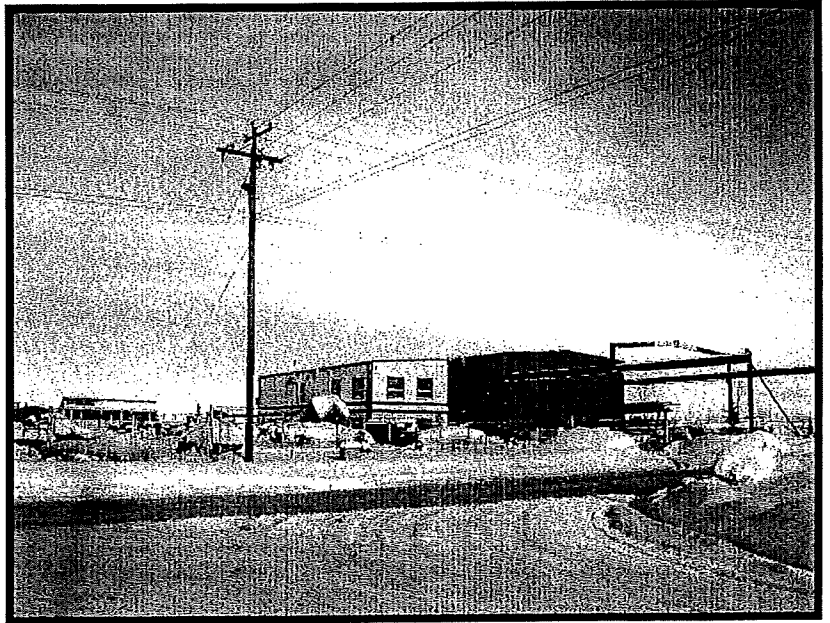


UPDATE APPRAISAL OF



**Industrial Office / Warehouse
& Vacant Lot
2830 – 121 Avenue NE
Edmonton, Alberta**

PREPARED FOR
All Steel Craft Fabricators Ltd.

January 2011

Summary of Salient Facts and Important Conclusions

Property Type:	Industrial office/warehouse										
Municipal Address:	2830 – 121 st Avenue NE, Edmonton, Alberta										
Legal Description:	Lot 9A, Block 1, Plan 0023377 Excepting Thereout All Mines and Minerals										
Land Size:	1.37 acres (59,677 sq. ft.)										
Land Use Classification:	IM – Medium Industrial										
Building Description:	Pre-engineered steel frame construction. Metal panel exterior finish and pitched metal roof. Built in 1997 / 1998. There are two rear additions to the original building that are of metal frame construction with metal panel exterior walls.										
Gross Building Area:	<table> <tr> <td>Main Floor –</td> <td style="text-align: right;">8,677 sq. ft.</td> </tr> <tr> <td>2nd Floor –</td> <td style="text-align: right;">2,177 sq. ft.</td> </tr> <tr> <td>Add: Rear Shop Addition –</td> <td style="text-align: right;">2,432 sq. ft.</td> </tr> <tr> <td>Add: Rear Garage Addition –</td> <td style="text-align: right;">1,083 sq. ft.</td> </tr> <tr> <td>Gross Building Area –</td> <td style="text-align: right;">14,369 sq. ft.</td> </tr> </table>	Main Floor –	8,677 sq. ft.	2 nd Floor –	2,177 sq. ft.	Add: Rear Shop Addition –	2,432 sq. ft.	Add: Rear Garage Addition –	1,083 sq. ft.	Gross Building Area –	14,369 sq. ft.
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Add: Rear Garage Addition –	1,083 sq. ft.										
Gross Building Area –	14,369 sq. ft.										
Net Leasable Area:	12,192 sq. ft. (<i>total main floor area</i>)										
Date of Inspection:	January 18 th , 2011										
Date Valuation Applies:	January 18 th , 2011										
Date of Report:	January 21 st , 2011										
Highest and Best Use:	The existing building development is a reasonable representation of the highest and best use of this site.										
Purpose of Appraisal:	To provide an estimate of “Market Value” of the “fee simple interest” in the property described herein to assist the client in legal matrimonial matters.										
Assessment and Tax:	<table> <tr> <td>2011 Assessment Value:</td> <td style="text-align: right;">\$1,657,500.00</td> </tr> <tr> <td>2010 Tax Levy:</td> <td style="text-align: right;">\$25,578.65.00</td> </tr> <tr> <td>Local Improvement Charges:</td> <td style="text-align: right;">Nil</td> </tr> </table>	2011 Assessment Value:	\$1,657,500.00	2010 Tax Levy:	\$25,578.65.00	Local Improvement Charges:	Nil				
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Estimates of Value

Land Value “As Though Vacant”:	\$548,000 OR \$400,000 per acre
Cost Approach:	\$1,397,000
Income Approach:	
Overall Capitalization Technique:	\$1,310,000 to \$1,390,000
Direct Comparison Approach:	\$1,280,000 to \$1,402,000
<hr/>	
Correlated Market Value:	\$1,345,000

Property Analysis

The subject property is municipally addressed as 2830 – 121st Avenue NE, Edmonton, Alberta. The property is legally described as follows:

Lot 9A, Block 1, Plan 0023377 Excepting Thereout All Mines and Minerals

Lot Size, Dimensions and Shape

The subject lot is rectangular in shape with approximately 206.20 feet of frontage along 121st Avenue NE and a return depth of 288.71 feet, more or less. According to the registered title, the subject property features a total site area of 1.37 acres (59,677 sq. ft.) more or less.

Topography, Services, Zoning

The topography of the site is generally flat and level with adjacent roadways and properties. The developed areas of the site have been graded at a slightly higher elevation than the adjacent property to the north.

The subject property is fully serviced with municipal water, sanitary and storm water sewer services, as well as, power, telephone and natural gas services. The property is located within an area designated IM for Medium Industrial uses.

Land Titles Review

In review of the subject land title, there are 5 instruments affecting the property. They include 3 instruments representing Utility Rights of Way granted to The County of Strathcona, Epcor Distribution Inc. and Telus Communications Inc. These utility rights of way do not appear to have a significant impact on the developability of the subject site, as they are located along the periphery of the site.

There is a Mortgage registered on title to Royal Bank of Canada in June 2000 for an original principal amount of \$280,000. The estimate of market value for the subject assumes the property is free and clear of any encumbrances, liens or interests of a financial nature. Therefore this instrument will have no impact on the market value of the subject property.

Her Majesty the Queen in Right of Canada c/o The Minister of National Defence registered an instrument regarding a zoning regulation in March 2005. This regulation is due to the proximity of the property to the Namao Airport and serves to place limitations on the extent of development that can occur on the subject parcel. As the subject property is within an area designated for industrial uses, this regulation is not considered to have a significant impact on the developability of the subject site.

Description of Improvements

The following description of improvements is based on a physical inspection of the subject building completed on January 18th, 2011 and information referenced from the previous appraisal report completed under file # I-43084-BL.

General Information

The subject features a single tenant office/warehouse development that was originally constructed in 1997/1998. Since then, rear shop and garage additions have been completed with varying qualities of construction. The general information below pertains to the original office/warehouse structure only. The rear additions will be discussed later in the description of improvements.

Basic Structure: Pre-engineered steel frame construction assumedly developed on a reinforced concrete grade beam and pile foundation system. A concrete block demising wall separates the office component from the warehouse component of the building. A concrete slab on grade floor is featured throughout the main building development.

Roof Structure: The building features a pitched metal roof within the warehouse and office components with metal exterior panel finish and structural steel supports. The mezzanine level of the office component is supported by a metal deck, open web steel joists and concrete slab.

Configuration: Each component of the building is rectangular in shape.

Dimensions: Warehouse - 50' x 130'
Office - 28' x 77.75'

Primary Building Area:	Main Floor Office Component-	2,177 sq. ft.
	Main Warehouse Component-	<u>6,500 sq. ft.</u>
	Gross Main Floor Area-	8,677 sq. ft.
	Add: 2 nd Level Office -	<u>2,177 sq. ft.</u>
	Gross Building Area-	10,854 sq. ft.

Building Height: 23 feet, more or less.

Clear Ceiling Height: Estimated at 18 to 20 feet within main warehouse area, more or less.

Building Age: Built in 1997/1998, resulting in an approximate chronological age of 13 to 14 years, more or less.

Remaining Economic Life: Estimated at 25 to 30 years, more or less.

Exterior Finishing

The main office/warehouse development features a corrugated insulated metal panel exterior finish all around. Some damage was noted along the exterior of the warehouse building resulting in dented panels. However, the damage does not reduce the functionality of the building.

Doors and Fenestration

The 2-storey front office component features metal slider windows in wood casing within both levels. The main entrance is provided by a glass door in aluminium casing. An 11' x 10' steel framed vestibule is built out over the main entrance. This vestibule features a brick laid floor. However, it is not heated and is therefore not included in the gross building area or net leaseable area.

There is an 8 foot high overhead door along the west elevation of the office component that provides access to a workshop area within the main level office component. Metal man doors are featured all around.

The warehouse component features high metal sliding doors with flip out door above, along the south elevation, providing access to an exterior overhead crane runway. The rear elevation features high metal sliding doors that access the rear shop addition.

Rear Shop and Garage Additions

Along the rear elevation of the main warehouse component is a shop and garage addition that was constructed and attached to the original freestanding structure.

The rear shop addition measures 64' x 38' to provide a total main floor area of 2,432 sq. ft. more or less. The shop consists of metal frame construction with insulated metal panel exterior walls and ceiling. It features a brick laid interior floor throughout, approximate 16 to 18 foot clear ceiling height and 16 to 18 foot high metal sliding doors along the east elevation. The rear shop addition is developed on a grade beam foundation only.

Adjacent to the rear shop addition is a 1,083 sq. ft. garage addition with 8' foot high, double wide overhead door. The garage is of metal frame construction and features insulated metal panel walls. The garage has an estimated clear ceiling height of 8 to 10 feet, more or less.

Assessment and Taxes

The following tax information has been provided by the City of Edmonton Tax and Assessment Department

	Property 'A'
Address:	2830 – 121 st Avenue NE, Edmonton, Alberta
Legal Description:	Lot 9A, Block 1, Plan 0023377 Excepting Thereout All Mines and Minerals
2011 Total Assessment:	<u>\$1,657,500.00</u>
2010 Tax Levy:	<u>\$25,578.65</u>
LIC:	<u>Nil</u>
Total 2010 Tax Levy:	<u>\$25,578.65</u>

Land Use Classification

The subject property is located within an area designated for **(IM) Medium Industrial** uses. The general purpose of this zone is to provide for manufacturing, processing, assembly, distribution, service and repair uses that carry out a portion of their operation outdoors or require outdoor storage areas. Any nuisance associated with such uses should not generally extend beyond the boundaries of the site. This zone should normally be applied on the interior of industrial areas adjacent to collector and local industrial public roadways such that uses are separated from any adjacent residential areas by a higher quality Industrial or Commercial zone.

Some permitted uses under the IM zoning include equipment rentals, fleet services, general contractor services, general industrial uses, vehicle and equipment sales/rentals, land treatment, recycling depots and temporary storage.

According to the IM land use bylaw subdivision and development regulations, the maximum floor area ratio shall be 2.0. A minimum yard of 3.0 metres (9.84 feet) shall be required where any lot line of a site abuts a public roadway and the maximum building height shall be 18.0 metres (59.05 feet)

The subject developments appear to conform to the existing zoning bylaw. Refer to Schedule 'A' in the addenda for a copy of the IM zoning criteria outlining the permitted and discretionary uses, as well as, other development regulations.

Municipal Address: 2830 121 AVENUE NE EDMONTON AB

Account Number: 9985045

Assessed Value: \$2,166,500

Assessment Class: Non Residential

Neighbourhood: CLOVER BAR AREA

Longitude: -113.3008097035827

Latitude: 53.577253586008595



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