

# BUSI 330 Residential Appraisal Report



SAUDER SCHOOL OF BUSINESS  
THE UNIVERSITY OF BRITISH COLUMBIA

Real Estate Division

ADDRESS OF  
SUBJECT PROPERTY:

PREPARED BY:

JENESSA

33398280

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Grader \_\_\_\_\_

Mark \_\_\_\_\_%

Letter Grade \_\_\_\_\_

**LETTER OF TRANSMITTAL**

Dear Mr.

We are pleased to announce the completed appraisal of the real property described above with an effective date of November 14th 2019. We estimated the market value of your property at:

**Seven Hundred and Seventy Thousand Dollars (\$770,000.00)**

The subject property is identified as PCL 21-1 SEC 65M2793; LT 21 PL 65M2793; S/T RIGHT LT833120 ; S/T LT759710 AURORA. The subject property is described in detail in the accompanying appraisal report.

The appraiser has developed this report which represents the required data, statistics and other information found necessary to establishing the current Market Value of this subject property. Based on available records, knowledge and experience within the region, and with the research of sales recently found, it is in my opinion that the estimated market value has been correctly determined.

Please feel free to contact me should any questions arise or if I can be of further assistance.

Sincerely,

Jenessa

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**PHOTOGRAPHS OF SUBJECT PROPERTY**



**FRONT DEPTH OF SUBJECT PROPERTY**

**PHOTOGRAPHS OF SUBJECT PROPERTY**



**REAR DEPTH OF SUBJECT PROPERTY**

**PHOTOGRAPHS OF SUBJECT PROPERTY**



**STREET VIEW OF SUBJECT PROPERTY**

SUMMARY OF SALIENT FACTS

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Type of single family dwelling:  
SINGLE DETACHED RESIDENCE

Address of property:

Effective date of the appraisal:  
WEDNESDAY NOVEMBER 14 2019

Dimensions and area of site:  
5,651 Sq ft.

Dimensions and area of building(s):  
2,856 Sq ft.

Highest and best use:  
SINGLE FAMILY RESIDENCE

Estimate of land value (as if vacant):

Estimate of value by Cost Approach:

Estimate of value by Direct Comparison Approach:

Final estimate of value:

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### DEFINITION OF THE APPRAISAL PROBLEM

PURPOSE of the appraisal is to estimate the Market Value of the subject property as at the effective date of appraisal. FUNCTION of the report is for the awarding of credits for completion of course BUSI 330.

Chris

Within the past five years, there has been no sale transactions

#### Legal description

PCL 21-1 SEC 65M2793; LT 21 PL 65M2793; S/T RIGHT LT833120 ; S/T LT759710 AURORA

#### Encumbrances

Mortgage information

No mortgage

1st held by				2nd held by			
	Principal outstanding	Monthly payments	Are taxes included?	Date due	Interest rate	Amortization period	Conditions
1st	\$	\$			%		
2nd	\$	\$			%		

#### Rights-of-way, other encumbrances

none

(if any, describe)

#### Definition of property rights appraised

The Fee simple estate is "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat."  
*Appraisal of Real Estate (3rd Canadian edition)*

#### Definition of market value

Market value is defined in the *Appraisal of Real Estate (3rd Canadian edition)* as: "The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

#### Effective date of appraisal

Wednesday, November 14th 2019

## ASSUMPTIONS AND LIMITING CONDITIONS

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This report is subject to the following assumptions and limiting conditions.

1. Legal description is that which is recorded in the Registry or Land Title office and is assumed to be correct.
  2. Every effort has been made to verify the information received from others which is believed reliable and correct.
  3. Drawings, diagrams and photographs are included within this report for the sole purpose of illustration and serve to assist the reader in visualizing the property.
  4. The subject property is assumed to be clear titled with no mortgage or any other encumbrances against the property.
  5. The distribution of land and building as stated in this report, apply only under the program utilization as identified in the report.
  6. As this report is based on my own personal home, there automatically becomes a personal interest and gives me a deeper understanding of the property in its entirety.
  7. The following residential report is not an official document approved for real use by the Appraisal Institute of Canada. This Report is delegated towards my competition of BUSI 330 at UBC Sauder School of Business, Real Estate Division.
  8. As this property does not contain any updated features or renovations, negatively affects the value based on what is found within the neighborhood of similar comparisons.
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**DESCRIPTION OF IMPROVEMENTS**

DESCRIPTION OF BUILDING					
Dimensions	Area		Type/style DETACHED	Year Built 2005	
Foundation	<input checked="" type="checkbox"/> Poured concrete	<input type="checkbox"/> Concrete blocks	<input type="checkbox"/> Concrete posts	<input type="checkbox"/> Wood posts	
Framing	<input checked="" type="checkbox"/> Wood	<input type="checkbox"/> Concrete	<input type="checkbox"/> Steel	<input type="checkbox"/>	
Basement	<input checked="" type="checkbox"/> Full	<input type="checkbox"/> Partial	<input type="checkbox"/> None	<input type="checkbox"/> Slab	
	<input type="checkbox"/> Crawl space				
Basement Finish	Finished				
Exterior Walls	Brick veneer	Clapboard	Stucco	Siding:	Vinyl
(%)					Wood
	Stone veneer	Aluminum	Solid masonry		Aluminum
Roof	<input checked="" type="checkbox"/> Asphalt shingles	<input type="checkbox"/> Wood shingles or shake	<input type="checkbox"/> Slate	<input type="checkbox"/> Clay/tile	
	<input type="checkbox"/> Built-up tar & gravel	<input type="checkbox"/> Gutters & down spouts	<input type="checkbox"/>		
Interior Walls	<input checked="" type="checkbox"/> Dry wall	<input type="checkbox"/> Plaster	<input type="checkbox"/> Paneling:	type	
Floor Coverings	Above ground:	Carpet 30%	Tile 10%	Ceramic	Hardwood 60%
(%)	Basement:	Carpet 5%	Tile	Linoleum	Other
Fireplaces	#: 2	Location: Den Living Room		Type: Gas	
Kitchen	<input checked="" type="checkbox"/> Built-in dishwasher	<input type="checkbox"/> Garburator	<input checked="" type="checkbox"/> Built-in range and oven	<input checked="" type="checkbox"/> Exhaust fan	<input type="checkbox"/> Vent hood
	Cabinets - Type & Material	Particle Board	Quality	Good	
	Counter material:	Tumbled Marble	Other features	Wood	
	Fixtures:	Plastic	Quality	Good	
Electricity	No. of amps:		<input checked="" type="checkbox"/> Circuit breakers	<input type="checkbox"/> Fuses	
Plumbing	Pipes:	<input checked="" type="checkbox"/> Copper	<input type="checkbox"/> Galvanized	<input type="checkbox"/> Mixed	
	Hot Water Tank:	<input type="checkbox"/> Electricity	<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Oil	Capacity:

	Connections	<input checked="" type="checkbox"/> Washer	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Drainage	
		<input type="checkbox"/> Plastic	<input type="checkbox"/> Galvanized	<input type="checkbox"/>	
Heating	<input checked="" type="checkbox"/> Forced air	<input type="checkbox"/> Hot Water	<input type="checkbox"/> Steam	<input type="checkbox"/>	
	<input type="checkbox"/> Oil fired	<input type="checkbox"/> Gas fired	<input type="checkbox"/> Electric	<input type="checkbox"/> Humidifier	
Air Conditioning	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Central	Swimming pool	<input type="checkbox"/> Yes Type:
Garage	<input type="checkbox"/> Single	<input checked="" type="checkbox"/> Double	<input type="checkbox"/> Attached	<input type="checkbox"/> Detached	<input type="checkbox"/> None
	<input type="checkbox"/> Carport	<input type="checkbox"/> Electricity	<input type="checkbox"/> Heated	<input type="checkbox"/> Interior finish	
	Type of construction:				
	Floor: Cement	Dimensions:		Area:	
Porch	<input checked="" type="checkbox"/> Open	<input type="checkbox"/> Screened	<input type="checkbox"/> Enclosed	Size:	<input type="checkbox"/> None
Patio/Deck	<input type="checkbox"/> Concrete	<input type="checkbox"/> Wood	<input checked="" type="checkbox"/> Interlock	Size: 8' x 24'	<input type="checkbox"/> None
Rental Equip.	<input type="checkbox"/> Water softener	<input type="checkbox"/> Hot water tank	<input type="checkbox"/> Furnace	<input type="checkbox"/>	<input checked="" type="checkbox"/> None

**DESCRIPTION OF IMPROVEMENTS (continued)**

Please identify each room with an "X", or if more than one, indicate with a number

Room List	Foyer	Living	Dining	Kitchen	Den	Family Room	Bedrooms	No. Baths	Laundry	Other
Basement				X		X	1	1		
1st Level	X	X	X	X	X	X		1	X	
2nd Level							4	2		

Finished area **above** ground contains a total 7 rooms 4 bedrooms 3 baths area of

Finished **basement** area contains a total 4 rooms 1 bedrooms 1 baths area of

Bathroom location	Description of fixtures installed
Basement	Walk in Shower, Toilet, Sink
Main Floor: Powder Room	Toilet, Sink
2nd Level	Shower, Toilet, Double Vanity Sinks
Master Bedroom	Walk in Shower, Toilet, Double Vanity Sinks, Free Stand Tub

*Comments required	Good	Average	Fair	Poor*
Energy efficiency and insulation level	[ ]	[X]	[ ]	[ ]
Quality of construction (materials and finish)	[ ]	[X]	[ ]	[ ]
Condition of improvements	[ ]	[X]	[ ]	[ ]
Rooms size and layout	[X]	[ ]	[ ]	[ ]
Plumbing – adequacy and condition	[X]	[ ]	[ ]	[ ]
Electrical – adequacy and condition	[X]	[ ]	[ ]	[ ]
Kitchen cabinets – adequacy and condition	[ ]	[ ]	[X]	[ ]

Compatibility to neighbourhood	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall livability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appeal and marketability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional features

Custom built in shelving has been added to the Den area.  
 Ceilings and electrical finishes (pot lights) were redone.  
 New Carpet found within all bedrooms

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Recent modernization, renovation, and major repairs

N/A

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Site improvements

Driveway     Paved     Gravel     Concrete    Area:  
 Fence     Wood     Chain link        Length:    Height:

Landscaping    Description    Extended 4 Car Driveway with 2 Car Garage

Other    Added landscaping for curb appeal (Front Gardens, Scrubs, Stone, Trees)

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**DESCRIPTION OF IMPROVEMENTS: OBSERVED DEPRECIATION**


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**Condition of Building**


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**Physical Depreciation - Curable**

Due to standard wear and tear of a building, structural defects occur and improvements are required to 'cure' the depreciation. The cost of the cure becomes less than the anticipated addition to utility. Aged roof shingles are in need of being replaced within the next year. This improvement will increase value, and ensure it is standardized to its normal use and expectation of a single family dwelling.

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**Physical Depreciation - Incurable**
**Short-lived:**

Incurable Physical Depreciation are improvements that are not financially sensible to fix. The cost to fix the improvements become greater than the anticipated increase in utility. Incurable physical depreciation can be represented as structural deterioration of the properties foundation due to climate, soil, plumbing leaks and poor drainage.

**Long-lived:**

Age concept	No. of years	
Chronological age	21	yrs.
Effective age	21	yrs.
Economic life	45	yrs.
Remaining economic life	15	yrs.

**Justification of Effective Age and Economic Life:**

The actual age and effective age of the subject property is 21 years. The effective age is considered as such because of the outdated conditions found within the subject property. At this time, the house shows signs of wear and age. There are improvements required to conform to the modern aged standards and expectations of today's housing. Minor improvements such as walls and ceilings improved with dry wall and wainscoting, electric features have been added and and hardwood floors have also been installed with new carpet found within the bedrooms. Until major renovations occur to update the kitchen, exterior, bathrooms and basement, the subject property will remain determined with a remaining economic life of 15 years.

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**Functional Obsolescence**

The subject property contains a kitchen designed 21 years ago with outdated cabinetry. This design style does not aid in the same functionally as it probably was once able to. The old cabinetry are recognizably smaller and less functional in comparison to the standardized cabinets found today. This cabinetry can be considered as a curable functional obsolescence, as it can be interchanged with a more modernized style.

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**External Obsolescence**

External obsolescence a loss of value due to external factors that influence the property by affecting its utility or the marketability of the subject property. Although there is no specific examples for my subject property, common examples of External Obsolescence would be properties located on busy roads, located close to a landfill site, commercial buildings, apartments and high voltage towers.

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## HIGHEST AND BEST USE ESTIMATE

### Definition

Highest and best use is defined in the text *Appraisal of Real Estate (3<sup>rd</sup> Canadian edition)* as "the reasonably probable and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value".

### Analysis and support of highest and best use of the site, as if vacant

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If the subject property were to be considered vacant, the highest and best use for the site must be met with the following criteria: physically possible, legally permissible, financially feasible, and maximally productive.

First, the subject property must be physically possible. This must be determined with a site inspection. The subject property is fully equipped with a municipal water, electricity, hydro, gas, and sanitary and storm sewers. These already existing features give support to a residential development site. With this vacant lot, there provides similar physical characteristics such as lot size and shape in comparison to others within the surrounding neighbourhood. Given these facts, the site looks to only have the means to support a single family residence.

The Town of Aurora Zoning by-laws 6000-17 provides information on the legally permissible criteria to be conducted. According to the Town of Aurora Zoning by-law, the subject property's zoning designation is a determined R3 Detached Third Density Residential. Permissible uses under the current zoning is a single family detached dwelling. Found within the Town of Aurora, no foreseeable changes to zoning are indicated. The subject property is to remain conformed at its highest and best use as an R3 development.

The stated zoning requirements given to the subject property is considered to be financially feasible because it would provide the best financial return to a developer. With the property listed as a single family detached dwelling, the demand for this specific property in the area is expected to increase in the future as younger families are looking to settle in quiet, neighborhoods throughout the suburbs of the Greater Toronto Area.

The notion of the subject property being Maximally productive, offers the greatest value for the longest period of time. The subject property is found within range of with many convenient amenities, given its older and more developed community. Local shopping centers, schools, parks and transportation provides a higher demand within the community for these types of conveniences.

In the end, after research within the Town of Aurora, if vacant, the highest and best use of the site would continue to provide the greatest value as a single family detached dwelling as stated under the R3 designation.

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## HIGHEST AND BEST USE ESTIMATE

### Discussion of adequacy of the existing improvement(s)

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This legally permissible site, is zoned as an R3 single detached dwelling containing a 2-story wood-frame and poured-concrete foundation.

The current property still contains features dating back to 1998 when the property was first built. Despite these outdated features, there are some existing improvements that have been added within the last five years. New hardwood floors surrounding the first and second level have been added, as well as new carpeting found within in the all 5 bedrooms. Walls and ceilings have been redone with dry well and wainscoting features. On top of this, new added ceiling pot lights and other electrical features have been improved all throughout the subject property. Throughout this neighborhood, there have been no major redevelopment or renovations occurred at this time.

### Conclusion and support of highest and best use as improved

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The improvements of the subject site are proved to be physically possible, legally permissible, financially feasible, and maximally detached. They are also conformed to the neighbourhood. The demand for the market for the property is strong and very likely to continue to grow. As a result, the highest and best use of subject property is, as improved, with single family dwelling.

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**COST APPROACH - LAND VALUE**

**Data Comparison Chart**

Item	Subject	Comparable no. 1	Comparable no. 2	Comparable no. 3
Address				
Legal description				
Sale date				
Instrument no.				
Registration date				
Vendor				
Purchaser				
Sale price				
Right conveyed	Fee simple			
Financing				
Conditions of sale				
Expenses made immediately after purchase				
Time difference (mos)	0			
Zoning				
Location				
Frontage/depth				
Lot area				
Topography				
Utilities				
Interior/corner lot				
Local Improvement Charges				
Easements/Rights of Way				
Other comments				

**COST APPROACH - LAND VALUE (continued)**

**Adjustment Chart**

Item	Comparable no. 1	Comparable no. 2	Comparable no. 3
Sale price			
Real property rights conveyed adjustment			
Adjusted price			
Financing adjustment			
Conditions of sale adjustment			
Expenses made immediately after purchase adjustment			
Adjusted price			
Date of sale adjustment			
Adjusted price			
Other adjustments as required:			
- Zoning			
- Location			
- Frontage/depth			
- Lot area			
- Topography			
- Utilities			
- Interior/corner lot			
- Local Improvement Charges			
- Easements/Rights of Way			
Total Other Adjustments			
<b>Final Adjusted Sale Price</b>			
Adjusted unit sale price / frontage OR			
Adjusted unit sale price / area			
For reconciliation purposes:			
<b>Total Adjustment</b>			
<b>Total adjustment as % of Sale Price</b>			