

VALUATION CASE STUDY ON A WING AND A PRAYER

The Challenge

Parks Canada is entrusted with preserving the nation's most significant examples of natural and cultural heritage for the enjoyment of present and future generations. The Mealy Mountains region in Labrador met the test: 10,700 km² of mountain tundra, boreal forest, islands, rivers and marine coast; this pristine wilderness hosts a caribou herd, wolves, black bear, marten and fox. First Nations people have hunted here for thousands of years. The regions' Mealy Mountains rise 1,180 metres over Lake Melville, and its 50 kilometres of sand beach border the frigid waters of the Labrador Sea. But first the Federal Government had to purchase it. How do you value a property this size, so inaccessible it can only be reached only by helicopter or float plane, where fickle weather conditions may consign visitors to their tent for days on end? The Federal Government wanted to utilise two metrics: Market Value and Continued Public Purpose Value. An RFP was issued: Turner Drake answered the call.

Turner Drake's Approach

Rick Escott, our adventurer extraordinaire was the man for the job. Equally at home diving below the sea ice in Nova Scotia's Mahone Bay, groping his way through underwater caves in Mexico, bungee jumping from bridges in New Zealand, or zip lining through the forest canopy, Rick is rarely fazed by any challenge. Grabbing a Tim's double double and a plane he embarked on a low altitude inspection. Four decades of valuing large parcels of resource property has spurred us to pioneer ground breaking techniques to capture, refine and process data. Rick used our Resource Survey to quickly capture and quantify over thirty attributes for each parcel (vegetation cover, timber maturity, topography, water frontage type and quality, services, accessibility) supplementing his aerial inspection with satellite imagery, forest resource and eco-region map layers manipulated by our in-house Geographic Information Systems (GIS) team. Resource land is valued by comparing it against the sales of similar properties. Sales data received in raw form has to be enriched using software and map layers assembled by our GIS team, supplemented by site inspections using high definition satellite and ultra high resolution, three dimensional photography. The data is processed by our proprietary CompuVal® information technology platform using a purpose designed algorithm to disaggregate each sale into 27 value contributing components: land (type, vegetation, timber maturity, area), water frontage (type, length), road frontage (length). Rick adjusted these "component" values to reflect the differential characteristics (date of sale, location, motivation, size) between each sale and the subject property to arrive at its Market Value. The latter was then used as a benchmark to determine Continued Public Purpose Value.

Winning Results

The Mealy Mountains National Park Reserve, Canada's 46th national park, was officially established on 31st July 2015.

