

TOWN OF CALEDON MINIMUM REQUIREMENTS FOR NARRATIVE APPRAISAL REPORTS

The following are the minimum requirements for appraisals to be completed for the Town of Caledon (“Town”) where the detailed reporting of a full narrative appraisal is required.

All appraisals must comply with the current Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) as adopted by the Appraisal Institute of Canada and the Town’s minimum requirements as outlined below.

1. Title Page/Letter of Transmittal

Title page/Letter of Transmittal must include:

- Name of Signing AACI
- Name of registered fee simple owner
- Municipal address (or description of location if no address) of the Subject Property
- The report is to be addressed to The Corporation of the Town of Caledon which is referred to as the client
- Effective date of the valuation

2. Limiting Conditions

No limiting condition will be accepted which restricts distribution of the appraisal report, in part or in whole, at the discretion of the Town of Caledon.

Any extraordinary or limiting condition(s) that the appraiser determines as necessary to include in the appraisal must be discussed with the Town prior to completion of the appraisal report. There shall be no consultation regarding the appraisal report at the discretion of the Town of Caledon

3. Executive Summary

Reports submitted in a narrative format require an executive summary, which must include the following:

- Effective date of valuation
- Name of the current registered owner(s) in fee simple
- Municipal address of the property and description of location
- Legal description including the Property Identification Number (PIN)
- Description of property improvements and site size
- Official Plan and Secondary Plan (where applicable) designation(s)
- Zoning classification(s)
- Other regulations impacting the property (e.g.: conservation areas, heritage designations, etc.)
- Current use and use as of the effective date (if different)
- Highest and best use (H&B) conclusion
- Final opinion of market value

4. Subject Property Description

Description of the Subject Property must include:

- Full legal description
- Photos, including street/surrounding area, site, exterior and interior (where access is possible) of improvements
- Description of property including but not limited to site dimensions, area, topography, services, access and egress (number and location of access points, all turns, right only, etc.), improvements (buildings and site improvements), legal encumbrances, assessment roll number, assessed value
- Sales and listing history of the property for a five (5) year period prior to the effective date of the valuation report
- Land use regulations including but not limited to: Official plan, zoning, conservation areas, heritage implications etc. Impacts from all regulations affecting the subject property must be considered, analyzed and discussed in the appraisal. Pertinent policies are to be described

5. Analysis of Highest and Best Use which considers the Subject Property “as if vacant and available for development”

- One per page comparable
 - Subsequent chart summarizing the pertinent characteristics of the subject and each comparable sale showing address, sale/registration date, sale price, lot size, official plan and zoning designations, services, property improvements and any other relevant data which may affect the comparable property sales; relative to the Subject Property
 - Adjustments identified to each comparable sale for each value indicator;
- Map showing location of the subject and each comparable property sale
- A minimum of one recent photograph of each comparable property sale

In the case where the Income Capitalization Approach is used the following are required:

- Steps of The Income Capitalization Approach
- Summary of current leasing arrangements in effect also identifying the character of the leasing formats
- Completing research into the leasing of comparable properties or space providing in chart form a summary of a minimum of 4
- Providing an opinion as to whether the lease rate is supported by market activity or whether it should be restated and if so, to what level
- Converting the Subject Property’s potential annual income into a net annual income with appropriate allowances made for non-recoverable operating expenses, vacancy and credit loss, reserves and management fees
- Providing sales highlights of competing properties where overall capitalization rates would be available. If none are available, then indicate reporting with appropriate charts which can be relied upon. The rationale for selection of the overall capitalization rate being assigned should be clear

6. Economic Overview

- Detailing market trends and change for the classification of property being appraised

7. Reconciliation of Final Opinion of Market Value

- Provide the reasoned rationale as to which opinion provided by the Approaches relied upon is the more relevant and suitable opinion and the reasoning process in assigning weight
- Reasonable rounding of value

8. Certification

Must be signed by the Signing AACI who must have viewed the Subject Property and comparable property sales

9. Addenda

Addenda must include:

- Listing information for the subject property and comparable sales (where applicable)
- Curriculum Vitae also identifying the qualifications of any AIC candidate member who assisted in preparation of the appraisal report