

Calgary



Real Estate & Development Services

UCS2020-0833

Selling Prices for Road Rights of Way in Greenfield Areas

2020 Sector Rates

2020 July 22





Background & Recommendation



2020 Sector Rates (per acre)

North	\$175,000
Northeast	\$250,000
East	\$150,000
Southeast	\$175,000
South	\$200,000
West	\$550,000

The purpose of the report is to establish current market value for raw unserviced future development lands within sections of the city. The identified values, or sector rates, would be used when negotiating transactions with various developers in greenfield areas. Typically, these negotiations involve city road rights of way that exist legally but remain undeveloped.

RECOMMENDATION:

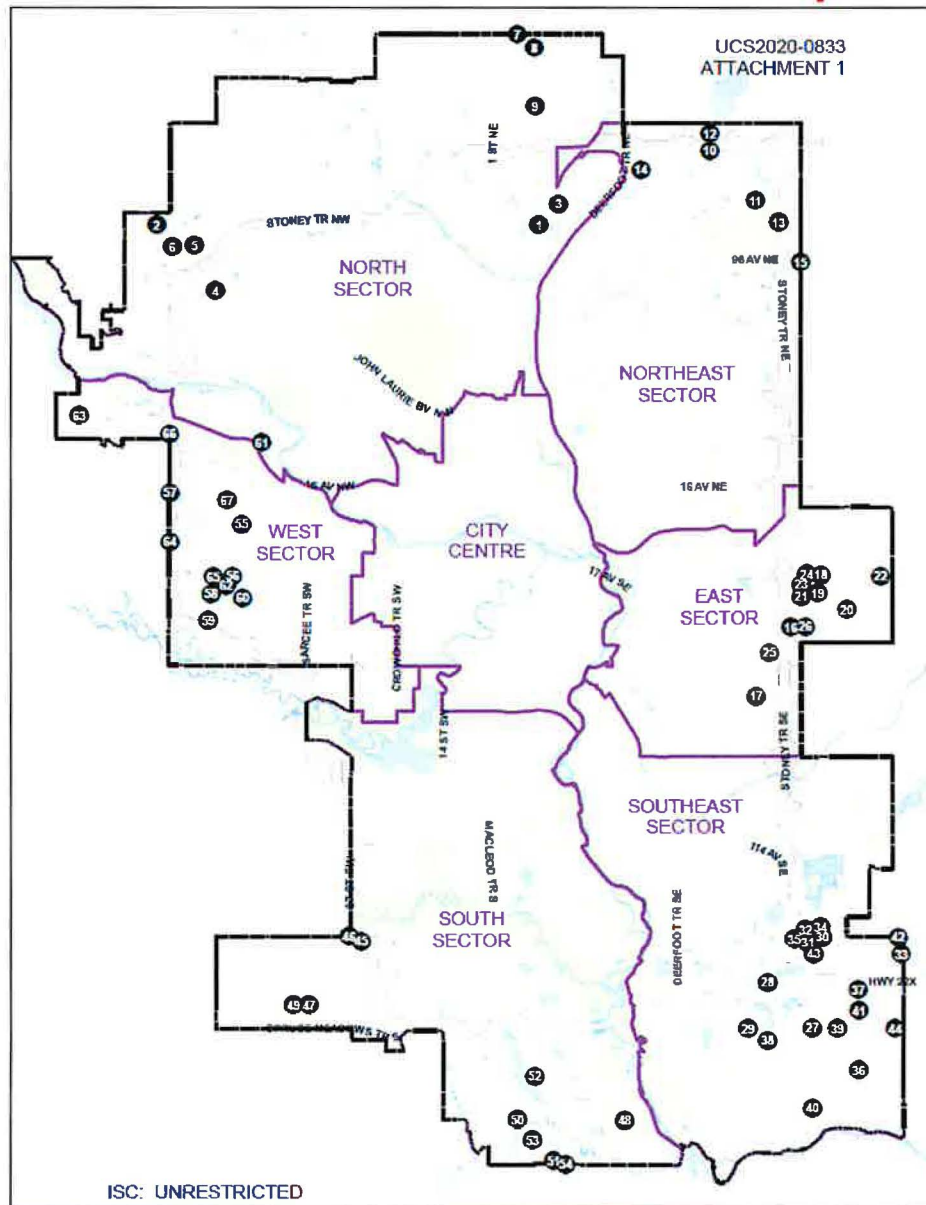
That the Standing Policy Committee on Utilities and Corporate Services recommends that Council receive the Report and Attachments for the Corporate Record.



Investigation & Analysis

- Sectors rates are target prices only and The City cannot require a land owner to negotiate at these values
- If the owner wishes to not negotiate using sector rates, Administration would then negotiate on a site specific bases and analyze comparables that are similar to the subject property
- Sector rates are used for greenfield areas and not in established communities or in brownfield areas
- Approximately 5-7 sales transactions per year are negotiated using sector rates
- In 2019, sector rates were not established due to a very limited number of new sales transactions as well as limited resources being available to complete the analysis
- The sectors are broken into six geographical areas, representing North, Northeast, East, Southeast, South and West
- For 2020, the Northwest sector was consolidated in the North sector due to lack of applicable sale
- RE&DS analyzed 67 sales of future development land located within the existing city limits
- Sales used in the analysis transacted from January 2016 to October 2019.

Sector Rate Sales Map





Investigation & Analysis

- The ranges found within the various sector are as follows and expressed on a per acre range basis:

North	\$53,807 - \$564,579
Northeast	\$161,088 - \$568,556
East	\$12,500 - \$278,607
Southeast	\$62,907 - \$250,000
South	\$53,420 - \$264,496
West	\$231,750 - \$949,367

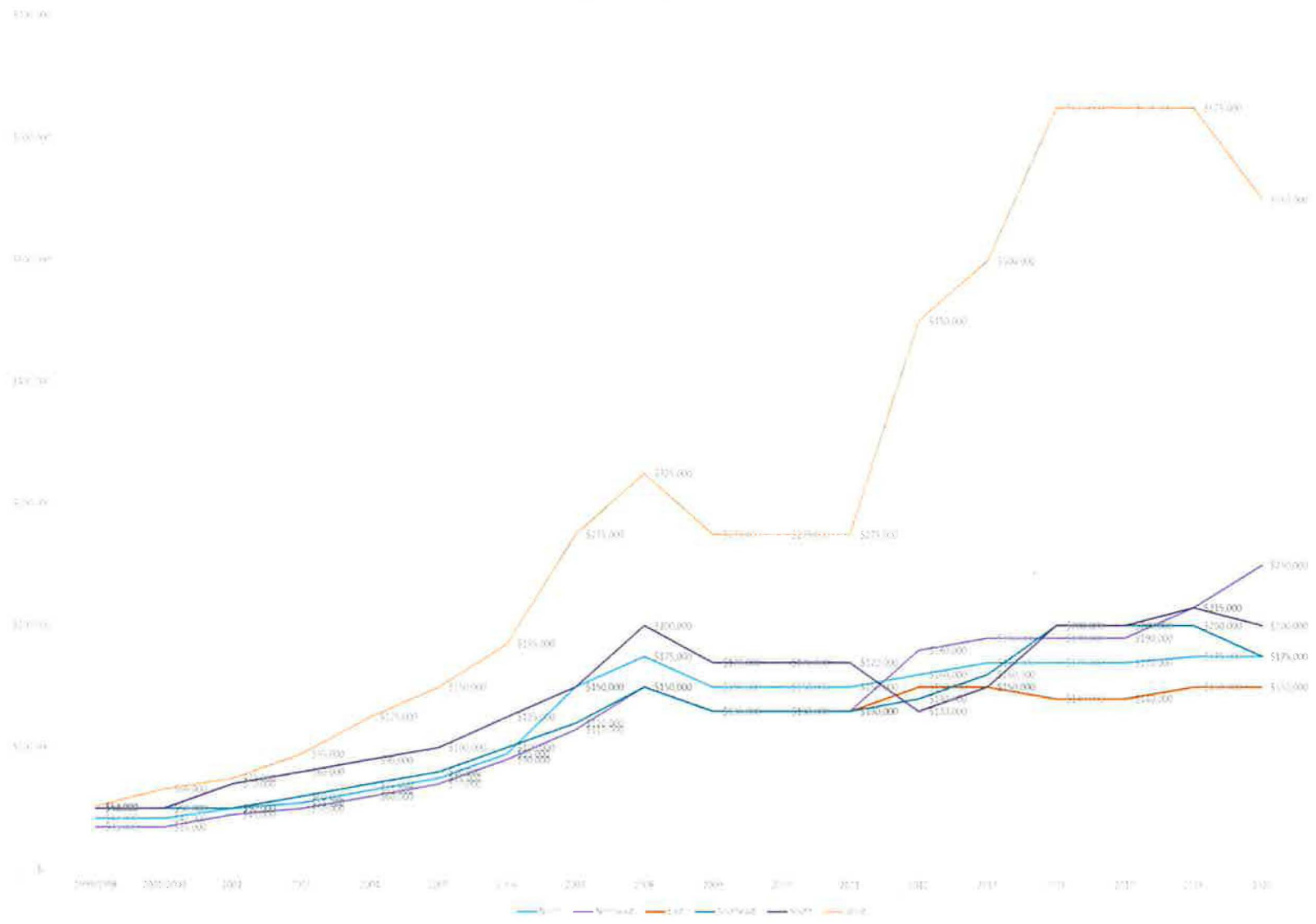
- Based on the analysis that was reviewed and endorsed by Administration's Valuation review Committee, more weight given to the more recent sales and to those sales representing near to medium term development timelines, the current per acre sector rates are recommended as follows:

Sector	Sector Rate 2020	Sector Rate 2018-2019	(% Change)
North	\$175,000.00	\$175,000.00	0%
		\$200,000.00 NW	-12.5%
Northeast	\$250,000.00	\$215,000.00	16.3%
East	\$150,000.00	\$150,000.00	0%
Southeast	\$175,000.00	\$200,000.00	-12.5%
South	\$200,000.00	\$215,000.00	-7%
West	\$550,000.00	\$625,000.00	-20%



Attachment 3 – Historical Sector Rates Graph

Sector Rates by Quadrant 1998 - 2020



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Questions?