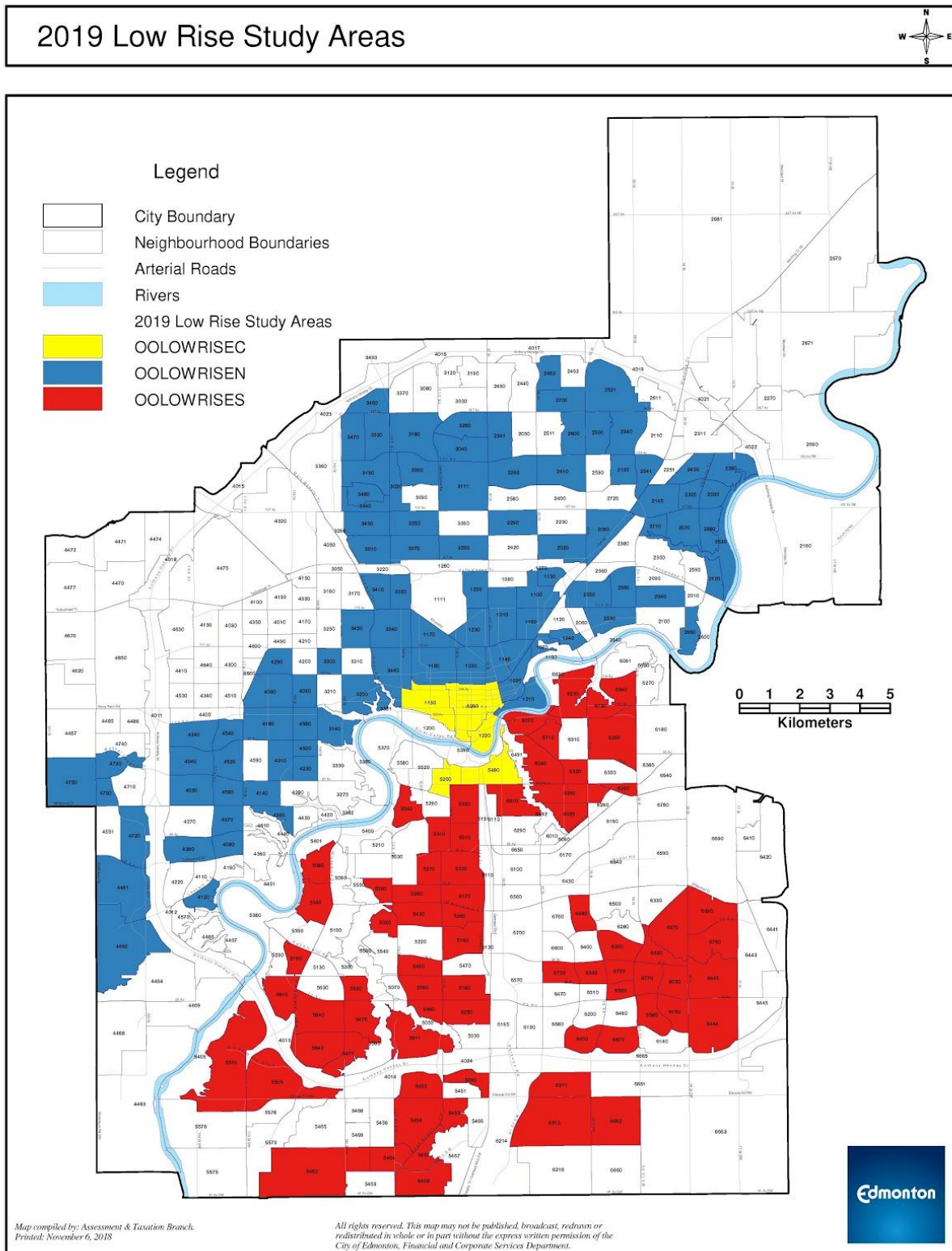
Bareland condominium units are similar to townhouse units, except the owner of the unit is also the **owner of the land**. They can be located in more private, gated communities and higher value units can often have a similar physical appearance to that of a house or single family dwelling.

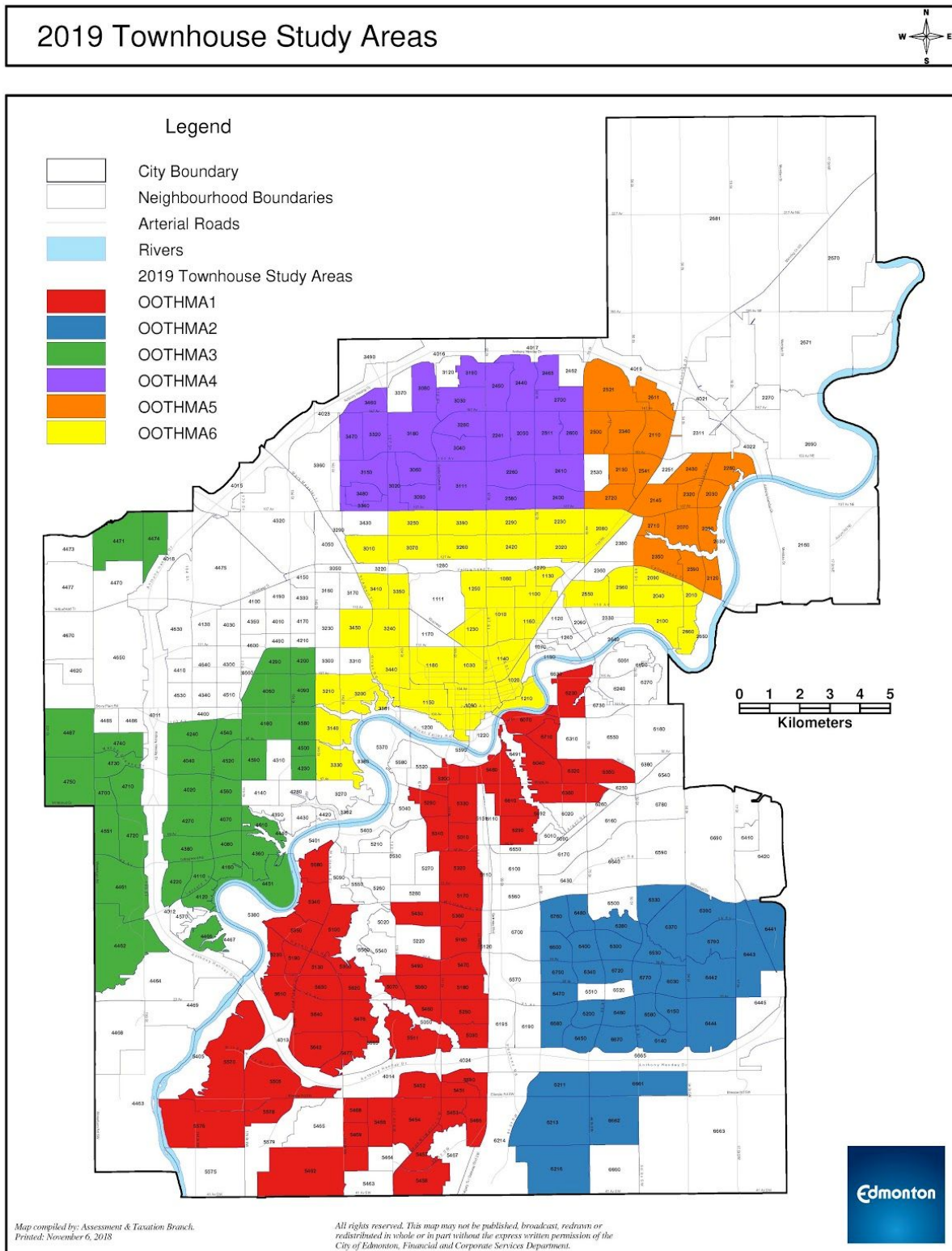
A carriage home is much like an apartment except that it has external dwelling access and no internal building dwelling access (common hallway). They are located side by side with stacked units, one on top of the other. There may be a combination of carriage homes and townhouse units in the same project in which case each condominium unit account is classified in the appropriate category.

Parking Stall Condominium Units

These are titled parking stalls, storage units or common areas that have distinct legal descriptions. They are predominantly located in high-rise and low-rise condominium complexes, but occasionally occur in the townhouse condominium inventory. There is one valuation model that encompasses condominiumized parking stalls, storage units and if applicable common areas.







How Residential Condominiums are Measured

The information in this paragraph pertains only to the low-rise, high-rise, and parking stall condominium units mentioned in the previous section. The City of Edmonton does not determine measurements for these types of condominiums. Rather, they are measured by the surveyor/engineer creating the new plan for the development. Condominium plans are registered through Alberta Land Titles. The City of Edmonton then uses the size measurements from the registered condominium plan. Each condo unit will have a size referenced on the plan. This process usually occurs so the developer can sell or transfer individual condominium units.

For the townhome condominium inventory, size measurements are based on the **external** building envelope measurements. Stairwells are included in the Building Net Area and are thus included in the size of a unit. These size measurements are taken off the building plans provided by the builder.

Variables

The variables used to determine 2019 assessment values are listed for each condominium model.

Townhouse Condominium Units		
Neighbourhood	Quality	Church View
Lot Size	Stories	Lake View
Effective Year Built	Renovations	Open View
Building Net Area	Unit Location	Overhead Transmission Lines
Basement Area, Basement Finish Area, & Other Area	Carriage Style	Park View
Garage Area - Attached/Detached/Base ment/Carport	Air Conditioning	Ravine View
Ownership Factor	Walkout Basement	River View

High-Rise Condominium Units		
Net Area	Full Bathrooms	Penthouse
Balcony	Floor Level	Top Floor
Condominium Complex	Space Type/Suite Mix	One Unit per Floor
Traffic Influence	Renovations	Sky View
Golf View	River View	Street View
Apartment View	Courtyard View	Park View
Open View	Multi Residential View	Street View

Low-Rise Condominium Units		
Net Area	Effective Year Built	Neighbourhood*
Quality	Renovations	Floor Level
Loft Style Condominiums	Existence of a Loft (Bedroom or Space Type)	1 Bedroom/> 70 Sqm (Bedroom or Space Type)
Penthouse (Bedroom or Space Type)	Corner Unit (Unit Location)	Ravine View
River View	Lake View	Park View
Parking Lot View	Courtyard View	Rail View

* Where applicable, including Neighbourhood Subgroup

Parking, Storage Units	
Effective Year Built	Market Area
Parking Type - Underground Parking, Surface Parking, Garage, Storage, Common Area	

Variables Used In The Valuation Model

Note: Not all aspects of a variable are used in the model. Sometimes, certain categories of a variable are grouped together or grouped in combination with another variable. If applicable, specific combinations and groupings will be identified under the corresponding variable.

Air Conditioning

- Air conditioning is a central system for maintaining a cool atmosphere in a building typically by controlling the humidity, ventilation and temperature levels.

Balcony

- Existence of a balcony - Applicable only in the High Rise condominium model for 2019 assessments.

Bathroom

- Full – number of full bathrooms (sink, toilet separate shower and bath or combination)
- $\frac{3}{4}$ – number of three-quarter bathrooms (sink, toilet and either bath or shower. Not both.)
- $\frac{1}{2}$ – number of half bathrooms (sink & toilet)

Bedroom or Space Type

Number of Bedrooms in a living unit.

- 1BDRM – 1 Bedroom
 - 2BDRM – 2 Bedroom
 - 3BDRM – 3 Bedroom
 - 4BDRM – 4 Bedroom
 - 1BDRMWD – 1 Bedroom with Den
 - 2BDRMWD – 2 Bedroom with Den
 - 3BDRMWD - 3 Bedroom with Den
 - 4BDRMWD - 4 Bedroom with Den
 - 1BDRMWL - 1 Bedroom with Loft
 - 2BDRMWL - 2 Bedroom with Loft
 - 3BDRMWL– 3 Bedroom with Loft
 - 4BDRMWL - 4 Bedroom with Loft
 - PENT– Penthouse
-
- **Den:** An enclosed area or nook within a condominium unit **without** one (at least) of the 3 following features: door, window, closet.
 - **Loft:** A partial upper floor in a condominium unit where there are no partitions or doors. Typically, this results in significantly higher ceilings in other areas of the unit.
 - **Penthouse:** A condominium unit that is either a low-rise or high-rise unit usually located on the highest floor of a building. They are normally more luxurious/built to a higher quality compared to other units within the building and are larger in terms of square footage. Occasionally they can be located below the highest floor, but they usually occupy their own floor and are superior to typical units in the condominium complex.

High-Rise Condominium Model

The base space type (suite mix) for the high rise condominium inventory is a 2 bedroom unit.

- **Units of 1 Rooms** (sp_1BDRM) – For the high-rise condominium model distinguishes a unit with only one bedroom. These units receive a slight downward adjustment relative to the base.
- **Units of 3 Rooms** (sp_3_Areas) – For the high-rise condominium model distinguishes unit with two bedrooms and a den or three bedrooms. The original variables 2BDRMWD and 3BDRM have been grouped into a variable called 'Units of 3 Rooms'. These units receive a slight upward adjustment.
- **Units of 4 Rooms and Up** (sp_4_Areas) - Units that have greater than 3 bedrooms have been grouped into a variable called 'Units of 4 Rooms and Up'. These units receive a moderate upward adjustment.

Low-Rise Condominium Model

- **Loft** - All bedroom with loft variables (1BDRMWL,...,4BDRMWL) have been grouped to form this variable to capture the added value to due an existence of a loft.
- **1 Bedroom/70 square meters and more** - Consists of all one bedrooms units that are 70 square meters or larger.

Building Area Variables

- **Building Net Area/Net Area:** Exterior measurements of livable area in a townhome (excludes missing space). For high and low rise condominiums, net area measurements are taken directly off of the registered condominium plan.
- **Basement Area:** Area of a townhouse unit that is either completely or partially below the ground floor
- **Basement Finish Area:** A basement area that has been designed and finished, either during construction or at a later point, to function as a fully habitable space within the townhouse.
- **Lower Level Area:** For split level townhouses, this is the floor area between the main floor and the basement which is partially below grade.
- **Lower Level Finish:** For split level townhouses, this is where the lower level has been finished into living area.
- **Other Area:** Includes both the loft area and solarium area.
 - **Loft:** An open area in a condominium unit extending from an upper floor where there are no partitions or doors.
 - **Solarium:** A glass enclosed room or living area which is part of or an extension to an existing structure.
- **Parking/Storage/Common Unit:** The size designated on the registered condominium plan.

Condominium Complex: A Condominium Complex refers to a building, or group of buildings, usually associated by a common condominium plan. For High Rise Condominiums, Condominium Complex is the locational variable.

Effective Year Built: Represents the actual year of construction of the building, adjusted to reflect the building's depreciation. For example, a property that has been fire damaged and rebuilt may have an effective age that is newer than its actual age. Effective age is generally more important in establishing value than the chronological age since it measures the subject property in comparison to a typical property with respect to the building depreciation.

Floor Level

- The floor level location where a living unit is situated within the condominium complex (e.g, 2nd floor). A factor in determining market value, e.g. living units on higher floor levels typically generate higher market values due to desirability.

Garage area: The size (area) of a garage. The different types of garage areas are described below.

- Attached Garage—Shares common wall(s) with other structures
- Detached Garage – Free standing garage
- Basement Garage – Extends into basement level below grade
- Carport - Are any roofed open structures without enclosed walls, used to offer limited protection from the elements, for vehicles or other storage.
- Garage mixed with building area – may be a combination of an attached and basement garage

Land Use (LUC)

An internal code assigned by the City of Edmonton for classification purposes to a particular property type. This determines whether a condominium unit modelled under the townhouse, low-rise, high-rise or parking stall model.

Townhouse Condominium Units

150 ROW HOUSE CONDOMINIUM

Row Housing means development consisting of a building containing a row of two or more dwellings joined in whole or in part at the side only with no Dwelling being placed over another in whole or in part. Individual Dwellings are separated from one another by a Party Wall. Each Dwelling has separate, individual, and direct access to ground level. This Use does not include Stacked Row Housing or Blatchford Townhousing

156 RESIDENTIAL BARE LAND CONDOMINIUM (LAND AND BUILDING)

Condominium units under this classification are similar to Row Housing. However, in this case, the owner of the unit is also the owner of the land.

184 CARRIAGE HOME CONDOMINIUM

A carriage home, or Stacked Row Housing, means development consisting of a building containing three or more Dwellings arranged two deep, either vertically so that Dwellings are placed over others, or horizontally so that Dwellings are attached at the rear as well as at the side. Each Dwelling shall have separate and individual access, not necessarily directly to ground level, provided that no more than two Dwellings may share access to ground level. This Use does not include Duplex Housing, Row Housing, or Apartment Housing.

2243 COMMERCIAL CONDOMINIUM CONVERTED FROM RESIDENTIAL ROW HOUSE

These are row house or carriage home condominium units identified as converted to commercial use.

High-Rise Condominium Units

152 HIGHRISE CONDOMINIUM

A condominium is considered a high-rise if it contains *six or more stories*.

Low-Rise Condominium Units

153 LOWRISE CONDOMINIUM

A condominium is considered a low-rise if it contains *five or less stories*. If the condominium has five floors and a loft, it is still considered a low-rise.

Parking Stalls, Storage Units and Common Area Units

157 ACCESSORY STRUCTURE IN RESIDENTIAL CONDOMINIUM COMPLEX

Individually owned condominium units developed in buildings or structures that do not conform to any other LUC description. Reserved for *individually titled* storage units or mailboxes.

158 RESIDENTIAL CONDOMINIUM PARKING STALL

This LUC is reserved exclusively for *individually titled* condominium parking stall units including surface and underground parking units.

159 COMMON AREA IN RESIDENTIAL CONDOMINIUM COMPLEX

Reserved for common property buildings or structures and/or parts thereof (e.g., clubhouse, community hall, condominium association storage buildings). Building portions in common area that extend beyond the unit's interior living space.

Loft Style Condominiums

- Loft style condominiums are typically characterized by open-concept spaces with high ceilings, large windows, brickwork and cement ceilings. Other characteristics include exposed beams, pipes and large support beams/pillars in the living space.
- Traditionally, loft condominiums are former industrial/warehouse buildings converted to residential use which is why loft condominiums have a specific industrial feel/look encompassing the features described above. However, there can be newer built condominiums (soft-lofts) that have been built to include many of the features of a traditional loft.

Lot size

- The amount of land area associated with each condominium unit determined through unit factors.

Market Area

- Grouping of neighbourhoods which are very similar to CMHC (Canada Mortgage and Housing Corporation) market areas.

Neighbourhoods

- Neighbourhoods as defined by the City of Edmonton (see City of Edmonton website link below for maps).

http://www.edmonton.ca/residential_neighbourhoods/your-neighbourhood.aspx

Neighbourhoods Subgroups (applicable only for Low-Rise units)

1. **Downtown (1090)**
 - **Downtown 104 street:** this subgroup is defined by the properties located in the warehouse district.
 - **Downtown:** this subgroup is defined by the properties located in other parts of Downtown other than the warehouse district.
2. **Queen Mary Park (1180)**
 - **Brewery district year built newer than 2005:** Consists of the newer built condominiums located north of the brewery district.
 - **Brewery district tier:** These condominiums are located directly behind (north of) the brewery district.
3. **Strathcona (5480)**
 - **Strathcona 99 Street:** Properties that are influenced by their proximity to 99 St.
 - **Whyte Avenue:** Properties that are influenced by their proximity to Whyte Avenue.
 - **Strathcona:** Other parts of Strathcona not specified in categories above.
4. **Oliver (1150)**
 - **In Oliver subgroup 1:** Properties that are located north of Jasper, East of 116 St.
 - **In Oliver subgroup 2:** Properties that are located north of Jasper, West of 116 St.
 - **In Oliver subgroup 3:** Properties that are located south of Jasper, East of 116 St., primarily north of 100 Ave.
 - **In Oliver subgroup 4:** Properties that are influenced by their proximity to the river valley.
5. **Belvedere (2080)**
 - **Belvedere, older than 2001 (1 = Yes):** Properties in Belvedere between the ages of 1970-1982.
 - **Belvedere, newer than 2000 (1 = Yes):** Properties in Belvedere between the ages of 2004-2006.

Quality Classifications

- **Fair (03):** This quality represents basic housing and barely meets building requirements for the era. The exterior usually has a basic square or rectangular shape and may include entry porches, verandas, etc. It has an inferior floor plan due to small rooms and poor layout. There is little attention given to interior/exterior workmanship, materials and finish.
- **Standard (04):** This quality represents average project housing meeting building requirements for the era. The exterior is generally a rectangle and may include entry porches or verandas. The floor plan is functional and finishes are normally limited to standard quality pre-manufactured materials with a minimum number of decorative features.
- **Semi-Custom (05):** This quality represents above average housing exceeding building requirements for the era. More attention is given to the exterior details such as breaks in the roof line. Architectural design is used in living areas resulting in a functional floor plan with a sense of spaciousness. Finishes are upgraded with a mixture of standard and better quality materials with decorative features.
- **Custom (06):** This quality represents good housing exceeding building requirements for the era. It may be contract built. The exterior has an attractive style and there are breaks in the roof line. The floor plan is functional, with an architectural design that may result in an open concept creating a sense of spaciousness. Finishes are good quality materials and workmanship. A number of interior features will be present such as; home theater rooms,

niches, home automation system, security system intercom system, minimal crown moldings.

- **Good custom (07):** This quality represents good to expensive housing exceeding building requirements for the era. It is contract built, and may be under the supervision of an architect. Large verandas or covered entrance ways are common with large or stylish columns. The exterior style may be innovative and breaks in the roof line are common. The elaborate interior design often shows originality and has spacious rooms. A number of high grade interior features will be present including extensive crown moldings. Finishes in this quality are normally good to expensive materials.
- **Expensive (08):** This quality represents unique design and style in housing exceeding building requirements for the era. It is contract built under the supervision of an architect and is commonly built on large sites in prime residential neighborhoods. The exterior often has large window areas and a unique roof style. Exterior finishes are selected for their attractiveness and durability, and may consist of limited amounts of costly ornamentation. The interior design is innovative with a considerable number of built-in features. Rooms are usually spacious and the floor plan often includes special purpose rooms, ie walk-in wine coolers , home theatre and media rooms Decorative features and finishes are normally selected from expensive materials and attention to detail is evident.

Renovations

- **Minor (Upgrade 1)** - is typically cosmetic modernization of a unit, involving new paint, flooring, electrical fixtures, countertop, cabinet doors and interior doors painted. It can also be used to identify a unit of superior quality than those typically found within a newly constructed complex.
- **Moderate (Upgrade 2)** - is full renovation of unit, including all items in Minor renovations plus new kitchen and bathroom cabinetry, countertops, electrical and plumbing fixtures. Moderate renovation involves better than original quality of construction.
- **Major (Upgrade 3)** - Is a full renovation of a unit including all items in Moderate renovations. The quality of renovations exceeds that of the moderate category and is more customized. Often renovations are professionally designed and/or implemented.

Unit Type

- **Derelict Property** – A unit may constitute as a derelict property where the improvement is unfit for occupancy and demonstrates severe deterioration to its physical condition. Derelict properties will generally have exterior doors and windows boarded up, and will often be uninhabitable on the basis of an order from Alberta Health Services, a Safety Codes Officer, or the City of Edmonton Sustainable Development Department, Community Standards Branch, or Fire Rescue Service.
- **Deferred Maintenance** - general maintenance of the unit has not been maintained; a few items need immediate repair.
- **Original** - average maintenance has taken place.

Structure Type (Typically For Townhome Only)

- Split-level – Three or four levels of living space off-set
- 1 storey – One storey with or without basement
- Bi-level – One storey with basement with a split entry
- 2 Storey – Two full stories with or without basement
- 2 ½ Storey – Two full stories with or without basement plus a third level with exterior walls that are less than full height, e.g. less than 2.4 metres

- 3 Storey – Three full stories with or without basement

Traffic Influence

- This variable is recorded using the legend below. The numbers are based on counts reported by the City of Edmonton Transportation and Streets Department; they represent the average annual weekday vehicle counts.

None	0 to 4999 vehicles per day
Minor	5,000 to 9,999 vehicles per day
Moderate	10,000 to 19,999 vehicles per day
Major	20,000 to 29,999 vehicles per day
Extreme	30,000 to 49,999 vehicles per day
Mega	>50,000 vehicles per day

The traffic counts for certain intersections are in the “Average Annual Weekday Traffic Report” found on the city link pasted below:

http://www.edmonton.ca/transportation/traffic_reports/traffic-reports-flow-maps.aspx

NOTE: The traffic chart given above describes how the city of Edmonton *records* traffic. However, for statistical reasons, the traffic variables were grouped together differently depending on the model.

High-Rise Model (traffic influence):

- TRA5000_19999 – Properties with a traffic count range from 5,000-19,999 vehicles/day qualify for the TRA5000_19999 variable. Units which have a daily traffic count within this range receive a slight downward adjustment.
- TRA20000_29999 - Properties with a traffic count range from 20,000-29,999 vehicles/day qualify for the TRA20000_29999 variable. Units which have a daily traffic count within this range receive a moderate downward adjustment.
- TRA30000_49999 - Properties with a traffic count range from 30,000-49,999 vehicles/day qualify for the TRA30000_49999 variable. Units which have a daily traffic count within this range receive the largest downward adjustment.

Carriage Style

- Carriage townhomes are townhomes that are stacked on top of one another making them similar to low-rise condominiums. What differentiates carriage units from low-rise condominiums is the lack of a common hallway and an existence of a separate entrance to every carriage unit. Below are the different locations of a unit within a carriage townhome.

Basement	Unit located below ground
Main	Unit located on the ground floor

Upper	Unit located on the second or third floor
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Unit Location (Residential Condominium)

- Location within the building of the unit or dwelling relative to others within the building.

Inside Unit – one or two outside walls	Inside back to back
End Unit – three outside walls	Corner Unit – two outside walls at right angles
One Unit Per Floor	Free standing – not attached to other structures
Other	Front back to back
Rear back to back	Front corner back to back
Rear corner back to back	Upper unit – coach / carriage home

NOTE: The only Unit Location that impacts valuation for High Rise Condominiums is “One Unit Per Floor”. The only Unit Locations that impact valuation for Townhome Condominiums are “Freestanding” and “End Unit”.

Walk-Out Basement

- **Walkout** – Normally built on a slope site where the foundation walls are partially exposed to allow for the installation of windows and a door. Allows for the door to open into the yard because the basement is at ground level.
- **Forced walkout** – Similar to walkout basement but with only a partial wall open to the yard.
- **Partial walkout** – A walkout basement that was built on a site that does not have a slope. The yard has been dug down to expose one of the basement walls. These areas rely on retaining walls.

Views

The view variables that have affected the assessment value this year are listed below. Each view can be coded as open or limited. For example, if a unit has a view of a courtyard, it would be coded as courtyard-open, or courtyard-limited. A view may be either a negative or a positive attribute. In high-rise and low-rise units, more than one view attribute may be applicable. In some cases, due to the lack of statistical significance, the open and limited view have been combined to create one view.

- **Open** – View is considered a primary view, unobstructed and or directly in front of the subject unit or dwelling.
- **Limited/Obstructed** – View is obstructed, limited, or not directly facing the unit. For example, the view could be partly obstructed by a building or tree, or far away from the unit or dwelling.

Church View

Any condominium unit, which has a view of the church building. Church view has negative impact on the property value.

Courtyard View

Any condominium unit which has a view of a courtyard. For the low rise inventory, courtyard view has a positive impact on property value. For the high rise inventory, a ‘limited’ view of the courtyard has a negative impact on property value.

Golf Course View

Any condominium unit which has a view of a golf course. Golf course view has a positive impact on property value.

Lake View

Any condominium unit which has view of a lake or storm pond. Lake has positive impact on the property value.

Multi-Residential or Apartment View

Any condominium unit which has a major multi-residential view in front of, behind or beside it of an active nature. This would include high-rises or even a number of moderate multi-residential surrounding the property. Multi-Residential view has a positive impact on property value.

Open View

Any condominium unit which has a view of undeveloped green space. Open view has positive impact on the property value.

Overhead Transmission Lines (OTL)

Condominium units, which are located directly next to overhead transmission lines. OTL has negative impact on the property value.

Parking Lot View

Any condominium unit which has a view of a parking lot. Parking lot view has a negative impact on property value. Parking lot view has a negative impact on property value.

Park View

Any condominium unit which has a view of a park. Park has positive influence on the property value.

Rail View

Any condominium unit which has a view of a Railroad. Rail view has a negative impact on property value.

Ravine or River View

Any condominium unit which has a view of a ravine or river. Ravine and river have positive impacts on the property value.

Adjustments Outside The Valuation Model But Still May Affect Assessment Values

- **Condominium Complex Market Factor**

Not all condominium complexes may decrease/increase in value at the same rate as the typical annual decrease/increase found in the time adjustment analysis. Where market evidence demonstrates that a Condominium Complex or group of units in a Condominium Complex display different tendencies than the other similar complexes or groups of units, a Market Condominium Complex Factor may be applied to ensure the assessment accurately reflects market value. Condominium Complex Market Factor is generally a percentage adjustment, and may be applied upward or downward.

- **Rental Ownership Factor**

This factor is applied in limited circumstances where a condominium unit is part of a Condominium Complex and all units in the complex are (a) held by one owner, and (b) used as rental properties. A Rental Ownership Factor recognizes market evidence that units and common property in a rental complex are less valuable than in traditional Condominium Complexes with multiple unit owners. Reasons for this include accelerated wear and tear on units and common property, common property upgrade requirements that may apply before units could be marketed and sold to third-parties, the lack of an arms-length condominium board, and additional statutory obligations imposed on a sole owner under the *Condominium Property Act* if the units have not previously been sold to third-parties.

1: This ownership factor identifies complexes in which most units are owned by separate individuals or owner occupied. No adjustment applied.

0.8: This ownership factor identifies complexes in which all units are owned by the same owner and are all rentals. Downward adjustment of 20% applied.

Revision History

February 21, 2019 - removed Provincial Quality Standards section

Sample Assessment Detail Report

The variables and the factors used to calculate each individual property assessment are displayed in the Direct Sales Approach Summary section of each property's Assessment Detail Report.

Property Assessment Detail Report Assessment and Taxation



Account **0000000**

Report Date	January 2, 2019
2019 Assessed Value	\$630,500
Date of Issue	January 2, 2019
Property Address	00 00000 STREET NW
Legal Description	Plan: 0000000 Unit: 00
Neighbourhood	Oleskiw
Assessment Class	RESIDENTIAL
Land Use	100% Residential bare land condominium (land and building)
Zoning	RF1 - Single Detached Residential District
Effective Zoning	RF5 - Row Housing District
Taxable Status	January 1 - December 31, 2019; FULLY TAXABLE
Unit of Measurement	METRIC (metres, square metres)

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Factors Used to Calculate Your 2019 Assessed Value

VARIABLE	FACTOR	MARKET VALUE APPROACH	DIRECT SALES
		TYPE	
Land use	BARELAND	Site	
Neighbourhood	OLESKIW	Site	
Lot size	631	Site	
Unit net area	243	Building	
Basement area	132	Building	
Finished basement area	52	Building	
Attached garage area	44	Building	
Effective year built	2000	Building	
Quality	GOOD CUSTOM	Building	
Unit location	FREESTANDING	Building	

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

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Appendix

Zone Chart: Residential Condominiums

RF5	Row Housing Zone (s. 160) is to provide for relatively low to medium density housing, generally referred to as Row Housing
RF6	Medium Density Multiple Family Zone (s. 170) is to provide for medium density housing, where some units may not be at Grade
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
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
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

*For zonings not listed above, please see zoning bylaw 12800.

Measure Conversion Chart

Imperial to Metric – Length	Imperial to Metric – Area
1 inch (in) = 2.54 centimetres (cm)	1 square foot (sq ft) = 0.09190 square metre (m ²)
1 foot (ft) = 3.05 metres (m)	1 acre (ac) = 0.09290 square metre (m ²)
	1 acre (ac) = 0.40469 hectares (ha)
Imperial Conversions	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 (m ²)