



Corporate Report

NO: R110

COUNCIL DATE: May 18, 2005

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **May 12, 2005**

FROM: **General Manager, Engineering** FILE: **0910-40/90**

SUBJECT: **Sale of a City-Owned Residential Lot**

RECOMMENDATION

That Council approve the sale of the City-owned vacant, serviced building lot located at 14862 88A Avenue, PID No. 026-033-631.

BACKGROUND

In late 2002 Council approved the acquisition of a privately owned 13,864 sq.ft. property that was improved with a small, two bedroom, single family residence (Council Report R226 - December 9, 2002). The purpose of the acquisition was to facilitate the extension of a rear laneway that would service properties fronting the north side of 88 Avenue between 148 Street and 150 Street as well as those properties fronting the south side of 88A Avenue. During 2004, the laneway was constructed, services were installed, and a small portion of adjacent redundant park was consolidated with the parent parcel to create two marketable residential lots. On January 17, 2005, Council approved (R005) the sale of the adjacent improved lot located at 8824 - 148 Street.

DISCUSSION

In November 2004, following construction of the lane and lot servicing, the City advertised the sale of the two residential lots. Through this offering the property at 8824 - 148 Street was sold in January 2005. The adjacent and subject serviced vacant residential building lot (14862 - 88A Avenue) was not sold at that time. This lot contains an area of 9,126 sq.ft., is encumbered by no-build covenants over portions of the site, statutory rights-of-way for sewage and drainage purposes, and a statutory building scheme. The building scheme provides for a prohibition against basement construction due to the shallow depth of the sewer pipe. The subject lot has very narrow front street exposure to 88A Avenue. This aspect, along with the charges on title, including the prohibition of a basement, resulted in making the lot somewhat difficult to sell.

SITE INFORMATION

- | | |
|---------------------|---------------------------------------|
| 1. Site Area: | 9,126 sq.ft. |
| 2. Purpose: | Single Family Residential Development |
| 3. Current Zoning: | RF (Single Family Residential) |
| 4. OCP: | Urban |
| 5. Assessed Value: | Not applicable - newly created lots |
| 6. Appraised Value: | \$185,000 |

The subject lot is crossed by City storm and sanitary sewer rights-of-way and there is a 1 metre, no-build covenant on the lot to ensure satisfactory width for future servicing of the existing sewer pipes. The east end of the subject lot also has an inter connecting sewer utility that connects between the laneway and 88A Avenue. Most of these utility rights-of-way are either in the sideyard or front yard setback areas. The subject lot has very narrow front street exposure to 88A Avenue, with an irregular shaped, panhandle access strip. This limited street exposure is not a typical streetscape frontage. As a result, any house located on the lot will have an awkward orientation to the surrounding improved properties. The prohibition of the construction of a basement further reduced the value that could be achieved upon the sale of this lot.

APPRAISAL SUMMARY

An accredited appraiser on staff prepared the market value appraisal. Four of the most comparable sales used in the analysis are summarized as follows:

Index	Address	Sale Date Price	Lot Size Ft. ²	Zoning	Price Per Foot	Comments
Subject	14862 - 88A Avenue	\$185,000 Appraised Value	(9,126) Effective Size 7,800	RF	\$23.72* Effective Size	Irregularly shaped, vacant lot with 'panhandle' to 88A Avenue and rear lane. Servicing right of-way on two sides. Effective Size 7,800.
1	6965 - 148A Street	March 2005 \$180,000	8,213	RF	\$21.92	Building covenant for a 2 storey plus full basement home.
2	14894 - 68 Avenue	March 2005 \$190,000	6,038	RF	\$31.47	Rectangular inside lot with 50 ft. frontage on an arterial road. Building scheme; no lane. Suits walkout basement.
3	6300 - 189A Street	March 2005 \$190,000	7,534	RF	\$25.22	New subdivision in Cloverdale. Building Scheme requirements.
4	14035 Grosvenor Road	June 2004 \$206,000	11,297	RF	\$18.23	Rectangular inside lot with 67' frontage. Rear lane unopened.

* Appraised Value

The above sales ranged from \$180,000 to \$206,000, or from \$18.23 to \$31.47 per ft.² overall. Based on this, the appraised value is \$185,000.

CONCLUSION

In late 2002 the City purchased property located at 8824 - 148 Street for the purpose of lane extension from 148 Street through to 150 Street, north of 88 Avenue. In conjunction with the lane works, the City's Realty Services Division undertook a subdivision to create two serviced lots through consolidation of an existing strip of redundant parkland with the 8824 - 148 Street subject property. The funding source for the \$205,000 acquisition of 8824 - 148 Street was refunded upon the sale of 8824 - 148 Street (R005) to the non-arterial property acquisition account. In addition to the repayment of the \$210,000 for the acquisition of the parent lot, subdivision, lane construction, and lot servicing costs totalling \$80,156.17 need to be reimbursed. The City has previously received offers for the purchase of 8824 - 148 Street and this sale is in process. An offer has now been received for the sale of the second lot located at 14862 - 88A Avenue. The sale of this lot located at 14862 - 88A Avenue is considered reasonable, as outlined in the attached Confidential Information, and it is therefore recommended that Council approve the sale of the property.

Paul Ham, P Eng.
General Manager, Engineering

PH/WP/mpr/brb

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Appendices

- I. Site Map
- II. Aerial Photograph of Site