



Altus Group

BC Expropriation Association 2010 Fall Seminar

Volumetric Parcels – Valuation Issues

October 29th, 2010

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**British Columbia
Expropriation Association**

Introduction

- Definition of Air Space Parcels in Context
- Typical Situations
 - Mixed Use Developments
 - Leases
 - Acquisition of rights for public use
- Valuation Issues in each case



What is An Air Space Parcel?

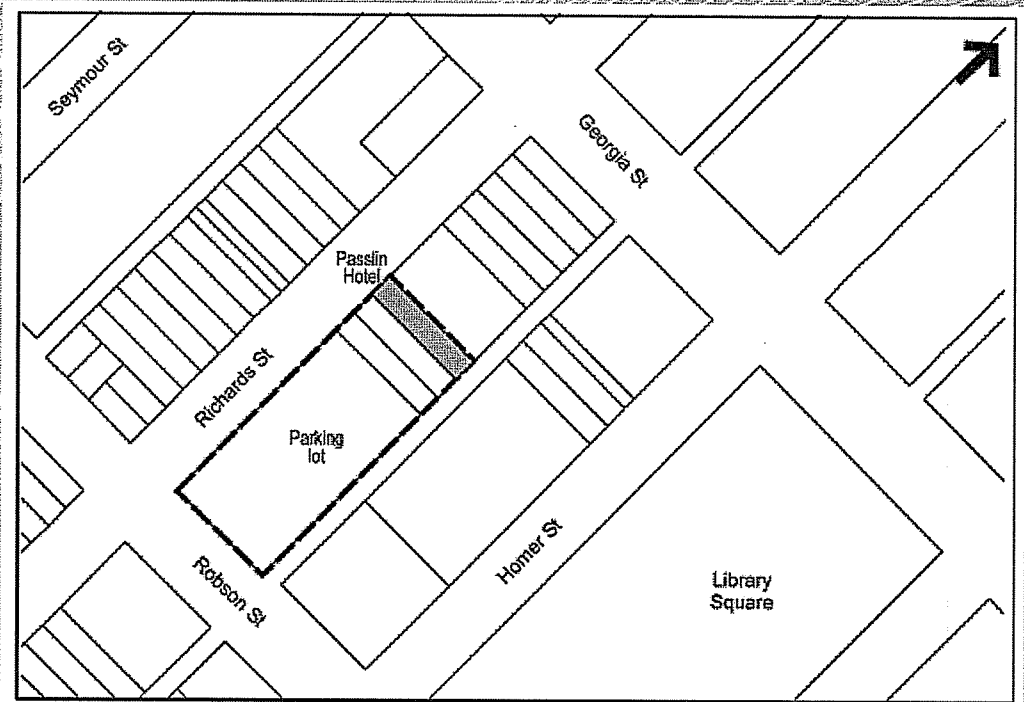
- Defined in Land Title Act
 - Volumetric Parcel
 - May or may not be occupied by building
 - Can be combined to create Air Space Plan
- Allow for Separate ownership in single building
 - Common in mixed use buildings
 - Avoids different uses in same strata plan
- Reciprocal Agreements required
 - Pedestrian and vehicular access
 - Provision of utilities and other services
 - Support, maintenance and repair
 - Joint insurance obligations
 - Cost sharing arrangements
 - Compliance obligations



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Evolution of An Air Space Parcel

788 Richards Street, Vancouver - Before



- 36,000 sq. ft Site
- Parking Lot
- 43 SRA Units (Passlin Hotel)
- 5.0 FSR (Maximum Residential – 3.0)

Evolution of An Air Space Parcel

788 Richards Street, Vancouver - After



- 4 Airspace Parcels
 - City (46 Non-Market Housing Units) - ASP 3
 - Hotel – ASP 2
 - Residential (Market) – ASP 1,4
- 184 Strata Lots in ASP 1; 204 units total.
- Density (FSR)
 - Total 7.8
 - Market Residential – 5

The Airspace Plan

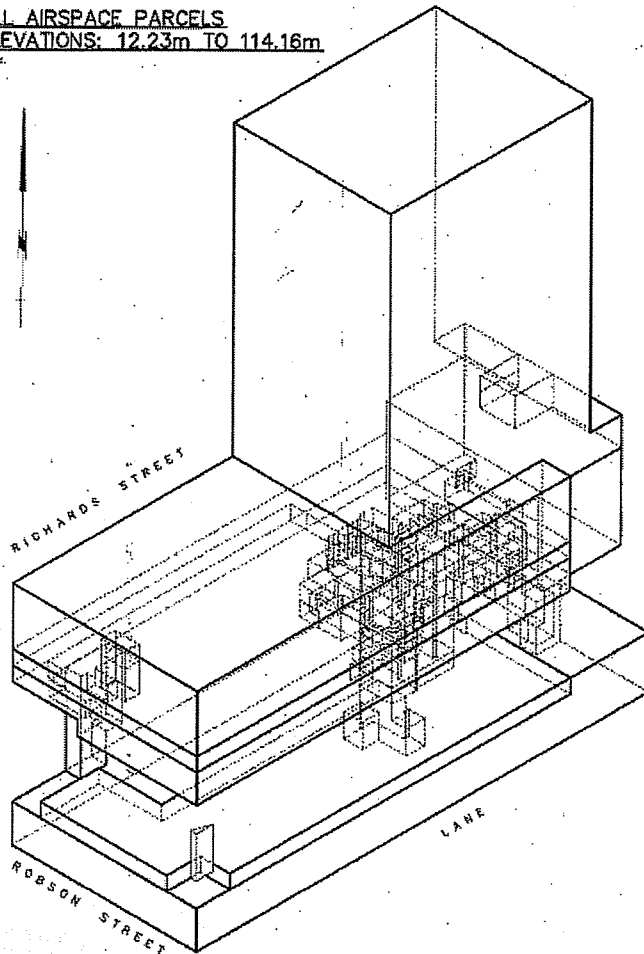
AIRSPACE PLAN BCP 35673

Deposited in the Land Title Office
of New Westminster, B.C.
this 7 day of March 2014.

Tan Mac Donald/ep
Registrar

BS218794-797

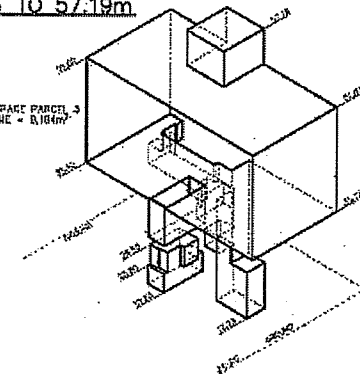
ALL AIRSPACE PARCELS
ELEVATIONS: 12.23m TO 114.16m
N.T.S.



AIRSPACE PARCEL 3 ELEVATION: 12.23m TO 57.19m N.T.S.

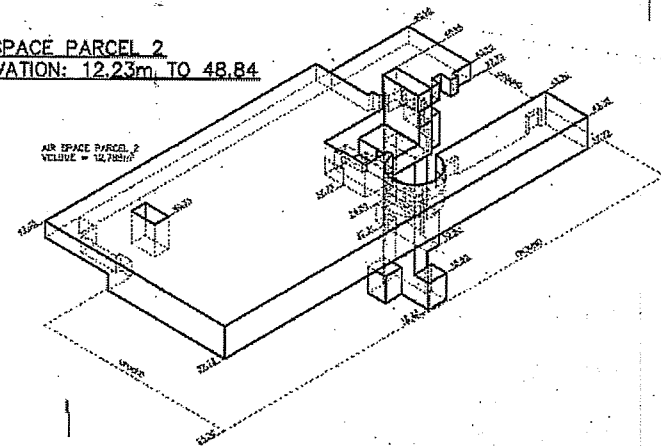
AIR SPACE PARCEL 3
VOLUME = 8,104m³

F4	12.23
F11	19.80
UPPER GROUND	28.03
LEVEL 4	35.12
LEVEL 10	51.42
LEVEL 12	57.19



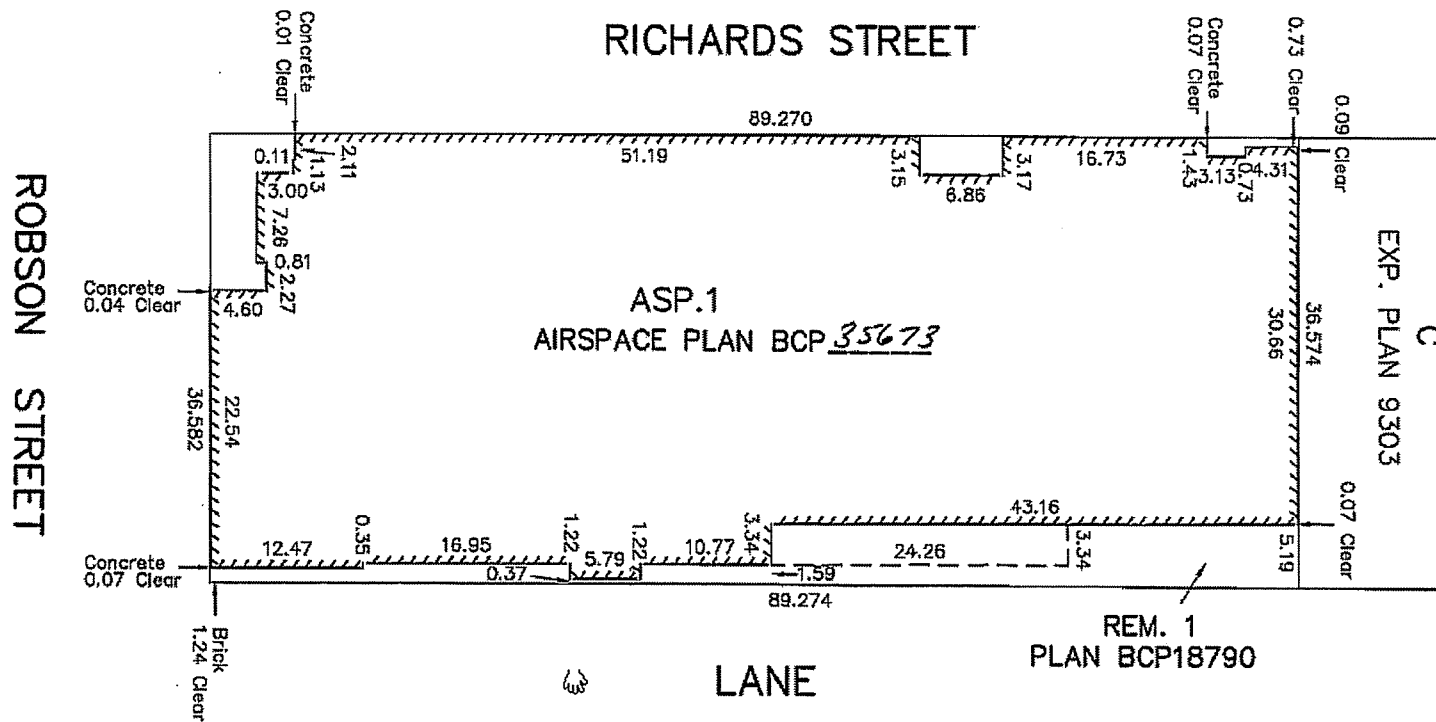
AIRSPACE PARCEL 2 ELEVATION: 12.23m TO 48.84 N.T.S.

AIR SPACE PARCEL 2
VOLUME = 12,782m³



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The Strata Plan

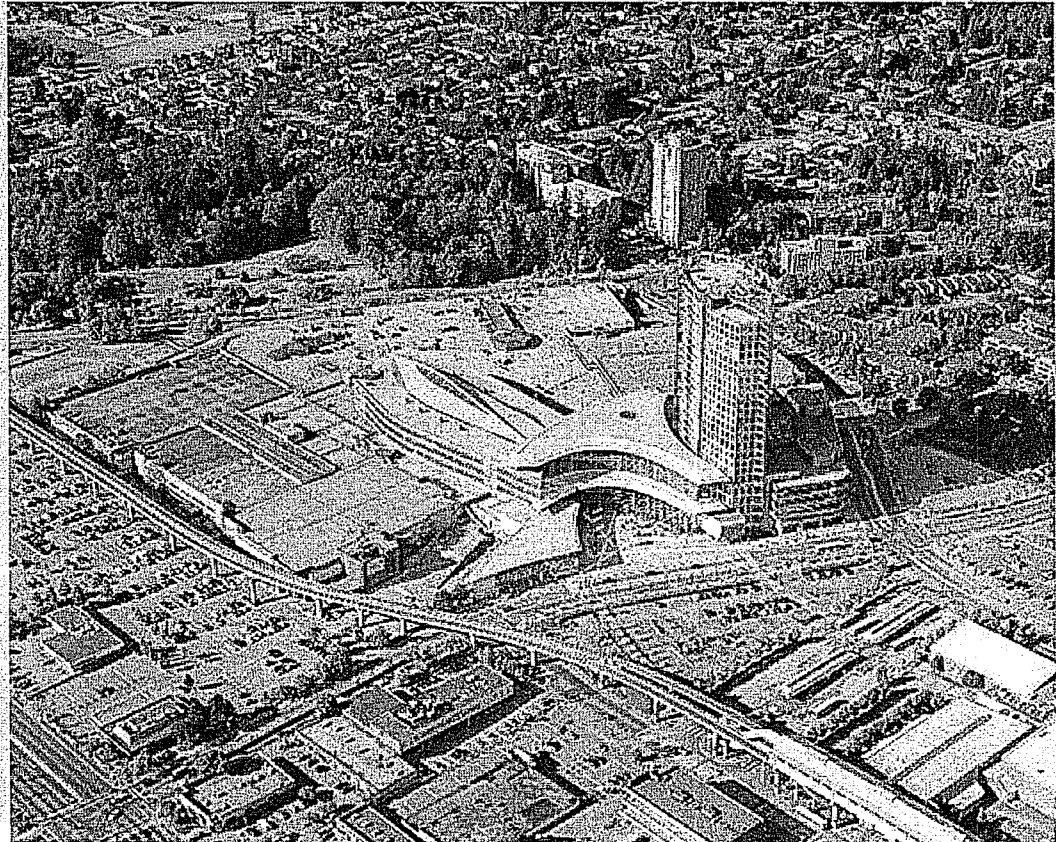


The Strata Plan – ASP 1

			SL-50	EL	E	S	SL-35				
			SL-33	EL	E	S	SL-18				
			SL-16	EL	E	S	SL-1				
			PT. ASP. 4		E	S	PT. ASP. 4				
					E	S					
PT. ASP. 2				EL	E	S	AMENITY		PT. ASP. 2		
REM.	OTB	REM.			E	S	REMAINDER				
					E	S					
LOBBY			EL	E	S						
REMAINDER			EL	E	S						
			EL	E	S						
			EL	E	S	PT. ASP. 4					
PB 179	PA	EL	E	S	ST	PA	PB 227	V			
PB 281	PA	EL	E	S	ST	PA	PB 329	PA			

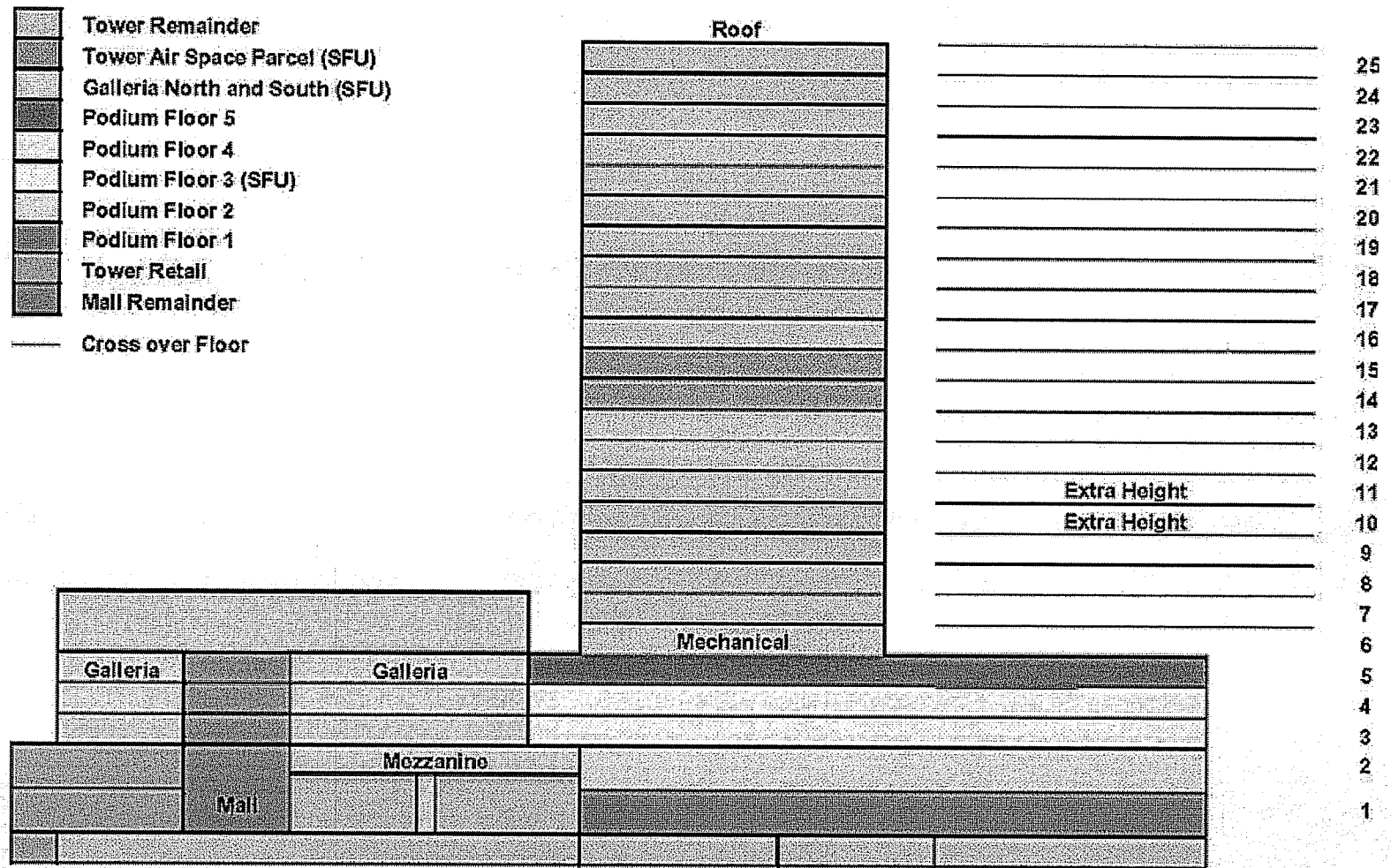
Central City – Air Space Parcels

- 1.5 million sq.ft. Complex
- 490,000 sq. ft. Mall
- SFU Surrey Campus
- 570,000 sq. ft. Office Tower
- Largest single real estate asset sale in BC
- Titles:
 - 9 Air Space Parcels
 - 4 Other Legal Parcels
 - Project Easement to cover support, access, cost allocation etc.



Central City – Air Space Parcels

Air Space Parcel Section Diagram

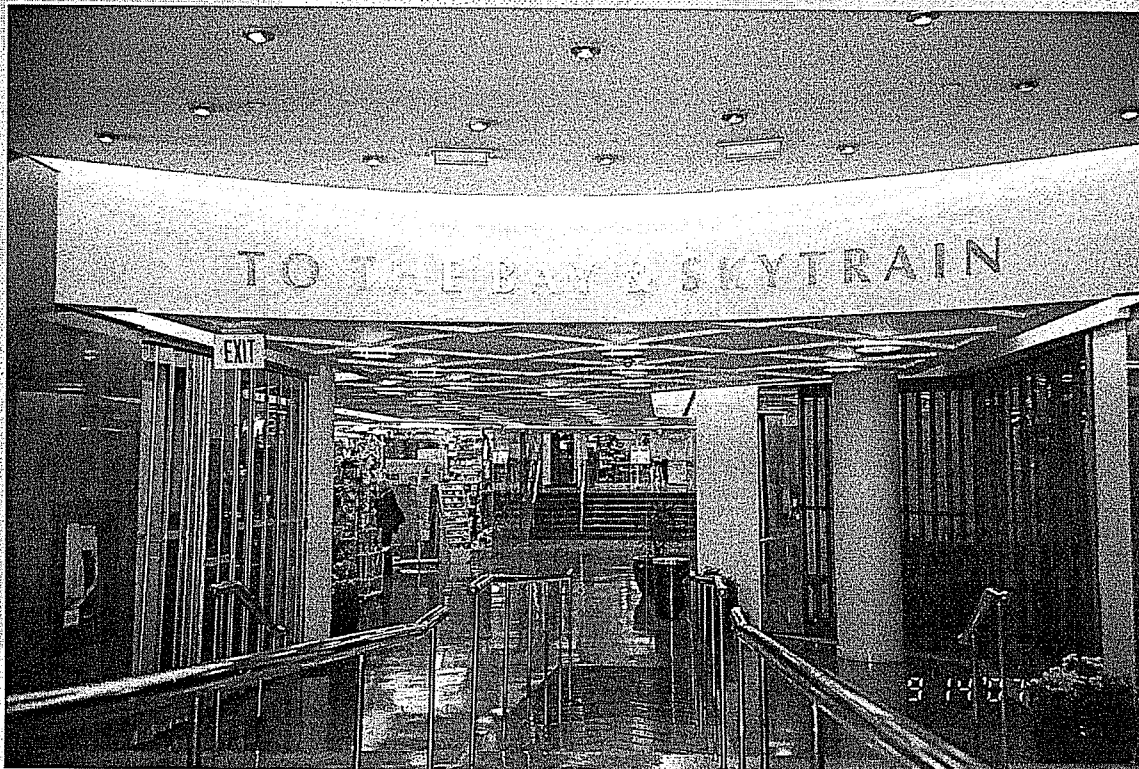


Valuation Issues

- Total Value
 - Nature and potential limitations of easements/agreements
 - Impact of mixed uses: Airspace or Strata
 - Implications of long-term value allocations and impacts on NPV
- Partial Taking
 - Nature of rights acquired
 - Which interests are affected?
 - How are other interests affected if taking is from one parcel only?
 - If there is injurious affection, how is this allocated?



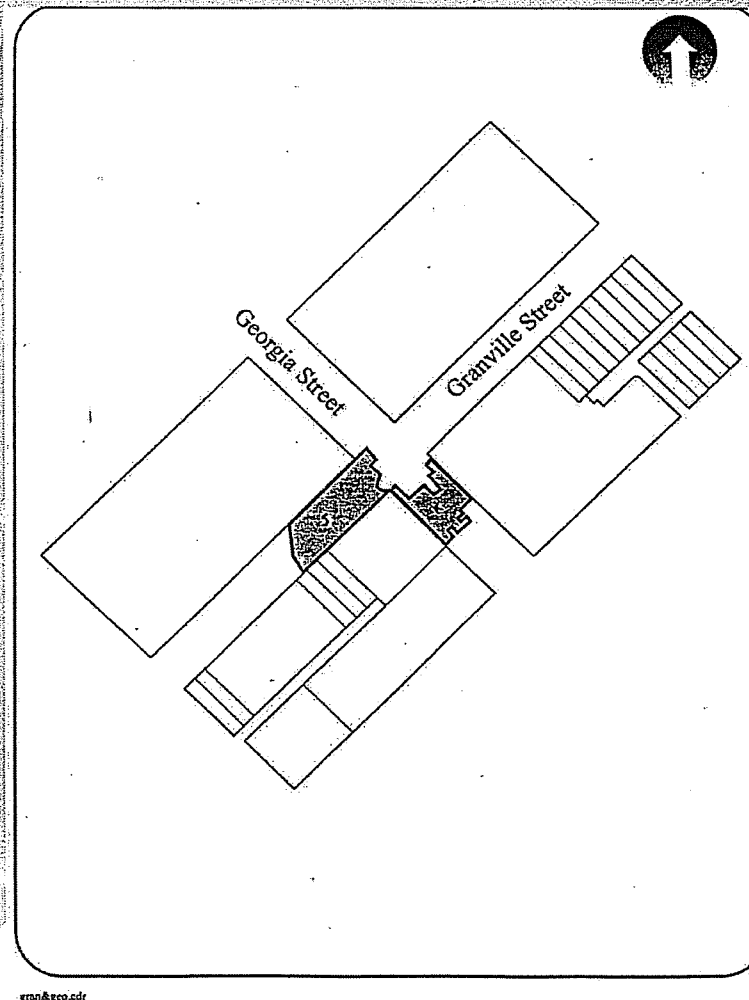
Leased Volumetric Parcels



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Leased Volumetric Parcels

- Connection between underground malls
- Retail Mall and Pedestrian Access
- Total area approx. 22,000 sq.ft.
- Total Volume approx. 17,000 cu yds
- 99 year lease
- 5 year rent reviews



gran&geo.cdr

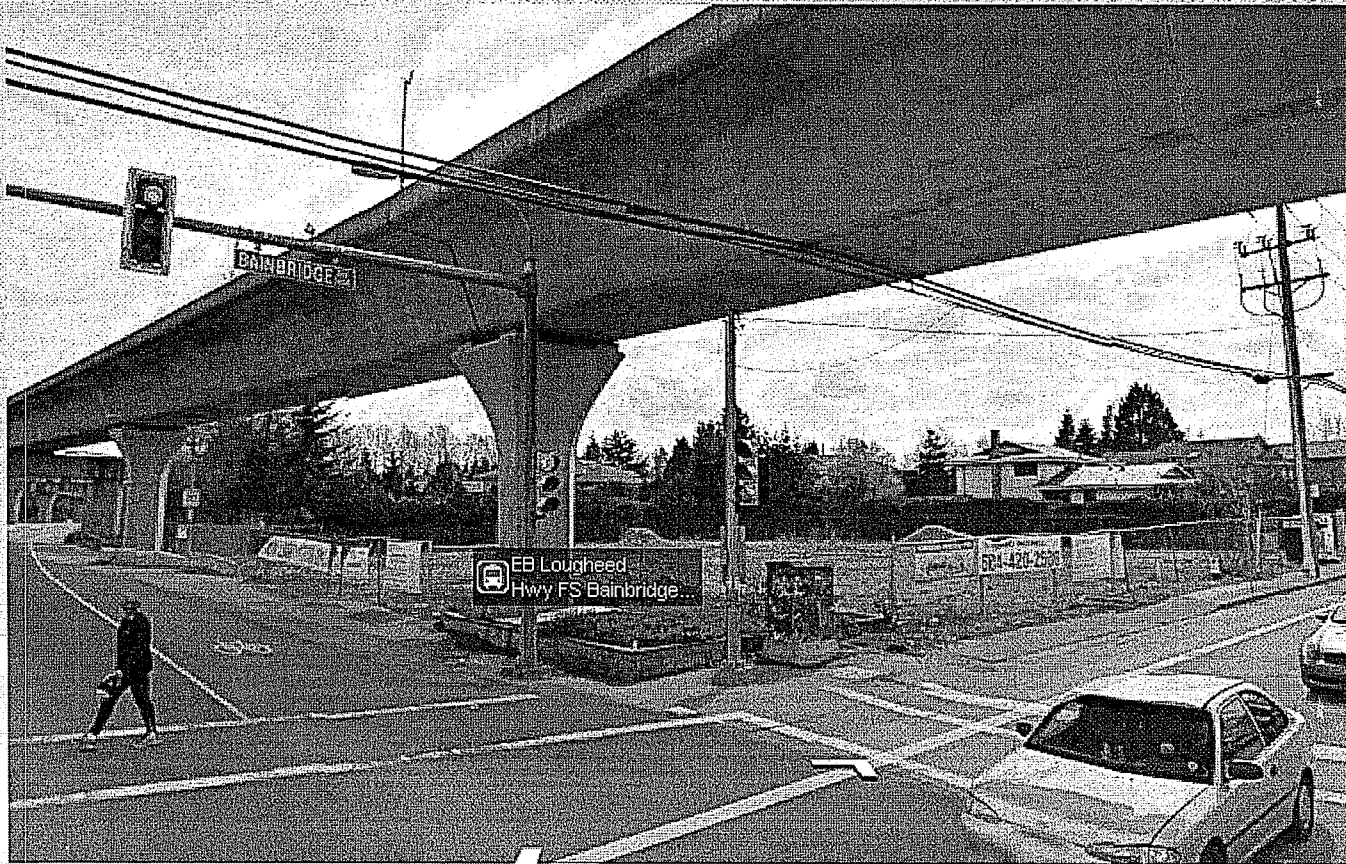
Leased Volumetric Parcels

- Methods of valuation
 - Rate times capital value as proportion of fee simple
 - Proportion of revenue
 - Comparable
- Valuation issues
 - Benefits to landlord and tenant – how reflected?
 - Capital value as a proportion of whole
 - Appropriate return on value
 - Appropriate proportion of income



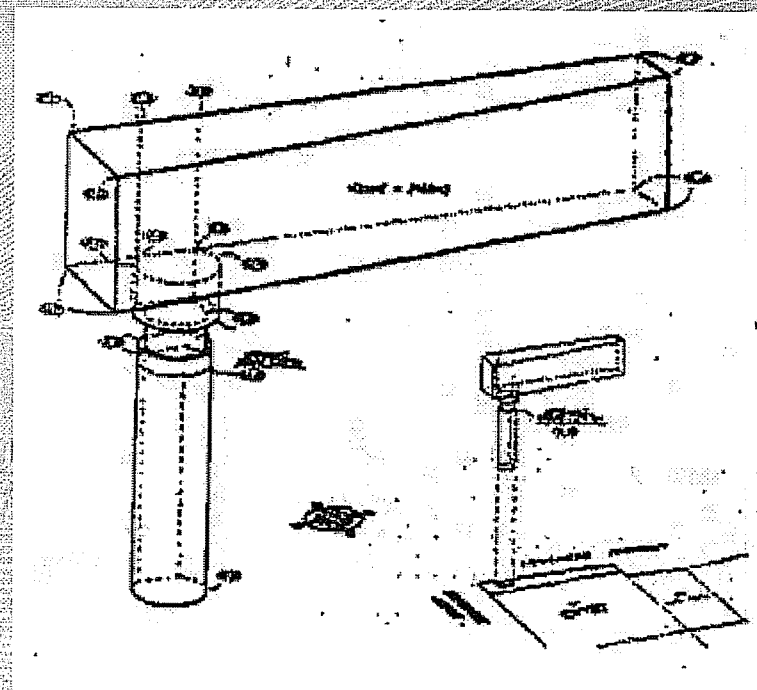
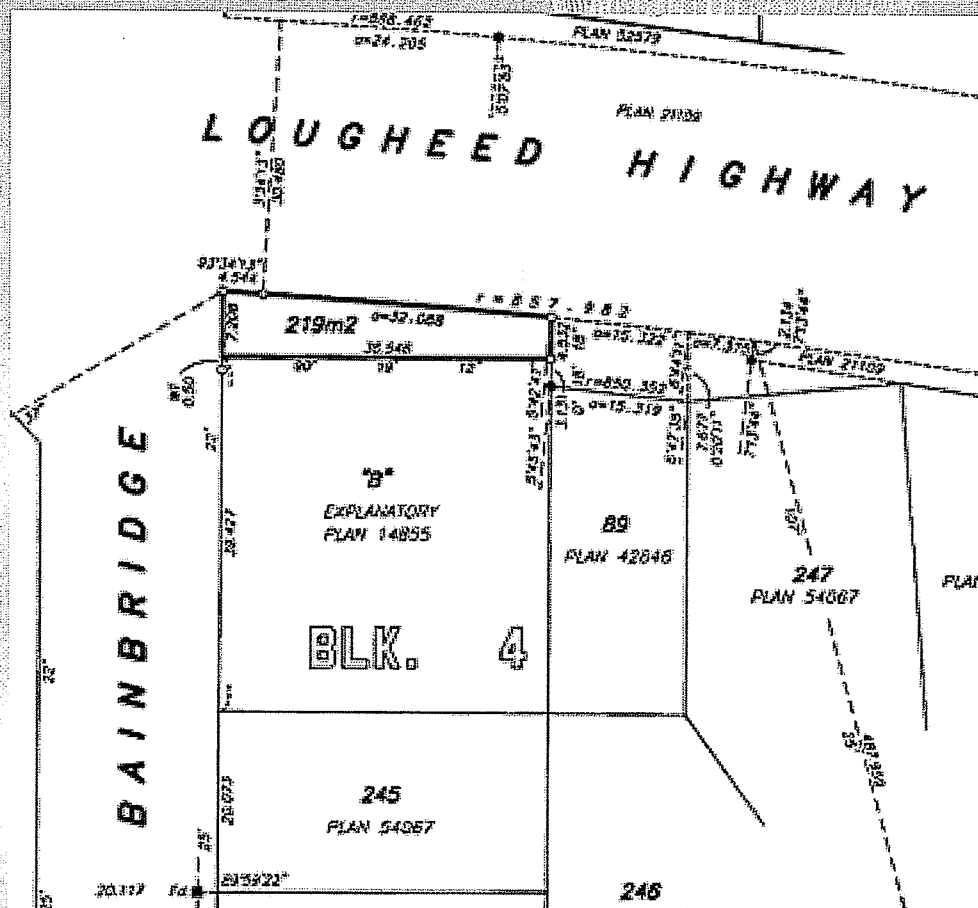
Volumetric SRW – Case Study 1

- SkyTrain



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Volumetric SRW – Case Study 1



Volumetric SRW – Case Study 1

- Effect of Terms of SRW
 - Permanent Acquisition
 - Broad rights acquired – uncertainty as to final extent
 - SRW to be defined in future by Volumetric Parcel
- Valuation issues
 - HABU before and after – injurious affection
 - Proportion of fee simple acquired/remaining in SRW area
 - Different areas of value – columns, setback, other
 - Board finding:
 - Column 100%
 - Setback area 65%
 - Buildable area 85%
 - Difficulty of finding comparable evidence



Volumetric SRW – Case Study 2

- Transmission Lines



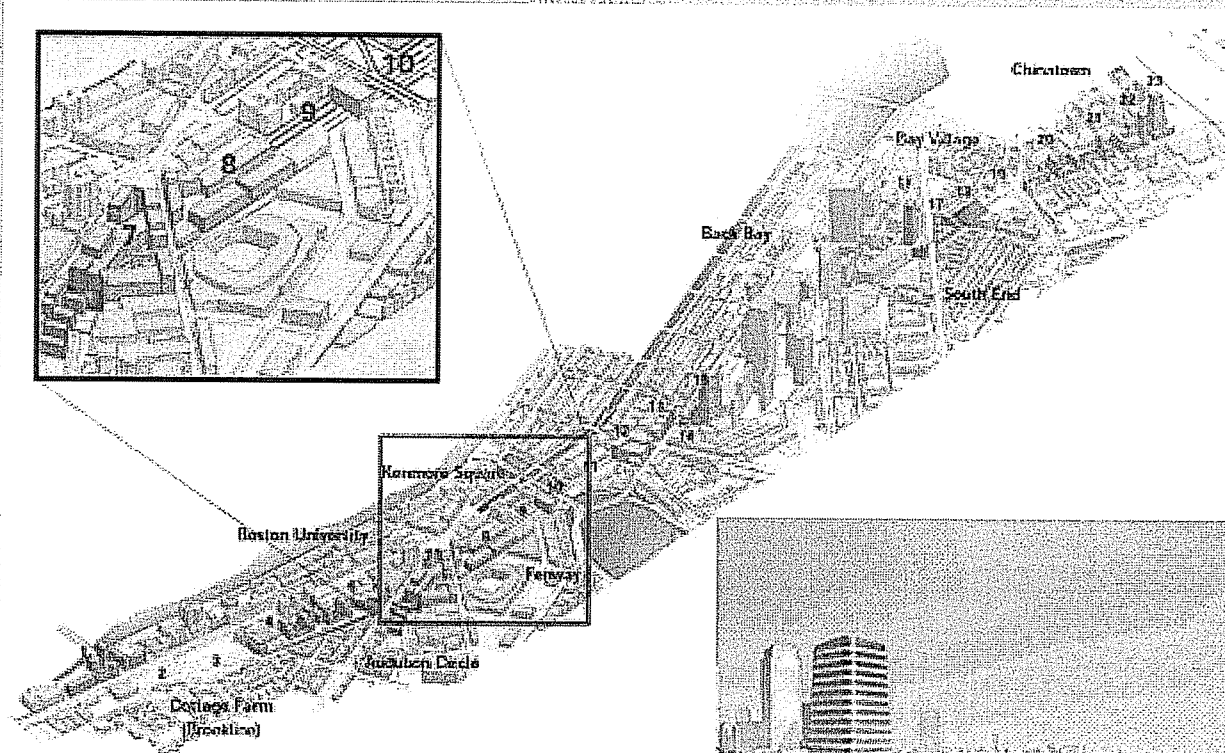
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Volumetric SRW – Case Study 2

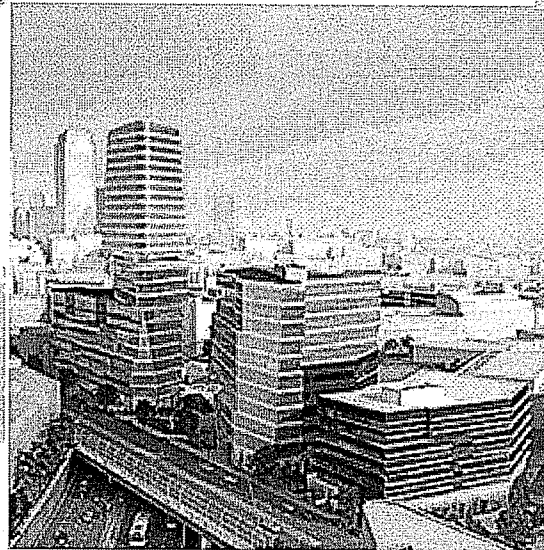
- Hydro Lines across Burrard Inlet/ Indian Arm
- Extent of Easement/ Licence defined by Volume – Navigation requirements
- Valuation Issues
 - Base Value and proportion of fee value attributable to Licence area
 - Comparable approach and % of fee (adjusted)
 - Different areas of value
 - Land
 - Water



Air Space – The Future?



■ MTA, Boston



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