



# QUALITY APPRAISALS

BRINGING VALUE TO THE MARKETPLACE



## Appraisal Report Regarding Adjacent to 15851 Trask Road, Oyama, BC

July 18, 2024

Prepared for:  
Mr. Nelson Martin  
15851 Trask Road  
Oyama, BC V4V 2H9

Prepared by:  
Jonathan Sobottka, *P.App, AACI*  
Principal

**250-832-3709**  
[office@qualityappraisals.ca](mailto:office@qualityappraisals.ca)





# QUALITY APPRAISALS INC.

BRINGING VALUE TO THE MARKETPLACE

July 18, 2024  
Our File #23877

Mr. Nelson Martin  
15851 Trask Road  
Oyama, BC V4V 2H9

Re: Appraisal of the 6,970 sq. ft. of Public Road Located Immediately South of:  
15851 Trask Road, Oyama, BC

In accordance with your instructions, I have prepared an appraisal of the above noted property that is not legally defined but is described as the 6,970 sq. ft. of public road located immediately south of 15851 Trask Road in Oyama, British Columbia, hereinafter referred to as the "Subject Property".

After analyzing the data gathered during my inspection and subsequent investigation, it is my opinion that the Hypothetical Current Market Value of the Subject Property, with respect to the Subject's contributory value only as a non-viable lot, as at July 5, 2024, and subject to the Assumptions and Limiting Conditions contained herein, is:

**ONE HUNDRED & SIXTY-EIGHT THOUSAND DOLLARS  
(\$168,000)**

My report in support of this value is attached and forms the basis for this opinion. This report contains a total of 49 pages including the Addenda, my certification and signature.

An Extraordinary Assumption has been made in order to reflect the fact that the Hypothetical Current Market Value Estimate contained within this report is based on the Hypothetical Condition that the proposed Subject Property's size is 0.16 acres (6,970 sq. ft.), that the owner of the Subject property is a willing Seller, that the Client, owning the adjoining lot, is a willing Buyer, and that the concluded value in this report is reflective only of the Subject's contributory value to the adjoining northern parcel. Should the amalgamation not be completed or change in character, size or configuration, the value estimate contained herein may be subject to change.



# QUALITY APPRAISALS INC.

BRINGING VALUE TO THE MARKETPLACE

Best regards,

A handwritten signature in black ink, appearing to read 'J Sobottka', with a horizontal line drawn through the middle of the signature.

Jonathan Sobottka, *P.App, AACI*  
Principal  
AIC Member # 905421  
**The Appraiser and Author of this Report**

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# PART 1. INTRODUCTION

## EXECUTIVE SUMMARY

### Subject Property Location

Lands Adjacent to 15851 Trask Road,  
Oyama, BC

### Effective Date

July 5, 2024

#### Site Description

Site size (ac) 0.16 acres  
Site size sq. ft 6,970 sq. ft.

#### Site Improvements

The site is unimproved although it does have a worn dirt driveway running through it to the adjoining property.

#### Land Use Controls

Zoning RU1 (Single Family Housing)  
OCP Urban Residential

#### 2024 Assessment

Land	N/A
Improvements	N/A
Total	N/A

#### 2024 Taxes

N/A

#### Highest and Best Use Summary

Development for RU1 purposes in conformity with the Subject's proposed amalgamation into the adjoining property for access primary uses.

### Approach to Value

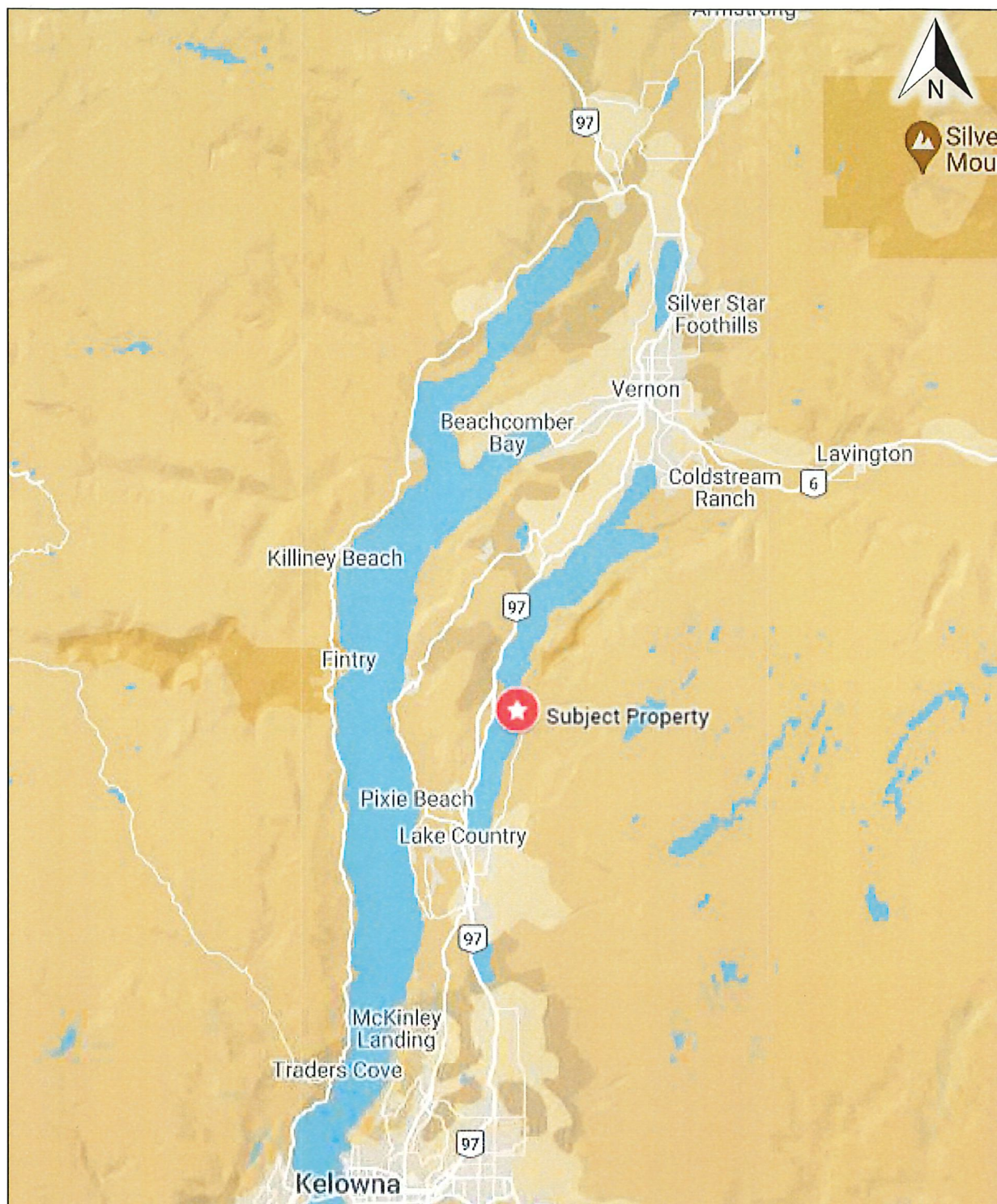
### Final Value Estimate

Direct Comparison Approach for  
contributory value: \$168,000

\$168,000

An Extraordinary Assumption has been made in order to reflect the fact that the Hypothetical Current Market Value Estimate contained within this report is based on the Hypothetical Condition that the proposed Subject Property's size is 0.16 acres (6,970 sq. ft.), that the owner of the Subject property is a willing Seller, that the Client, owning the adjoining lot, is a willing Buyer, and that the concluded value in this report is reflective only of the Subject's contributory value to the adjoining northern parcel. Should the amalgamation not be completed or change in character, size or configuration, the value estimate contained herein may be subject to change.

LOCATION MAP



Oyama, BC



## **PART 2. BASIS OF THE APPRAISAL**

## APPRAISAL REPORT DEFINITIONS

### Market Value

The applicable definition of Market Value for the purpose of this report is:

*“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.”<sup>1</sup>*

### Current Value Opinion

The applicable definition of Current Value Opinion for the purpose of this report is:

*“Current Value Opinion refers to an Effective Date contemporaneous with the date of the Report, at the time of Inspection or, at some other date within a reasonably short period of time from the date of Inspection when market conditions have not, or are not expected to have, changed.” [CUSPAP, 2022; 7.7.2]*

### Types of Reports

As defined by CUSPAP, report types may include “form reports, concise narrative reports, or comprehensive reports in complete or draft form.” This report takes the form of a concise narrative report. [CUSPAP, 2022; 3.4]

### Exposure Time

Exposure Time means:

*“The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the effective date of the appraisal.” [CUSPAP, 2022; 3.23]*

*“Exposure time is different for various types of real estate and under various market conditions. The overall concept of reasonable exposure time encompasses not only adequate, sufficient, and reasonable time, but also adequate, sufficient, and reasonable market effort.” [CUSPAP, 2022; 9.1.3-4]*

### Marketing Time

Exposure time differs from marketing time in that exposure time is retrospective whereas marketing time is an opinion of the time it might take to sell a property interest in real estate at the concluded market value during the period immediately after the effective date of an appraisal, which makes marketing time prospective, forward-looking and predictive.

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<sup>1</sup> The Appraisal of Real Estate, Third Canadian Edition, ed. Dybvig, (UBC, Real Estate Division, 2010) p. 2.8.

## TERMS OF REFERENCE

### **Purpose of the Appraisal**

This appraisal was completed for the purpose of estimating the Current Market Value of the fee simple interest of the Subject Property, as at July 5, 2024, subject to the Assumptions and Limiting Conditions contained herein.

### **Intended Use of the Appraisal**

This appraisal is for the Client's use to assist them with negotiating a sale price, only all other uses are strictly denied.

### **Intended User of the Appraisal**

This report is prepared for the exclusive use of the Client, Mr. Nelson Martin, as named above. The Client is herein named as the Intended User of this report. This report and its contents are considered confidential between the Client and Quality Appraisals Inc. and will not be conveyed or disclosed to any other party without the Client's permission. No other person or party, other than the identified Intended Users, should rely on this report for any other purpose or use and liability to all such persons or parties is denied. Should the Client wish to name other intended users after the issuance of this report, a written Letter of Reliance will be issued by the author of this report at the author's discretion.

### **Property Rights Appraised**

The property rights appraised are all rights existing in fee simple as of the Effective Date. These rights are the legal and economic properties of the owner that may rightfully be exchanged for money or equivalent goods. Property rights inherent in the ownership of tangible personal property, and the intangible benefits of the property itself, are not the subject of this report.

### **Date of Inspection**

July 5, 2024

### **Effective Date of Appraisal**

July 5, 2024

### **Exposure Time**

The Exposure Time for the Subject Property has been estimated based on statistical information gathered during the research of comparable sales as well as interviews with market participants. A review of a number of listed sales of vacant residential properties in the immediate market area have demonstrated exposure times between 1-6 months, with a few outlier examples of a few months to several years. A reasonable exposure time is therefore a function of price, time, and use. According to both statistics and market participants, vacant residential properties in this market are currently demonstrating high demand. As a retrospective estimate based on an analysis of recent transactions, assuming a competitive open market and sufficient marketing effort by a Realtor, the value as estimated within this report is based on an exposure time of 1 to 6 months.



## SCOPE OF WORK

The Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP 2022) defines Scope of Work in a Report:

*“Scope of Work in a Report describes the amount and type of information researched, and the analysis applied to complete an Assignment and includes:*

- *Inspection (Inspection of the subject property is mandatory, subject to any Extraordinary Limiting Condition);*
- *Research into physical, legal, social, political, economic and/or other factors that could affected the property;*
- *Data research and verification, and inspection of comparable data;*
- *Documents relied upon and their availability for review by the Client or an Intended User;*
- *Analysis applied; and*
- *Any limitations to the Assignment.” [CUSPAP 2022; 7.5.1]*

Each appraisal assignment is unique, depending upon the type and size of property being appraised; the complexity and significance of the appraisal problem; and the intended use of the appraisal. The appraisal problem that is the focus of this engagement has been discussed and defined with the client; the work required to solve the problem planned; and the necessary market data acquired, analyzed, and reconciled into an estimate of market value.

The general tasks and items necessary to complete this assignment included the following:

- Assembly and analyses of relevant information pertaining to the property being appraised, including acquisition particulars, if acquired within three years prior to the date of the appraisal.
- An inspection of the Subject Property and the surrounding area.
- Assembly and analyses of pertinent economic and market data.
- An analysis of land use controls pertaining to the Subject Property.
- An in-depth discussion and statement of the highest and best use.
- Discussion of the appraisal methodologies and procedures employed in arriving at indications of value.
- Inclusions of all appropriate photographs, maps, graphics, and addenda/exhibits.
- Reconciliation of the collected data into an estimate of market value as at the effective date of the appraisal.

The specific tasks necessary to complete this appraisal assignment included the following:

### **Inspection**

The Co-Signing Appraiser, Jonathan Sobottka, BA, P. App, AACI conducted an inspection of the Subject Property on July 5, 2024; photographs included in the report were obtained during the inspection.

### **Type of Analysis**

In consideration of the Purpose and Intended Use of the appraisal herein, the Direct Comparison Approach has been completed.

### **Data Research**

General data concerning national and regional economic trends and demographic information was obtained through rigorous research and consultation of various websites and publications including Statistics Canada, Bank of Canada, Canada Mortgage and Housing Corporation, BC Stats, BC Assessment, and various Real Estate Associations.

Regional, municipal, and neighbourhood data were obtained from the official website and publications of the District of Lake Country and Geo-Spatial Information Systems and maintained in an inhouse database of Quality Appraisals Inc. Various other private sector sources providing general information on property investment trends for major Canadian markets were consulted including Colliers, HM Commercial Group, Cushman & Wakefield, and CBRE.

Specific, primary source data concerning the Subject Property was obtained from the approving authority Land Title and Survey Authority of British Columbia (LTSA) and provincial assessment authority, BC Assessment. Exhaustive searches of MLS databases and Landcor Data Corporation's property data online search tool regarding the Subject Property's listing history, sale history, property taxes, and comparable sales were conducted. Research of the land use controls of the Subject Property was gathered from the municipal zoning bylaw and official community plan.

Various other publications and search tools were consulted such as:

- Google Earth / Google Maps

Interviews concerning the Subject Property and general information regarding comparable sales, local cost rates, and market leasing activity were conducted with real estate brokers, property owners, planning department staff, contractors, and developers.

Additional specific property information and access to the Subject Property was obtained from the Client, and is assumed to be factual and correct.

### **Audits and Technical Investigations**

Technical investigations such as detailed inspections or engineering review, an environmental review of the property, a site survey, or investigations into the bearing qualities of the soils were not completed.

A typical observation does not include: confirming off-season systems as operational; removing well caps; accessing infrastructure or underground installations; removing shrubbery or material of any kind; testing of capacity/flow/pressure rates; and/or viewing of septic tanks.

In determining the highest and best use of the Subject Property, the above-mentioned data was analysed, along with an investigation of land use controls pertaining to the Subject Property.

## **LIMITATIONS**

### **Verification of Third-Party Information**

The analysis conducted in this report relied upon written and verbal information obtained from a variety of sources considered to be reliable. Unless otherwise stated herein, the information provided by the Client was not verified and is assumed to be correct. The mandate for this appraisal did not require a report to be prepared to the standard appropriate for court purposes or for arbitration, therefore full documentation of confirmation of primary information was not undertaken.

### **Compliance**

All data considered appropriate for inclusion in the appraisal report is to the best of our knowledge factual. The findings have been conveyed as a narrative appraisal report in full compliance with the 2022 Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP 2022) as adopted by the Appraisal Institute of Canada (AIC).

This report presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the work-file saved securely in electronic format and/or hard copy on-site at the premises of Quality Appraisals Inc. The information contained in this report is specific to the needs of the Client and for the stated Intended Use. The Appraiser is not responsible for the unauthorized use of this report.

### **Environmental Assumption**

It is assumed that there are no environmental contaminants on/or in the property being appraised, which could affect either its utility or market value. Should there be any question or concern regarding the potential possibility of any such contaminant or hazard being present therein/on, it is recommended that an environmental assessment of the property be conducted.



**Extraordinary Assumption**

An Extraordinary Assumption has been made in order to reflect the fact that the Hypothetical Current Market Value Estimate contained within this report is based on the Hypothetical Condition that the proposed Subject Property's size is 0.16 acres (6,970 sq. ft.), that the owner of the Subject property is a willing Seller, that the Client, owning the adjoining lot, is a willing Buyer, and that the concluded value in this report is reflective only of the Subject's contributory value to the adjoining northern parcel. Should the amalgamation not be completed or change in character, size or configuration, the value estimate contained herein may be subject to change.

## **PART 3. PRESENTATION OF DATA**

## PROPERTY DATA

<b>Municipal Address</b>	No civic address.
<b>Legal Description</b>	6,970 sq. ft. of public road located south of 15851 Trask Rd, Oyama, BC
<b>Registered Owner</b>	District of Lake Country
<b>Certificate of Title No.</b>	N/A
<b>Parcel Identification (PID)</b>	N/A
<b>Charges / Encumbrances</b>	N/A

### Three-Year Sales History

The Subject Property is not known to have been sold or listed for sale within the three-year time period prior to the effective date of this appraisal.

**It is beyond the scope of this report to comment on the charges on the title. The title is assumed to be marketable.**



## ASSESSED VALUE AND REAL PROPERTY TAXES

The Subject Property is not currently assessed by the BC Assessment Authority. Typically, assessments are based on the market value of the property as of July 1<sup>st</sup> of the previous year. Property assessment values in British Columbia are not representative of the current estimated market value for appraisal purposes and should only be used for municipal property tax purposes.

**Roll No.** N/A

<b>Property Assessment</b>	2024	2023
Land	N/A	N/A
Improvements	N/A	N/A
<b>Total Assessment</b>	N/A	N/A
<b>Property Taxes</b>	N/A	N/A

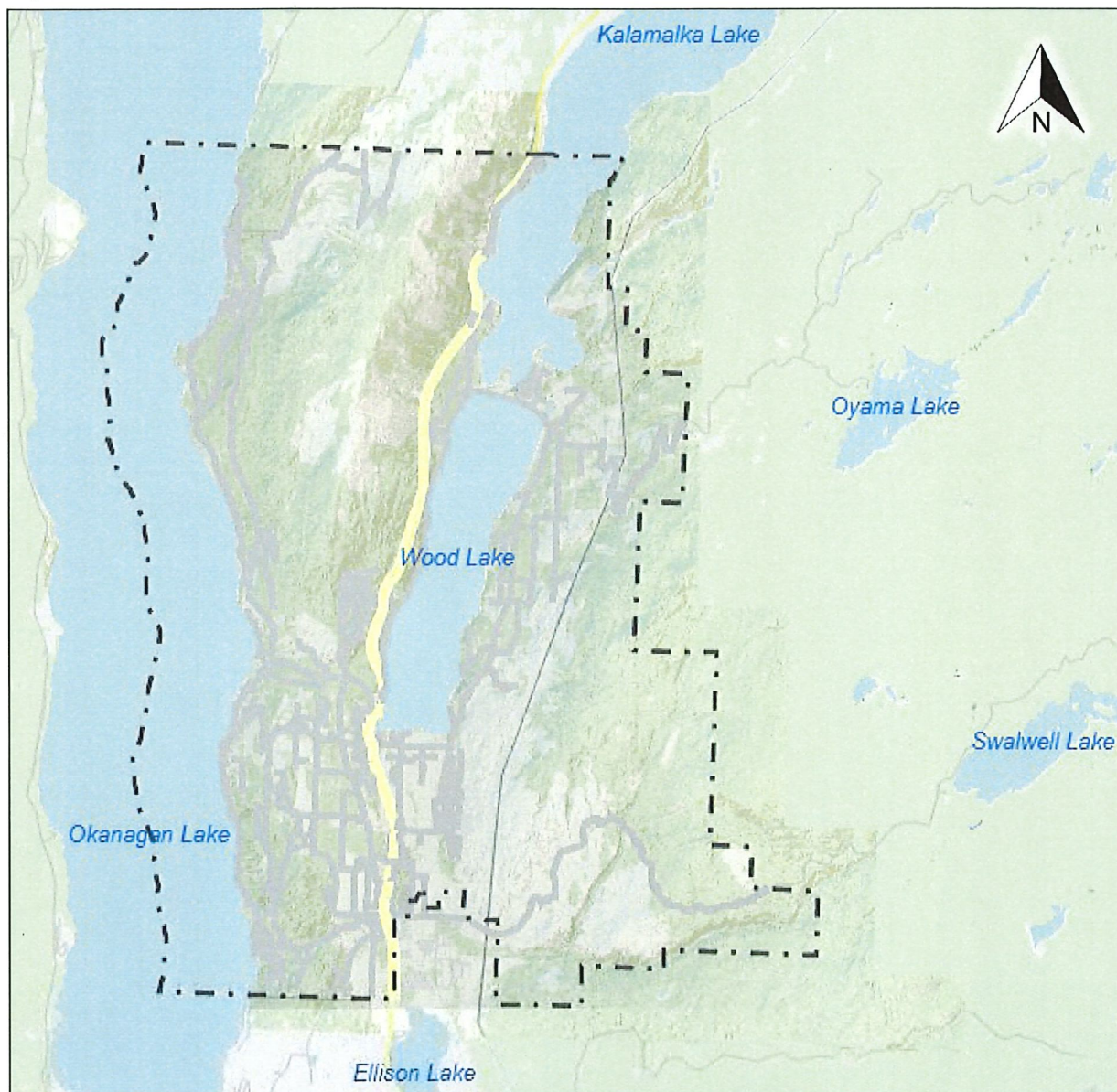
The adjoining parcel, into which the Subject will be amalgamated, has the following assessed values.

**Roll No.** 009-818-731

<b>Property Assessment</b>	2024	2023
Land	\$1,561,000	\$1,451,000
Improvements	\$945,000	\$759,000
<b>Total Assessment</b>	<b>\$2,506,000</b>	<b>\$2,210,000</b>
<b>Property Taxes</b>	N/A	\$9,645.36

## AREA DATA – DISTRICT OF LAKE COUNTRY

The District Municipality of Lake Country was incorporated in 1995 and encompasses a land area of approximately 120 sq. km. It is located between the Kelowna 25km to the south and Vernon 29 km to the north on Hwy 97. Kelowna can also be reached via Glenmore Road, and an alternate route to Vernon is Commonage Road. Vancouver is approximately 385 km west via the Coquihalla Hwy 5 and BC-97C. Calgary lies 684km to the east via Trans Canada Hwy 1 and BC-97A.



Map showing boundaries of Lake Country, BC

Highway 97A (shown in yellow on the above map) serves as the major route through the Okanagan and bisects Lake Country. It is the longest continuously numbered route in BC, stretching over 2,000km from the US border in the south to the Yukon border in the north.



The stretch of Hwy 97A through Lake Country, also known as the Okanagan Hwy, was relocated, and widened to four lanes in 2013. Skirting above the western edge of Kalamalka and Wood Lakes, the highway has beautiful views of the lakes and mountains beyond.



Okanagan Hwy, Lake Country

As the name implies, Lake Country is surrounded by a number of lakes including Okanagan Lake which forms the western boundary of the District, Wood Lake and Kalamalka Lake. There are several small lakes in the hillsides to the east. The topography of the area is benched on varying elevations above the lakes. Under the administration of the Okanagan Indian Band, the Duck Lake Indian Reserve No. 7 has an area of 2 sq. km. with a population of 1,847 and is located just south of Lake Country on the north shore of Ellison Lake.

## Demographics

Lake Country is the only municipality in the province of British Columbia to have the Ward System. The district has four neighbourhood wards including Oyama, Okanagan Centre, Carr's Landing, and Winfield. According to the 2021 Census of Population by Statistics Canada, the enumerated population of Lake Country, District municipality (CSD) was 15,817, which represents a significant increase of 22.4% from 2016. This compares to the provincial average of 7.6% and the national average of 5.2%. Since that time, housing starts have slowed, and are expected to reflect a slower migration to the area in the next census.

Previously released census data indicated that the average age in Lake Country was 42.4 with 67.8% of the population of working age (15-64 years). The largest population demographic was the 50-59 years range. 16.6% of the population was 65 years and over, compared to 18.3% for the province. The average household size was 2.5 people. There were 6,204 private dwellings occupied in Lake Country in 2021, an increase of 21.8% from 2016. With a land area of 122.16 sq. km., the population density was 129.5 people / sq. km. in 2021.

## Climate

Lake Country has a dry, four-season climate with hot, sunny summers and temperate, cool winters with light snowfalls. August is typically the warmest, driest month while the most precipitation falls as rain in November. Average annual rainfall is 339mm and 50cm of snowfall. January sees the area's coldest temperatures with an average of -3°C to -4°C. The climate is conducive to year-round outdoor recreation including an extended golf season, nearby ski resorts, hiking on Crown Lands multi-use trails, and lake-oriented activities.



## Economy

Settlers of the area established orcharding, ranching, and logging which are still important facets of Lake Country's economy. Centrally located in the Okanagan Valley, Lake Country has a large agricultural base with an abundance of fruit orchards with a long-standing tradition of growing apples, cherries, apricots, pears, and peaches. The wine industry also has a growing presence in Lake Country, where the climate has proven favourable to growing *vitis vinifera* wine grapes. A number of established and new wineries are located in the district including Gray Monk Winery, Ex Nihilo Vineyards, 50<sup>th</sup> Parallel Winery, Arrowleaf Cellars, Intrigue Wines, Blind Tiger Vineyards, and O'Rourke's Peak Cellars. The municipality employs approximately 150 people who provide services for the 15,000 residents. Major employers of the area are in the construction (14.5%), retail (9.4%), and health care (12.1%) industries.



View of Oyama looking west

## City Services


The main business district is situated at the southern extent of Wood Lake and offers a variety of retail, services, and recreational amenities. All major amenities are available in nearby Kelowna or Vernon. The District of Lake Country provides municipal water from lake water sources, seasonal irrigation water, and sanitary sewer to most of the district. Electricity and Natural Gas are provided by FortisBC. Telecommunications are available through Telus, Shaw, and others with 100% broadband network coverage.

The municipal government has one councilor elected from each of the wards, while the mayor and two additional councillors are elected by the people at large. Public education in Lake Country is provided by [School District 23 Central Okanagan](#). There are 3 elementary schools, a brand-new middle school, as well as George Elliot Secondary. Post-secondary institutions serving the area of Lake Country include [UBC Okanagan](#) Campus, situated in north Kelowna; and [Okanagan College](#), which has campuses in Kelowna and [Coldstream](#). The Kelowna International Airport is located only 8km south of Lake Country and provides regular service to major cities. Emergency and protective services are coordinated from RCMP detachment and BC Ambulance Service Station. Lake Country also has a public library, museum, art gallery, municipal hall, several churches, seniors' activity centre, splash park, Creekside Theater, and several parks.

## Development Activity

Lake Country has experienced tremendous growth in recent years. Lake Country, together with Kelowna and West Kelowna continue to lead in growth as Canada's fastest growing census metropolitan area according to StatsCan publications. The following table demonstrates development activity trends in Lake Country from the years 2020 to 2023.



	District of Lake Country Development Activity			
	2020	2021	2022	2023
Housing Starts (total number of SFR units)	173	173	158	43
Residential Building Construction Values (\$000)	\$72,219	\$87,010	\$88,409	\$56,830
Commercial Building Construction Values (\$000)	\$1,076	\$7,222	\$766	\$357
Industrial Building Construction Values (\$000)	\$9,922	\$12,348	\$1,370	\$137
Institutional / Government Construction Values (\$000)	\$24,307	\$9,300	\$80	\$123
Total Construction Values (\$000)	\$107,524	\$115,880	\$90,625	\$57,447

*Adapted from British Columbia Building Permits, prepared by BC Stats*

The above figures show a decline in 2022 and 2023 after a strong market for new residential builds in years prior.

Rising construction costs have contributed to the increases in construction values. BC Assessment reports that property value in the District of Lake Country has decreased 2% from the previous assessment. The report shows that the median assessment value for single-family homes is \$955,000 as of July 2023, down from \$972,000 in July 2022.

The District has adopted a new Official Community Plan in 2019 with a 20-year vision which will be updated every five years.

### Recent Developments

In 2023 the District of Lake Country put in an application for ALR exclusion to the Agricultural Land Commission for a property located between Okanagan Centre Road West and Glenmore Road for the purpose of a future Lake Country Business Park. The District of Lake Country is heavily tied to the economic activity of the City of Kelowna, where an internal report revealed Kelowna needs approximately 236 acres of industrial land to meet future demand. The District of Lake Country is in a position to capitalize on this opportunity.

The community known as Lakestone Living continues to develop the 550 acres of land between the lake edge and Beacon Park. This development was first proposed in 2012, and has since been developed in multiple phases with sufficient demand to absorb the incoming homesites. The Summit Phase is a collection of 57 urban residential lots.



## NEIGHBOURHOOD DESCRIPTION

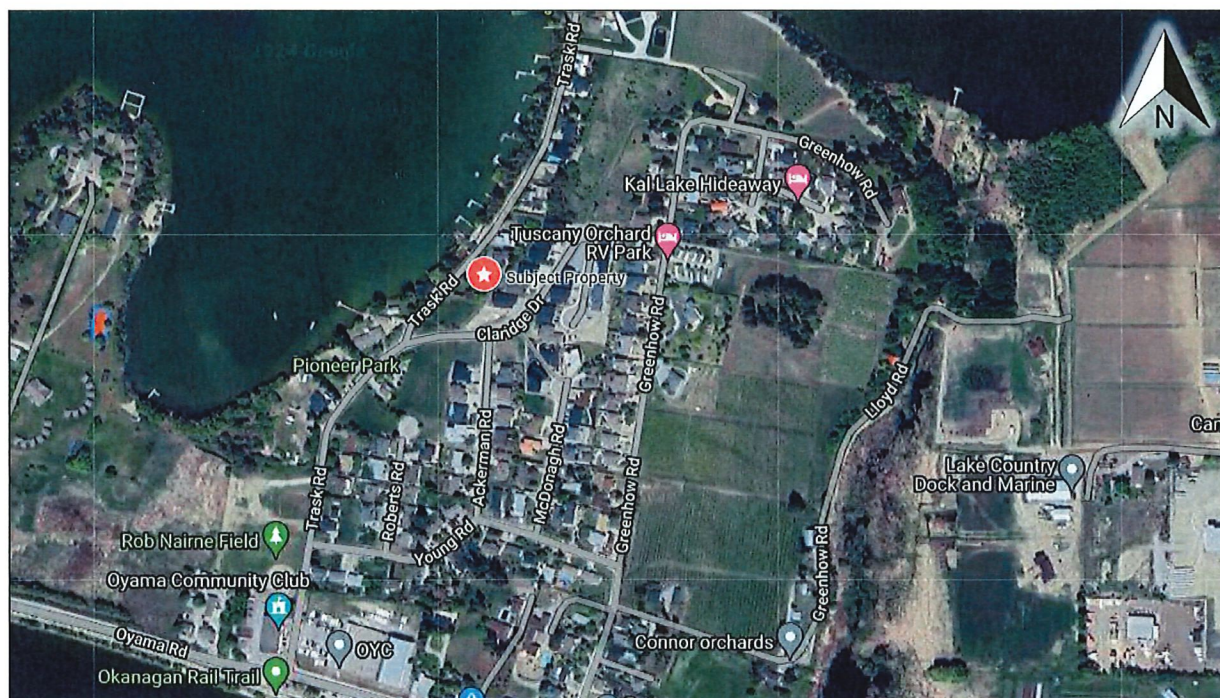
The Subject Property does not have a civic address but is located adjacent to 15851 Trask Road, Oyama, BC. The Subject Property falls within the municipal jurisdiction of the District of Lake Country.

The Subject Property is located within a neighbourhood in Lake Country known as Oyama. Oyama has a population of approximately 1,000 people and is centrally located between Winfield and the City of Vernon. Oyama is further bounded by Wood Lake at the south and Kalamalka Lake at the north. The neighbourhood comprises agricultural parcels, rural residential properties of both larger and smaller sizes, and a number of commercial sites located along Pelmewash Parkway and Oyama Road.

For decades, Highway 97 between Kelowna and Vernon passed through Oyama. However, in 2012 construction began a new double lane route for the highway, bypassing Oyama. Once this bypass route was completed, traffic through Oyama dramatically declined, and popular fruit stands and other businesses that formerly operated in the area suffered as a result.

In recent years, Oyama has been rediscovered as a jewel of the Okanagan, recognized for its unique position between Wood Lake and Kalamalka Lake. Like the other neighborhoods in Lake Country, Oyama contains rural orchards and vineyards and has strong agricultural roots. More recently, an increase in residential investment in the area has taken place and, as a result, commercial investment has begun to take hold in the neighbourhood as well.

## NEIGHBOURHOOD MAP



Oyama, BC



## DESCRIPTION OF THE SITE

Site Dimensions, Shape, and Area	
Source of Site Area	Aerial Measurement; No Plan
Site Size	6,970 sq. ft. / 0.16 acres
Site Shape	Rectangular
Frontage	60 ft. on Trask Road
Site Adjacent Uses	
North, South & East	Residential uses
West	Lake access uses
Site Description	
Topography/Drainage	The site is generally flat but does gently slope from east to west. There were no observed signs of drainage issues at the time of the site inspection.
Services	The site has telephone, natural gas, overhead electrical power, and municipal water and sewer services to the lot line.
ROW & Easements	The site is assumed to have no right of ways through it at the time that is it absorbed into the adjoining property.
Ingress & Egress	Access to the site is provided by Trask Road.
Street Improvements	Trask Road is two-way, undivided asphalt paved road in good condition.
Site Improvements	The site is unimproved although it does have a worn dirt driveway running through it to the adjoining property.

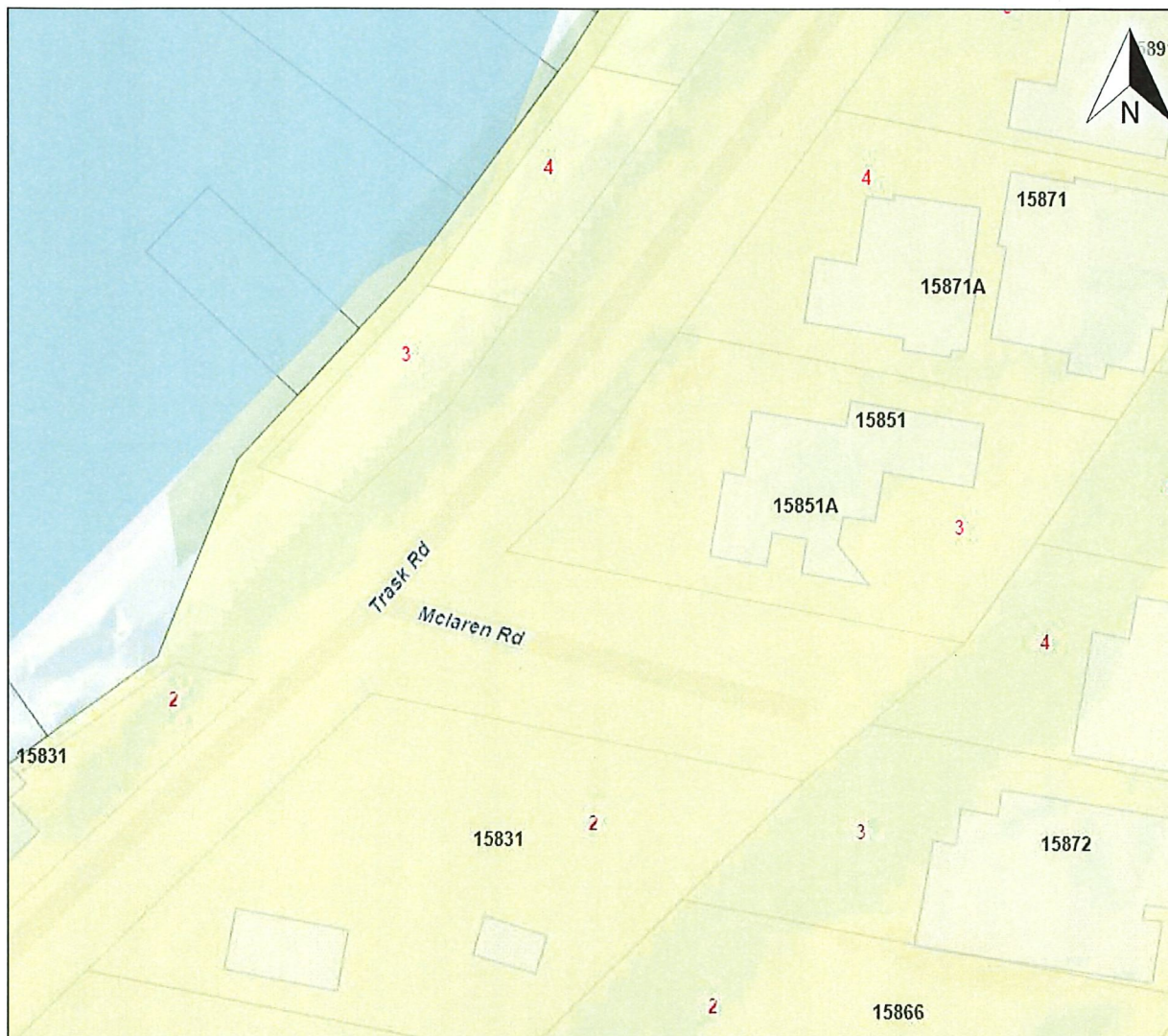
**SITE VIEW**





# LAND USE CONTROLS

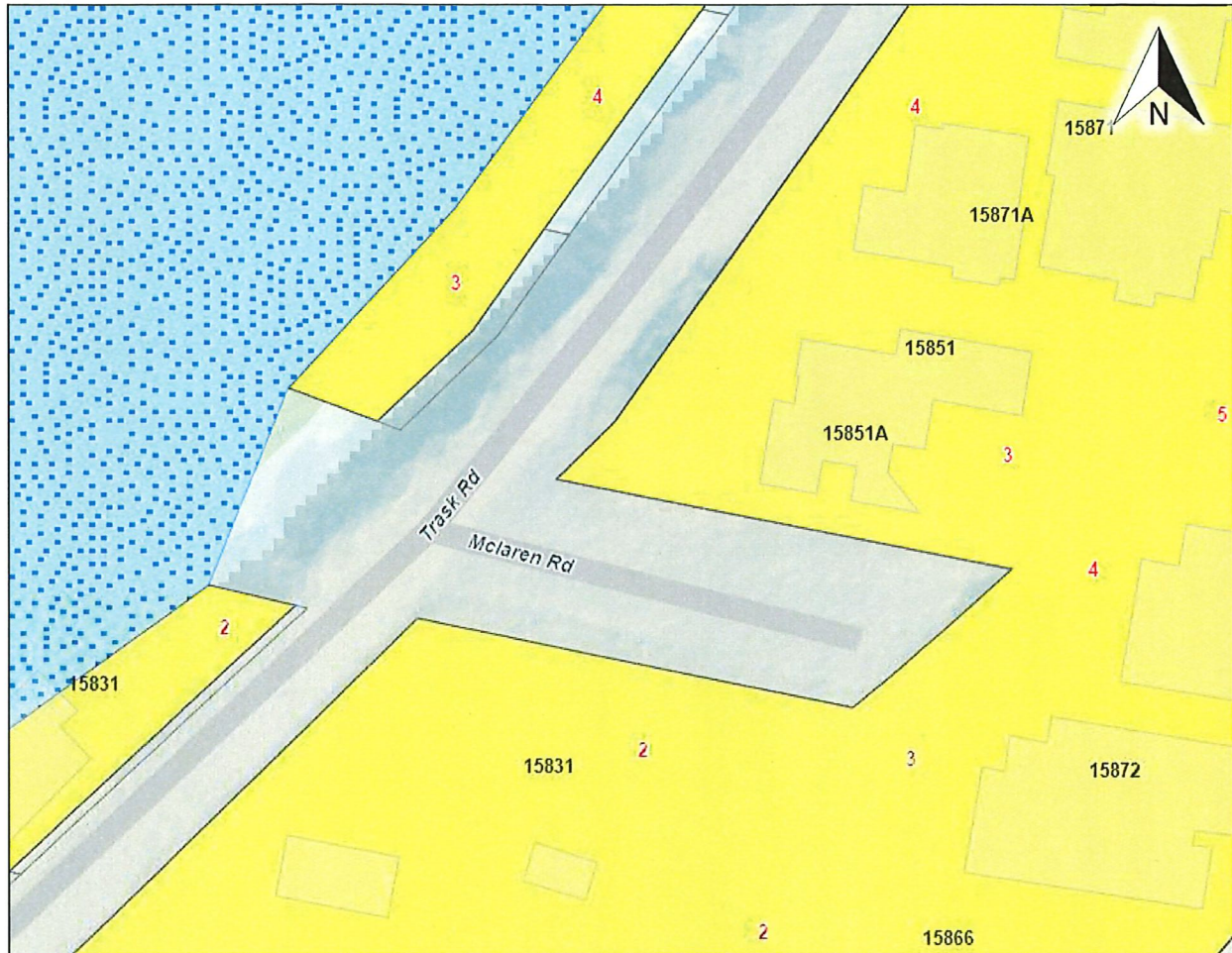
## Official Community Plan



The Subject Property is currently designated as Urban Residential within the District of Lake Country Official Community Plan Bylaw No. 1065, 2018. This designation encourages the increase of population density to targets between 12.5 and 25 units per hectare. This objective is achieved through the subdivision of existing eligible parcels, infill of vacant parcels and permitting secondary suites within single-unit dwellings.



## Zoning



The Subject Property is currently un-zoned, but once amalgamated it will be designated as RU1 (Single Family Housing) under the District of Lake Country Zoning Bylaw 561, 2007. A copy of the permitted uses for the RU1 designation under this bylaw is included in the Addenda of this report.

The permitted uses in the zone include single dwelling housing as well as minor group homes. Secondary uses permitted include bed and breakfast homes, care centres, home occupations, secondary suites, utility services and short term vacation rentals.

The Subject will be amalgamated into 15851 Trask Road, adjacent to the north, and the Subject's proposed uses appear to be legal, conforming use of the land.

## **PART 4. ANALYSES AND CONCLUSIONS**



## HIGHEST AND BEST USE

Highest and Best Use is defined by CUSPAP as:

*"The reasonably probable use of Real Property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value." [CUSPAP, 2022; 3.32].*

These are the "four tests" which an appraiser must apply to the subject property in order to develop the opinion of highest and best use, critical to the market value at the conclusion of the report.

The process begins with an analysis of the competitive forces and market data pertinent to the subject property to identify the most profitable, competitive use to which the subject property can be put. It is the legal use which will yield to the land the highest present value and is sometimes referred to as "optimum use".

The theoretical analysis of the highest and best use utilizes the potential uses of the land as though vacant. However, the contributory value of the existing improvements in current use, or with possible alteration are also considered in the analysis of determining the highest and best use.

### Highest and Best Use of Land as Vacant

The Appraisal of Real Estate, Third Canadian Edition defines Highest and Best Use as:

*"The highest and best use of land as vacant is concluded after the four criteria have been applied and various alternative uses have been eliminated. The remaining use that fulfills all four criteria is the highest and best use."<sup>2</sup>*

The highest and best use of the site, as vacant, has been analyzed below using the criteria of legal permissibility, physical possibility, financial feasibility, and maximal productivity.

#### **Legal Permissibility**

The legal restrictions of the site as if vacant are contained within the District of Lake Country Zoning Bylaw 561, 2007's RU1 - Single Family Housing designation.

The Subject Property is assumed to have RU1 zoning which primarily permits single family residential uses. This is the expected use of the Subject Property upon amalgamation with the adjoining properties.

#### **Physical Possibility**

The Subject site has an area of 6,970 sq. ft. / 0.16 acres. The Subject Property is gently sloped downward from east to west. The site appears to have good utility particularly for road access uses.

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<sup>2</sup> *The Appraisal of Real Estate, Third Canadian Edition, Sauder School of Business, British Columbia: 2010; p. 12.5.*



**Financial Feasibility**

Testing the financial feasibility to maximally productive use of all the legally and physically possible uses of the land goes beyond the scope of this assignment.

This report considers the Subject Property's Value in Contribution to the adjacent parcels. The Subject Property does have access available from a public roadway, with electrical and water services available within close proximity. However, the Subject is currently being used for legal roadway access to the adjoining northern parcel at 15851 Trask Road. For this reason, the Subject Property could not be considered a viable lot with feasible marketing and sales purposes outside of amalgamation with 15851 Trask Road.

Amalgamation of the Subject Property with the northern parcel therefore represents the greatest financially feasible use of the Subject.

**Maximum Productivity**

Considering all legally permissible, physically possible, and financially feasible uses available, the amalgamation of the Subject Property, either in whole or part, with the adjoining parcel would represent the maximum productivity of the Subject Property.

**Buyer & Seller Motivation**

The District of Lake Country appears to be a willing seller with the adjacent property owners appearing to be willing purchasers. The motivation of each party can be described as moderate based on the factors described herein.

**Discount Application Analysis**

Examples from within published literature reveal that the final negotiated purchase price is often less than the contributory economic value, between 0% and 100% of the appraised value of the contribution. There is no standard or 'rule of thumb' available from which to derive an applicable discount rate, with each municipality and situation being unique. The Subject Property's final negotiated purchase price will depend on the motivation of the respective parties to reach a deal.

A discount must be considered for the Subject Property's value in contribution. The Subject Property will increase the size of the adjacent parcel but will otherwise not provide significant utility to the adjacent property at 15851 Trask Road. Due to the nature of the roadway granting access to 15851 Trask Road the Subject Property could not conceivably be sold to any other party, and a discount should apply as this is not considered a bilateral market.

**Conclusion and Support of Highest and Best Use as vacant**

In alignment with the legally and physically possible uses as analyzed above, the highest and best use of the site as vacant is for amalgamation with the adjacent northern parcel at 15851 Trask Road, Oyama, BC.

## METHOD OF APPRAISAL

While there are more than three methods of appraisal, The Appraisal Institute of Canada has recognized that there are three traditional valuation methodologies, namely the Direct Comparison Approach, the Income Approach, and the Cost Approach.<sup>3</sup> All methods of appraisal used must be appropriate for the specific assignment, accurately executed, and correctly applied. The factors considered when determining the relevant approaches to be utilized in each valuation assignment are its intended use, the scope of work and the quality and quantity of data available for analysis. These valuation approaches are then analyzed and reconciled into the final valuation estimate. The following simplified explanations summarize the set of procedures approved by the Canadian Uniform Standards of Professional Appraisal Practice to be conducted by an appraiser for each of the three traditional approaches to value.

### Cost Approach

The Cost Approach involves a theoretical breakdown of the property into land and building components and makes use of the theory of substitution as well as market-based comparisons. The cost of the building component is estimated by comparison to the construction cost of similar properties with the same utility. A market-based estimate of the total physical, economic, and functional depreciation experienced by the subject improvements caused by age, condition, and utility is then deducted. To this amount is then added the value of the land component, as if vacant, estimated based on comparison with comparable land sales. Adjustments to the sum of the value of the land and depreciated improvements are made to reflect the rights included with the subject based on market comparisons. With all of the above considered, the appraiser concludes with a valuation estimate based on the Cost Approach to value.

This approach is most reliable in the valuation of newly constructed properties, proposed developments or renovations, special-purpose properties, or when a lack of relevant market activity in the local area limits the applicability of the Direct Comparison Approach. Difficulties may arise in the execution of the Cost Approach in the application of assumptions for determining the cost new to reproduce the improvements, as well as in the estimation of depreciation, including any deficiency, superadequacy, or external obsolescence, to be applied for older improvements. In such cases, the cost approach to value can be useful as a cross-check to validate the results of another approach to value. The validity of each approach is explained in the reconciliation of the final value estimate.

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<sup>3</sup> The Appraisal of Real Estate, Third Canadian Edition, ed. Dybvig, (UBC, Real Estate Division, 2010).



## Income Approach

The Income Approach is highly applicable for valuing properties with income-producing capabilities, as this type of property is usually regarded by the market for their investment value and income-producing potential. The higher the earnings produced by a property, the higher the value, subject to a risk factor. Typically, with income generating properties, the value indication produced by the Income Approach is given greater weight than any other approaches to value in the final reconciliation.

Simplified, the method involves calculating the net operating income of the subject property by estimating the reasonable gross income attributable to the subject property, as dictated by the market, and deducting estimated normalized expenses. Capitalization rates of recent sales of similar properties are analyzed and an applicable capitalization rate commensurate with the risk associated with the subject's income stream is concluded for the subject property. The net operating income is then capitalized by the appropriate market-derived rate into an indication of value.

## Direct Comparison Approach

The Direct Comparison Approach method involves the research, selection, and analysis of sales of comparable properties in order to establish, by comparison, a probable price at which the subject property would sell if offered on the market. Current listings or pending sales may also be used in support of the Appraiser's opinion of value by the Direct Comparison Approach. Appropriate units of comparison are carefully selected and consistently applied throughout the approach and adjustments are made to the sale prices of the comparable properties based on variations in the elements of comparison which affect value such as property rights conveyed, financing terms, market conditions, and physical characteristics to the subject property. Applicable to all types of real property interests, the strength of this valuation approach relies on an adequate supply of recent, comparable transactions to indicate value patterns or trends as deemed by market participants. The Direct Comparison Approach provides the most reliable indication of value for owner-occupied commercial and industrial properties, and other properties that are not traded primarily for their income-producing characteristics.<sup>4</sup>

## Methodology Applied

In consideration of the Purpose and Intended Use of the appraisal herein, the Direct Comparison Approach has been completed.

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<sup>4</sup> The Appraisal of Real Estate, Third Canadian Edition, ed. Dybvig, (UBC, Real Estate Division, 2010).

## DIRECT COMPARISON APPROACH

The principle of supply and demand is a key concept in the application of the Direct Comparison Approach. Property prices recorded as sales occur as a result of negotiations between buyers and sellers in the market. Thus, a market analysis is required of the current supply, including existing unsold properties being actively marketed, new inventory as a result of construction or conversions, as well as planned development; and current demand which includes an understanding of the market participants, their preferences, and purchasing power. Other principles of substitution, balance, and externalities also factor into the Direct Comparison Approach.

In the execution of the Direct Comparison Approach, recent comparable sales of similar properties within the Subject Property's market have been researched and dissected into various elements of comparison. Individual property variations may present some nuances among the comparables, however this approach is deemed to best capture the actions of buyers and sellers in the market. Differences in the elements of comparison identified and adjusted for using market evidence include property rights conveyed in the transaction, financing terms, market conditions at the time of the sale, and physical characteristics.

The Direct Comparison Approach relies on the body of market evidence provided by a multitude of recent sales information in the relevant market. All of the comparable sales have been analyzed on a sale price per square foot basis, as this approach best describes the actions of vendors and purchasers within the market for vacant residential properties of this size and type within the immediate market.



COMPARABLE SALES MAP



Oyama, BC



## Analysis of the Comparable Sales

The comparable vacant land sales have been summarized in the following table.

SUMMARY OF COMPARABLE LAND SALES							
Sale	Sale Date	Address	Size (Sq. Ft.)	Zoning	OCP	Sale Price	Locatio
1	May 2024	3568 Sagehill Court	7,983	CD18	S-RES	\$525,000	Kelown.
2	Apr 2024	15812 Mcdonagh Road	9,104	RU1	RU1	\$690,000	Oyama
3	Jan 2024	3558 Sagehill Court	8,428	CD18	S-RES	\$550,000	Kelown.
4	Sep 2023	3492 Arrowroot Drive	5,952	CD18	S-RES	\$1,185,000	Kelown.
5	Aug 2023	3454 Arrowroot Drive	6,097	CD18	S-RES	\$800,000	Kelown.
6	Oct 2022	18263 Crystal Waters Road	35,893	RR3	RR	\$1,975,000	Oyama
7	Jun 2022	10715 Okanagan Centre Road W	10,019	RU1	RU1	\$701,000	Lake Country
8	Feb 2022	15858 Claridge Drive	11,840	RU1	RU1	\$725,000	Oyama
9	Jun 2021	16225 Butterworth Road	31,799	RR3	RR	\$1,450,000	Oyama
10	Apr 2021	15931 Trask Road	13,504	RU1	RU1	\$1,900,000	Oyama
11	Jul 2021	N/A Okanagan Centre Road	5,227	RU1	RU1	\$575,000	Lake Country
<b>Averages</b>			<b>13,259</b>			<b>\$1,006,909</b>	
<b>Subject Property</b>			<b>6,970</b>	<b>RU1</b>	<b>RU1</b>		

The observed vacant land sales took place between April 2021 and May 2024. The site sizes ranged from 5,227 sq. ft. to 35,893 sq. ft. There are several units of comparison generally employed in the analysis of vacant land. In this instance, the market dictates the most



appropriate index to employ is price per square foot. The rate per square foot of vacant land ranged from a low of \$46/sq. ft. to a high of \$199/sq. ft., with a mean sale price of \$93/sq. ft. The sales are considered to be the best comparables in terms of size, use, utility, and location and have been analyzed in the following section.

The Subject Property's site measures approximately 6,970 sq. ft. The site is generally flat but does gently slope from east to west. The site is currently used as a legally granted roadway for accessing the northern parcel and is therefore not a viable lot except for this specific amalgamation purpose.

The Subject's value as a non-viable independent lot must be determined with respect to the Subject's contributory value to the adjoining northern parcel of land. In order to determine the Subject's contributory value, a value must be concluded for both the northern parcel's original pre-amalgamation size of 12,632 sq. ft. and then the parcel's proposed post-amalgamation size of 19,602 sq. ft. The difference between these two values will reveal the Subject's estimated contributory value to the adjoining northern parcel and, therefore, the Subject's hypothetical market value.

Notably, the adjoining northern parcel at 15851 Trask Road, as is, has lake frontage on the west side of Trask Road, putting strong upward pressure on the property's 'as is' value in comparison to the contributory per sq. ft. value of the Subject Property's land, which does not have formal lake frontage but is located on the east side of Trask Road.

**Sale 2** This sale is smaller in size than the northern parcel both before and after amalgamation, putting upward pressure on the sale's comparable average per sq. ft. value. The sale's site is significantly set back off of Kalamalka Lake in comparison to the northern parcel, which has lake frontage, and the Subject Property, which is located directly across the street from the lake. Overall, the pre-amalgamation rate should fall significantly **above** this sale's rate while the post-amalgamation rate should fall moderately **above** this sale's rate, mostly due to the inferior contributory value of the Subject Property's non-waterfront land in comparison to the northern parcel's original lot value which includes upward pressure for water frontage.

**Sale 6** This sale is larger in size than both the northern parcel 'as is' and 'as if' amalgamated with the Subject, putting downward pressure on the sale's average per sq. ft. value. The sale, however, has inferior lake access/frontage compared to the northern parcel 'as is' and similar access/frontage compared to the Subject. Overall, the pre-amalgamation rate should fall significantly **above** this sale's rate while the post-amalgamation rate should fall moderately **above** this sale's rate, mostly due to size.

**Sale 8** This sale is highly comparable in size in contrast to the northern parcel 'as is' but lacks the northern parcel's 'as is' lake frontage and the Subject's close proximity to the lake. Overall, the pre-amalgamation rate should fall significantly **above** this sale's rate while the post-amalgamation rate should fall moderately **above** this sale's rate, mostly due to location.



**Sale 9** This sale is larger in size than both the northern parcel 'as is' and 'as if amalgamated' with the Subject, putting downward pressure on the sale's average per sq. ft. value. The sale, however, has inferior lake access compared to the northern parcel 'as is' and similar access compared to the Subject. Overall, the pre-amalgamation rate should fall significantly **above** this sale's rate while the post-amalgamation rate should fall moderately **above** this sale's rate, mostly due to size.

**Sale 10** This sale is highly comparable to the northern parcel 'as is' as it is located only a few parcels away from the Subject and has a highly comparable size and nearly identical site orientation and lake frontage. This sale's value is superior to the Subject's contributory per sq. ft. value. Overall, the pre-amalgamation rate should be **similar to** this sale's rate and post-amalgamation the rate should fall **below** this sale's rate.

Based on this analysis, a rate of \$125-\$135 per square foot of vacant land has been deemed as an appropriate rate for the northern parcel 'as is'. The estimated Current Market Value of the Subject Property has been calculated as follows.

<b>Value of Subject Property</b>	<i>Lower Range</i>	\$125 /sq. ft. x	12,632	sq. ft. =	\$1,579,000
	<i>Upper Range</i>	\$135 /sq. ft. x	12,632	sq. ft. =	\$1,705,320
	<b>Mean Value</b>				

Therefore, the Hypothetical Current Market Value of the northern parcel at 15851 Trask Road, 'as if vacant, as at July 5, 2024, as estimated by the Direct Comparison Approach, is **\$1,640,000**.

Also based on this analysis, a rate of \$100-\$110 per square foot of vacant land has been deemed as an appropriate rate for the northern parcel 'as if amalgamated' with the Subject Property. The estimated Hypothetical Current Market Value of the Subject Property as if amalgamated with 15851 Trask Road, would be as follows:

<b>Value of Subject Property</b>	<i>Lower Range</i>	\$100 /sq. ft. x	19,602	sq. ft. =	\$1,960,200
	<i>Upper Range</i>	\$110 /sq. ft. x	19,602	sq. ft. =	\$2,156,220
	<b>Mean Value</b>				

Therefore, the Hypothetical Current Market Value of the northern parcel 'as if amalgamated' with the Subject Property, as at July 5, 2024, as estimated by the Direct Comparison Approach, is **\$2,060,000**.

Altogether, the contributory value of the Subject Property to the northern parcel at 15851 Trask Road, post amalgamation, is estimated to be, as at July 5, 2024, **\$420,000**. However, this value does not take into account the non-viability of the Subject Property as an independent lot and the nature of the non-bilateral market as determined in the highest and best use analysis. An adjustment must be applied to the Subject Property in order to account for its non-viable status. An analysis of the appropriate adjustment amount is discussed below.



## Paired Sales Analysis

In order to determine the value of the Subject Property as a result of it's being landlocked and not having proper access except through the Client's adjoining property, the following paired sale analysis of a landlocked parcel in the vicinity of the Subject Property (in Oyama) and comparable properties with similar sizes, locations, and sales dates has been conducted. These sales all transacted in 2021 within 4 months of one another.

SUMMARY OF COMPARABLE LAND SALES							
Sale	Images	Location	Size (Sq. Ft.)	Zoning	Sale Price	Comments	Price/ Sq. Ft.
1		14452 Middle Bench Road	37,462	A1	\$542,000	Slightly inferior area (↓)	\$14.47
2		13832 Northstar Lane	38,333	RR1	\$550,000	Inferior area (↓)	\$14.35
3		13818 Moberly Road	43,560	RR3	\$550,000	Inferior area (↓)	\$12.63
P		No Civic Address	55,757	A1	\$95,238		\$1.71

**Sale 1** is the most comparable to Sale P as it is located on the east side of Wood Lake. Sale 1, however, has a slightly inferior location that is a greater distance from the lake and from urban development. Sale 1 is, however, smaller in size, putting upward pressure on the sale's average per sq. ft. of land value. However, Sale P has inferior utility owing to the presence of wetlands on the site, putting downward pressure on Sale P's comparable per sq. ft. value. Before adjustment, the price ratio between Sale 1 and Sale P is \$14.47 to \$1.71. After making an upward adjustment to Sale P to account for Sale 1's smaller site size and superior utility, and a downward adjustment to Sale 1 to account for Sale P's superior location, the adjusted estimated paired sale's ratio becomes  $\pm\$9.00$  to  $\pm\$3.00$  or a difference of 3:1.

**Sales 2 and 3** have a slightly inferior location compared to Sale P but have a view of Okanagan Lake, which is superior to Sale P's view. However, Sale P has inferior utility owing to the presence of wetlands on the site, putting downward pressure on Sale P's comparable per sq. ft. value, requiring an upward adjustment to Sale P to account for the superior utility of Sales 2 and 3. The site sizes for Sales 2 and 3 are also smaller than Sale P, requiring a further upward adjustments to Sale P. Finally, the topography of Sales 2 and 3 are significantly inferior to Sale P requiring upward adjustments in value to Sales 2 and 3. Overall, the adjusted estimated ratio is  $\pm\$12.00$  to  $\pm\$3.00$  or a difference of 4:1.

Based on this analysis, **Sale 1** offers the greatest comparability to Sale P and the resulting paired sale adjustment ratio of 3:1 will be applied to the concluded value above. This means that, as a result of the non-viable status of the Subject Property and the non-bilateral market, the rate of the Subject Property is expected to be  $\pm 40\%$  of the rate stated above.

## Discount Application Analysis

In consideration of the Discount Application Analysis outlined in the Highest and Best Use section of this report, a discount of 60% (i.e. 40% of the Subject Property's concluded value) is applied to the estimated range of values.

Based on this analysis, the estimated Hypothetical Current Market Value of the Subject Property, with respect to the Subject's contributory value only as a non-viable lot, has been calculated as follows.

Value in Contribution	\$420,000
Adjustment for non-viability	60%
Concluded Subject Value	<b>\$168,000</b>

Therefore, the Hypothetical Current Market Value of the Subject Property as at July 5, 2024, as estimated by the Direct Comparison Approach, is \$168,000.

An Extraordinary Assumption has been made in order to reflect the fact that the Hypothetical Current Market Value Estimate contained within this report is based on the Hypothetical Condition that the proposed Subject Property's size is 0.16 acres (6,970 sq. ft.), that the owner of the Subject property is a willing Seller, that the Client, owning the adjoining lot, is a willing Buyer, and that the concluded value in this report is reflective only of the Subject's contributory value to the adjoining northern parcel. Should the amalgamation not be completed or change in character, size or configuration, the value estimate contained herein may be subject to change.



## RECONCILIATION AND FINAL ESTIMATE OF VALUE

The Direct Comparison Approach is felt to strongly reflect current market activity in the Subject Property's market area. This approach to value best describes the actions of buyers and sellers within the marketplace. The market data available for analysis is believed to be sufficient in order to reconcile to the final value estimate with confidence.

Recognizing the definition of Market Value as previously stated in this report, it is my opinion the Hypothetical Current Market Value of the Subject Property, with respect to the Subject's contributory value only as a non-viable lot, as at July 5, 2024 and subject to the Assumptions and Limiting Conditions contained herein, is:

**ONE HUNDRED & SIXTY-EIGHT THOUSAND DOLLARS  
(\$168,000)**

The value as estimated within this report is based on an exposure time of 1 to 6 months. The Subject Property is not known to have been sold or listed for sale within the three-year time period prior to the effective date of this appraisal.

An Extraordinary Assumption has been made in order to reflect the fact that the Hypothetical Current Market Value Estimate contained within this report is based on the Hypothetical Condition that the proposed Subject Property's size is 0.16 acres (6,970 sq. ft.), that the owner of the Subject property is a willing Seller, that the Client, owning the adjoining lot, is a willing Buyer, and that the concluded value in this report is reflective only of the Subject's contributory value to the adjoining northern parcel. Should the amalgamation not be completed or change in character, size or configuration, the value estimate contained herein may be subject to change.

## ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS AND LIMITATIONS OF LIABILITY

The certification that appears in this report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP") and the following conditions:

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.



8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
14. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.

16. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
  
17. As of the date of this report Canada and the Global Community is experiencing unprecedented measures undertaken by various levels of government to curtail health related impacts of the Covid-19 Pandemic. The duration of this event is not known. While there is potential for negative impact with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not possible to predict such impact at present, or the impact of current and future government countermeasures. There is some risk that the Covid-19 Pandemic increases the likelihood of a global recession, however without knowledge of further anticipated government countermeasures at the national and global levels it is not possible to predict any impact at this point in time. Accordingly, this point-in-time valuation assumes the continuation of current market conditions, and that current longer-term market conditions remain unchanged. Given the market uncertainties of the Covid-19 pandemic, a force majeure event, we reserve the right to revise the value estimation set out in this report for a fee, with an update appraisal report under a separate appraisal engagement, incorporating market information available at that time.



## CERTIFICATION

For the property identified as:

6,970 sq. ft. of Non-Viable Roadway Lands, Adjacent to 15851 Trask Road, Oyama, BC V4V 2H9

I certify that, to the best of my knowledge and belief that:

1. *The statements of fact contained in this report are true and correct;*
2. *The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my impartial and unbiased professional analyses, opinions and conclusions;*
3. *I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment.*
4. *I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;*
5. *My engagement in and compensation is not contingent upon developing or reporting predetermined results, the amount of value estimate, a conclusion favouring the client, or the occurrence of a subsequent event.*
6. *My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the CUSPAP.*
7. *I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;*
8. *Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;*
9. *As of the date of this report the undersigned has fulfilled the requirements of the AIC's Continuing Professional Development Program;*
10. *The undersigned is (are all) members in good standing of the Appraisal Institute of Canada.*

**Based upon the data, analyses and conclusions contained herein, the hypothetical contributory value of the interest in the property described as at July 5, 2024 is estimated at \$168,000.**

As set out elsewhere in this report, this report is subject to certain assumptions and limiting conditions, the verification of which is outside the scope of this report.



Jonathan Sobottka, P.App, AACI  
 Principal  
 AIC Candidate Member # 905421  
 The Appraiser and Author of this Report

An Addenda of Supporting Documents is appended to this report following this section.

**PRIVACY STATEMENT FOR PRINTED MATERIALS AND RESOURCES**

**Quality Appraisals Inc.** takes privacy very seriously. We collect personal information to better serve our customers, for security reasons, and to provide customers and potential customers with information about our services. We would like to have a lifelong relationship of good service with our customers, and for that reason we may retain any personal information provided for as long as necessary to provide our services and respect our obligations to governmental agencies and other third parties. The information will remain confidential to **Quality Appraisals Inc.**, to businesses working for us, and to any organization that acquires part or all of our business, provided that they agree to comply with our privacy policy. By accepting this report, you are agreeing to maintain the confidentiality and privacy of any personal information contained herein and to comply in all material respect with the contents of our Privacy Policy. If you wish to see a copy of our Privacy Policy, or have privacy questions or concerns, please contact us by phoning **250-832-3709** or by email at: [office@qualityappraisals.ca](mailto:office@qualityappraisals.ca).



**Jonathan Sobottka, BA., AACI, P.App., CPPA**[jsobottka@qualityappraisals.ca](mailto:jsobottka@qualityappraisals.ca) 250-832-3709**Types of Assignments**

Commercial strata  
 Development lands  
 Park land dedication  
 Expropriation  
 Waterfront properties  
 Retail stores  
 Restaurants  
 Office buildings  
 Executive homes  
 Golf courses  
 Marinas  
 Hotels  
 Orchards / Vineyards  
 Campgrounds  
 Mobile Home Parks  
 Wineries  
 New builds  
 Resort strata  
 Rural properties & acreages  
 Farm operations  
 Gravel quarries  
 Machinery  
 Equipment  
 Tenant Improvements  
 Personal Property

**Recent Clients**

CIBC  
 Scotiabank  
 TD Canada Trust  
 HSBC Bank  
 Royal Bank of Canada  
 Bank of Montreal  
 Farm Credit Canada  
 Revelstoke Credit Union  
 Prospera Credit Union  
 Kootenay Savings Credit Union  
 SASCU Financial Group  
 Interior Savings & Credit Union  
 Valley First Credit Union  
 Vancity Credit Union  
 Sierra Mortgage Fund  
 ThreePoint Capital  
 CMHC  
 Sagen  
 Canada Guaranty Mort. Ins.  
 Various Brokers  
 Private Lenders  
 Various Barristers & Solicitors  
 Various Municipalities & Cities  
 Ministry of Transportation & Infrastructure  
 Ministry of Energy & Mines  
 Ministry of Forests, Lands, Natural Resource Operations & Rural Development

**Credentials**

*Accredited Appraiser Canadian Institute Designation,*  
**Appraisal Institute of Canada**

*Canadian Personal Property Appraiser Designation,*  
**Canadian Personal Property Appraisers Group**

**Education**

*Post Graduate Certificate in Real Property Valuation, 2010*  
**University of British Columbia**

*Honours Bachelor of Arts, Economics, 2008*  
**Wilfrid Laurier University**  
**School of Business and Economics**

**Experience**

2015 – Present *Owner and Principal, **Quality Appraisals Inc.***  
 Appraising all residential, commercial, and agricultural real estate as well as equipment, machinery, and tenant improvements.

2014 – 2015 *Appraiser, **HealthTrust Inc.***  
 Specializing in seniors' housing and healthcare real estate appraisal in Canada & USA.

2013 – 2014 *Appraiser, **Farm Credit Canada***  
 Specializing in agricultural real estate & equipment appraisal.

2008 – 2014 *Commercial & Residential Fee Appraiser,*  
 Various private firms.

# ADDENDA AND SUPPORTING DOCUMENTS



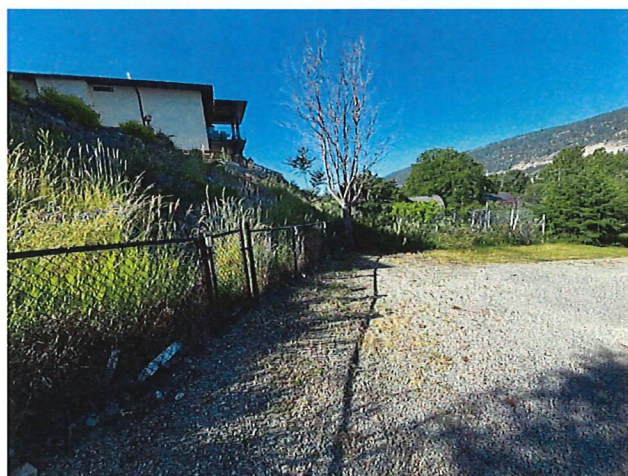
**PHOTOGRAPHS OF THE SUBJECT PROPERTY**



**LOOKING EAST ALONG SUBJECT**



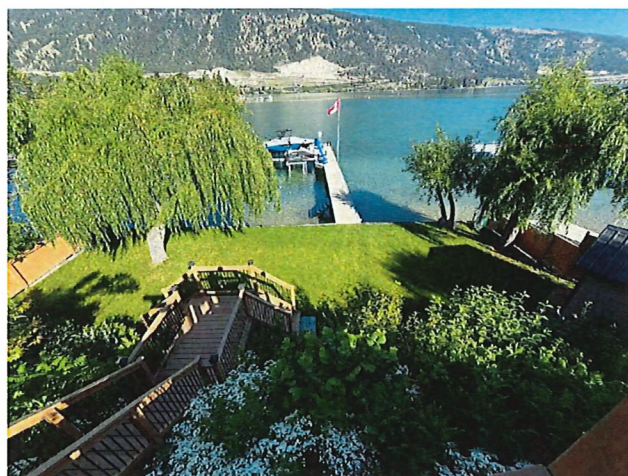
**LOOKING WEST ALONG SUBJECT**



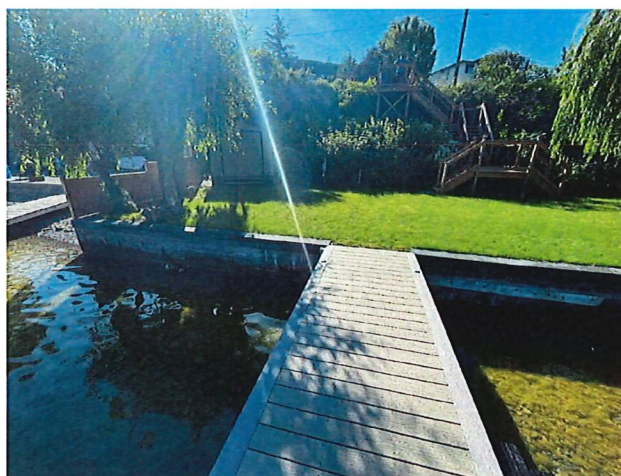
**SUBJECT EASTERN BOUNDARY**



**LOOKING SOUTHEAST ALONG SUBJECT**



**15851 TRASK RD - WATERFRONT**



**15851 TRASK RD - WATERFRONT**





15851 TRASK RD – FRONT YARD



15851 TRASK RD – BACK YARD



TRASK RD – LOOKING NORTH



TRASK RD – LOOKING SOUTH



**ZONING BYLAW**

Zoning Bylaw 561, 2007 CONSOLIDATED 2022-04-05

**SECTION 15 -- URBAN HOUSING ZONES****15.1.RU1 –Single Family Housing****15.1.1. Purpose**

The purpose is to provide a zone for single detached housing, and compatible secondary uses on medium sized serviced urban lots.

**15.1.2. Principal Uses**

- (a) group homes, minor
- (b) single dwelling housing

**15.1.3. Secondary Uses**

- (a) bed and breakfast homes
- (b) care centres, minor
- (c) home occupations
- (d) secondary suite
- (e) utility services, minor impact

Added by Bylaw 1053

- (f) short term vacation rental

**15.1.4. Buildings and Structures Permitted**

- (a) one single detached house (which may contain a secondary suite)
- (b) accessory buildings or structures

**15.1.5. Subdivision Regulations**

- (a) AREA  
The minimum lot area is 500 m<sup>2</sup>.
- (b) WIDTH  
The minimum lot width is 15.0 m.
- (c) DEPTH  
The minimum lot depth is 30.0 m.

**15.1.6. Development Regulations**

- (a) SITE COVERAGE  
The maximum site coverage is 40% and together with driveways and parking areas, shall not exceed 50%.

Amended by  
Bylaw 719

- (b) HEIGHT  
The maximum height is the lesser of 9.5 m or 2 ½ storeys, except it is the lesser of 5.5 m for accessory buildings and structures.

- (c) FRONT YARD  
The minimum front yard is 4.5 m except it is 6.0 m to a garage door or carport entrance having vehicular entry from the front.

Zoning Bylaw 561, 2007 CONSOLIDATED 2022-04-05

(d) SIDE YARD

The minimum side yard is 2.0 m, except that it is 4.5 m from a flanking street, and it is 6.0 m from a flanking street if the setback is to a garage door or carport entrance which is accessed from that street, or when required by subparagraph 15.1.6 (e).

(e) REAR YARD

(i) The minimum rear yard is 6.0 m, except that it is 1.5 m for accessory buildings.

(ii) Where the lot width exceeds the lot depth, the minimum rear yard is 4.5 m provided that one side yard shall have a minimum width of 4.5 m. This does not apply if the garage door or carport entrance faces the rear or side yard. In these cases, a 6.0 m setback will be required to the garage door or carport entrance.

15.1.7. Other Regulations

(a) SECONDARY SUITE

A secondary suite, in accordance with Section 10.7, may only be located within a single detached dwelling.

(b) REAR LANE

Where the development has access to a rear lane, vehicular access to the development is only permitted from the rear lane, except for developments in areas where the topography would require the slope of such access to exceed 15%.

(c) HOUSING AGREEMENTS

Where a housing agreement has been entered into pursuant to Section 7.10, smaller lot dimensions may be permitted.

(d) ADDITIONAL REGULATIONS

In addition to the regulations listed above, other regulations may apply. These include the general development regulations of Section 7 (accessory development, yards, projections into yards, lighting, agricultural setbacks, etc.), the landscaping and fencing provisions of Section 8, the parking and loading regulations of Section 9, the specific use regulations of Section 10, and the sign regulations of Section 11.