

VALUATION CASE STUDY FREE ACCESS BARRIER

The Challenge

The owner, a municipality, had been approached by a community group seeking a site for an arts centre. The 2.5 acre site chosen had good highway exposure by virtue of its proximity to a major highway interchange, and therefore had obvious commercial potential. The surrounding area however was undeveloped. What was the property worth? The owner turned to Turner Drake for advice.

Turner Drake's Approach

The area was growing rapidly with residential and minor commercial uses, albeit on the other side of the highway and well north of the subject property. There was little pressure for development in the immediate vicinity. The existing zoning allowed a wide spectrum of commercial uses (retail stores, banks, restaurants, service stations et al). The site's exposure to a major highway, location at the interchange, extensive road frontage, level topography and sympathetic zoning shouted "commercial development" as its highest and best use. The adjacent site was to be developed sometime in the future for a bus terminal. As part of its due diligence process our valuation team consulted the provincial highway authority to verify that road access would not be an issue. Their jurisdiction included the major highway and the entry/exit roads for 1,200 ft. from it. They signalled their refusal to allow direct access to the public street from the subject property. Instead traffic lights would be required well south of the subject site together with a driveway across adjacent property. The commercial appeal of the land was severely constrained.

Winning Results

Turner Drake furnished a comprehensive Valuation Report on the subject property detailing the access constraints and containing supporting sales data, their analysis and valuation for use in the vendor's negotiations with the community group.

