

PART THREE – FACTUAL INFORMATION**LAND DESCRIPTION AND ANALYSIS****LEGAL DESCRIPTION:**

The titles were searched through the Land Title Office and copies can be found in the Addenda. The subjects' descriptions are reported to be:

Legal: Lots 22 & 23, Block 7, District Lot 5316, Cariboo District, Plan 1373

PIDs:	Lot 22	013-918-346
	Lot 23	013-918-524

BC Assessment		
roll numbers:	Lot 22	26-545-00090.000
	Lot 23	26-545-00097.000

PARCEL SIZE:

Total area:	Lot 22	6,250 ft ² /0.14 acres
	Lot 23	<u>6,250 ft²/0.14 acres</u>
	Total	12,500 ft ² /0.28 acres

OWNER:

Village of McBride
No address on file for this owner

CIVIC ADDRESSES:

964 & 976 2nd Avenue, McBride, BC

PHYSICAL CHARACTERISTICS:

Topography:	At street-grade with 2 nd Avenue and both side and rear lanes
Drainage:	Good, gravel base (assumed)

OFF SITE FACTORS:

Visibility:	Good, corner location with side lane
Access/egress:	Good, from 2 nd Avenue and both lanes
Traffic Patterns:	Northwest-southeast along 2 nd Avenue and one rear lane; northeast-southwest along the side lane.

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FACTUAL INFORMATION – Continued

SERVICES:

Paved roads, telephone, hydro, city water, sewer, and storm sewer. Un-metered street parking. Street lighting. Cable for television or high-speed internet. Police and fire protection.

LEGAL NOTATIONS:

None

CHARGES, LIENS, & INTERESTS:

None

ZONING:

PD (Public Development)

GENERAL DESCRIPTION:

The subject properties are located along 2nd Avenue, across from Lonsdale Street, near the southwestern end of the Village of McBride, within one block of the downtown core. The parcel contains a one-storey office building with a fenced compound and side lane and rear lane access.

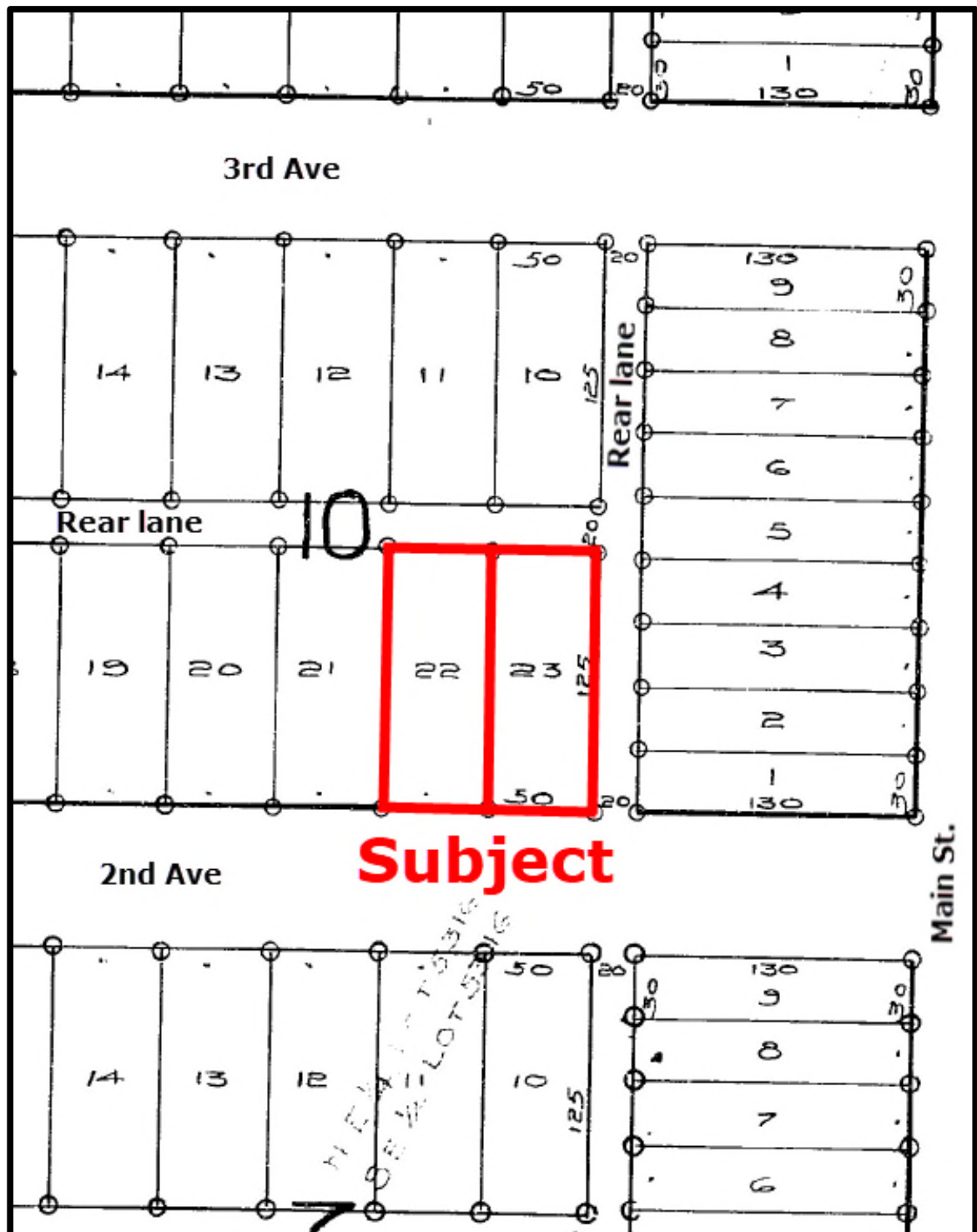
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FACTUAL INFORMATION – Continued

SITE PLAN – PGP1373



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FACTUAL INFORMATION – Continued**DESCRIPTION OF IMPROVEMENTS**

The subject property, Lot 22, contains a one-storey office building with side and rear lane access. The building is in poor condition and near the end of its economic life. It still has some utility for storage and could potentially be renovated. A building inspector report in 2016 noted that a portion of the building had a raised subfloor over dirt and that no vapour barrier was installed leading to mold and mildew conditions. The appraiser did not view the crawl space and did not observe mold or mildew on the interior.

The yard perimeter is improved with a chain link fence topped with three strand barbed wire to create a fenced compound.

SUMMARY OF IMPROVEMENTS – LOT 22

Construction Date:	1960
Building Areas:	1,644 ft ²
Foundation:	Poured concrete
Floor Construction:	Concrete slab and raised wood subfloor over dirt (no vapour barrier in this section)
Frame:	Wood
Exterior Finish:	Vinyl siding (front); painted plywood; asbestos shingle siding with shiplap wood under
Roof Type:	Flat
Roof Finish:	Tar and gravel (end of life; water stains noted on ceiling))
Interior Partitions:	Wood frame
Interior Finish:	Ceiling Painted drywall; suspended acoustical tile; ceiling tile Walls Wood panel; drywall panels Floor Plywood; vinyl sheet; carpet
Ceiling Height:	8 ft 2 inches; 10.5 feet
Plumbing:	Half bath; missing hot water tank
Windows & Doors:	Wood frame windows (1981); one 1991 aluminum double pane window; some original rotting wood frame windows; wood frame with glass pane front door
Electrical:	100 amp
Lighting:	T12 Fluorescent
Heating/Air Conditioning:	Original oil furnace (oil tank adjacent to building outside)
Parking:	Street front
Condition:	Poor; lots of evidence of deferred maintenance with some water staining on the ceiling. A 2016 inspection by the municipal building inspector indicated: <ul style="list-style-type: none"> • the exterior was in poor condition with loose and missing siding • windows were damaged from foundation upheaval • roofing was in fair condition • the oil furnace is very old and most likely inefficient • recommended that the building be demolished
Additional:	Perimeter fenced yard
Effective Age:	The subject property has an economic life of 60 years and a chronological age of 61 years. The subject has not been maintained over the past number of years and is near the end of its economic life. However, the building could

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be renovated or used for unheated storage. The effective age is estimated at 50 years.

Economic life:	60 years
Chronological age:	61 years
Effective age:	50 years
Remaining life:	10 years
Depreciation:	83%

CURRENT USE

The subject property is currently improved with a vacant office building in poor condition while the fenced compound is used for storage.

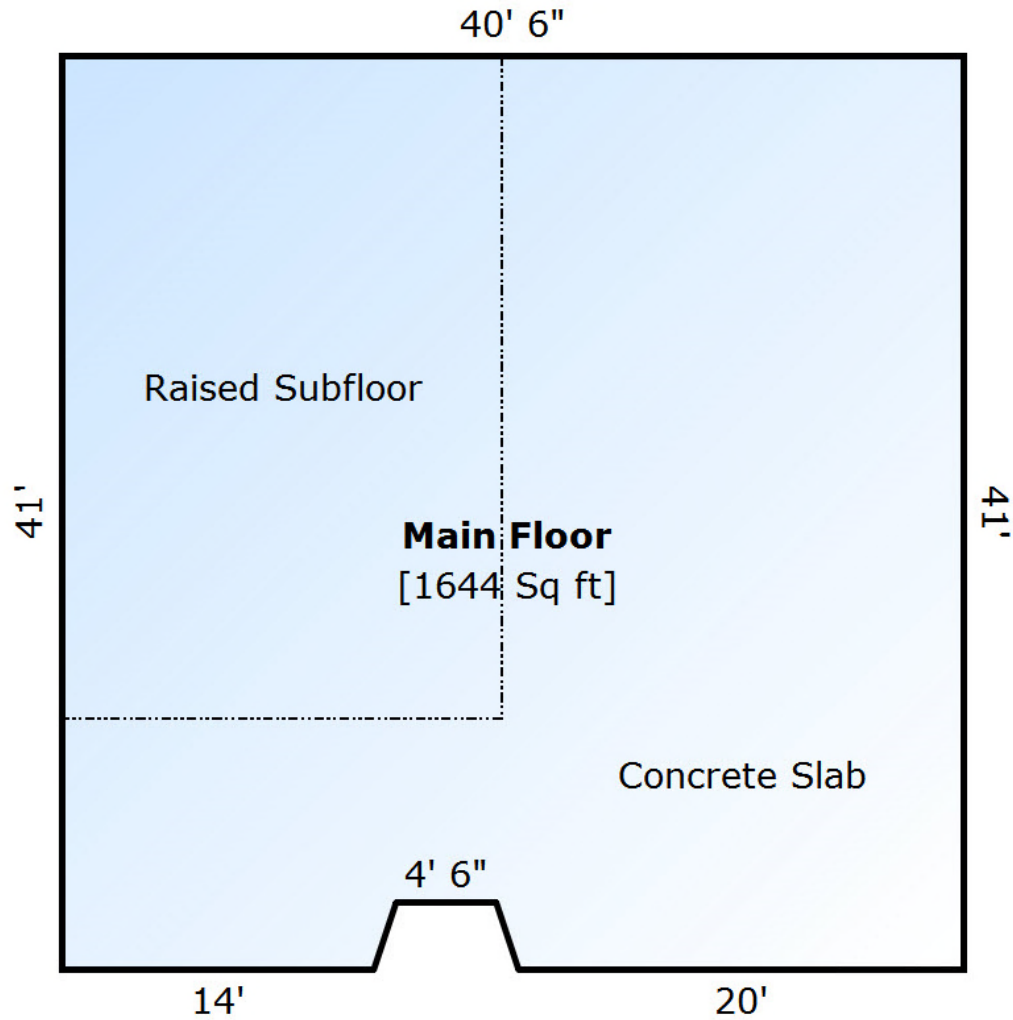
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FACTUAL INFORMATION – Continued

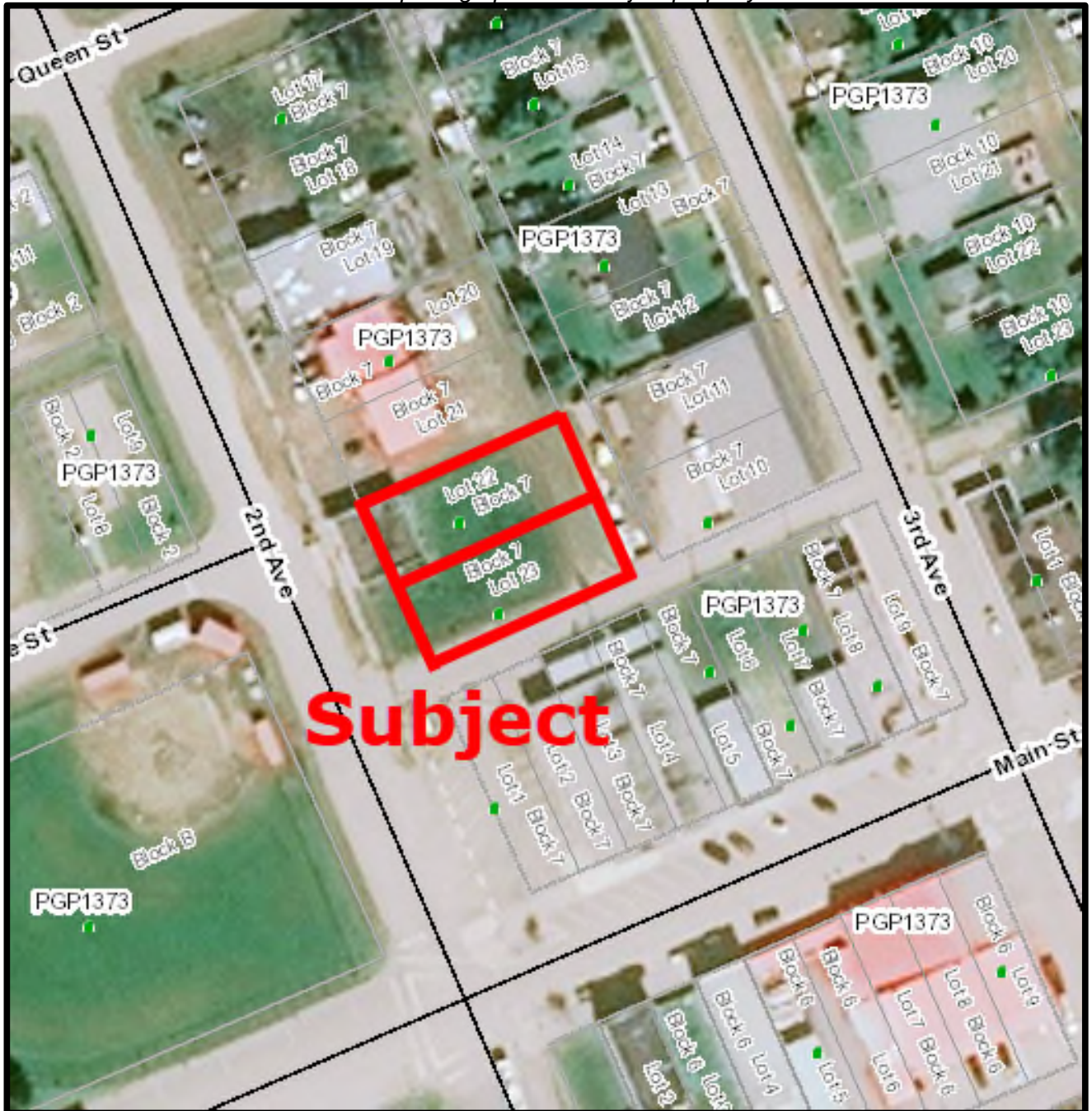
BUILDING SKETCH



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FACTUAL INFORMATION – Continued**PHOTOGRAPHS OF THE SUBJECT PROPERTY***Aerial photograph of the subject property*

Lot lines are approximate and should not be construed as conforming to their actual locations.

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*FACTUAL INFORMATION – Continued***PHOTOGRAPHS OF SUBJECT PROPERTY – 964 & 976 2ND AVENUE***West corner**South corner**East corner**North corner*

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FACTUAL INFORMATION – Continued**PHOTOGRAPHS OF SUBJECT PROPERTY***Gate from side alley**Yard - along side alley**Yard*

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*FACTUAL INFORMATION – Continued***PHOTOGRAPHS OF SUBJECT PROPERTY***Yard**Oil tank**Looking southeast along rear lane*

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*FACTUAL INFORMATION – Continued***PHOTOGRAPHS OF SUBJECT PROPERTY***Entry**Interior*

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FACTUAL INFORMATION – Continued**PHOTOGRAPHS OF SUBJECT PROPERTY***Interior**Interior*

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FACTUAL INFORMATION – Continued**PHOTOGRAPHS OF SUBJECT PROPERTY**

Storage*Washroom**Furnace**Electrical*

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FACTUAL INFORMATION – Continued**PHOTOGRAPHS OF SUBJECT PROPERTY***Asbestos shingle siding with shiplap underneath**Rotted window frame**Cracked window**Rotted window frame*

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FACTUAL INFORMATION – Continued**SALES HISTORY**

The Appraisal Institute of Canada's Canadian Uniform Standards of Professional Appraisal Practice requires that the subject property's transaction be investigated and considered; the timeframe examined is from three years ago to those occurring near or at the effective date of the current appraisal. When a recent arm's length market transaction occurs, the sale provides compelling evidence of value, often requiring only an adjustment for market conditions resulting from the passage of time.

The subject property has not sold in the past three years, privately or through MLS. The appraiser is not aware of any listings or sales, private or on MLS.

ASSESSMENT AND TAXES

The assessment details for the subject property, Lot 22, as established by BC Assessment, are shown below. Roll number 26-545-00096.250.

YEAR	ASSESSMENT DETAILS			TAXES
	LAND	BUILDING	TOTAL	
2021	\$14,200	\$27,400	\$41,600	\$0
2020	\$14,200	\$32,400	\$46,600	\$0
2019	\$14,200	\$33,100	\$47,300	\$0
2018	\$16,100	\$31,200	\$47,300	\$0
2017	\$16,100	\$31,300	\$47,400	\$0

The assessment details for the subject property, Lot 23, as established by BC Assessment, are shown below. Roll number 26-545-00097.000.

YEAR	ASSESSMENT DETAILS			TAXES
	LAND	BUILDING	TOTAL	
2021	\$24,000	\$0	\$24,000	\$0
2020	\$21,900	\$0	\$21,900	\$0
2019	\$22,600	\$0	\$22,600	\$0
2018	\$30,200	\$0	\$30,200	\$0
2017	\$30,200	\$0	\$30,200	\$0

COMMENTS ON THE ASSESSMENT AND TAXES

"Actual value" for the 2021 assessment reflects the opinion of BC Assessment as to the market value of the property as of July 1, 2020, based on the physical condition as of October 31, 2020. Assessments are set on an annual basis using mass appraisal techniques, often relying on inspection data that can be several years old. Assessed values can be less precise than a full appraisal.

The subject properties are currently owned by the Village of McBride which is exempt from paying property taxes. This appraisal has not been prepared for an assessment review.

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LAND USE CONTROLS

This section provides information on the legal status of the property and any limitations imposed by public policy, such as zoning, flood boundaries, environmental setbacks, and other restrictions on property rights. This information is necessary to a) understand the degree to which the legal restrictions on use may affect the property's utility and b) learn whether there is a reasonable probability of change for these restrictions.¹⁸⁴

ZONING

The Village of McBride has zoned the subject property PD (Public Development). PD zoning permits 11 principal uses and three secondary ones. Minimum lot size is 750 square metres (8,073 square feet). Minimum width of a building containing a residential one-family use, excluding additions, will be six metres (20 feet).

For assembly halls, churches, government offices, health units or libraries, hospitals, public utilities, recreation facilities, and schools, the minimum rear setback is seven metres (23 feet) and the minimum front setback is 7.5 metres (25 feet). For assembly halls, churches, and health units or libraries, the minimum side setback is three metres (10 feet); for government offices, hospitals, public utilities, recreation facilities, and schools, it is five metres (16 feet). For assembly halls, churches, and health units or libraries, the maximum site coverage is 33%; for government offices, hospitals, and public utilities, it is 50%; and for recreation facilities and schools, it is 75%. For assembly halls and hospitals, the maximum building height is 10 metres (33 feet); for churches and schools, it is 15 metres (50 feet); for government offices, health units or libraries, and public utilities, it is 7.5 metres (25 feet); and for recreation facilities, it is 20 metres (65 feet).

Each subject parcel is legal non-conforming for minimum lot size and appears to conform to the remaining requirements. Soil conditions seem to have good load bearing qualities and therefore is suitable for supporting any foundation conforming to current zoning statutes.

The subject parcels are zoned for public development as they are owned, and have been owned, by the Village of McBride for decades. Municipal owned properties tend to have public zoning if they were used for municipal use. However, should the property have a different owner, it would be expected that the property could be rezoned similar to surrounding uses.

OFFICIAL COMMUNITY PLAN (OCP)

The Village of McBride has adopted an Official Community Plan (OCP) to supplement its zoning bylaws. The process for developing an OCP typically involves considerable social, economic, and demographic research along with an extensive public consultation process. OCPs serve to express municipal aspirations for future land use within its borders, guide capital budgeting, and direct rezoning applications. In British Columbia, municipalities generally do not rezone properties in a manner that contradicts their OCPs.

¹⁸⁴ Stephen F. Fanning, *Market Analysis for Real Estate: Concepts and Applications in Valuation and Highest and Best Use*, Appraisal Institute, 2005, p.39.

FACTUAL INFORMATION – Continued

According to the Village of McBride, “Public Development uses are considered to be a range of public, government, and community related uses that are generally non-commercial in nature.”¹⁸⁵ For parcels designated PD (Public Development), land use should be limited to:

- “community recreation area/facility, firehall, school, waste disposal and treatment site, park, government office, cemetery, church and other similar public uses[;]
- “residential;
- “group home, corrections or rehabilitation oriented facility and other similar institutional uses; [and]
- “public airport.”¹⁸⁶

There is “no specific density for [the] creation of new parcels and no servicing requirements” in PD zones because “subdivision is generally not associated with uses in this designation.”¹⁸⁷ Lastly, “minimum parcel sizes for subdivision will generally be regulated by zoning and will reflect specific uses of land.”¹⁸⁸

The subject’s current PD zoning conforms to the current OCP designation for the Village of McBride. There is no anticipation the surrounding uses within the area will change in the foreseeable future and that the OCP could be amended to reflect the surrounding commercial uses.

¹⁸⁵ Village of McBride. 2011. *Village of McBride Official Community Plan No. 682, 2008*. Accessed 25, October 2021. file:///C:/Users/Staff.cpu-jul282015/Downloads/Village_McBride_OCP_bylaw-consolidated_2017%20(5).pdf

¹⁸⁶ Ibid.

¹⁸⁷ Ibid.

¹⁸⁸ Ibid.

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PART FOUR – ANALYSIS AND CONCLUSIONS

CHARACTERISTICS OF THE MARKET

RESIDENTIAL

According to the 2016 Canadian Census (see Table 1 below), 78.6% of McBride's home owning/renting populations live in single-detached houses; the only other type of dwelling that even comes close to this are row houses and mobile home, both of which house only 7.1%, respectively, of the village's residents. The remainder of the population (those with rooves over their heads) live in semi-detacheds and apartments. This break-down is not unusual for the northern half of British Columbia. What is more, 59.3% of McBride's dwellings were constructed before 1981 and 40.7% afterward. Only 5.4% of the village's homes require major repairs (the provincial average hovers at around 7.2%¹⁸⁹).

Table 1: Housing Stock – McBride

DWELLING TYPE	McBRIDE	
	# OF UNITS	%
Single-Detached House	220	78.6
Apartment (Under Five Storeys)	15	5.4
Row House	20	7.1
Mobile Home	20	7.1
Semi-Detached	5	1.8
Apartment, Duplex	0	0.0
Other single-attached	5	1.8
STATUS		
Owned Dwellings	160	57.1
Rented Dwellings	120	42.9
CONSTRUCTION		
Built Before 1981	160	59.3
Built Since 1981	110	40.7
REPAIR		
Require Minor Repairs	265	94.6
Require Major Repairs	15	5.4

Source: Statistics Canada

As of Q4 2020, the BC Northern Board Area (BCNBA)¹⁹⁰ offered the ninth highest home prices in the province—averaging ±\$330,000—higher than south Peace River, but lower than Kootenay.¹⁹¹ Despite the ravages of the COVID-19 pandemic elsewhere in the economy, there was no significant change in the average house price in 2020, not until Q3 2020, when it suddenly increased by approximately 9.7%; a similar trend can be seen throughout British Columbia.¹⁹² Since 2010-11, BC Northern's average house price has

¹⁸⁹ Housing Strategies, Inc. 2016. *Valemount Housing Needs and Demands Assessment*. Accessed 13, April 2016.

<http://www.valemount.ca/documents-publications>

¹⁹⁰ The British Columbia Real Estate Association, in association with the Canadian Real Estate Association, combines all the province's regional districts (except for those of Peace River and Northern Rockies) into one entity, called the BC Northern Board Area.

¹⁹¹ Fong, Kelli. 2020. "Markets at a Glance: October 2020." *British Columbia Real Estate Association*. Accessed 13, November 2020.

<https://www.bcrea.bc.ca/economics/markets-at-a-glance/>

¹⁹² Ibid.

been steadily rising, notwithstanding a dip at the end of 2014 and another in 2017;¹⁹³ it would appear that (for now) COVID-19 has not disrupted this pattern. Meanwhile, the BCNBA enjoyed the sixth highest number of homes sold throughout BC in Q4 2020, at ±1,250 units (ahead of Chilliwack and District, but behind Victoria).¹⁹⁴ This is in contrast to Q2 2020, when barely 700 units were sold—the lowest number since the nadir of the Great Recession (end of 2008, start of 2009).¹⁹⁵ Unlike the post-Recession recovery, however, which was slow and rife with fluctuations, never once reaching their mid-2000s heights, the post-2018 and post-Q2 2020 recovery is one of the most spectacular on record—shooting up 78.6%, from ±700 units to approximately 1,250.¹⁹⁶ On the other hand, Q4 2020 posted a 10.7% decline from the Q3 high. According to the president of the British Columbia Northern Real Estate Board, “third quarter...2020 saw the second-highest sales on record in the region since data was collected in 1980...driven by pent-up demand from sales that did not occur during the spring due to containment measures[,] and [because of] record-low mortgage rates.”¹⁹⁷

According to BC Assessment, the assessed value of an average single-family dwelling in McBride's increased 7.0%, from \$132,000 to \$142,000.¹⁹⁸

The Canadian Mortgage and Housing Corporation (CMHC) does not collect data on McBride (or any other community in the Robson Valley). The closest area that the CMHC does tabulate home information on is Fraser-Fort George F (RDA), the eastern-most boundary of which lies approximately 50 kilometres northwest of McBride. It is important to note, however, that the purpose for presenting this information is not to give specific figures, but to provide a general idea of the Robson Valley's housing market.

According to the CMHC, the total number of housing construction starts in October 2021, as compared to October 2020, remained unchanged; while those between the years-to-date increased 100%. In later case, single-family dwellings accounted for the bulk of the activity, supplemented by apartmentse (see Table 2 below).

Table 2: Housing Starts by Dwelling Type – Fraser-Fort George F (RDA)

	OCTOBER 2020	OCTOBER 2021	YtD 2020	YtD 2021
SINGLE-FAMILY	0	0	0	5
SEMI-DETACHED	0	0	0	0
ROW	0	0	0	0
APARTMENT	0	0	0	1
TOTAL	0	0	0	6

Source: CMHC

The total number of dwellings under construction increased 50% from July 2021 to October 2021, with single-familys accounting for all activity (apartments, semi-detacheds, and rows all remained unchanged) (see Table 3 below).

¹⁹³ Ibid.

¹⁹⁴ Ibid.

¹⁹⁵ Ibid.

¹⁹⁶ Ibid.

¹⁹⁷ British Columbia Northern Real Estate Board. 2020. “News Release – October 8, 2020.” *Board News Releases*. Accessed 13, November 2020. <http://bcnreb.bc.ca/board-news-releases-3>

¹⁹⁸ BC Assessment. 2020. *Northern BC 2021 Property Assessments in the Mail*. Accessed 25, January 2021.

<https://info.bcasessment.ca/news/Pages/Northern-BC-2021-Property-Assessments-in-the-Mail.aspx>

Table 3: Under Construction by Dwelling Type – Fraser-Fort George F (RDA)

	JULY 2021	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021
SINGLE-FAMILY	1	2	2	2
SEMI-DETACHED	0	0	0	0
ROW	0	0	0	0
APARTMENT	1	1	1	1
TOTAL	2	3	3	3

Source: CMHC

As Table 4 shows, the total number of housing construction completions in October 2021, as compared to October 2020 remained unchanged; while between the years-to-date, they increased 50%, with single-family dwellings accounting entirely for the rise.

Table 4: Housing Completions by Dwelling Type – Fraser-Fort George F (RDA)

	OCTOBER 2020	OCTOBER 2021	YtD 2020	YtD 2021
SINGLE-FAMILY	0	0	2	3
SEMI-DETACHED	0	0	0	0
ROW	0	0	0	0
APARTMENT	0	0	0	0
TOTAL	0	0	2	3

Source: CMHC

Unlike for the City of Prince George, itself, CMHC does not provide data on Fraser-Fort George F (RDA)'s primary rental market. Nevertheless, it is assumed that the number of private apartment units is low; that the number of vacancies is either average or low; and that the average rent for variously sized apartments is low. In October 2019, the Village of McBride commissioned a Housing Needs Assessment for the purpose of "meet[ing] both the new provincial requirements for Housing Needs Assessments as well as BC Housing requirements."¹⁹⁹ The report found that the "highest need for housing in the short and long term in McBride is for seniors housing, with varying levels of care; t]he second highest need is for families in the community."²⁰⁰ Table 5 below shows the number of housing units by type.

Table 5: Housing Needs – Current and Anticipated – McBride

	CURRENT NEED	ANTICIPATED (5 YEARS)	TOTAL NEED
ONE-BEDROOM	4	14	18
TWO-BEDROOM	2	2	4
THREE + BEDROOMS	12	10	22
TOTAL	18	26	44

Source: Village of McBride

¹⁹⁹ Village of McBride. 2014-21. "Welcome to the Village of McBride Housing Page." *Village of McBride*. Accessed 25, January 2021. <https://www.mcbride.ca/village-office/housing>

²⁰⁰ Village of McBride. 2020. *Village of McBride Housing Needs Assessment Report – Housing Needs Assessment – Key Findings*. Accessed 25, January 2021. <https://www.mcbride.ca/uploads/Housing/Key%20Findings.pdf>

The “growing number of seniors in McBride will likely result in a need for smaller housing units close to services; a]dditional supportive housing services to help seniors age in place may also be required.”²⁰¹ Furthermore, the “lack of employment in the local area will have considerable implications for housing affordability; t]he trend toward more of a service sector economy in McBride may impact a household's ability to own their own home and the size of the home they can afford.”²⁰² Finally, the “cost of housing in McBride is outpacing the income levels thereby creating a need for additional affordable housing units; t]he rental market is not keeping up with demand[, and therefore a]dditional purpose-built affordable housing is required in the community to meet needs of existing residents.”²⁰³

The mining sector entering hibernation because of the Asia-Pacific economic downturn, and the forest industry's hampered ability to reap profits—and thus expand their operations—because of the export tariff, is in the process of inflicting deleterious effects on the real estate market in terms of dwelling construction and completion and of apartment vacancies. As long as the tariff remains in effect, and the Asian market loiters in the doldrums, companies and contractors will not hire new employees (rather, they will be firing them); and without these employees buying or renting housing, construction will grind to a halt, and vacancies will rise. The only consolation is that McBride does not appear to have enjoyed high levels of housing construction to begin with, at least not since the 1970/1980s.

COMMERCIAL

The only information about commercial real estate in the Robson Valley pertains to Valemount. For the past several years, Valemount Glaciers Destinations Ltd. (VGD) has been working to realize their “planned new ski and sightseeing resort located near Jasper National Resort, a UNESCO World Heritage site.”²⁰⁴ When complete, the resort, “centred on the eastern approaches of the Mount Sir Wilfred Laurier massif,”²⁰⁵ will “provide public access to high alpine glaciers for the first time in North America [to] sightseeing and year-round skiing,”²⁰⁶ in particular, it will allow “life access to the view points and glaciers of Twilight Glacier and Mount Arthur Meighan.”²⁰⁷ The resort will “feature the largest vertical drop in North America [at 2,050 metres]...as well as some of the longest ski runs in the world;”²⁰⁸ it will also “accommodate heli-ski operations, dog-sledders, and snowmobilers.”²⁰⁹ The 1,997-bed alpine village²¹⁰ will be “designed to be compact and environmentally sustainable,” constructed “in an authentic Canadian Rocky Mountain style,” and be surrounded by “generously sized and beautiful single-family chalets.”²¹¹ On August 17, 2016, the Government of British Columbia “approved the master plan for the Valemount Glacier Destination Resort

²⁰¹ Ibid.

²⁰² Ibid.

²⁰³ Ibid.

²⁰⁴ Valemount Glacier Destination. 2015. *Glacier Sightseeing and Skiing Like Never Before in North America*. Accessed 18, October 2016. <http://valemountglaciers.com/>

²⁰⁵ Oberti Resort Design and Pheidias Project Management Corp. 2015. *Valemount Glacier Destination Master Plan*. Accessed 11, April 2016. <http://valemountglaciers.com/master-plan/>

²⁰⁶ Valemount Glacier Destination. 2015. *Glacier Sightseeing and Skiing Like Never Before in North America*. Accessed 18, October 2016. <http://valemountglaciers.com/>

²⁰⁷ Oberti Resort Design and Pheidias Project Management Corp. 2015. *Valemount Glacier Destination Master Plan*. Accessed 11, April 2016. <http://valemountglaciers.com/master-plan/>

²⁰⁸ Valemount Glacier Destination. 2015. *Glacier Sightseeing and Skiing Like Never Before in North America*. Accessed 18, October 2016. <http://valemountglaciers.com/>

²⁰⁹ Dupuis, Braden. 2016. “Valemount Glacier Destinations Gets Master-Plan Approval.” *Pique*. Accessed 18, October 2016. <http://www.piquenewsmagazine.com/whistler/valemount-glacier-destinations-gets-master-plan-approval/Content?oid=2802291>

²¹⁰ JOC News Service. 2016. “BC Government Approves Glacier Resort Master Plan.” *Journal of Commerce*. Accessed 18, October 2016. <http://journalofcommerce.com/Projects/News/2016/8/BC-government-approves-glacier-resort-master-plan-1017963W/>

²¹¹ Valemount Glacier Destination. 2015. *Glacier Sightseeing and Skiing Like Never Before in North America*. Accessed 18, October 2016. <http://valemountglaciers.com/>

project;²¹² the following month, the “project received rezoning approval from the Regional District of Fraser-Fort George” by a unanimous vote.²¹³ The next hurdle for the VGD is to attain a “master development agreement between the developer and the BC Government.”²¹⁴ If all goes well, “construction could begin in Spring 2017[,] with the first lifts ready by December of 2017;”²¹⁵ the entire \$175 million²¹⁶ to \$500 million²¹⁷ project is “designed for a 20-year build-out.”²¹⁸

The VGD “project is very important to the community of Valemount”²¹⁹ because it represents an injection of much needed economic growth to keep it from aging into a ghost town. For decades, Valemount’s single largest employer was its sawmill; after it shut down in 2006 (and was subsequently dismantled in 2009), the local economy stagnated, and the village has been slowly bleeding residents. According to Valemount mayor, Jeanette Townsend, the resort augurs “positive economic well-being for the community.”²²⁰ Although she does not foresee “thousands of people moving to Valemount as some...are saying,” she does think that perhaps a “couple of hundred” will; for a village of Valemount’s size, that is “quite a difference” because of the “spin-off” effect: “having one or two more children in school...will eventually require another teacher, which will mean another bank employee,” which will lead to “another grocery store employee,” and so on.²²¹ Already the BC Government’s approval of the VGD’s master plan has resulted in a “real estate frenzy.”²²² According to John Peterson of Yellowhead Realty Ltd., “his phone has been ringing off the hook,” signifying demand; nevertheless, he warns that “it’s risky to make market predictions” based only on these inquiries.²²³ Other real estate companies in the region have reported a similar uptick in interest.²²⁴ However, Tammy VandeNoblen of Valemount Real Estate “cautions that while VGD is creating a stir in the market, the current market prices have held steady, [and are] not increasing.”²²⁵ Likewise, the Village of Valemount reports that “nothing has changed in regards to subdivision applications,”²²⁶ a key indicator that property owners are preparing for an influx of new residents in a market lacking accommodation.

²¹² Mercier, Stephanie. 2016. “New Valemount, BC Ski Resort One Step Closer to Reality.” *CBC News*. Accessed 18, October 2016. <http://www.cbc.ca/news/canada/british-columbia/valemount-glacier-ski-resort-plan-gets-provincial-approval-1.3725221>

²¹³ Valemount Glacier Destinations. 2016. *Rezoning Approved*. Accessed 18, October 2016. <http://valemountglaciers.com/rezoning-approved/>

²¹⁴ Mercier, Stephanie. 2016. “New Valemount, BC Ski Resort One Step Closer to Reality.” *CBC News*. Accessed 18, October 2016. <http://www.cbc.ca/news/canada/british-columbia/valemount-glacier-ski-resort-plan-gets-provincial-approval-1.3725221>

²¹⁵ Ibid.

²¹⁶ Ibid.

²¹⁷ Korstom, Glen. 2016. “Success In Sight for Valemount Ski Resort.” *Business Vancouver*. Accessed 18, October 2016. <https://www.biv.com/article/2016/8/success-sight-valemount-ski-resort/>

²¹⁸ Mercier, Stephanie. 2016. “New Valemount, BC Ski Resort One Step Closer to Reality.” *CBC News*. Accessed 18, October 2016. <http://www.cbc.ca/news/canada/british-columbia/valemount-glacier-ski-resort-plan-gets-provincial-approval-1.3725221>

²¹⁹ Macdonald-Meisner, Elaine. 2016. “Regional District Sets New Zoning for Valemount Glacier Resort.” *250 News*. Accessed 18, October 2016. <https://www.250news.com/2016/08/19/regional-district-approves-new-zoning-for-valemount-glacier-resort/>

²²⁰ Ibid.

²²¹ Ibid.

²²² Matthews, Evan. 2016. “Resort Sparks Real Estate Frenzy.” *The Rocky Mountain Goat News*. Accessed 18, October 2016. <http://www.therockymountaingoat.com/2016/08/resort-sparks-real-estate-frenzy/>

²²³ Ibid.

²²⁴ Ibid.

²²⁵ Ibid.

²²⁶ Ibid.

HIGHEST AND BEST USE

In *The Appraisal of Real Estate, Second Canadian Edition* (2002), the Appraisal Institute of Canada currently defines highest and best use as:

“The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and results in the highest value.”

The highest and best use of a property is an economic concept that measures the interaction of four criteria: legal permissibility, physical possibility, financial feasibility, and maximum profitability. Determining the highest and best use of a property is a critical appraisal component. It provides the valuation framework that market participants require to identify and analyze comparable market information for valuation purposes.

An appraiser considers highest and best use of the property as if vacant separately from the highest and best use of the property as improved. This is because the highest and best use of the site as if vacant and available for development determines the value of the land, even if the property's existing improvement does not represent the highest and best use of the site.

The Appraisal Institute of Canada defines the highest and best use of land to be

“The use that, among all reasonable alternative uses, yields the highest present land value, after paying for labour, capital, and coordination. The conclusion assumes that the parcel of land is vacant, although this may require demolishing any improvements.”

POTENTIAL USE – AS VACANT

Legally permissible

The Village of McBride has zoned the subject properties PD (Public Development) and designated their OCPs as PD (Public Development). The zoning and OCP designation are expected since the municipality has owned, and utilized the site, for decades. However, it is anticipated, that the subject could obtain an OCP and zoning change that would reflect the surrounding commercial uses in the area.

Subdivision is not possible the parcels are smaller than the minimum lot size of 8,073 ft². However, the parcels could be amalgamated into a single lot configuration or remain in their current two lot configurations.

Physically possible

The land is level and has street frontage along 2nd Avenue and lanes along two sides. All municipal services are available to the subject properties. It would be physically possible to develop the lot(s) if vacant.

Financial feasibility

There is limited demand for commercial land in McBride and the subject could be developed in either the current two lot configuration or amalgamated into a single larger parcel.

Maximum profitability

This relates to the above category of financial feasibility. Smaller lots have more limitations on development due to their small size and many improved parcels utilize more than one lot. Amalgamation of the two lots

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would result in the highest profitability and take advantage of the access from both lanes. Commercial use allows a greater variety of uses and would be maximally profitable.

Conclusion

In summary, the subject properties' highest and best use as vacant is to amalgamate the parcels for a commercial use.

HIGHEST AND BEST USE – AS IMPROVED

The highest and best use of a property as improved may be a continuation of the existing use; renovation or rehabilitation; adaptation or conversion to another use; partial or total demolition; or some combination of these options. The three most important factors that must be considered are:

- Demolish the existing improvements and redevelop the site;
- Continue the existing use;
- Modify the existing use.

The subject property was originally constructed as a one storey office building. PD zoning stipulates a variety of maximum site coverages, depending on utilization. The subjects' site coverage is very low for downtown commercial uses in McBride and has a separate legal parcel that is considered excess land.

The structure is in poor condition although it would be counterproductive to demolish the improvements, in part or in whole, at this time. The improvements provide storage and could potentially be renovated for office use.

Therefore, the subjects' highest and best use as improved is as a storage property.

HIGHEST AND BEST USE CONCLUSION

Demand exists for the subject property's existing use as improved, which is profitable and achieves a value exceeding that of the site as if vacant. The subject's current use does not conform to both its zoning and OCP, and a commercial use is considered its highest and best use. The valuation that follows is based on this consideration.