

**DATE:** March 22, 2018

**FILE:** 3320-20/05171 C 17

**TO:** Chair and Directors  
Regional District Board

**FROM:** Russell Dyson  
Chief Administrative Officer

Supported by Russell Dyson  
Chief Administrative Officer

*R. Dyson*

**RE:** **Cash-in-lieu of parkland dedication for a proposed subdivision  
(2292 Hamm Road – Carr/Lewis)  
Remainder of Lots 1 and 10 (DD20594N), Block 29, Comox District, Plan 3139**

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### **Purpose**

To consider an option to accept cash-in-lieu of parkland dedication for parkland acquisition purposes for a four-lot subdivision proposal.

### **Recommendation from the Chief Administrative Officer:**

THAT cash-in-lieu of parkland dedication in the amount of \$36,750 be accepted for the subdivision proposal (05171 C 17 – 2292 Hamm Road) pursuant to section 510 of the *Local Government Act* (LGA);

AND FINALLY THAT the cash-in-lieu payment of \$36,750 be deposited into the Baynes Sound, Areas B and C parks and greenways park acquisition reserve fund.

### **Executive Summary**

- The 3.2 hectare subject property is in the process of being subdivided into four lots.
- A condition of subdivision is adherence to section 510 of the *Local Government Act* concerning the provision of park land.
- Both the Manager of Parks and the applicants agree cash-in-lieu of parkland dedication is the more appropriate option.
- The applicants provided an appraisal report (Appendix A) that values the subject property at \$735,000.
- A five per cent cash-in-lieu payment amounts to \$36,750.
- Staff recommends accepting the cash-in-lieu payment and depositing it into the Baynes Sound, Areas B and C parks and greenways park acquisition reserve fund.

Prepared by:

*J. MacLean*

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Jodi MacLean, MCIP, RPP  
Rural Planner

Concurrence:

*A. Mullaly*

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Alana Mullaly, MCIP, RPP  
Manager of Planning Services

Concurrence:

**D. DeMarzo**

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Doug DeMarzo  
 Manager of Parks

Concurrence:

**A. MacDonald**

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Ann MacDonald, MCIP, RPP  
 General Manger of Planning and  
 Development Services

**Stakeholder Distribution (Upon Agenda Publication)**

Applicants of subdivision	✓
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**Background/Current Situation**

The subject property is a 3.2 hectare parcel in the Black Creek area with frontage along Island Highway North, Hamm Road and Macaulay Road (Figure 1). It is currently under application for subdivision so that four lots, ranging in size between 0.41 and 0.78 hectares, may be created from the parent parcel (Figure 2). On March 7, 2018, the proposed subdivision was granted Preliminary Layout Approval by the Ministry of Transportation and Infrastructure.

Section 510 of the *Local Government Act*, which concerns provision of park land, is applicable to this subdivision. It requires dedication of land acceptable for park purposes or a cash-in-lieu payment. The Manager of Parks reviewed the subdivision proposal and, in the context of the Rural Comox Valley Parks and Greenways Strategic Plan, recommended that the cash-in-lieu payment be made rather than accepting parkland at this location. The applicants have agreed this is the more appropriate option and provided an appraisal report of the subject property prepared by Dan Wilson, R.I.(BC), AACI (Appendix A). The report estimates the market value to be \$735,000. If the board supports the recommendation to accept cash, the CVRD would receive five per cent of the market value (\$36,750) as cash-in-lieu of parkland dedication. If accepted, the payment would be deposited into the Baynes Sound, Areas B and C parks and greenways park acquisition reserve fund.

Zoning

The subject property is zoned Saratoga – Commercial Industrial (S-CI), which allows the proposed lots to be developed for commercial or light industrial uses. The proposed subdivision is consistent with the zoning bylaw.

**Policy Analysis**

Section 510(1) of the *Local Government Act* states:

*“Subject to this section and section 516 (3) (h) and (4) [phased development agreement rules], an owner of land being subdivided must, at the owner's option,*  
*(a) provide, without compensation, park land of an amount and in a location acceptable to the local government, or*  
*(b) pay to the municipality or regional district an amount that equals the market value of the land that may be required for park land purposes under this section determined under subsection (6).”*

Section 510(2)(b) states:

*“Despite subsection (1), ...if an official community plan contains policies and designations respecting the location and type of future parks, the local government may determine whether the owner must provide land under subsection (1) (a) or money under subsection (1) (b).”*

Section 510(2)(b) states:

*“The amount of land that may be required under subsection (1) (a) or used for establishing the amount that may be paid under subsection (1) (b) must not exceed 5% of the land being proposed for subdivision.”*

Section 510(6) states:

*“If an owner is to pay money under subsection (1) (b), the value of the land is whichever of the following is applicable:*

*(a) if the local government and the owner agree on a value for the land, the value on which they have agreed;*

*(b) the average market value of all the land in the proposed subdivision calculated*  
*(i) as that value would be on the date of preliminary approval of the subdivision or, if no preliminary approval is given, a date within 90 days before the final approval of the subdivision,*

*(ii) as though the land is zoned to permit the proposed use, and*

*(iii) as though any works and services necessary to the subdivision have not been installed.”*

### **Options**

The regional district board could either support acceptance of cash for parkland acquisition purposes or request that the applicant dedicate land for parkland purposes. Based on the discussion contained within this report, staff recommends that cash for parkland acquisition purposes be accepted.

### **Financial Factors**

The applicant submitted a professional appraisal report prepared by Dan Wilson, R.I.(BC), AACI (Fellow), CRP, dated March 12, 2018 (Appendix A). The appraisal report estimates the market value of the subject property to be \$735,000 as of February 12, 2018. If the board supports the recommendation to accept cash, the regional district will receive \$36,750. The funds will be deposited into the Baynes Sound, Areas B and C parks and greenways park acquisition reserve fund for future parkland acquisition in accordance with the Rural Comox Valley Parks and Greenways Strategic Plan.

### **Legal Factors**

This report and the recommendations contained herein are in compliance with the LGA and regional district bylaws.

### **Regional Growth Strategy Implications**

Discussed above.

### **Intergovernmental Factors**

The provincial approving officer is the approving authority of subdivisions in the regional district. The regional district acts as a referral agency in the subdivision approval process.

### **Interdepartmental Involvement**

This report was prepared by the Planning and Development Services Branch in collaboration with the Community Parks department.

### **Citizen/Public Relations**

There are no citizen or public relations matters related to acceptance of a cash-in-lieu payment.

Attachments: Appendix A – “Appraisal report by Dan Wilson, R.I.(BC), AACI (Fellow) dated March 12, 2018”

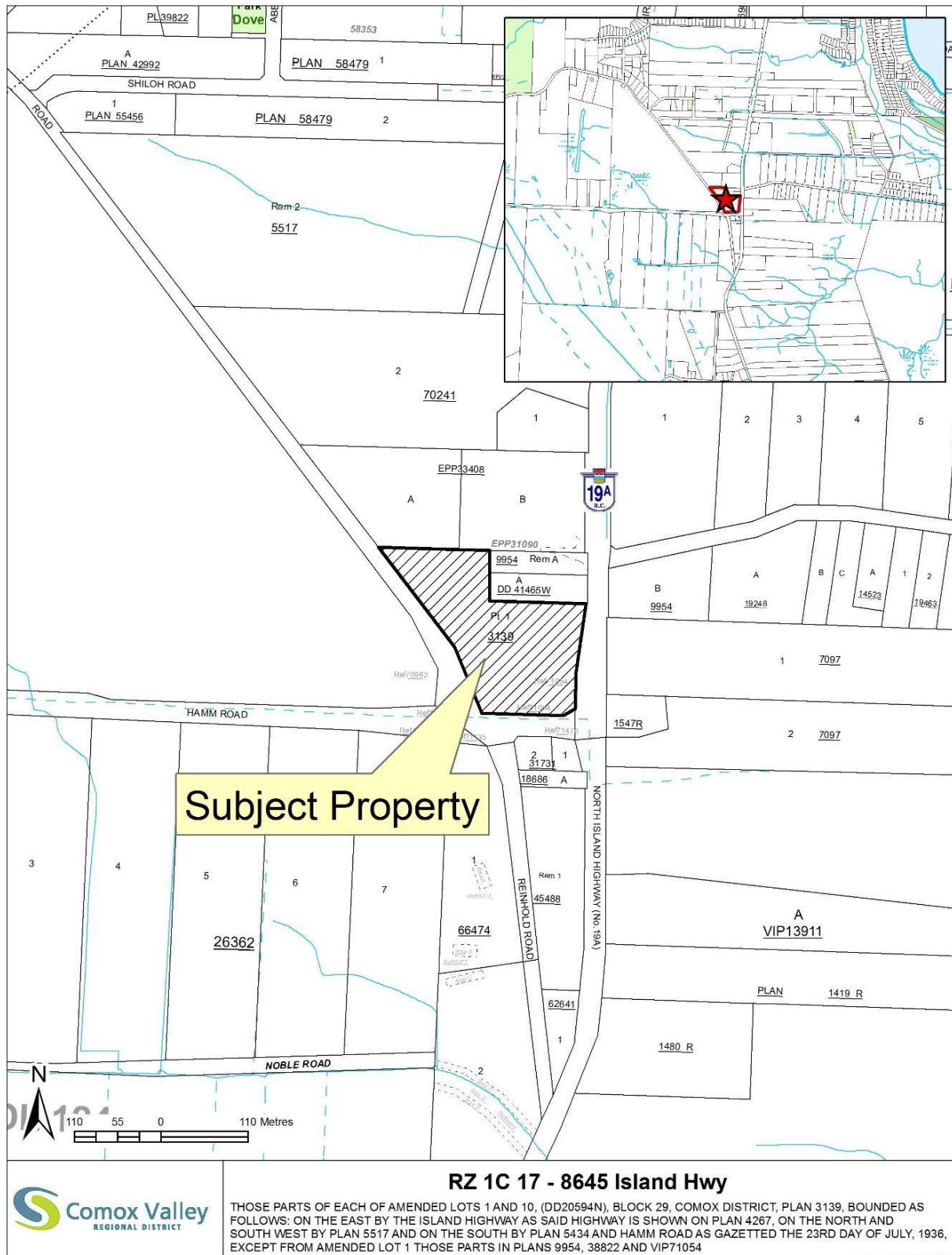


Figure 1: Subject Property



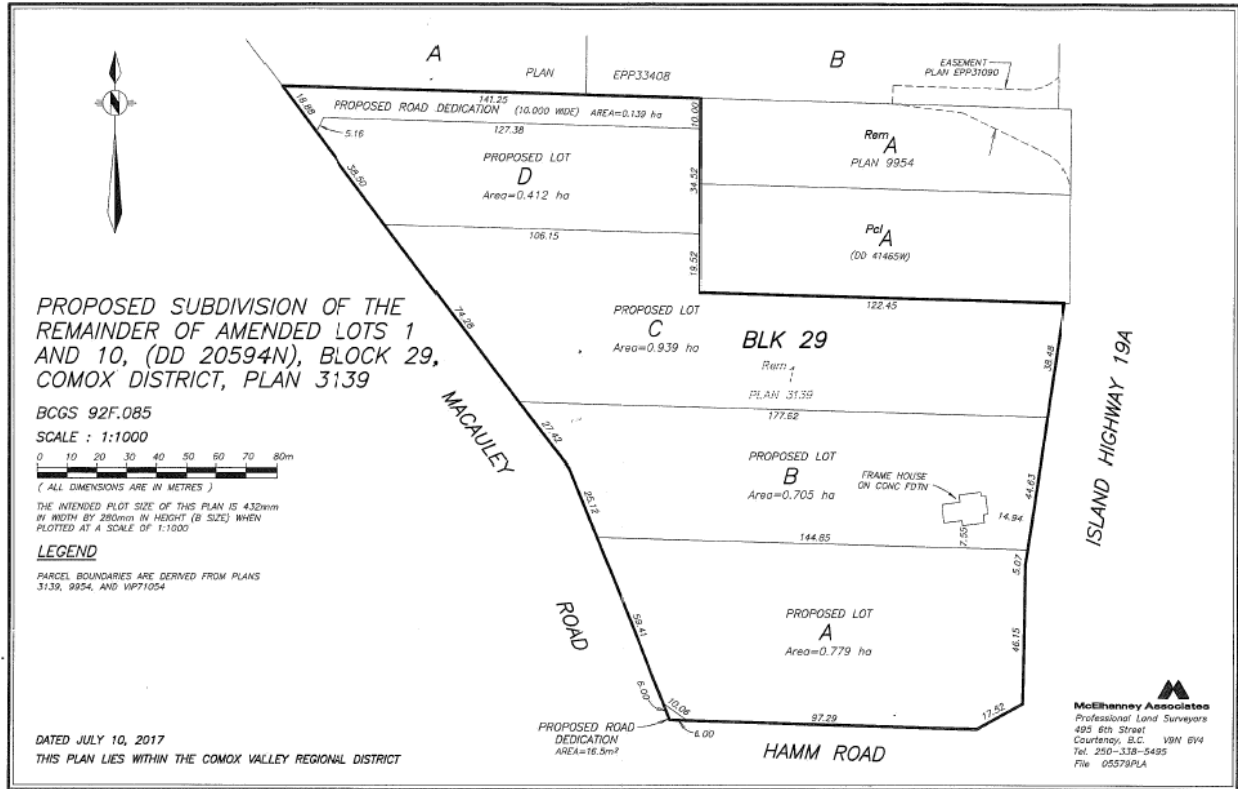


Figure 2: Subdivision Plan, provided Preliminary Layout Approval by Ministry of Transportation and Infrastructure

**VALUATION OF:**

7.346 Acre Commercial/Industrial Property  
SITUATED AT  
2292 Hamm Road / 8645 Island Highway North, Black Creek, BC

**PREPARED BY:**

Dan Wilson, B.Comm., R.I.(BC), AACI (Fellow), CRP

**Wm. S. JACKSON & ASSOCIATES LTD.**  
Real Estate Appraisers & Consultants

917A Fitzgerald Avenue, Courtenay, BC V9N 2R6

**PREPARED FOR:**

Terry Carr / Chad Lewis  
c/o 8948 Henderson Avenue,  
Black Creek, BC V9J 1A4

**EFFECTIVE DATE OF APPRAISAL:**

February 12, 2018



JACKSON & ASSOCIATES

REAL ESTATE APPRAISERS & CONSULTANTS

March 12, 2018

Re: F-4678

Terry Carr / Chad Lewis  
c/o 8948 Henderson Avenue,  
Black Creek, BC V9J 1A4

Dear Sirs:

Re: 7.346 Acre Commercial/Industrial Property  
Situated at 2292 Hamm Road / 8645 Island Highway North, Black Creek, BC  
Legally Described as Those Parts of Each of Amended Lots 1 and 10, (DD 2594N), Block 29, Comox District, Plan 3139, Bounded As Follows: On the East By the Island Highway as said Highway is Shown on Plan 4267, On the North and South West by Plan 5517 and on the South by Plan 5434 and Hamm Road As Gazetted the 23<sup>rd</sup> Day of July, 1936, Except from Amended Lot 1, Those Parts in Plans 9954, 38822 and VIP71054

In accordance with your instructions, Wm. S. Jackson & Associates Ltd. has completed an Appraisal Report on the above-mentioned property for the purpose of estimating the current market value of the fee simple interest in the property as at February 12, 2018.

The subject property comprises a ±7.346 acre parcel of land situated at the intersection of Highway 19A, Hamm Road and Macauley Road in Black Creek, BC. The site is cleared and is improved with an older single family residence and is zoned Saratoga-Commercial Industrial (S-CI) and is the subject of a development application for a proposed four lot subdivision.

Given the characteristics of the property, in developing our estimate of the current market value of the property, the Direct Comparison Approach has been utilized. Based on our research and analysis, it is our opinion that the market value of the subject property as described herein as of February 12, 2018 is about:

<b>Current Market Value of Site:</b>	<b>\$735,000.00*</b>
<b>5% Calculation in Lieu of Parkland Dedication</b>	<b>\$36,750.00</b>

\* Land only. Excluding improvements.

A summary of the data, information and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following report sets forth the most pertinent data gathered, the techniques employed and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in accordance with, our interpretation of the guidelines and recommendations set forth in the Canadian Standards of Professional Appraisal Practice (CUSPAP).

917A Fitzgerald Ave. Courtenay, BC V9N 2R6

(250) 338-7323 fax (250) 338-8779 [www.comoxvalleyappraisers.com](http://www.comoxvalleyappraisers.com)

VALUE IS MORE THAN A NUMBER

This report was prepared exclusively for our client to estimate the current market value of the property to satisfy the requirements of Section 510 of the Local Government Act with respect to a Payment in Lieu of a Parkland Dedication with respect to the proposed development. It is intended only for this specified use. It may not be distributed to or relied upon by other persons or entities without written permission of the Appraiser. Unauthorized third party reliance is expressly denied.

Thank you for the opportunity of being of service to you.

Respectfully submitted,  
Wm. S. JACKSON & ASSOCIATES LTD.



Dan Wilson, B.Comm., R.I.(BC), AACI (Fellow), CRP

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### **SECTION 5 – ADDENDA**

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Copy of Title Documents	
Copy of Zoning Bylaw Extract	



**PHOTOGRAPHS OF THE PROPERTY**



View of the property from Hamm Road /Highway 19A intersection.



View of the property from Highway 19A looking west.



View of the property from Macauley Road looking east.



View of the property from the north-westerly boundary.



View of the property from Macauley Road looking east.



View of the property from Macauley Road looking east.

**PHOTOGRAPHS OF THE PROPERTY, cont'd.**



Macauley Road looking south (subject on left).



Hamm Road looking east (subject on left).



Hamm Road/Highway 19A intersection (subject on left.)



Neighbouring property to the north – currently under construction.



Miracle Beach Landing property to the north.



## SUMMARY OF SALIENT FACTS & CONCLUSIONS

<b>Property Type:</b>	7.346 Acre Commercial/Industrial Property
<b>Property Address:</b>	2292 Hamm Road / 8645 Island Highway North, Black Creek, BC
<b>Legal Descriptions:</b>	See Body of Report
<b>Relevant Dates:</b>	
Date of Inspection:	February 12, 2018
Effective Date of Value Estimate:	February 12, 2018
Date of Report:	March 12, 2018
<b>Real Estate Interest Appraised:</b>	Fee Simple
<b>Purpose and Intended Use of the Appraisal:</b>	To estimate the current market value of the property as at the effective date of the report to assist in determining payment in lieu of parkland dedication as outlined within Section 510 of the Local Government Act.
<b>2018 Property Assessment:</b>	
Land:	\$321,000.00
Improvements:	<u>\$106,000.00</u>
Total:	<u>\$427,000.00</u>
<b>Site Description:</b>	A gently sloping, irregular shaped parcel extending to approximately 7.346 acres with frontage to Highway 19A, Hamm Road and Macauley Road.
<b>Improvements:</b>	Older, single family home
<b>Zoning Designations:</b>	Saratoga-Commercial Industrial (S-CI) Official Community Plan designation as 'Employment Lands'. Regional Growth Strategy designation as 'Settlement Node'.
<b>Highest and Best Use</b>	
As If Vacant:	Commercial/light industrial subdivision development into smaller parcels.
As Improved:	Commercial/light industrial subdivision development into smaller parcels with retention of the existing home and improvements on one parcel.
<b>Market Value Estimates:</b>	
Direct Comparison Approach:	\$735,000.00
<b>Final Estimate of Value:</b>	
Market Value of Site:	<b>\$735,000.00</b>
5% In Lieu of Parkland Dedication:	<b>\$36,750.00</b>
<b>Exposure Period:</b>	3 to 6 months.
<b>Additional Conditions:</b>	Land Value Only – excluding existing improvements.

## DEFINITION OF THE APPRAISAL PROBLEM

### **Purpose and Intended Use of the Appraisal**

The purpose of this appraisal is to estimate the current market value of the fee simple interest in the subject property as of the effective date of report. The intended use of the appraisal is to assist in establishing a 5% payment in lieu of a parkland dedication to facilitate the subdivision of the property as outlined under Section 510 of the Local Government Act.

### **Intended Users**

This appraisal has been completed for the exclusive use of our client, Terry Carr / Chad Lewis. The Comox Valley Regional District is also an intended user of the report. No other party including financiers of the client or others may rely on this appraisal report without specific written approval of the Appraiser and approval by the client designated and the intended user as the exclusive users. Application may be made to the Appraiser for written approval for use. A fee may be required to be paid to the Appraiser. Any party who does not comply with the procedure to become entitled to rely upon this appraisal shall not be entitled to rely on any aspect of this appraisal and should proceed at your own risk.

### **Definition of Market Value**

The Canadian Standards of Professional Appraisal Practice (2018) defines *market value* as the most probable price which a property should bring in a competitive and open market as of the specified date under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

### **Legal Description**

The subject property is legally described as follows:

Parcel Identifier Number 002-039-389

Those Parts of Each of Amended Lots 1 and 10, (DD 2594N), Block 29, Comox District, Plan 3139, Bounded As Follows: On the East By the Island Highway as said Highway is Shown on Plan 4267, On the North and South West by Plan 5517 and on the South by Plan 5434 and Hamm Road As Gazetted the 23<sup>rd</sup> Day of July, 1936, Except from Amended Lot 1, Those Parts in Plans 9954, 38822 and VIP71054

## **DEFINITION OF THE APPRAISAL PROBLEM, cont'd.**

A visual title search has been completed on this property. A copy is included within the addenda of this report. The Registered Owner(s) in Fee Simple are:

Terrance Bruce Carr, Retired  
Jacqueline Anoinette Elisabeth Carr,

As To an Undivided ½ Interest

Chad Murray Lewis,  
Cheri Leanne Lewis.

As To an Undivided ½ Interest

### **Property Rights Appraised**

The property rights appraised are the fee simple interest which is defined by the text '*The Appraisal of Real Estate, Third Canadian Edition, 2010*', as an absolute fee: A fee without limitation to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation. An inheritable estate.

### **Encumbrances**

None of the charges registered against the titles have been searched or reviewed. It is an extraordinary assumption of this report that the above-noted notations and charges have no material impact on value. If the reader has questions regarding the impact of these charges against the subject's title, legal advice should be obtained.

### **Relevant Dates**

The report has the following dates:

Date of Inspection:	February 12, 2018
Effective Date of Value Estimate:	February 12, 2018
Date of Report:	March 12, 2018

The value estimates contained herein are defined as 'Current Market Value Estimates' as defined within the Canadian Uniform Standards of Professional Appraisal Practice.

A Current Market Value Estimate refers to an effective date contemporaneous with the date of the report, at the time of inspection or at some other date within a reasonably short period from the date of inspection when market conditions have not or are not expected to have changed.

## **DEFINITION OF THE APPRAISAL PROBLEM, cont'd.**

### **Sales and Listing History**

Generally accepted appraisal-reporting standards require the disclosure and analysis of any recent market activity involving the subject property that is available to the appraiser in the normal course of business. This includes any listings for sale, offers to purchase, or transfers over a minimum of the immediately preceding three-year period.

According to the records of the Vancouver Island Real Estate Board (VIREB), the subject property was offered for sale from June 21, 2014 to June 30, 2015 (374 days) at an asking price of \$575,000.00 which was reduced to \$495,000.00 over the course of the listing.

The property was then re-listed from July 16, 2015 to November 30, 2015 (137 days) at an asking price of \$479,500.00.

Finally, the property was listed from January 30, 2016 to June 1, 2016 (123 days) at an asking price of \$495,000.00 with a sale recorded on June 1, 2016 at a reported price of \$482,500.00. The sale was registered at Land Titles Office on August 3, 2016 at \$482,500.00 under Instrument Number CA5383247.

It is noted, at the time of the prior listings and sales, the property was zoned CR-1 (Country Residential Zone 1). Since the time of sale, the property has been cleared and re-zoned to the current designation of S-CI (Saratoga Commercial Industrial).

## SCOPE OF THE APPRAISAL

This Appraisal Report has been prepared in accordance with our understanding of the Canadian Standards of Professional Appraisal Practice (the Standards) as provided by the Appraisal Institute of Canada.

**Inspection:** We inspected the property on February 12, 2018. Our identification of the property also involved a review of mapping prepared by the Comox Valley Regional District. The photographs appended were taken on February 12, 2018.

**Type of Analysis:** The three traditional approaches to value have been considered and given the characteristics of the property and the subject market the Direct Comparison Approach has been developed within this report as the sole approach to valuation.

**Data Research:** We received our instructions from our client, who provided preliminary information on the property. Publications produced by the Comox Valley Regional District provided information on applicable land use controls.

Sources of market evidence included, as appropriate, the local real estate board, Land Title Office transactions – including those reported by Data Systems and local Assessors, Real Estate Agents, vendors and purchasers active in the market. While we believe our review of market data to be reasonably complete, we cannot warrant that we have:

- i) Uncovered and assessed every real property transaction at or about the valuation date that might be said to bear on the determination of the market value of the subject; or
- ii) Fully discerned the motives behind the sales, listings or other market information in our analysis such that our weighting of said information is without subjectivity.

We obtained a title search print from BC Land Title and Survey Authority. Survey plans were also obtained from LTSA. No registry office search (Title Search) was undertaken on any of the comparables utilized.

**Audits and Technical Investigations:** We did not complete technical investigations such as:

- A legal opinion as to the charges on title;
- An environmental review of the property;
- A site survey;
- Investigations into the bearing qualities of the soils;
- A timber valuation; or
- An archeological review of the property.

**Verification of Third Party Information:** The analysis set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we believed to be correct. The mandate for the appraisal did not require a report prepared to the standard appropriate for court purposes or for arbitration, so we did not fully document or confirm by reference to primary sources all information herein.

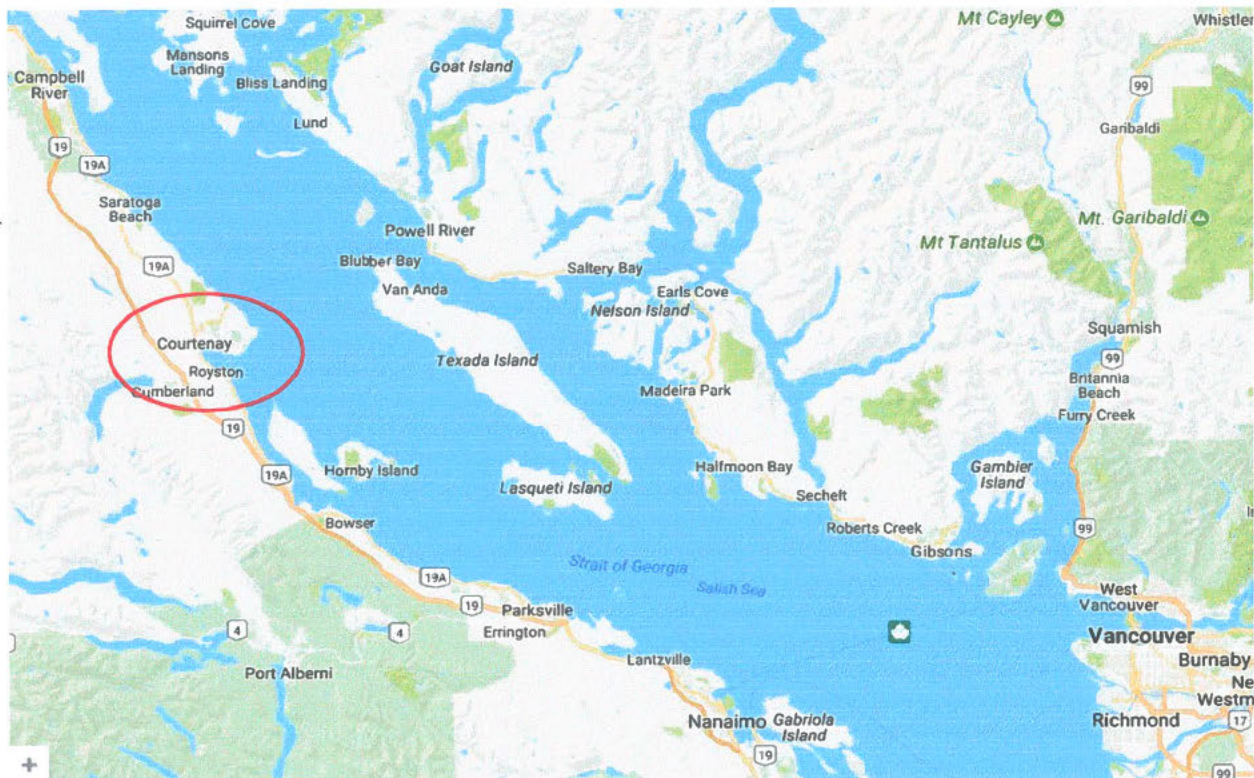
**Competency Provision:** The Canadian Uniform Standards require that competency for the type of property to be appraised must be demonstrated by the Appraiser. In this regard, we advise that we have completed numerous appraisals on similar type properties throughout central Vancouver Island, Powell River and other areas of coastal British Columbia and have first-hand knowledge of the issues involved in the valuation of this type of property.



## REGIONAL AND MUNICIPAL DATA

The subject property is located within a rural area of the Comox Valley, immediately west of the City of Courtenay and north of the Village of Cumberland. The City of Courtenay and Town of Comox are two of the main coastal communities in the Comox Valley on the east coast of Vancouver Island, north of Nanaimo.

The Comox Valley is one of the main coastal communities on the east coast of Vancouver Island, north of Nanaimo. It is situated between Campbell River, 30 miles to the north and the Town of Parksville and City of Nanaimo, 50 and 70 miles to the south, respectively. Courtenay is the central community in the Comox Valley which spans Fanny Bay, Union Bay, Royston, Cumberland, Comox, Merville and Black Creek.



Regional map.

The Comox Valley was first settled by the Salish First Nations and was later 'discovered' and settled by loggers, coal miners and farmers in the mid 1800's. The region gradually grew in population for the next 100 years and experienced tremendous growth and immigration in the early 1990's.

The City of Courtenay is the largest of the three municipalities within the Comox Valley. It had the distinction of consistently being one of the fastest growing communities in British Columbia between 1991 and 1994.

In the mid to late 1990's, the rate of growth and in-migration slowed. The estimated census population of the Comox Valley Regional District (Census Division) noted in the 2016 Census was a total of 66,527 persons including all of the municipalities and unincorporated rural areas. This represents a 4.7% increase over the 2011 census totals.

## REGIONAL AND MUNICIPAL DATA, cont'd.

Based on the 2016 Canada Census, the Comox Valley encompasses a total area of 1,699.90 square kilometres with an average population of 39.1 persons per square kilometre. The City of Courtenay encompasses 32.41 square kilometres with a reported population of 25,599 persons (up 5.7% from 2011 totals), followed by the Village of Cumberland at 29.11 and the Town of Comox at 16.74. The balance of 1,621.65 square kilometres is comprised of the Regional District areas A, B, C, and the First Nations Reserve.

### Economic Base/Services

The economy of the Comox Valley is diversified with a broad economic base. The industries employing the most people in this area are Government services, retail trade, health and social services and accommodation, food and beverage services. The ten major employers are as follows:

Major Employers	
CFB Comox	1430 persons
School District #71	900 persons
Mt. Washington Resort	850 persons (seasonally)
Comox Valley / St. Joseph's Hospital	840 persons
Superstore	300 persons
Wal-Mart	218 persons
Home Depot	200 persons
Crown Isle Golf Course	150 persons
North Island College	138 persons
RCMP	125 persons

Source: CVEDS 2007

Agriculture is also a significant contributor to the local economy with a reported 432 farms in the Comox Valley Regional District area on 11,287 hectares of farmland. Gross farm receipts in 2011 were reported at over \$31,200,000. The diversity of the economy is also assisted by a growing year round recreation tourism sector offering a selection of golf courses, sports fishing and both alpine and Nordic skiing at Mt. Washington.

Health care needs are met locally at the new Comox Valley Hospital located fronting onto Lerwick Road in east Courtenay adjoining North Island College. Construction commenced in late 2013 on the new hospital with the facility completed and opening early October 2017. The 331.7 million dollar project provides a larger 153 bed facility comprising over 428,000 square feet on five floors.

The new hospital replaces St. Joseph's General Hospital in Comox - which provided a wide range of services including full in-patient and out-patient facilities. The hospital was constructed in 1937 and expanded and upgraded in the mid 1990's and also offered an Extended Care Facility.

The Cumberland Health Centre and Intermediate Care Unit offers 76 intermediate care beds along with a small pharmacy, laboratory, and dialysis facilities. In East Courtenay, the Glacier View Lodge provides 102 senior's care beds.



## REGIONAL AND MUNICIPAL DATA, cont'd.

The Comox Valley also has a highly-developed transportation network with the double lane Inland Island Highway completed from Victoria to Campbell River in 2001, BC Ferries sailings to and from Powell River and neighbouring Gulf Islands and the new civilian airport terminal in Comox. Situated on some 18 acres of leased land, the Comox Valley Airport Commission has constructed an \$8 million passenger and cargo terminal to replace the outdated and undersized facility. The existing airport facility had seen a strong increase in passenger loads over the past few years with the initiation of daily scheduled service to Vancouver, Calgary and Edmonton and charter flights to Mexico during winter months.

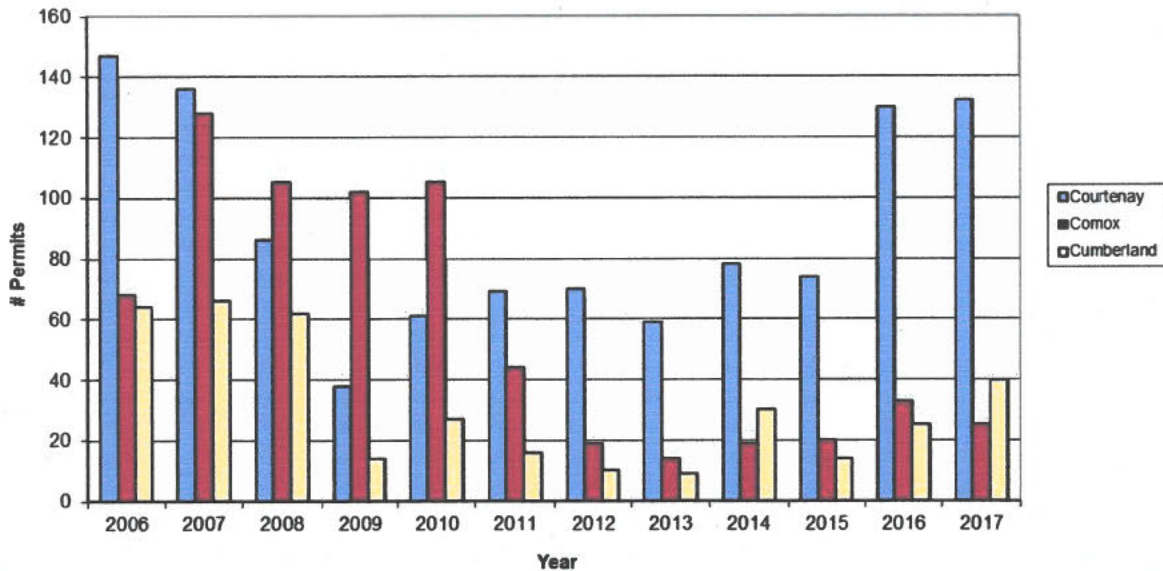
### Construction Activity

During the last expansionary period in the real estate cycle, construction in all sectors of the market peaked in 2006/2007 and dropped off significantly in 2008/2009. After several years of lower levels of construction and development activity, construction activity was observed to be increasing in the Comox Valley commencing in 2015 with the permits for the new Comox Valley Hospital which was completed in the fall of 2017.

2016 and 2017 permit totals in Courtenay and Comox have been relatively consistent and are limited by the lack of supply of residential lots. Single family permits totaled 130 units in Courtenay in 2016 and 132 units in 2017. Comox saw 33 permits in 2016 and 25 in 2017. In contrast, permit totals have increased significantly in 2017 over 2016 in the Village of Cumberland, due to the availability of land for development (40 versus 25).

Overall totals in the Comox Valley, however remain below 2006/2007 levels. Trends in Single family permits over the past 10 years are illustrated below:

SF Building Permits 2006-2017

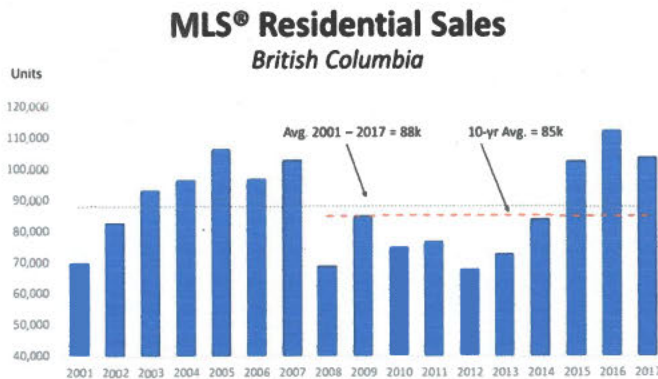


SF Permit Totals (Comox Valley 2006-2017)

## REGIONAL AND MUNICIPAL DATA, cont'd.

### Real Estate Market Conditions

The British Columbia Real Estate Association (BCREA) reports that a total of 103,763 residential unit sales were recorded by the Multiple Listing Service® (MLS®) across the province in 2017, a decline of 7.5 per cent from a record 112,211 unit sales in 2016. The average MLS® residential price in BC was \$709,579 in 2017, up 2.7 per cent from the previous year. Total sales dollar volume was \$73.63 billion, down 5.1 per cent from 2016.



The BC housing market ended the year with a strong December.

Home sales increased 4 per cent from November, on a seasonally adjusted basis. However, the year-end results were likely pushed higher by some homebuyers advancing their purchases to avoid tougher mortgage qualification rules in the new year.

In December, a total of 5,738 residential unit sales were recorded by the MLS® across the province, an increase of 21.5 per cent from the same period last year. Total sales dollar volume was \$4.2 billion, up 36.3 per cent from December 2016. The average MLS® residential price in the province was \$734,108, up 12.1 per cent from the same month last year.

The Vancouver Island Real Estate Board (VIREB) reports that on a seasonally adjusted basis, the board had its busiest December on record, with 667 housing units selling. Sales of single-family homes increased by 35 per cent from December 2016. Annually, 5,612 single-family homes sold on the Multiple Listing Service® (MLS®) System in 2017 compared to 6,059 the previous year, a decrease of seven per cent. However, this reduction reflects the market returning to more normal levels from the unprecedented sales activity generated in 2016.

Inventory of single-family homes dropped to 762 in December, the lowest recorded since VIREB began tracking inventory in 1999. The supply of apartments and townhouses dipped by 13 per cent and 33 per cent, respectively. Diminishing housing supply and high consumer demand are driving rising benchmark prices of single-family homes, apartments, and townhouses in all markets.

However, while provincial economic conditions appear to be on a sound footing, BCREA expects economic growth to slow in 2018, still expanding at an estimated 2.8 per cent, but lower than we have seen in some time. The province's housing market will face additional economic headwinds in 2018, with rising interest rates eroding affordability and Guideline B-20 making it harder for some buyers to qualify for a mortgage.

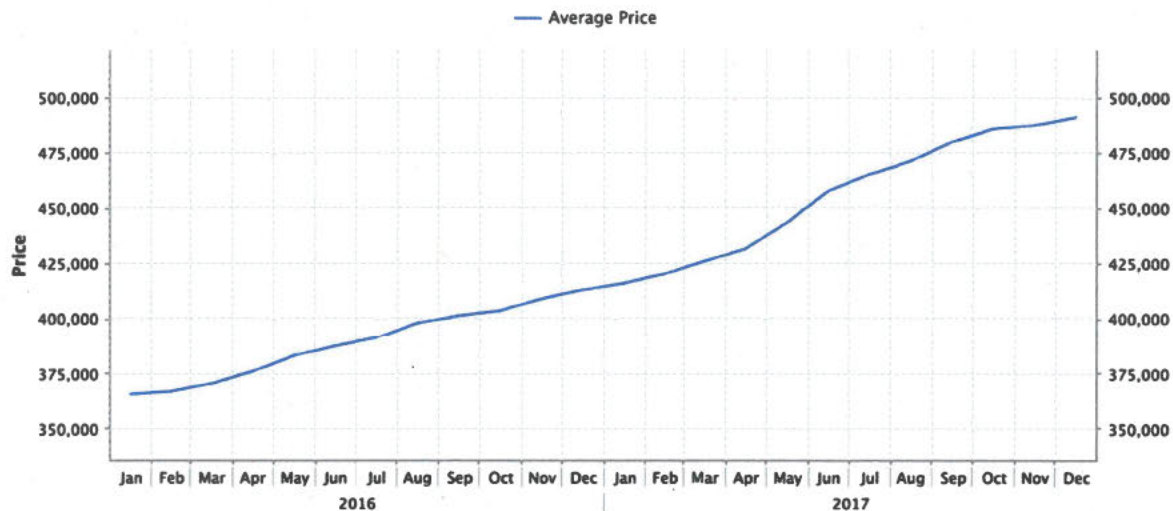


## REGIONAL AND MUNICIPAL DATA, cont'd.

In the Comox Valley market area in 2017, VIREB reports a total of 889 single family sales which represents a decrease of 13% from the 1,022 reported transactions in 2016. At December 31, 2017, the average single family home price was reported at \$491,428.00 and the sell/list ratio was reported at 78%.

December 2017 statistical data indicates 49 single family sales, up 48% from the 33 sales in December 2016. Average price levels reached \$518,049.00 over the 49 sales which is an increase of 19% from December 2016. The 12 month rolling average price was reported at \$491,428.00 with the 'benchmark' home price at \$467,400.00.

### Cumulative Residential Average Single Family Sale Price



Average SF Home Price (2016-2018). Source VIREB

#### Summary of Statistical Information (Vancouver Island Real Estate Board)

	Dec-17	Dec-16	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11	Dec-10
<b>Single Family</b>								
Benchmark HP	\$ 467,400	\$ 393,200	\$ 332,900	\$ 316,300	\$ 313,800	\$ 305,200	\$ 317,300	\$ 316,700
Average Price	\$ 491,428	\$ 413,478	\$ 363,631	\$ 359,437	\$ 338,760	\$ 347,298	\$ 350,509	\$ 342,481
12 mo Sales	889	1022	814	762	704	699	699	724
12 Mo Listings	1139	1200	1180	1268	1283	1488	1319	1420
Sell/List Ratio	78%	85%	69%	60%	55%	47%	53%	51%
<b>Apartment Benchmark HP</b>	\$ 313,100	\$ 225,600	\$ 179,800	\$ 174,300	\$ 188,200	\$ 181,900	\$ 177,700	\$ 171,500
<b>Townhouse Benchmark HP</b>	\$ 371,900	\$ 321,900	\$ 259,200	\$ 257,100	\$ 227,400	\$ 258,000	\$ 241,200	\$ 251,900

Benchmark home prices as recorded by VIREB indicate a relatively stable market between 2012 and 2014 with price levels rising late 2015 and throughout 2016/2017. Single family, townhouse and apartment price levels have shown strong price appreciation since late 2015 and early 2016 following a period of relatively stable price levels and stagnant sales volumes.

## **REGIONAL AND MUNICIPAL DATA, cont'd.**

Market data is available through the Vancouver Island Real Estate Board dating to 1982 and an analysis of single family and residential lot sales volumes (# of units) and average sale prices indicates that the local area has experienced several real estate 'cycle's over the past 3.5 decades.

The past two real estate cycles in the Comox Valley have followed a pattern of 6 to 7 years of relatively stable to fluctuating price levels and stable sales volumes followed by a similar period of expansion in sales volumes and price levels. In the last cycle, price levels peaked in late 2007/early 2008 with sales volumes falling in 2008 due to global economic events and price levels declining then stabilizing over the following 6 to 7 year period prior to the start of the most recent expansionary period in 2014.

### **Industrial Sector**

Sales within the industrial/light industrial sector are limited in volume each year. Compared to other regional areas on Vancouver Island (notably Nanaimo to the south and Campbell River to the south) the Comox Valley has a limited supply of developable industrial land – particularly parcels of significant size (greater than 1 acre).

A 2016 study completed by MDB Insight, Vann Struth Consulting on behalf of the Comox Valley Economic Development Society indicates that the Comox Valley's net industrial land supply is estimated at 1,509 net acres. Of this, 311.4 acres are located in the Regional District, 76.9 acres in the Town of Comox, 981.2 acres in the Village of Cumberland and 139.3 acres are located in the City of Courtenay. The largest supply of future industrial lands are located within the Village of Cumberland in the Bevan Road lands area.

The report further estimates that the Comox Valley's net vacant industrial land supply is approximately 1,135.4 acres<sup>1</sup>.

## REGIONAL AND MUNICIPAL DATA, cont'd.

Zoning	Total Gross Industrial Land (A)	Adjustment for Utilities Corridors, Environmental Sensitivity Areas, Roads and Other Internal Infrastructure (B)	Net Industrial Land (C = A-B)	Net Vacant Industrial Land Supply (D)	Percentage of Zoning that remains Vacant (E = D/C)
<b>Comox Valley Regional District</b>					
Industrial Light	104.7	7.8	96.8	0.0	0%
Industrial Heavy	20.9	0.0	20.9	0.0	0%
Industrial Marine	190.0	0.0	190.0	122.2	64%
Industrial Storage	9.5	6.3	3.2	2.8	87%
Seafood Processing Aquaculture Facility One	0.5	0.0	0.5	0.0	0%
<b>Town of Comox</b>					
Light Industrial	4.8	0.0	4.8	0	0%
Aeronautical Industrial	67.0	0.0	67.0	38.1	57%
Commercial	3.7	0.0	3.7	0.0	0%
Commercial - Industrial	1.4	0.0	1.4	0.0	0%
<b>Village of Cumberland</b>					
Industrial*	981.2	0.0	981.2	956.2	97%
<b>City of Courtenay</b>					
Industrial One Zone	9.8	3.5	6.3	2.4	37%
Industrial Two Zone	101.4	1.3	100.0	13.3	13%
Industrial Three Zone	33.0	0.0	33.0	0.5	1%
<b>Total</b>					
	1,527.8	19.0	1,508.8	1,135.4	75%

Sources: Comox Valley Regional District Bylaw No. 2781, Town of Comox Bylaw No. 1377, Village of Cumberland Bylaw No. 717, City of Courtenay Bylaw No. 2500. Commercial zoned land presented above includes both retail and office uses.

\*Total acres of vacant land include the future supply of industrial land as identified by the 2014 Village of Cumberland Official Community Plan

The report further notes that if employment remains the same over the next few decades, the Comox Valley will require additional land in each of the major commercial and industrial categories in order to accommodate further growth. The report projects that at 'status quo growth projections' an additional 132 acres of industrial land will be required during the 2011 to 2045 time period (annual increase of 3.9 acres).

The majority of the future vacant supply is the Bevan Road lands in Cumberland, which may not be suitable for all potential users. Similarly, the 122 acres of vacant industrial marine land is likely suitable for only a narrow range of possible industrial users.

Excluding the Bevan Road and the industrial marine lands, the Comox Valley yields an estimated vacant supply of about 57 acres. This is a better indicator of the current supply of readily available industrial and commercial land. Combined demand from office and industrial users is estimated at 5.5 to 8.8 acres per year under the status quo and high-growth scenarios. This suggests the Comox Valley has sufficient supply for 6-10 years of growth, depending on the rate of growth<sup>2</sup>.



## NEIGHBOURHOOD ANALYSIS

The subject property is situated at the intersection of Highway 19A and Hamm Road - approximately 23 kilometres north of the City of Courtenay. The property occupies a prominent location; with steady traffic volume along Highway 19A. Hamm Road is also a connector route to the Inland Island Highway to the west. The turnoff to Miracle Beach Provincial Park is located approximately ½ block to the north.

Miracle Beach Drive is the main access route to the Miracle Beach Provincial Park – a busy campground and day use park during summer months. Pacific Playgrounds (Saratoga Beach) Campground and Salmon Point Campground are located a short distance to the north and consequently during the summer months traffic volumes in this area increase.

Miracle Beach Mini Golf and Saratoga Speedway are located immediately to the north with other neighbouring properties comprising largely residential and vacant acreage parcels with larger agricultural parcels located off of Hamm Road and Macauley Roads.

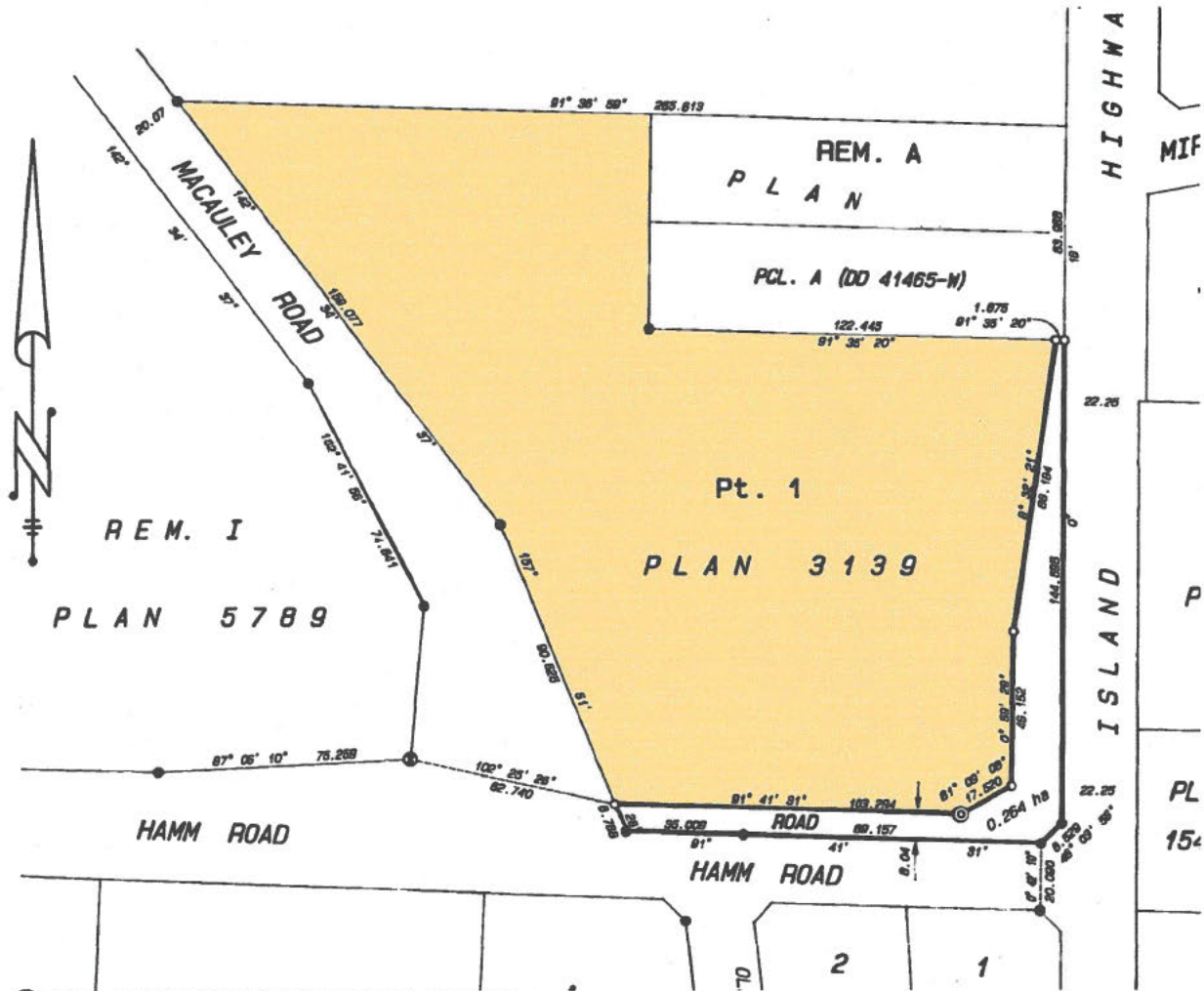


Neighbourhood Map (subject property highlighted)

## DESCRIPTION OF LOT AND SITE ANALYSIS

### Dimensions, Shape and Area

A copy of the site plan is reproduced below. The plan indicates the configuration of the lot and the approximate overall dimensions in metric measure. The site extends to approximately 2.974 hectares (7.346 acres or 319,992 square feet) with 134.6 metres (441.5') frontage to Highway 19A, 120.8 metres (396.3') frontage to Hamm Road and 249.6 metres (818.7') frontage to Macauley Road.



Copy of Plan VIP71054 (Subject Property Highlighted)

### Topography and Site Description

The subject property has a gentle downward slope from the west (Macauley Road) towards the south east. The property has been cleared in the past 2 years and an existing single-family home is located towards the east side of the property.

### Existing Use

The property is currently cleared and is improved with an older single family residence.



## DESCRIPTION OF LOT AND SITE ANALYSIS, cont'd.



2014 Aerial Photograph – boundaries approximate.  
(Note: Property has been cleared since photo)

### Environmental Considerations

This Appraisal Report is not an environmental assessment on this property. This is outside the Appraiser's area of expertise. The full site history of the property is not known. The Appraiser is not aware of any reported environmental contamination that might have an impact on value. If an independent environmental assessment is completed that confirms the presence of pollutants, and a true copy is provided to the Appraiser, he reserves the right to review the value conclusions (for a fee) to assess the value impact of such pollutants. The Appraiser has valued the property as if there is no impact on value at this time.

### Access

The subject property has frontage to and access from three road frontages – Hamm Road, Macauley Road and Highway 19A.

### Utilities and Street Improvements

Utility systems available to the site include a regional water system, hydro, telephone, and cablevision. On site sources of sewage disposal are required in this neighbourhood. The area is served by the RCMP Detachment in Courtenay and the Oyster River Fire Department.

## ASSESSMENT AND TAXES

Properties in British Columbia are assessed every year for taxation purposes by B.C. Assessment. Assessments are to be at actual value, which is synonymous with market value as of July 1 of the previous year.

The 2018 assessed values were:

Folio #06-771-004124.000

Land:	\$321,000.00
Improvements:	<u>\$106,000.00</u>
Total:	\$427,000.00

2017 Property Taxes:	\$2,630.88
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Parcel Identifier Number:	002-039-389
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'Actual Value' reflects B.C. Assessments' opinion of the market value of the fee simple interest in the property. Because typically, B.C. Assessments' valuations are based on mass appraisal techniques such as multiple regression analysis, and inspection data may be several years old, Actual Values can be less precise than a full appraisal.

It is noted that the re-zoning of the property was completed subsequent to the July 1, 2017 valuation date and the October 31, 2017 property condition date. As such, the assessed value (2018) is reflective of the prior CR-1 zoning and residential use.

## ZONING AND LAND USE CONTROLS

### Zoning Classification

The subject site is zoned Saratoga-Commercial Industrial (S-CI) based on the Comox Valley Regional District, 'Comox Valley Zoning Bylaw, 2005', Bylaw 2781. A copy of the bylaw excerpt is included within the attachments to this report. A summary of the classification is as follows:

Permitted Principal Uses:	Retail and wholesale establishments, service establishments, offices, restaurants, recreation facilities, automobile service station, light industrial, general contractor services and storage yard, industrial equipment , sales and service.
Permitted Accessory Uses:	Outdoor storage, residential use, warehousing.
Density:	Residential use is limited to one dwelling unit.
Setbacks:	Principal buildings: 7.5 m front and rear yard; 4.5 metre side yard (7.5 m abutting road).
Height:	12 metres (at $\geq$ 12 metres from any lot line).
Coverage:	Maximum lot coverage is 50% of lot area.
Subdivision Requirements:	Minimum lot area 2.0 ha If connected to community water, minimum lot area is 0.4 ha

### Conformance

The property is currently improved with a single-family home. The above is only an extract. For greater details, the bylaw should be consulted.

### Official Community Plan

Saratoga Beach Local Area Plan Bylaw 513 is currently at the draft stage and designates the subject property as 'Employment Lands'. This designation is defined within the Local Area Plan as *'this designation provides for a range of expanded highway commercial and light industrial uses along Old Island Highway and in select areas within the settlement node, as shown on Map 1. These are areas that currently serve as employment nodes, as well as some new areas set aside for future development. For the southern "employment lands" area, where the land serves as a gateway to the community, the highway corridor should be preserved with aesthetically pleasing commercial land uses fronting onto the Old Island Highway.'*

### Regional Growth Strategy

The subject property is identified as being within the Saratoga Beach Settlement Node within the Comox Valley Regional Growth Strategy Bylaw No. 120, 2010. *Settlement Nodes shall accommodate growth through a balance of new development, intensification and improvements to public infrastructure. Infrastructure improvements will need to include the provision of appropriate water and sewer services along with enhanced public transit and active transportation options.*

## **DESCRIPTION OF IMPROVEMENTS**

At the date of this report, the property is improved with a single family dwelling. The home is reported to have been constructed in about 1952 and comprises a wood frame and concrete block structure extending to a reported 1,318 square feet on the main floor and 800 square feet in the upper floor along with an 800 square foot basement. The home is reported to provide 3 bedroom, 1 bath accommodation.

Given the terms of reference of the report, the home has not been included herein.

## HIGHEST AND BEST USE

### Definition

The determination of the highest and best use of a property entails a complete analysis of all factors and conditions that affect the value. For example, the use must be legal, the use must be compatible with zoning, the land characteristics and all constraints must be considered, plus any other force that will determine value. A comprehensive definition of the concept has been formulated:

*That reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible that results in the highest value.<sup>3</sup>*

The highest and best use of both land as though vacant and property as improved must meet four criteria. The highest and best use must be legally permissible, physically possible, financially feasible and maximally productive. These criteria are often considered sequentially. Both tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity.

### Analysis and Conclusions

The subject property comprises a 7.346 acre site situated at the intersection of Hamm Road, Macauley Road and Highway 19A in the Black Creek area north of the City of Courtenay. Historically, the property has been utilized as a single family residence however in 2017 a re-zoning application was submitted to re-zone the property to a site specific classification to allow for a mixture of commercial and light industrial uses.

The re-zoning was completed in late 2017/early 2018 and the classification (S-CI) allows for subdivision to 0.4 ha lots (0.99 acre) when connected to a regional water system. As noted herein, there is currently limited supply of larger light industrial sites in the rural areas and the subject offers a good location mid way between the City of Courtenay and the City of Campbell River with easy access to both the Inland Island Highway to the west and Highway 19A.

The highest and best use of the property is considered to be subdivision to smaller parcels in keeping with the requirements of the zoning classification. On the basis of the property 'as improved', the existing improvements comprise an older single family home and site improvements. The improvements could be incorporated into one of the lots and utilized as a caretaker dwelling or office space.

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<sup>3</sup>The Appraisal of Real Estate, 3<sup>rd</sup> Edition, Appraisal Institute of Canada, Winnipeg, 1992, Page 265.

## **VALUATION METHODOLOGY**

In valuing the fee simple interest in the subject property, there are three basic 'approaches' to value which have been developed. These three approaches are known as the Cost Approach, the Income Approach and the Direct Comparison Approach. The determination of which of these approaches to value is best applicable to a specific assignment is largely dependent upon the nature of the appraisal assignment and the data available.

The subject property comprises a ±7.346 acre parcel of land with improvements limited to a single family home. Given the intended use of the report, the home has been excluded from the valuation. The Direct Comparison Approach is considered to be the most applicable method of valuation.

The Direct Comparison Approach is a process in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparable properties based on the elements of comparison.



## **VALUATION BY THE DIRECT COMPARISON APPROACH**

### **Definition & Procedure**

The Direct Comparison Approach involves the gathering, analyzing, and comparing of data on similar properties that have been sold, on which offers have been made, or that are for sale. This approach is based on the principle of substitution, which maintains that *a prudent purchaser will not pay more for a property than it would cost to buy an equally desirable substitute property provided there is no undue delay in making the acquisition.*

The basic steps in this approach to valuation are:

1. Survey the area to locate comparable properties:
  - a) that have recently sold
  - b) that are offered for sale
  - c) on which offers have been made
2. Gather and validate pertinent information on each comparable property.
3. Select the relevant units of comparison and develop a comparative analysis for each unit.
4. Compare sale properties with the subject property using the elements of comparison and adjust the sale price of each comparable appropriately to the subject property.
5. Reconcile the various value indications produced from the analysis of comparables into a single value indication or range of values.

**For the purposes of this appraisal, the Appraiser has analyzed the following sales.**



## DIRECT COMPARISON APPROACH, cont'd.

### Index (1):

**LEGAL DESCRIPTION:** Lot A, Block 29, Comox District, Plan 9954, Except Parcel A (DD 41465W); and Parcel A (DD 41465W), Of Lot A, Block 29, Comox District, Plan 9954

**LOCATION:** 8655 -8659 Island Highway North, Black Creek, BC

**LOT SIZE:** 2.0 acres or 87,120 square feet

**SOLD/TITLE:** March 2017 @ \$265,000.00 CA6031165/CA6031166

**S.P./ACRE:** \$132,500.00

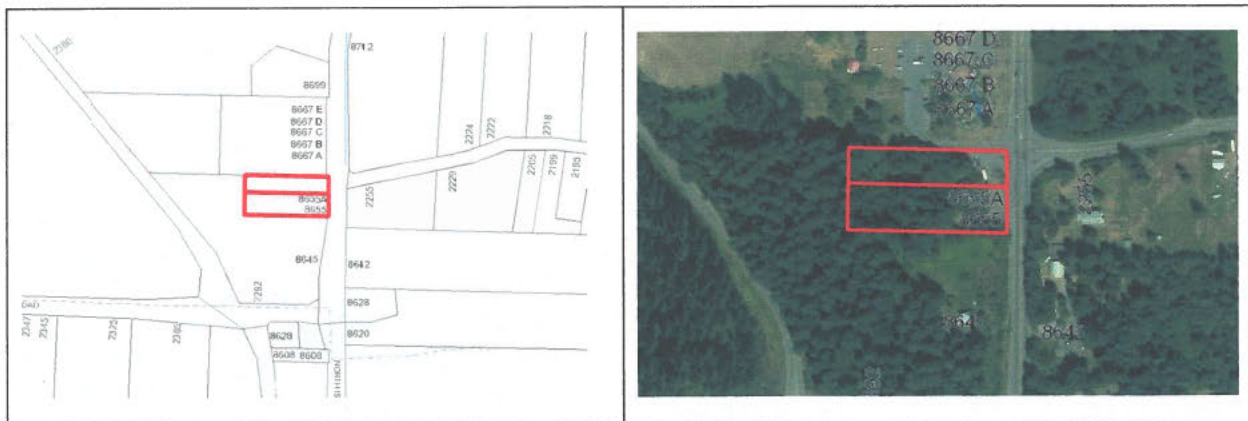
**S.P./ SQ.FT.:** \$3.04

**ZONING:** Split – North Parcel Zoned CR-1; South Parcel Zoned IL

**COMMENTS:** This is the combined sale of two contiguous properties located fronting onto Highway 19A north of the Hamm Road intersection and opposite Miracle Beach Drive. The sites were undeveloped at the time of sale and slope gently upwards towards the east. The properties had previously been developed with a Shell Gas Station however have been vacant for a number of years.

The northerly parcel (Lot A, Plan 9954) extends to approximately 0.895 acres and is zoned CR-1 while the southerly parcel (±1.105 acres) is zoned IL. The northerly parcel is also encumbered by an access easement over 422.6 m<sup>2</sup> (4,547 ft<sup>2</sup>) in favor of the adjoining property to the north. There is also a reciprocal easement over the adjoining property.

The property was offered for sale through the Vancouver Island Real Estate Board Multiple Listing Service at an asking price of \$269,000.00 for 142 days prior to sale.



## DIRECT COMPARISON APPROACH, cont'd.

### Index (2):

#### LEGAL

DESCRIPTION: Lot A, District, Lot 249, Comox District, Plan VIP80736

LOCATION: 7478 Island Highway, Merville, BC

LOT SIZE: 8.13 acres or 354,143 square feet

SOLD/TITLE: October 2016 @ \$535,000.00 CA5619928

S.P./ACRE: \$65,806.00

S.P./SQ.FT.: \$1.51

ZONING: I-H

COMMENTS: This is an irregular shaped parcel of land located on the east side of Highway 19A in the Merville area, approximately 15 kilometres north of the City of Courtenay.

The site is largely cleared and graveled and has an irregular shape. The property was utilized as a heavy mechanic/trucking yard for many years and was used as a sand and gravel yard at the time of sale.

Overhead hydro and telephone is available and the site was serviced with a well and septic system. There were several buildings on the site, however offered limited contributory value.

The property was offered for sale through the Vancouver Island Real Estate Board Multiple Listing Service at an asking price of \$679,000,000.00 for 934 days prior to sale.





**Index (3):**

**LEGAL DESCRIPTION:** Lot B, District Lot 205 & 217, Comox District, Plan 38482, Except That Part in Plan VIP86200

**LOCATION:** Knight Road, Comox, BC

**LOT SIZE:** 7.02 acres or 305,965 square feet

**SOLD/TITLE:** October 2017 @ \$1,275,000.00 CA6562320

**S.P./ACRE:** \$181,624.00  
**S.P./SQ.FT.:** \$4.17

**ZONING:** I2.1

**COMMENTS:** This is an irregular shaped parcel of land located at the northwestern corner of the intersection of Knight Road, Pritchard Road and Military Row, approximately one block from the Comox Valley Airport Terminal.

The site is largely cleared and undeveloped and abuts existing warehousing developments. The property has a wide frontage along Military Row however access is via a panhandle type frontage onto Knight Road.

Regional water is available in this area as is sanitary sewer. Storm sewer services however are not in place and development of the site is limited until such time as the North East Comox Storm Water Management Plan is completed.

The property was offered for sale through the Vancouver Island Real Estate Board Multiple Listing Service at an asking price of \$1,500,000.00 for 87 days prior to sale.



**DIRECT COMPARISON APPROACH, cont'd.**

**Index (4):**

**LEGAL DESCRIPTION:** Lot A, District Lot 138, Comox District, Plan 35114

**LOCATION:** 2750 Cumberland Road, Courtenay, BC

**LOT SIZE:** 3.9 acres or 169,884 square feet

**BUILDINGS:** 1,995 square foot modular office, 2,916 storage shed and 1,287 square foot salt shed. Estimated contributory value of \$180,000.00.

**SOLD/TITLE:** January 2015 @ \$900,000.00 CA4438604

**S.P./ACRE:** \$184,615.00 (Net of Contributory Value of Buildings)

**S.P./SQ.FT.:** \$4.24

**ZONING:** IL, Light Industrial

**COMMENTS:** This is the former TruLine Masonry and Landscape supply property fronting onto Cumberland Road immediately west of the City of Courtenay. The site has extensive frontage along Cumberland Road and tends to slope gently upwards from east to west. The property was developed with a concrete plant and miscellaneous buildings with the concrete plant removed prior to sale. The remaining buildings at the time of sale comprised a modular office building and two larger storage sheds, along with site improvements.

Regional water is available in this area, however on-site sewage disposal systems are required.

The property was offered for sale through the Vancouver Island Real Estate Board Multiple Listing Service at an asking price of \$1,100,000.00 for 2 days prior to sale. However the property had previously been listed throughout 2013 and 2014 (602 days total) at asking prices ranging from \$1,250,000.00 to \$1,750,000.00.





**DIRECT COMPARISON APPROACH, cont'd.**

**Index (5):**

DESCRIPTION: Lots B and C, District Lot 103, Comox District, Plan 36371

LOCATION: 1608-1640 Ryan Road, East of Comox, BC

LOT SIZE: 4.00 acres or 174,240 square feet (combined)

SOLD/TITLE: Lot B August 2014 @ \$447,500.00 CA4057474  
 Lot C November 2014 @ \$600,000.00 CA4057475

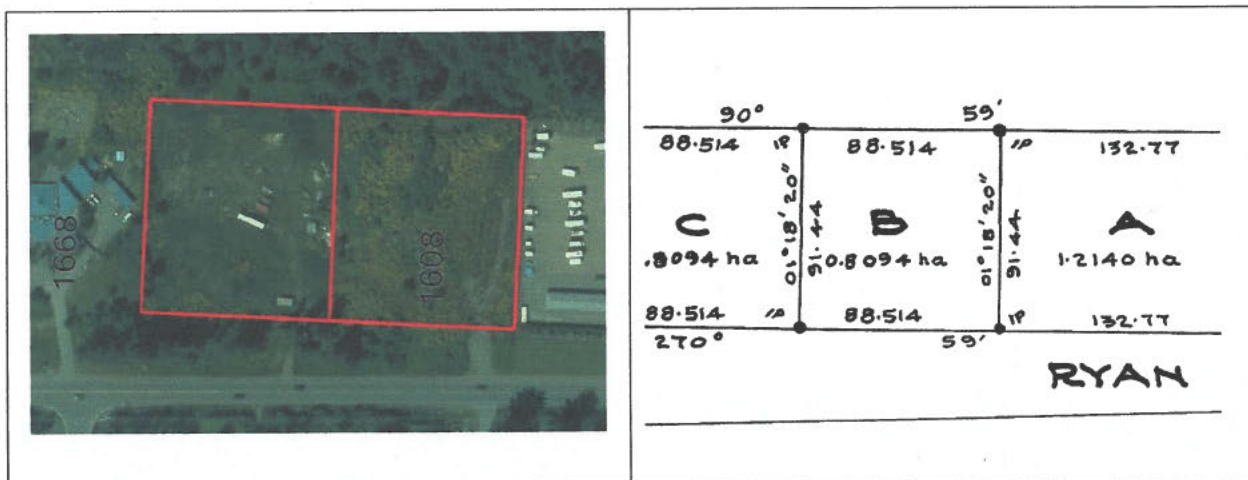
Total assembled price \$1,047,500.00

S.P./ACRE: \$261,875.00 (overall)  
 S.P./SQ.FT.: \$6.01 (overall)

ZONING: IL, Light Industrial

COMMENTS: This is the assemblage of two contiguous rectangular shaped sites each with approximately 290' frontage to Ryan Road. The properties are situated a short distance west of the main gates to CFB Comox within an area of land intensive, service commercial uses. The area has overhead power lines and a regional water system; however on-site sources of sewage disposal are required. The properties were purchased for development of an RV Sales dealership.

The transaction comprises a single purchaser and two different vendors. Lot B (1608 Ryan Road) was listed for sale through the Vancouver Island Real Estate Board Multiple Listing Service at an asking price of \$489,900.00 for 707 days prior to sale. Lot C was a private transaction and in relation to Lot B, clearly some level of premium was paid for the assemblage of the two sites.



## DIRECT COMPARISON APPROACH, cont'd.

### Index (6):

#### LEGAL

DESCRIPTION: Lot A, District Lot 196, Comox District, Plan 28498

LOCATION: 1603 Little River Road, North of Comox, BC

LOT SIZE: 2.21 acres or 96,268 sq.ft.

SOLD/TITLE: March 2015 @ \$405,000.00 CA4383888

S.P./ACRE: \$183,258.00

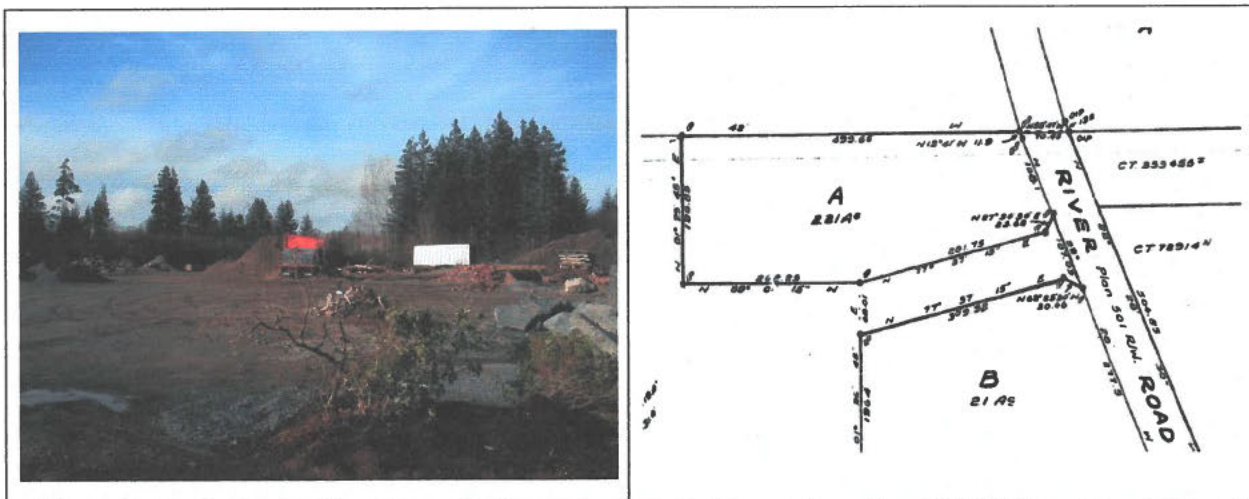
S.P./SQ.FT.: \$4.21

ZONING: IL, Light Industrial

COMMENTS: This is a slightly irregular shaped parcel of land fronting Little River Road, north of the Ryan Road intersection and within close proximity to CFB Comox. The site slopes gently upwards towards the west and is cleared and utilized for soil and gravel storage. There are several large piles of soil/gravel on-site along with concrete blocks for material storage. Ditching is in place along the lot lines.

There is a regional water system in this neighbourhood, however on-site sources of sewage disposal are required.

The property was offered for sale through the Vancouver Island Real Estate Board Multiple Listing Service for 112 days at an asking price of \$459,900.00 prior to sale.





## DIRECT COMPARISON APPROACH, cont'd.

### Index (7):

LEGAL DESCRIPTION: Lot B, District Lot 82, Comox District, Plan VIP57837

LOCATION: 3630 Christie Parkway, Courtenay, BC

LOT SIZE: 1.00 acres or 43,560 sq.ft.

SOLD/TITLE: December 2016 @ \$325,000.00 CA716556

S.P./ACRE: \$325,000.00

S.P./SQ.FT.: \$7.46

ZONING: IL (Light Industrial)

COMMENTS: This is a vacant rectangular shaped light industrial lot located at the corner of Christie Parkway and Highway 19A. The property was undeveloped at the time of sale. The property has municipal water lines available, however sanitary sewer is not available to the site.

The property was purchased by the adjoining property owner to the northwest for expansion of the mini warehouse facilities.

The property was sold privately and was not exposed to the market through a formal listing. The property had previously sold in March 2016 at a reported price of \$270,000.00 after being listed for sale through the Vancouver Island Real Estate Board Multiple Listing Service at an asking price of \$320,000.00 for 322 days.



## DIRECT COMPARISON APPROACH, cont'd.

### Sales Analysis

Seven sales have been identified for comparison purposes. The price per acre and price per square foot of gross lot area have been developed as the unit of comparison. Summarizing the sales suggest the following pro rata rates:

Summary of Sales Data							
Index	Location	Sold	Price	Size (Acre) (Sq.ft.)	Price/Acre	Price/SF	Zoning/Comments
1	8655-8659 Island Hwy N. Black Creek	Mar-17	\$ 265,000	2.0 87,120	\$ 132,500	\$ 3.04	CR1/IL, adjoining property. Encumbered by easement.
2	7478 North Island Hwy Merville	Oct-16	\$ 535,000	8.13 354,143	\$ 65,806	\$ 1.51	IH, Merville area. Irregular shape, limited services.
3	Knight Road, Comox	Oct-17	\$ 1,275,000	7.02 305,965	\$ 181,624	\$ 4.17	I2.1. Town of Comox. Full services available.
4	2750 Cumberland Road Courtenay	Jan-15	\$ 900,000 \$ 720,000	3.9 169,884	\$ 184,615	\$ 4.24	IL, Courtenay. Based on land residual.
5	1608-1640 Ryan Road Comox	Aug-14	\$ 1,047,500	4.0 174,240	\$ 261,875	\$ 6.01	IL, assembly of two sites. Premium paid for 2nd site.
6	1603 Little River Road Comox	Mar-15	\$ 405,000	2.21 96,268	\$ 183,258	\$ 4.21	IL, limited exposure site near airbase.
7	3630 Christie Parkway Courtenay	Dec-16 Mar-16	\$ 325,000 \$ 270,000	1.0 43,560	\$ 325,000 \$ 270,000	\$ 7.46 \$ 6.20	IL, south Courtenay. Sale and re-sale.
<b>Subj.</b>	2292 Hamm Road/ 8645 Island Highway N.			7.346 319,992			S-CI, Black Creek, corner site.

With respect to the various comparables, due to the unique nature of the subject property and the comparatively small size of the local market, locating a significant volume of highly comparable properties from the immediate neighbourhood was not possible and as such a broader spectrum of sales have been included which results in the requirement for slightly higher degree of adjustment.

The subject property comprises a 7.346 acre parcel improved with an older single family home. The property has recently been re-zoned to a commercial/industrial classification and has a good location fronting onto Highway 19A at the Hamm Road intersection.

The six sales suggest a range in value from \$265,000.00 to \$1,275,000.00 for parcels ranging in size from 1.0 to 8.13 acres. On a pro rata basis, the unadjusted range is from \$65,806.00 to \$325,000.00 per acre or \$1.51 to \$7.46 per square foot.

The sales vary in terms of locational and physical attributes and span a time period from August 2014 to October 2017 with the effective date of this report February 2018.



## DIRECT COMPARISON APPROACH, cont'd.

The above listed comparisons are examined in order to aid in determining the market value of the property:

- The sales span a period from August 2014 to October 2017 with the effective date of the report February 2018. During this time period, market conditions in the residential sectors of the market have improved significantly with substantial increases in both sales volumes and average sale prices.

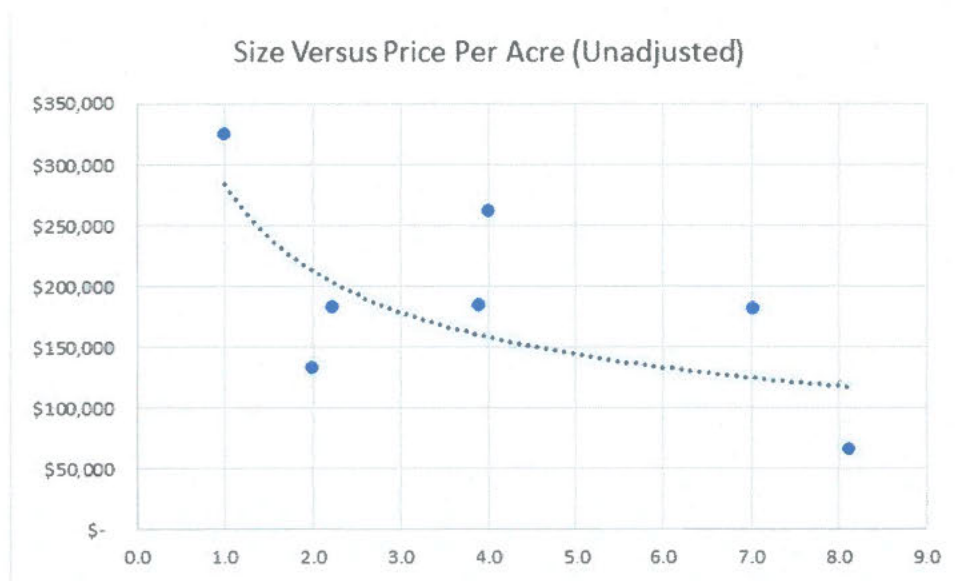
The commercial/industrial sectors of the market, however tend to move at a slower overall pace. Sales and re-sales during the time period suggest limited price appreciation during the 2014 to 2016 time periods with some upward movement observed in late 2016 and throughout 2017. The magnitude of the price increases however is much lower than that observed in the residential sector.

For example, a 7,759 square foot I-2 zoned lot situated at 2270 Cousins Road in Courtenay sold in December 2010 at a reported price of \$155,000.00. The property re-sold in September 2017 at \$190,000.00 indicating a 22.6% increase in value over the 81 month period (0.28% per month).

Further, a 14,811 square foot I-2 zoned site located at 703-721 Cumberland Road sold in March 2011 at a reported price of \$209,000.00 and re-sold in September 2016 at \$268,000.00 indicating a 28.3% increase in value over the 66 month period (0.43% per month).

Based on the available sales, an adjustment of 0.35% per month has been made to the sales.

- The subject building has a gross site area of 7.346 acres while the comparables varied between 1.0 and 8.13 with an average of 4 acres - with this variable by itself suggesting that the subject is inferior to the comparables overall, understanding that smaller properties will typically achieve higher pro rata rates than larger ones – evidenced here by the array of sales comparisons. Plotting the sales graphically illustrates this trend:



## **DIRECT COMPARISON APPROACH, cont'd.**

- While more difficult to numerically show, the subject is seen to have an inferior location factor compared to several of the indicated comparables. Sale 1 is the best comparison with respect to locational attributes – being the adjoining property. Sale 3 is considered far superior due to its location within the municipal boundaries of the Town of Comox and the proximity to the airport. Similarly, Sale 5 is also considered superior due to the steady traffic on Ryan Road. Sales 4, 6 and 7 are more comparable, yet also require downward adjustments. Sale 2 offers an inferior location in the Merville area and lacks the corner exposure of the subject.

Comparing Sale 1 with Sales 5a and 6 indicates an adjustment factor of approximately 40% between the Ryan Road/Little River Road area and the subject neighbourhood. It is recognized that there are other factors included in this adjustment (zoning, topography, etc.) however this provides an indication of market expectations relative to the locational attributes.

Also included within the locational considerations is the level of servicing available. The subject property has a regional water system available, along with overhead power and telephone. Sales 1, 4, 5, 6 and 7 are similar in this regard while Sale 3 has full servicing available and thus is considered superior. Sale 2 required a well and septic system and is thus inferior.

- Zoning and land use controls are also a consideration with the subject offering a site specific commercial/industrial classification and the sales comparisons offering a mixture of light industrial and mixed classifications. In smaller markets such as the Comox Valley, quantification of an adjustment for zoning is problematical due to low sales volumes. In this instance, the zoning classifications of the sale properties and the subject property are considered more or less offsetting.
- Finally, terms of sale must be considered in the cast of Sale 5. Sale 5 comprises two individual transactions from two separate vendors. The purchaser assembled the two parcels to facilitate a large land intensive development (RV sales). The combined or assembled price was \$1,047,500.00 for four (4) acres. However, the initial purchase (Lot B) reflected a purchase price of \$447,500.00 for a two acre parcel with the property having a lengthy exposure period (707 days) on the market. This transaction indicates a pro rata rate of \$223,750.00 per acre or \$5.14 per square foot.

The second transaction occurred several months later at a declared value of \$600,000.00 again for a 2 acre parcel (\$300,000.00/acre or \$6.89/sq.ft.) with the sale being a privately negotiated transaction – not exposed to the market through a formal listing.

Given the variation in price levels, a premium appears to have been paid for the second lot and as such, for the remainder of our analysis, only the initial sale at \$447,500.00 for a 2 acre parcel will be considered.

## DIRECT COMPARISON APPROACH, cont'd.

### Adjustment Analysis

Based on the foregoing, the time adjusted price per acre indicated by the sales is as follows:

#### Summary of Adjustments - Price Per Acre

Sale	1	2	3	4*	5**	6	7
Sale Price	\$ 265,000	\$ 535,000	\$ 1,275,000	\$ 720,000	\$ 447,500	\$ 405,000	\$ 325,000
Size	<u>2.00</u>	<u>8.13</u>	<u>7.02</u>	<u>3.90</u>	<u>2.00</u>	<u>2.21</u>	<u>1.00</u>
Price/Acre	\$ 132,500	\$ 65,806	\$ 181,624	\$ 184,615	\$ 223,750	\$ 183,258	\$ 325,000
Date of Sale	<u>\$ 4,174</u>	<u>\$ 3,685</u>	<u>\$ 2,543</u>	<u>\$ 23,908</u>	<u>\$ 23,494</u>	<u>\$ 22,449</u>	<u>\$ 15,925</u>
Adjusted Value	\$ 136,674	\$ 69,491	\$ 184,167	\$ 208,523	\$ 247,244	\$ 205,707	\$ 340,925

\* Land Residual

\*\* Based on initial sale

Prior to adjustments for parcel size, the sales suggest a range from \$69,491.00 to \$340,925.00 per acre. Sale 1 is the best comparison with respect to location while Sales 2 and 3 are the closest comparisons with respect to size. Sale 3 however has a far superior location in Comox and includes the availability of full municipal servicing.

Sale 1 suggests a time adjusted value of \$136,674.00 per acre. The property is 2 acres in size while the subject is over 7 acres. As such, a downward adjustment is required. Considering the size differential, an adjusted value of \$90,720.00 per acre is indicated.

Sale 2 suggests a time adjusted value of \$69,491.00 per acre for an 8.13 acre parcel. The sale requires a modest upward adjustment for parcel size and a further upward adjustment for the subject's higher profile location and corner frontage. Adjusting by 2% for parcel size and 23% for location suggests a total adjusted value of \$87,025.00

Sale 3 suggests a time adjusted value of \$184,167.00 per acre for a comparable property in terms of acreage size. As noted, the comparison between Sales 1 and 4a/5 suggest a  $\pm 40\%$  adjustment for locational attributes. Applying this factor results a value of \$110,500.00 per acre.

Based on these three sales, a value in the range of say \$87,025.00 to \$110,500.00 per acre is indicated for the subject property.

Adjusting the remaining sales in a similar manner suggests the following:



## DIRECT COMPARISON APPROACH, cont'd.

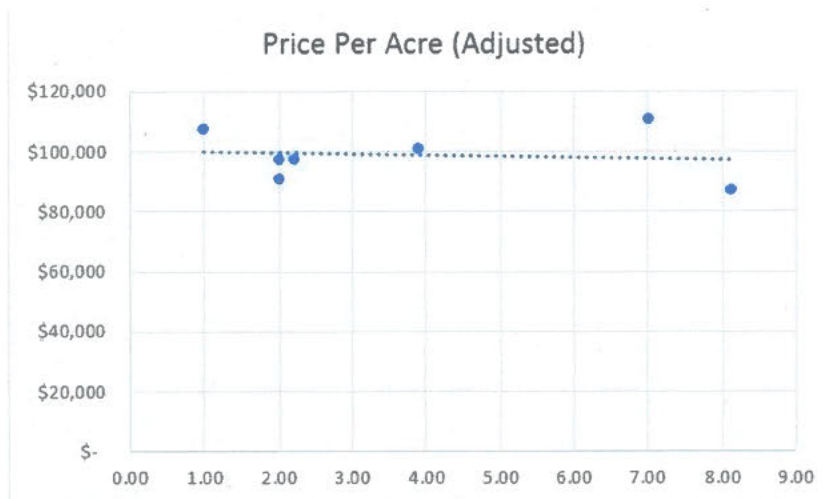
### Summary of Adjustments - Price Per Acre

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Price/Acre	\$ 132,500	\$ 65,806	\$ 181,624	\$ 184,615	\$ 223,750	\$ 183,258	\$ 325,000
Date of Sale	\$ 4,174	\$ 3,685	\$ 2,543	\$ 23,908	\$ 23,494	\$ 22,449	\$ 15,925
Adjusted Value	\$ 136,674	\$ 69,491	\$ 184,167	\$ 208,523	\$ 247,244	\$ 205,707	\$ 340,925
Parcel Size	\$ (45,954)	\$ 1,261	\$ -	\$ (40,073)	\$ (85,405)	\$ (66,755)	\$ (161,538)
Adjusted Value	\$ 90,720	\$ 70,752	\$ 184,167	\$ 168,450	\$ 161,838	\$ 138,952	\$ 179,387
Location	\$ -	\$ 16,273	\$ (73,667)	\$ (67,380)	\$ (64,735)	\$ (41,686)	\$ (71,755)
Adjusted Value	\$ 90,720	\$ 87,025	\$ 110,500	\$ 101,070	\$ 97,103	\$ 97,266	\$ 107,632
Servicing	Similar	Inferior	Superior	Similar	Similar	Similar	Similar
Zoning	Offsetting	Inferior	Offsetting	Offsetting	Offsetting	Offsetting	Offsetting

\* Land Residual

\*\* Based on initial sale

After consideration of similar adjustments, the sales indicate a range from \$87,025.00 to \$110,500.00 per acre with the unweighted average at \$98,759.00 per acre and the median at \$97,266.00 per acre. Plotting the adjusted sale price/acre graphically indicates the following relationship:



Based on the available evidence, a value estimate of \$100,000.00 per acre is considered reasonable and results in the following value:

7.346 acres x \$100,000.00/acre = **\$734,600.00**

**Rounded to: \$735,000.00\***

\* Land Only – excluding existing improvements



**DIRECT COMPARISON APPROACH, cont'd.**

**Payment in Lieu of Parkland Dedication.**

Section 510 of the Local Government Act indicates that:

- (1) Subject to this section and Section 516 (3) (h) and (4), an owner of land being subdivided must, at the owners option,
  - (a) provide, without compensation, park land of an amount and in a location acceptable to the local government, or
  - (b) pay to the municipality or regional district an amount that equals the market value of the land that may be required for park land purposes under this section as determined under subsection (6) of this section.
- (5) The amount of land that may be required under subsection (1) (a) or used for establishing the amount that may be paid under subsection (1) (b) must not exceed 5% of the land being proposed for subdivision.
- (6) If an owner is to pay money under subsection (1) (b), the value of the land is whichever of the following is applicable:
  - (a) if the local government and the owner agree on a value for the land, the value on which they have agreed;
  - (b) the average market value of all the land in the proposed subdivision calculated
    - (i) as that value would be on the date of preliminary approval of the subdivision or, if no preliminary approval is given, a date within 90 days before the final approval of the subdivision,
    - (ii) as though the land is zoned to permit the proposed use, and
    - (iii) as though any works and services necessary to the subdivision have not been installed.

The foregoing value estimate is reflect of the zoning in place, yet prior to any works and services necessary to facilitate the subdivision.

The 5% payment in lieu of parkland is therefore calculated as follows:

Current Market Value	\$735,000.00
	X <u>0.05</u>
Payment in Lieu of Parkland Dedication:	\$36,750.00

**\$36,750.00**

## **EXPOSURE PERIOD**

Exposure time is the estimated length of time the property would have been offered prior to a hypothetical market value sale on the effective date of appraisal. It is a retrospective estimate based on an analysis of recent past events, assuming a competitive and open market. It assumes not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable marketing effort. Exposure time is therefore interrelated with appraisal conclusion of value.

The reasonable exposure period is a function of price, time, and use. It is not an isolated estimate of time alone. Exposure time is different for various types of real estate and under various market conditions.

The six sales included within the Direct Comparison Approach ranged from 87 days to 934 days exposure to the market prior to sale with the more recent sales – Sales 1 and 3 suggesting a range from 87 to 142 days.

VIREB indicates that there were 58 commercial/ici transactions in the Comox Valley region from January 1, 2017 to the present date. The sales ranged from 1 day to 504 days exposure to the market with the average and median at 106 days and 67 days respectively.

In 2016 (January 1 to December 31) there were 37 reported sales through the Vancouver Island Real Estate Board Multiple Listing Service in the Comox Valley area. The sales ranged from 1 to 934 days' exposure to the market with the average and median at 245 days and 168 days respectively.

Over the past six years, the average exposure period has fluctuated from 115 to 245 days. 2017 and 2018 year to date figures indicate a reduction in exposure periods, likely resulting from the overall stronger market conditions and noticeable increase in demand over the past 12 months.

Therefore, based on the foregoing analysis, an exposure time of 3 to 6 months 90 to 180 days would have been reasonable for the property. This exposure time assumes the subject would have been competitively priced and aggressively promoted within the market area.

## CERTIFICATION

Re: Valuation of 7.346 Acre Site Situated at  
2292 Hamm Road / 8645 Island Highway North, Black Creek, BC

I, Dan Wilson, B.Comm., R.I.(BC), AACI, P.App., do hereby certify that, to the best of my knowledge and belief:

- 1) The statements of fact contained in this report are true and correct;
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal impartial, and unbiased professional analyses, opinions, and conclusions;
- 3) I have no present or prospective interest in the subject matter, the property that is the subject of this report, and no personal interest with respect to the parties involved;
- 4) I am not in a conflict of interest to undertake this assignment.
- 5) I have no bias with respect to the subject matter, the property that is the subject of this report or to the parties involved with this assignment;
- 6) My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client;
- 7) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice;
- 8) I have the knowledge and experience to complete the assignment competently;
- 9) No one provided professional assistance or third party professional assistance to the person(s) signing this report;
- 10) As of the date of this report the undersigned has fulfilled the requirements of The Appraisal Institute of Canada Continuing Professional Development Program for members;
- 11) The undersigned is a member in good standing of the Appraisal Institute of Canada.
- 12) I did personally inspect the subject property of the report on February 12, 2018.

Based upon the data, analyses and conclusions contained herein, the market value of the interest in the property described as at February 12, 2018 is estimated at:

<b>Current Market Value of Site:</b>	<b>\$735,000.00*</b>
<b>5% Calculation in Lieu of Parkland Dedication</b>	<b>\$36,750.00</b>

\* Land only. Excluding improvements.

Dated this March 12, 2018.



Dan Wilson, B.Comm., R.I.(BC), AACI (Fellow), CRP



## **ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal report has been made with the following general assumptions, including any other that may be set out in the report:

1. This appraisal report has been prepared at the request of our client in order to estimate the current market value of the fee simple interest in the subject property as of the effective date of the appraisal. It is not reasonable for anyone other than our client to rely on this appraisal report without first obtaining written authorization from our client and the author. There may be qualifications, assumptions or limiting conditions in addition to those set out below relevant to that person's identity or his intended use. The report is prepared on the assumption that no other person will rely on it for any other purpose and that all liability to all such persons is denied.
2. The report is prepared on the assumption that if prepared for mortgage lending purposes, prudent lending practices will be used. We assume no liability or responsibility for loans made where the borrower lacks the ability or motivation to repay the loan or where the lender has not followed prudent lending practices which includes completing a thorough due diligence process that reasonably concludes that the borrower has the intention and capacity to support the debt obligations and repay the loan.

In the event the intended use of the appraisal report herein is for a mortgage advance (loan) of any description or type, line of credit, or for any other use whereby the real property herein referenced is security as collateral; Liability for this report does not extend to any party, assignee(s), successor, heir, administrator, executor, investors who purchase the mortgage loan or a participation interest in the mortgage loan, or a trustee in a securitization that includes the mortgage loan, servicers of the mortgage loan, any rating agency involved in any sale, securitization or syndication involving the mortgage loan relating to any sale, securitization or syndication involving the mortgage loan, mortgage broker/brokerage/agent/facilitator, Appraisal Management Company (AMC) or any other appraisal facilitator, other than the client named herein.

Where the intended use of this report is for financing or mortgage lending, and in accordance with the Office of the Superintendent of Financial Institutions Canada (OSFI) Mortgage Underwriting Practices and Procedures B-20 (June 2012), it is the intended user's responsibility to grant mortgage loans on the basis of the borrower's demonstrated willingness and capacity to service his/her debt obligations.

3. While expert in appraisal matters, the author is not qualified and does not purport to give legal advice. It is assumed:
  - (1) the legal description as indicated within this report is correct;
  - (2) title to the property is good and marketable;
  - (3) there are no encroachments, encumbrances, restrictions, leases or covenants that would in any way affect the valuation, except as expressly noted herein;
  - (4) the existing use is a legally conforming use which may be continued by any purchaser from the existing owner;
  - (5) rights-of-way, easements or encroachments over other real property and leases or other covenants noted herein are legally enforceable.

Because these assumptions have been made, no investigation, legal or otherwise, has been undertaken which would verify these assumptions except as expressly noted herein.

## **ASSUMPTIONS AND LIMITING CONDITIONS, cont'd.**

4. The author is not a qualified surveyor (and no legal survey concerning the subject property has been provided). Sketches, drawings, diagrams, photographs, etc. are presented in this report for the limited purpose of illustration and are not to be relied upon in themselves.
5. The Appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.
6. No investigation has been undertaken with the local zoning office, the fire department, the buildings inspector, the health department or any other government regulatory agency unless such investigations are expressly represented to have been made in this report. The subject property must comply with such government regulations and, if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigations may be necessary.
7. Neither possession of this report nor a copy of it carries with it the right of publication. All copyright is reserved to the author and is considered confidential by the author and his client. It shall not be disclosed, quoted from or referred to, in whole or in part, or published in any manner, without the express written consent of the Appraiser.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the Appraiser, or the firm with which the Appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the Appraiser.

The author acknowledges that the information collected herein may be personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the Canadian Uniform Standards of Professional Appraisal Practice (the "Standards") and in accordance with the Appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the Appraiser's privacy policy and in accordance with the Personal Information and Electronic Documents Act (PIPEDA).

8. Market data has been obtained, in part, from documents at the land registry office, or as reported by the real estate board. As well as using such documented and generally reliable evidence of market transactions, it was also necessary to rely on hearsay evidence. Except as noted herein, a reasonable attempt has been made to verify all such information.

## **ASSUMPTIONS AND LIMITING CONDITIONS, cont'd.**

9. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without warning, the market value expressed as of the date of this appraisal cannot be relied upon to estimate the market value as of any other date except with further advice of the Appraiser.
10. The compensation for services rendered in this report does not include a fee for court preparation or court appearance, which must be negotiated separately. However, neither this nor any other of these limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of the report which best serves the administration of justice.
11. The property has been valued on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease, which may affect the stated value or saleability of the subject property or any portion thereof.
12. This report is valid only if it bears the original signature of the author.
13. The liability of Wm. S. Jackson & Associates Ltd. (Jackson & Associates Ltd.) to your company, you individually or affiliated parties for any claim related to professional services provided pursuant to this engagement, including the directors, officers, employees or contractors of the appraisal firm shall be strictly limited to the amount of any professional liability insurance the firm may have available at the time such a claim is made. Current liability insurance carried by the firm is \$2,000,000 per annum (as an extension of the Professional Liability Program of the Appraisal Institute of Canada). No claim shall be brought against the appraisal firm, or its directors, officers, employees or contractors more than three years after the date the services were provided.

### **Extraordinary Assumptions and Hypothetical Conditions**

This report is completed in a narrative format and has involved the invocation of an extraordinary assumption and hypothetical condition under the Canadian Standards of Professional Appraisal Practice.

The valuation scenarios are hypothetical in nature. A hypothetical scenario is that which is contrary to what exists, but is supposed for the purpose of analysis.

Valuation based on a hypothetical condition requires an extraordinary assumption - an assumption, directly related to a specific assignment, which, if found to be false, could alter the Appraiser's opinions or conclusions.

The terms of reference of this assignment are to value the underlying land component 'as though vacant'. As such, no consideration has been given to the existing improvements on the property.



## **QUALIFICATIONS OF THE APPRAISER**

**DANIEL H. WILSON, B.COMM., R.I. (B.C.), AACI (Fellow), CRP.**

### **PROFESSIONAL EXPERIENCE**

### **EDUCATIONAL BACKGROUND AND TRAINING**

### **VOLUNTEER EXPERIENCE**

## QUALIFICATIONS, cont'd.

### COMPLETED APPRAISALS FOR:

#### Local Government:

City of Courtenay  
City of Campbell River  
CV Regional District

Town of Comox  
District of Port Hardy  
Nanaimo Regional District

Village of Cumberland  
District of Powell River  
Strathcona Regional Dist.

#### First Nations:

K'omoks First Nation  
Campbell River Band

Namgis First Nations  
Toquaht First Nation

Tlowtsis First Nations  
Sliammon First Nation

#### Provincial/Federal Government:

PWGSC  
BC Buildings Corp.  
BC Ferry Corporation

Ministry of Transportation  
BC Hydro

Ministry of Environment  
Nature Trust of BC

#### Lenders:

CIBC  
Vancity  
Royal Bank  
Korea Exchange Bank of Canada

Scotiabank  
Coastal Community CU  
TD Canada Trust  
Sharon's Credit Union

BMO  
Coast Capital  
Canadian Western Bank  
HSBC

#### Larger Companies:

Petrocanada  
Fortis BC

Chevron  
Loblaws

Telus  
Timberwest

#### Property Management:

Total Concept Management

Willow Point Realty

Penny Lane Property  
Management

Advanced Property Management

Coast Pacific Pty Mgt.

Meicor Property Mgt.

Various Private Lenders  
Various Private Developers and Investors  
Various Individual Stratas  
Various Law Firms

### APPRAISAL INSTITUTE CERTIFICATION

The Appraisal Institute of Canada has a mandatory Continuing Professional Development Program for designated members. As of the date of this report, I have fulfilled the requirements of the program.

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**ADDENDA**

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Copy of Title Search Print  
Copy of Zoning Bylaw Extract



# COPY OF ZONING BYLAW EXTRACT

Schedule A Page 1 of 5

## Schedule A

### Section One Text Amendments

Part 900, "Commercial / Industrial Zones", is hereby amended by inserting the following new zone after the Community Waste Management (CWM) zone and renumbering zones and pages accordingly:

“

**915**

**Saratoga - Commercial Industrial (S-CI)**

#### 1. Principal Use

On any lot:

- i) Retail and wholesale sales;
- ii) Service establishments;
- iii) Offices;
- iv) Restaurants;
- v) Licensed establishments;
- vi) Recreation facilities;
- vii) Automobile service station, excluding washing of vehicles;
- viii) Veterinary clinics, animal hospitals;
- ix) Light industrial;
- x) General contractor services and storage yard;
- xi) Industrial equipment, sales and service;
- xii) Boat building, repairs, service and sales.

#### 2. Accessory Uses

On any lot:

- i) Outdoor storage;
- ii) Residential use;
- iii) Warehousing.

#### 3. Conditions of Use

- i) All permitted uses listed in Section (1), "**Principal Uses**" and Section (2), "**Accessory Uses**", excluding residential use, shall be subject to the following conditions:
  - a) Landscaped areas with the following characteristics shall be provided:
    - 1) Landscaped areas shall be planted and maintained with trees, shrubs and grasses;
    - 2) Where a property abuts a road right-of-way, a landscaped area at least 3.0 metres in width running the length of the right-of-way, except for points of ingress and egress, shall be provided;
    - 3) Where a property abuts the Island Highway or a frontage road to the Island Highway, a landscaped area at least 4.5 metres in width

*Comox Valley Regional District*

- running the length of the right-of-way, except for points of ingress and egress, shall be provided;
- 4) Additional or specific landscaping shall be in accordance with the conditions of the required Development Permit.
- b) No parking, loading or storage areas shall be located within 1.5 metres of any property line.
  - c) All outdoor storage, supply yards, and outdoor equipment maintenance and repair areas shall be screened. Screening not less than 2 metres in height, and on landscaped areas not less than 7.5 metres in width, shall consist of solid wood fencing, evergreen hedging or an earth berm. All screening, including fencing and hedging, shall be well maintained and fencing shall be painted as required.
  - d) Floor Area Ratio (F.A.R.) (see also Part 2, Interpretation) shall be defined as: "The gross floor area of all buildings on a lot divided by the gross area of the subject lot."  
Permitted F.A.R. = 0.5  
For each 10 per cent increase in "Open Space", to a maximum of 60 per cent, F.A.R. is increased by 0.05.
  - e) A minimum of 25 per cent of the lot area shall be retained as open space.
- ii) "Automobile Service Station" use, shall be subject to the following conditions:
    - a) Fuel service pumps or pump islands shall be located a minimum of 4.5 metres from any property line. No canopy is to be longer than 33 per cent of the length of the street boundary of the yard in which it is located, to a maximum of 12.0 metres.
    - b) Automobile service stations shall be subject to the following parking requirements:
      - 1) Off-street parking, loading areas and ingress and egress points shall be located so as not to interfere with other on-site vehicular and off-site traffic movements abutting the streets;
      - 2) No parking, loading or storage areas shall be located within 1.5 metres of any property line.
    - c) Automobile service stations shall be subject to the following landscaping requirements:
      - 1) All landscaping should constitute a minimum of 5 per cent of the site;
      - 2) Loading areas, garbage containers and recycling containers shall be screened to a height of at least 2.5 metres;
      - 3) Where the automobile service station is situated on a lot having a boundary in common with any abutting property zoned under Part 700 "Residential Zones", there shall be provided and maintained on and along the full length of such boundary or portion of the boundary, a landscaped area measuring no less than 3.0 metres in width throughout its length and used for the purpose only of cultivating therein ornamental trees, shrubs, flowers and grass.
  - iii) Each property shall be allowed one freestanding sign for each street frontage of the business to a maximum of two freestanding signs. The freestanding sign shall be permitted in landscaped areas only. The height of the sign, including support

Comox Valley Regional District

structures, shall not exceed 6.0 metres and the area of any one face shall not exceed 6.5 square metres. A freestanding sign may be illuminated.

- iv) One fascia sign shall be allowed on each building. The maximum area of fascia signs shall be 6 square metres. Fascia signs may be illuminated.
- v) All lighting used throughout the property including for signage, yards and buildings are to be in accordance with regional district 'Dark Sky' policies.

**4. Density**

- i) Residential use is limited to one dwelling unit.

**5. Siting of Buildings, Structures and Uses**

- i) The setbacks required for buildings and structures within the Saratoga Commercial-Industrial zone (S CI) zone shall be as set out in the table below.

Type of Structure	Required Setback			
	Front yard	Rear yard	Side yard	Side yard abutting road
Principal	7.5 m	7.5 m	4.5 m	7.5 m
Accessory	7.5 m	7.5 m	4.5 m	7.5 m

- ii) Despite 5 i) above, pump islands and canopies associated with an automobile service station may be setback as follows:

Type of Structure	Required Setback			
	Front yard	Rear yard	Side yard	Side yard abutting road
Pump island	4.5 m	4.5 m	4.5 m	4.5 m
Canopies	1.5 m	1.5 m	1.5 m	4.5 m

**6. Height of Structures**

The maximum permitted height of principal structures shall be:

- i) At 12.0 metres from any lot line: 12.0 metres
- ii) At 7.5 metres from any lot line: 10.0 metres
- iii) In an area less than 7.5 metres from any lot line: 8.0 metres

**7. Lot Coverage**

- i) The maximum lot coverage of all buildings and structures shall not exceed 50 per cent of the lot area.

**8. Subdivision Requirements**

- 1) Minimum lot area: 2.0 hectares.2w  
If connected to community water, minimum lot area: 0.4 hectare

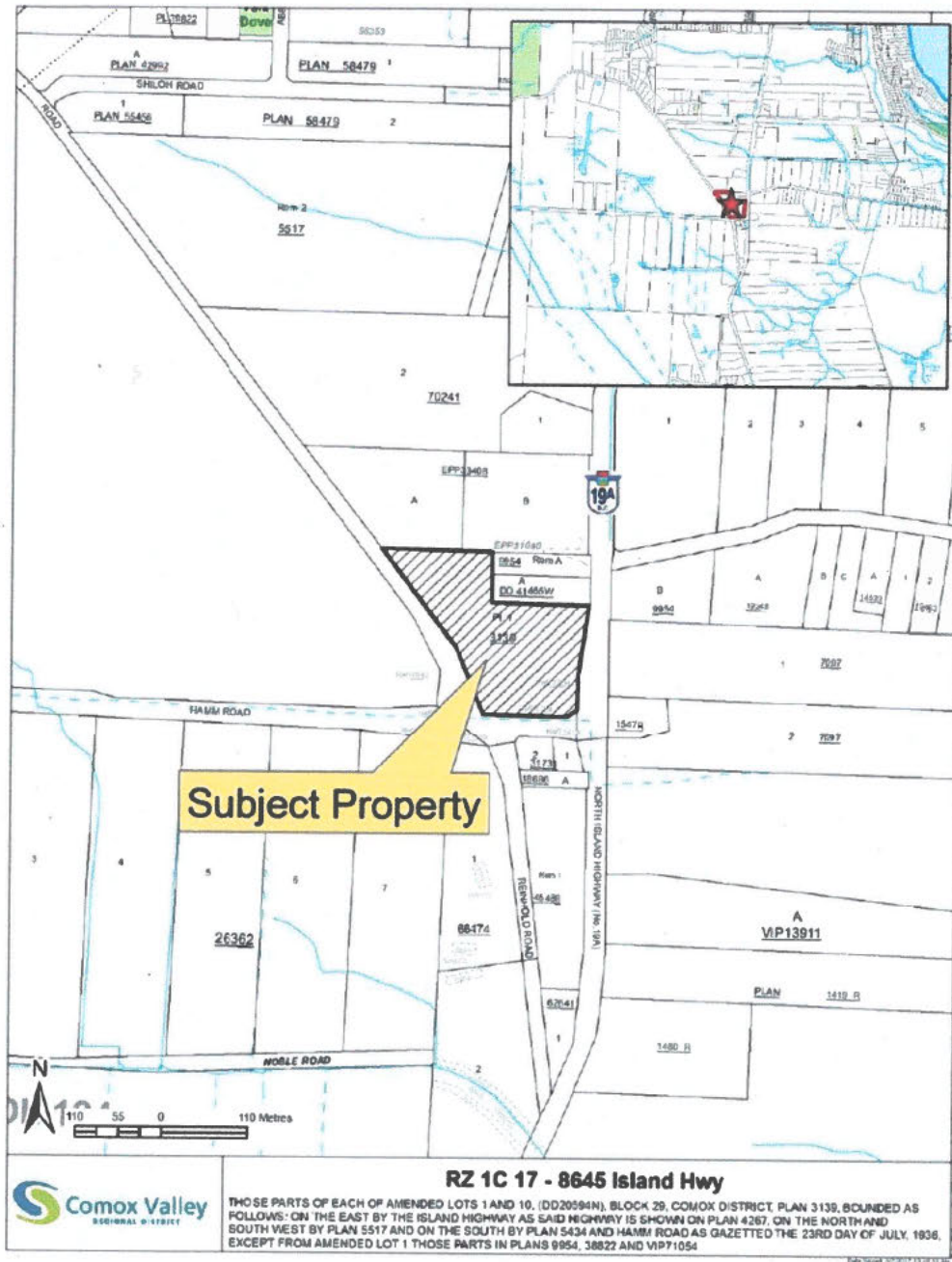
*End • S C-I"*

**Comox Valley Regional District**



**Section Two Map Amendment**

Map A-13 of Bylaw No. 2781, being the "Comox Valley Zoning Bylaw, 2005", is hereby amended by rezoning property legally described as "Those parts of each of amended lots 1 and 10, (DD 20594N), Block 29, Comox District, Plan 3139, PID 002-039-389, bounded as follows: on the east by the Island Highway as said highway is shown on Plan 4267, on the north and south west by Plan 5517 and on the south by Plan 5434 and Hamm Road as gazetted the 25rd day of July, 1936, except from amended Lot 1 those parts in plans 9954, 38822 and VIP71054" (8645 Island Highway) from Country Residential One (CR-1) to Saratoga Commercial-Industrial (S - CI) as shown on Appendix 1.



**Appendix 1**

Part of Schedule A to Bylaw No. 488 being the "Comox Valley Zoning Bylaw, Amendment No. 71".

Amends Schedule Map A-13 to Bylaw No. 2781, being the "Comox Valley Zoning Bylaw, 2005".

Comox Valley Regional District