

**Infrastructure Services Report to  
Infrastructure and Planning Committee  
2022 July 7**

**ISC: UNRESTRICTED  
IP2022-0810  
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## **Selling Prices for Road Rights of Way in Greenfield Areas – 2022-2023 Sector Rates**

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### **RECOMMENDATION:**

That the Infrastructure and Planning Committee recommends that Council receive the Report and Attachments for the Corporate Record.

### **RECOMMENDATION OF THE INFRASTRUCTURE AND PLANNING COMMITTEE, 2022 JULY 7:**

That Council receive the Report and Attachments for the Corporate Record.

## **HIGHLIGHTS**

- The purpose of this report is to provide information concerning current land prices typical of those in greenfield areas.
- What does this mean to Calgarians and why does this matter? The land prices identified in this report will be used to negotiate the sale of road rights of way and where possible, the acquisition of unserviced land required for municipal purposes in Calgary's greenfield areas with landowners in Calgary.
- The 2022 - 2023 per acre sector rates are concluded as follows:
  - North                 \$ 175,000/acre
  - Northeast         \$ 215,000/acre
  - East                 \$ 175,000/acre
  - Southeast         \$ 170,000/acre
  - South               \$ 200,000/acre
  - West                \$ 500,000/acre
- The 2022 - 2023 sector rates are similar to the established 2020 sector rates, with decreases to the northeast, southeast and west sectors. The east sector rate increased slightly with the south and north sectors remaining the same.
- Strategic Alignment to Council's Citizen Priorities: A well-run city
- As per Part XVII of the Master Development Agreement, sector rates will form the basis for negotiations when The City disposes of surplus road right of way and/or acquires unserviced lands for municipal purposes.

## **DISCUSSION**

Historically, Administration made presentations to the Land & Asset Strategy Committee, now known as the Infrastructure and Planning Committee, on development land sales activity within the city. The purpose of these reports is to identify the 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 the sale of city road rights of way that exist legally but remain undeveloped. When a developer submits an outline plan for the area, these road rights of way are identified as areas to be purchased and incorporated into the proposed development. The sector rates are also utilized, where possible, when acquiring land for municipal purposes within greenfield areas through the development process.

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It is important to note that these sector rates are target prices only. The City cannot require that a land owner negotiate at these values. If a land owner wishes to not negotiate using sector rates, Administration would then negotiate at market value based on a site specific internal valuation or external appraisal.

In determining the 2022 - 2023 sector rates, 58 sales of greenfield properties throughout Calgary from January 2017 to April 2022 were analysed. The recommended Sector Rates were endorsed by the Valuation Review Committee in March 2022. The sales ranges found within the various sectors are as follows and are expressed on a per acre basis:

North	\$37,500 - \$564,579
Northeast	\$25,000 - \$570,776
East	\$12,500 - \$264,667
Southeast	\$34,375 - \$275,000
South	\$90,696 - \$272,727
West	\$124,069 - \$734,664

Due to the limited number of comparable sales in the analysis, seven active listings were also included. The active listings are all over 20 acres in size and are generally in the NE and SE sectors.

Based on the analysis, with 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 concluded as follows.

North	\$175,000.00
Northeast	\$215,000.00
East	\$175,000.00
Southeast	\$170,000.00
South	\$200,000.00
West	\$500,000.00

The 2022 - 2023 sector rates are similar to the established 2020 sector rates. The west sector has decreased from \$550,000/acre to \$500,000/acre and has been trending downwards for several years. The northeast sector has also decreased from \$250,000/acre to \$215,000/acre. The southeast recorded a slight decrease from \$175,000/acre to \$170,000/acre. The east sector increased from \$160,000/acre to \$175,000/acre. North and south sectors have remained the same.

The 2022 - 2023 sector rates were presented and shared with BILD Calgary for review and feedback. The majority of developers in Calgary are members of BILD Calgary, formerly known as the Urban Development Institute and the Canadian Home Builders' Association - Alberta, with whom The City has negotiated the terms of the Master Development Agreement. No

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feedback from BILD Calgary was received which has been perceived as acceptance of the new sector rates. It was also noted that since the number of applicable sales for Sector Rates has slowed over the years, it is recommended that sector rates be established on a biennial basis due to the limited number of transactions. This decision was supported by BILD Calgary.

### **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

The majority of developers in Calgary are members of BILD Calgary, formerly known as the Urban Development Institute and the Canadian Home Builders' Association - Alberta, with whom Administration has negotiated the terms of the Master Development Agreement (MDA). The proposed sector rates have been provided to BILD Calgary for their review and feedback. No formal response on the 2022 - 2023 Sector Rates has been received.

### **IMPLICATIONS**

#### **Social**

Not Applicable.

#### **Environmental**

Not Applicable.

#### **Economic**

Not Applicable.

#### **Service and Financial Implications**

**No anticipated financial impact**

### **ATTACHMENTS**

1. Location Map of Sales
2. Land Sales Chart
3. Historic Sector Rates Graph
4. Presentation

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Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Michael Thompson, General Manager	Infrastructure Services	Approve
Campbell Berry, Director	Real Estate & Development Services	Approve