



Medicine Hat



2025 ASSESSMENT YEAR

Non-Residential Methodology

For more information, contact:

Assessment Department

403-529-8114

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Scope Statement

This document is intended to be an introduction to the valuation process used to determine assessed values for non-residential properties in the City of Medicine Hat. For more detail regarding a specific property, the property owner may contact an assessor with the City of Medicine Hat at 403-529-8114. Alternatively, the property owner can visit our website www.medicinehat.ca/assessmentforms to complete a Property Detail request or an *MGA s.299 or s.300* request for information and/or a Letter of Authorization form.

Property assessments in the City of Medicine Hat reflect the market value of the fee simple estate for a property as of July 1, 2025 (reflecting the condition and characteristics of the property as of December 31, 2025) as required by the *Municipal Government Act* as enacted by the Government of Alberta.

For this purpose, market value is defined by the *Municipal Government Act*:

1(n) "market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

Market value, as defined by the Appraisal Institute of Canada and as detailed in the *Canadian Uniform Standards of Professional Appraisal Practice* as:

The most probable price, as of a specified date, in terms of cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.¹

Market value, is also defined by the International Association of Assessing Officers (IAAO) as:

The most probable price (in terms of money) which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: The buyer and seller are typically motivated. Both parties are well informed or well advised, and acting in what they consider their best interests. A reasonable time is allowed for exposure in the open market. Payment is made in terms of cash or in terms of financial arrangements comparable thereto. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.²

¹ AI Canada, Appraisal Journal. Winter 2020.

² IAAO. *Glossary for Property Appraisal and Assessment*. 2nd Edition. Page 101.

The fee simple ownership is the most complete form of ownership. The Courts and the IAAO define it as:

Fee simple title indicates ownership that is absolute and subject to no limitation other than eminent domain, police power, escheat, and taxation.³

The Appraisal Institute of Canada has similar definitions.

Improved non-residential properties in the city are primarily valued using the income approach to value. This valuation approach capitalizes a property's stabilized, market typical, net operating income to come up with an estimate of market value. The valuation formula for properties assessed using the income approach is:

$$\text{Market Value} = \frac{\text{Net Operating Income}}{\text{Overall Capitalization Rate}}$$

³ IAAO. *Glossary for Property Appraisal and Assessment*. 2nd Edition. Page 67.

Mass Appraisal

Primarily, property assessment establishes a base for the fair and equitable distribution of the tax burden. Individual assessments determine each property's share of the property tax base.

The Alberta assessment and taxation system is based on the laws outlined in the *Municipal Government Act*, RSA 2000, Chapter M-26 [MGA], and all associated regulations, including, *Matters Relating to Assessment and Taxation Regulation*, Alberta Regulation 2023/2017 [MRAT].

Valuation procedures have been developed to enable assessors to prepare *market value* assessments, reflecting typical market conditions and bearing equitable relationships between similar properties. These procedures are encompassed in the practice of *mass appraisal*. The *Municipal Government Act* directs assessors to apply the valuation standards in a fair and equitable manner; the *Matters Relating to Assessment and Taxation Regulation* states that property assessments are to be prepared using *mass appraisal* to predict accurate and equitable market values.

A property assessment is:

- An estimate of the property's market value on July 1, of the assessment year
- Prepared using mass appraisal
- An estimate of the value of the fee simple estate in the property
- A reflection of the property's physical characteristics and condition on December 31, of the assessment year
- Prepared assuming typical market conditions, reasonable market exposure, a willing and knowledgeable seller to a willing and knowledgeable buyer

Mass appraisal requires:

- Properties be stratified into groups of comparable properties
- Common property data be identified and analyzed for the properties in each group
- A uniform valuation method utilizing typical market information determined for each group will be applied to the characteristics of each property
- Statistical testing is performed to confirm quality control

Commercial Property Types & Tenancies

Commercial properties are grouped into property types, tenant types and may include size ranges to recognize the market influences on rates correlating to size differences. Tenancies may be further refined as basement, above main floor space, space accessed via an elevator, or space used for parking. Interior and exterior finishes tend to be commensurate with the quality of the building. Free-standing buildings are single-occupied tenants within the structure, which is not subject to a common roof and walls.

Automotive Dealerships

Complete auto dealerships include showroom-office and parts-service facilities. Showrooms are vehicular salesrooms. Automotive service centers encompass sales and service areas. They usually have showroom-sales area, office, storage, and repair space commensurate with the quality. They may or may not have basements and/or upper floors.

Bank

Banks perform administrative functions for the provision of public financial services such as chequing and savings accounts, provide credit opportunities, safe deposit boxes, deal with negotiable instruments, and currency exchange, etc. Banks are designed with a reception or waiting area, individual offices, they typically have a large, secured area for vaults and currency storage, some will have gated or barred doors. Banks are free-standing buildings in configuration and may have exterior drive-thru tellers/ATMs. Banks may or may not have basements and/or upper floors.

Condominium

A building or complex of buildings where each unit is individually owned. Condominiums may be defined by a variety of space types including general office, medical office, retail, etc.

Convenience Store

Convenience Stores are usually smaller free-standing commercial rental units, or they may be multi-tenanted with two or three rental units of similar finish. They usually have built-in refrigeration units and may have additional electrical capacity for cooking and/or heating equipment. May or may not be found in conjunction with fuel court improvements. Convenience stores may or may not have basements and/or upper floors.

Enclosed Mall

An adjoined group of commercial retail units configured in a such a fashion to have enclosed common space connecting and shared amongst them. Differs from strip commercial which typically has no enclosed common space. CRU's typically face inward (limited exterior access) and accessed from the enclosed common area. Different space types that may be found in an enclosed mall include CRU's, office, and pharmacy, supermarkets. Enclosed Malls may have basements and/or areas above main.

Fast Food - Free-Standing

These freestanding buildings are improved with a food preparation area and a limited seating area. They often contain built-in freezers and coolers, other commercial kitchen equipment and often have a drive thru. Occupants of these buildings are often associated with a quick food service franchise. They may have basements, areas above main are not typically present.

General Office, Office Condo

Office buildings provide space for general administrative functions and/or purposes. In addition to reception and/or waiting areas and individual work areas, they may have lunch areas, boardrooms, storage rooms, and elevators. Accountants and attorneys are often typical tenants.

Medical/Dental Office, Office Condo

Designed for a higher volume of clients compared to general office-commercial spaces. Medical/dental offices often have reception and/or waiting areas, private examination rooms, office areas, and possibly laboratory facilities. There is often an above average amount of mechanical (electrical and plumbing) in this type of space compared to general offices. The type and amount of mechanical (electrical and plumbing) fixtures are commensurate with the quality of the building.

Office - House Conversion

These are former residential dwellings now used for office or retail space. Some degree of renovation to repurpose the space may be present, this may include upgraded or additional electrical and/or plumbing, removal, addition or changes to the kitchen or bathroom(s). Garages maybe used for either parking or storage.

Restaurant - Free-Standing

These spaces are free-standing full-service restaurants offering a sit-down, dine-in experience. They are improved with a food preparation area and large seating area for dining in. They often contain built-in freezers and coolers as well as other commercial kitchen equipment. Occupants of these buildings may be associated with a restaurant franchise or independently operated. They may have basements, areas above main are rare.

Retail – Single/Multi-Tenant (Outside Of Downtown-NBHD 1023)

Retail spaces are used for the sale of goods and services to consumers and may be diversely configured from free-standing properties, retail condominiums, multi-tenant strips, to properties developed with multiple buildings and tenants such as regional malls. Retail properties are evaluated on the contributory value of each space type within the property. Each retail space type may be classified into one of the following tenant types:

Auto Service - These spaces may be free-standing or commercial rental units within a retail environment. They usually have bay doors allowing for vehicular access to the space and may contain vehicle lifts or oil change pits. Common uses for these spaces Quick Lubes or Mini Lubes.

Child Care - These may be free-standing buildings or commercial rental spaces used to provide child-care. Typically, they are demised into both larger general play areas and smaller more focused spaces as well as bathrooms and occasionally kitchen areas. Usually located commensurate with community service occupancies such as churches or schools.

CRU - Commercial rental units/spaces. These spaces can be free-standing or multi-tenanted buildings such as a commercial strip design. CRU's may be host to a variety of different occupants and may include basement and above main spaces. They may also include Anchor Spaces - these are typically located in the end units of a strip commercial configuration and increase the cash flow commanded by the overall property.

General Office - Office buildings provide space for general administrative functions and/or purposes. In addition to reception and/or waiting areas and individual work areas, they may have lunch areas, boardrooms, storage rooms, basements, upper floor and/or spaces, and elevators. Accountants and attorneys are often typical tenants.

Medical/Dental Office - Designed for a higher volume of clients compared to general office-commercial spaces. Medical/dental offices often have reception and/or waiting areas, private examination rooms, office areas, and possibly laboratory facilities. There is often an above average amount of mechanical (electrical and plumbing) in this type of space compared to general offices. The type and amount of mechanical (electrical and plumbing) fixtures are commensurate with the quality of the building. They may have basements and/or areas above main.

Office – House Conversion - These are former residential dwellings now used for office or retail space. Some degree of renovation to repurpose the space may be present, this may include upgraded or additional electrical and/or plumbing, removal, addition or changes to the kitchen or bathroom(s). Garages maybe used for either parking or storage. They may have basements and/or areas above main.

Pharmacy - These are specialized spaces designed to provide retailing of medical and healthcare goods and services including the distribution of pharmaceuticals. These spaces are like CRU's but require the additional improvement of secure areas within the store to ensure pharmaceutical security and privacy of patient information.

Storage - These are unfinished spaces in a commercial rental environment with poor exposure and/or access. Most retail spaces have some small storage areas captured in their negotiated lease rate for the space. This classification is intended for larger, distinct space, within a commercial rental unit, best utilized for inventory or supply storage rather general commercial purposes. Many include basement and above main spaces.

Supermarket - These spaces are large commercial rental spaces often containing built-in coolers, freezers, secure pharmaceutical distribution areas, bakeries and/or delicatessens. They typically have a higher level of finishing including enhanced mechanicals (electrical and plumbing) to support built-in improvements when compared to typical CRU spaces.

Downtown Retail (NBHD 1023)

The following retail space classifications are used in the downtown neighbourhood. The number beside the classification is the classification code. Interior and exterior finishes tend to be commensurate with the quality of the building.

General Retail (1353)

Retailers primarily consist of local merchants serving the local community. These are commercial rental spaces, configured as free-standing or multi-tenanted buildings of various sizes and configurations. These properties may have upper floors with other uses such as: office, residential, restaurant, storage space, etc. or basements. Downtown properties tend to have limited parking confined to the street.

Convenience Store (1419)

Convenience stores offer a wide range of merchandise such as snacks, basic groceries, in some cases fast food and fuel.

Fast Food Restaurant (3349)

Fast food restaurants are buildings constructed for the purpose of preparation and sale of food and beverages. These establishments typically consist of areas for consumption, serving, food and beverage preparation, storage, and drive-through service windows, etc. The building design is very functional/durable and is specific to the business operating out of the building.

Restaurant (3350)

Regular restaurants (otherwise known as 'Family Restaurants') are buildings constructed for the purpose of preparation and sale of food and beverages. These establishments typically consist of dining areas, food and beverage preparation areas, waiting areas, storage, etc.

Industrial Property Types & Tenancies

Industrial properties are generally used in the manufacturing or production of goods and/or the provision of services supporting production, storage, or movement of goods. Industrial properties are evaluated on the contributory value of the space type within the property. Each space type may be classified into one of the following property or tenant types:

Office Warehouse (4344)

Office Warehouse properties are designed for general administration purposes located in an industrial area. The space ratio is more heavily trended to office use than warehouse. They also may have lunch areas, reception and waiting areas, individual workspaces, boardrooms, and elevators. They may have upper space areas.

Mini (Storage) (4386)

Mini Storage properties are subdivided into a mixture of cubicles ranging in size, designed for small self-storage or non-commercial storage. Storage units may be climatically controlled. This may also include pad rentals for mobile units such as RV's, vehicles, cargo trailers, etc.

Storage/Shelter (4391)

Shelters provide weatherproof environments designed for closed or covered storage of materials or work areas. They may include rigid shipping containers, typical wood frame or frame and fabric covered arch type enclosures. These spaces may be climatically controlled, contain cement floors and electrical services.

Warehouse (4406)

These buildings are designed for servicing, storing, transport, and/or manufacturing. They usually have multiple overhead doors and have a greater volumetric capacity than their Light Industrial counterparts. Tenants range from national distribution centers to small local storage or manufacturing facilities. These properties may have loading docks, office space, and ample parking for both domestic and commercial vehicles. These buildings are usually located in industrial areas rather than central business districts where commercial transport is more easily facilitated. These properties have a lower site coverage ratio than Light Industrial properties to accommodate the turning radius required for semi-trucks.

Large Warehouse (4407)

These are the same as the Warehouse class but exceed 50,000 ft² in area.

Airport Hangar (4409)

Airport Hangars are buildings designed for aircraft storage, repair, and/or maintenance. Better quality Airport Hangars may have offices and storage space depending on the type of service they perform. Lower quality Airport Hangars will have less height and access doors limiting the type of aircraft that can be stored or repaired. They may have upper space areas.

Light Industrial (4494)

Light industrial properties are multipurpose buildings designed for lighter manufacturing, assembly, service trades, and small-scale production. These spaces typically feature moderate ceiling heights, smaller unit sizes, and layouts that combine workshop, storage, and office areas. Loading is usually provided through grade-level doors rather than docks, and internal spaces often include more divisions or mixed-use areas such as offices or showrooms. Light industrial sites generally have higher site coverage with smaller yard areas, reflecting their lower reliance on large truck movement. These properties are commonly multi-tenant, offering flexible unit configurations suitable for a wide variety of business operations.

Service Garage (4528)

Service Garages are buildings used primarily for vehicular repair and maintenance. Service garages may have office, retail, storage in addition to shop areas. They may also have different floor levels for various services/uses and higher garage door heights to accommodate domestic or commercial vehicles.

Rental Income Quality

A numerical value has been assigned to each non-residential property (assessed using the income approach) in the city as a measure of a property's ability to generate an income stream.

These values, or qualities, range from 1 to 5 with the least ability to generate an income stream represented by a quality 1 and the best ability by 5.

The following variables affect income stream quality:

Location

- **Market Area** – The surrounding properties may affect the quality of the property's income stream. Complimentary properties may command a typical or better-quality income than their counterparts situated in non-complimentary locales.
- **Exposure** – Properties with high exposure to the public tend to command higher rental values than similar properties with poor exposure.
- **Access** – Properties with advantageous ingress, egress and parking for clients tend to command typical or better rental values as a result.

The effect of these elements is variable dependent on the type of property analyzed. Commercial rental units, Offices, or Restaurants of higher quality must have sufficient parking. In contrast, street front retailers may not require large amounts of parking if there is good pedestrian traffic.

Physical Characteristics

- **Economic Life (Age)** – A newer building may be more desirable than an older building and therefore able to command a better income stream. The perceived economic life of a property may be affected by: building design, size, and condition (regular maintenance and repair).
- **Building Design and Size** – Buildings designed to be more efficient in delivery of services may command a better income stream. Economies of scale (rent per square foot) may play a role in the income stream commanded by a property.
- **Condition/Maintenance** – Well maintained buildings tend to attract tenants of better quality.

Qualities also recognize distinctions between property types and locales. The quality assigned to a property is a measure of a combination of location and physical characteristics demonstrate by the property’s income stream.

Income Quality	Description
5	Best locales, high traffic volumes, good accessibility, desirable building designs, visual appeal and good maintenance schedules observed and demonstrated. Command a better income stream in the marketplace, usually for a typical length term of 5 to 10 years.
4	Among the more desirable locales, better than average accessibility, architectural design, good functionality, and visual appeal. Regular maintenance as well as renovation or modernizations. Commands an average income stream in the marketplace with typical term leases of 5 -10 years (potential for longer lease terms up to 20 years.).
3	Locale is average in access and exposure. The property retains desirable visual appeal, architectural design, and level of regular maintenance. Renovations, if present, are older in nature resulting in a mid-grade income stream.
2	Locale, access, and exposure are less than ideal. Architectural design and deferred or lack of maintenance may limit the general utility and visual desirability of the property. The property commands a below average income stream. Moderate to significant investment to modernize the property may be required to increase the income stream.
1	Least desirable locales, low traffic volumes/exposure, poor accessibility, dysfunctional building designs, poor visual appeal and apparent lack of maintenance is observed. These properties typically need extensive modernization to maintain a moderate to typical income stream.

Assessed Valuation Element Rate Ranges

Average Assessed Rent Rates

(Inclusive of all Income Stream Quality's)

Class Code	Commercial Space Types	Avg (\$/sf)
1800	Auto Dealership	19.75
2304	Bank	35.25
2341	Medical Office	17.75
2344	General Office	15.50
2346	House Conversion	13.50
4528	Service Garage	7.50
5000	General Office (Above Main)	9.00
5010	General Office (Basement)	5.75
5015	Office - Parking	1.25
5100	Gen Office (Above Main) w/ Elev	15.50
700	Child Care	6.00
AUT	Auto Service	25.25
CRU	Comm. Rental Unit	14.25
BCRU	Comm. Rental Unit - Basement	3.25
SCRU	Comm. Rental Unit - Above Main	6.00
CONV	Convenience	29.00
FF-FS	Fast Food	30.25
FF-FS	Fast Food - Basement	8.00
PHRM	Pharmacy	16.00
RE-FS	Restaurant	17.75
RE-FS	Restaurant - Basement	5.50
STOR	Storage	4.25
SUPR	Supermarket	15.00

Class Code	Downtown Space Types	Avg (\$/sf)
1353	Retail	7.00
1351	Retail, Basement	2.50
5001	Retail, Above Main	6.50
1419	Convenience	21.00
2304	Bank	13.75
2341	Medical Office	15.00
2344	General Office	15.00
5000	General Office (Above Main)	6.50
5100	Gen Office (Above Main) w/ Elev	9.00
2346	House Conversion	13.00
5010	Office - Basement	5.50
5015	Office - Parking	1.00
3349	Fast Food	27.50
3350	Restaurant	13.00
3351	Restaurant, Basement	3.00
STOGEN	Storage	1.00

Class Code	Industrial Space Types	Avg (\$/sf)
2344	General Office	5.75
4344	Office Warehouse	6.75
4386	Mini-Storage	5.00
4391	Shelter	2.50
4406	Warehouse	6.75
4407	Large Warehouse	3.50
4416	Industrial Warehouse - Basement	1.00
4495	Industrial Warehouse - Mezz	2.00
4409	Airport Hangar	4.75
4494	Light Industrial	6.75
4528	Service Garage	10.00
5000	General Office (Above Main)	9.25

Vacancy Allowances

Property Type	Min (%)	Max (%)
Commercial	2.00	18.00
Downtown	2.00	22.50
Industrial	2.00	20.00

Note: Maximum % includes Chronic Vacancy

Operating Costs

Property Type	Min (\$/sf)	Max (\$/sf)
Commercial	7.00	35.00
Downtown	5.50	30.00
Industrial	2.00	8.00

Non-Recoverable Allowance

Property Type	Min (%)	Max (%)
Commercial	2.00	3.00
Downtown	2.00	2.00
Industrial	2.00	3.00

Reserves for Replacement Allowance

Property Type	Min (%)	Max (%)
Commercial	2.00	3.00
Downtown	2.00	2.00
Industrial	2.00	2.00

Capitalization Rates

Property Type	Min (%)	Max (%)
Commercial	5.75	8.00
Downtown	6.25	9.00
Industrial	7.00	8.75

Income Approach Method

The direct capitalization method is the valuation technique most commonly used by appraisal practitioners across Canada for valuing income-producing properties. Direct capitalization converts or capitalizes the expected level of current net earnings into an estimate of market value using a capitalization rate. In its most basic form, the direct capitalization method is an elementary mathematical ratio involving the estimation of current net operating income (NOI), which is then “capitalized” to produce an estimate of current market value.

Potential Gross Income (PGI) – Typical rent is multiplied by the area(s) assessed, with the sum of all these amounts equaling the potential gross operating income.

Vacancy Allowance (Vac) – Typical percentage of unoccupied space for the property type.

Effective Gross Income (EGI) – The typical vacancy allowance deducted from the potential gross income.

Operating Costs – Typical costs necessary to maintain the properties income stream. May include advertising, property taxes, property insurance, and management fees.

Non-Recoverable Allowance – Typical deduction from effective gross income for expenses incurred solely by the property owner.

Reserves for Replacement – Also called structural allowance. Typical amount set aside by the property for the replacement of capital items.

Net Operating Income (NOI) – The balance remaining after subtracting all expenses from effective gross income.

Capitalization Rate – The overall capitalization rate should capture the return on and return of the investment. The indicated capitalization rate for sold properties is established using the following formula:

$$\text{Overall Capitalization Rate} = \frac{\text{Net Operating Income}}{\text{Adjusted Sale Price}}$$

Capitalization rates are a tool used in appraisal theory to convert income into an expression of value. According to appraisal theory, overall capitalization rates fundamentally reflect the following factors:

- The degree of perceived risk
- Market expectations regarding future inflation
- The prospective rates of return for alternative investments
- The rates of return earned by comparable properties in the past
- The prevailing tax law

Overall capitalization rates were calculated using qualified sales that occurred from July 1st, 2022, to June 30th, 2025, with consideration of overall capitalization rate historical trends in the City of Medicine Hat. Overall capitalization rates are determined in the following manner:

- Typical rent is multiplied by the area(s) assessed to determine potential gross operating income.
- Typical vacancy allowance is subtracted from potential gross operating income to arrive at an effective gross operating income.
- Net income is determined by subtracting operating expenses, non-recoverables and reserves for replacement from effective gross operating income.
- Finally, the net operating income is divided by the time adjusted sale price of the property.

The indicated capitalization rate for sold properties was established using the following formula:

$$\text{Overall Capitalization Rate} = \frac{\text{Net Operating Income}}{\text{Adjusted Sale Price}}$$

Capitalization rates are modelled separately for commercial and industrial properties.

Other Valuation Parameters

Incomplete Construction Allowance

This is a negative allowance that is applied for partially completed construction or significant damage. The allowance is based on the status and condition of the building as of December 31st of the assessment year. An Assessor inspects the property to determine the physical condition of the property and then calculates any allowance necessary for incomplete and/or ongoing significant construction. The market lease rate assigned to the unit may also be pro-rated to recognize incomplete or progressive construction.

Chronic Vacancy

Chronic vacancy is defined as the same space within a property that is actively advertised for rent but unoccupied for three consecutive years. Chronically vacant space that becomes occupied by either the owner, tenant, or stops being actively advertised for rent will no longer qualify for chronic vacancy allowance in the next assessment year. If this occurs, the typical vacancy rate will be applied to the space.

Cost Valuation

The cost valuation uses the *Marshall and Swift Valuation Service*, to calculate the completed construction of improvements. The Marshall and Swift rates utilize current cost information (including the costs of material and labour) from a specified locale. The cost of improvements are then depreciated using the Alberta Manual Age Life depreciation tables. These rates are updated annually, modified to the local real estate market in line with the assessment cycle. An assessment based on the cost approach is calculated as follows:

- Estimate the market value of the land
- Calculate the replacement cost new of the improvements
- Calculate and subtract:
 - the physical depreciation of the improvements
 - functional and/or external depreciation of the improvements
- Calculate and apply any necessary market adjustments (if applicable)
- Add the estimated market value of the land to the depreciated replacement cost of the improvements.
- Calculate and add the depreciated cost of any site improvements.

The cost and depreciation of the improvements considers the following variables:

- Construction Type and Materials
- Effective Age/Condition
- Height & Size
- Stories of the building
- Additional components (i.e. HVAC, mezzanines, tanks, cranes, towers, loading docks, paving, gravel, fencing, etc.)

Examples of properties assessed using cost valuation may include, without limitation: carwash improvements, gas station improvements, cranes and craneways, tower sites, private clubs, institutional and recreational properties, etc.

The variables and factors that contribute to land value for cost valuation will be explained in the Land Valuation section.

Land Valuation

Land in the City of Medicine Hat is valued according to the direct sales comparison approach to value. Qualified sales of vacant parcels from July 1st, 2022 through June 30th, 2025 were used in the analysis.

The primary variable that defines a property's value is its zoning as set out by the municipality's Land Use Bylaw. Zoning has a significant effect on a property's highest and best use, i.e. the use that will produce the highest benefit to its owner. Therefore, land valuation equations were established for each zoning code. Other variables that may affect land valuation include:

- Location
- Size
- Servicing
- Access/ Egress
- Lot Shape
- Flooding/ Erosion/ Topography
- Legal constraints
- Contamination

Excess Land

Excess land may be thought of as land not needed to support the existing improvement that may be sold off or redeveloped. Excess land may have the potential to be sold separately and is valued separately.

Excess land has been determined by the following method:

- Excess land was applied (primarily on industrial) properties where the building to land ratio is below 30%.
- In Downtown, excess land was applied on properties where the building to land ratio is below 20%.
- In these instances, the primary building is situated in such a manner that it does not inhibit further development of the property, therefore excess land is applied at 90% of market value.

Surplus Land

Surplus land may be thought of as land not currently needed to support the existing improvement but cannot be separated from the property and sold off or redeveloped.

Surplus land has been determined by the following method:

- Surplus land was applied on properties where the building to land ratio is below 20%. However, in these instances, the primary building is situated in such a manner as to inhibit further development of the property, therefore surplus land is applied at 40% of market value.

Valid Sales List

Roll	Address	Sale Date	Adjusted Price	Type
115416	1800 STRACHAN ROAD SE	07-15-2022	\$48,295,500	Improved Commercial
118920	616 3 STREET SE	07-18-2022	\$370,100	Improved Commercial
107356	423 NORTH RAILWAY STREET SE	09-16-2022	\$188,700	Improved Commercial
119758	50 3 STREET NE	09-22-2022	\$278,600	Improved Commercial
119417	1741 DUNMORE ROAD SE	09-30-2022	\$815,800	Improved Commercial
110896	1321 TRANS CANADA WAY SE	10-20-2022	\$1,009,000	Improved Commercial
101830	1705 BOMFORD CRESCENT SW	11-01-2022	\$769,000	Improved Commercial
192062	1001 4979 SOUTHLANDS DRIVE SE	11-04-2022	\$1,545,300	Improved Commercial
118871	525 2 STREET SE	11-16-2022	\$738,500	Improved Commercial
117072	502 7 AVENUE SW	11-26-2022	\$438,000	Improved Commercial
102835	974 13 STREET SW	01-03-2023	\$1,017,400	Improved Commercial
112175	540 SOUTH RAILWAY STREET SE	01-03-2023	\$2,034,800	Improved Commercial
114214	3 3341 DUNMORE ROAD SE	01-20-2023	\$218,700	Improved Commercial
100536	1320 KINGSWAY AVENUE SE	01-24-2023	\$712,200	Improved Commercial
122261	2 4 STREET SW	02-01-2023	\$300,000	Improved Commercial
119855	337 DIVISION AVENUE NE	02-10-2023	\$366,000	Improved Commercial
114173	12 3295 DUNMORE ROAD SE	03-15-2023	\$154,500	Improved Commercial
101828	521D NORTH RAILWAY STREET SE	03-30-2023	\$1,016,300	Improved Commercial
113075	562 2 STREET SE	04-03-2023	\$279,300	Improved Commercial
113435	3115 13 AVENUE SE	04-17-2023	\$457,100	Improved Commercial
151287	6 1036 7 STREET SW	04-21-2023	\$345,300	Improved Commercial
103683	937 13 STREET SW	04-24-2023	\$698,400	Improved Commercial
122948	105 1235 SOUTHVIEW DRIVE SE	05-25-2023	\$298,400	Improved Commercial
119415	1701 DUNMORE ROAD SE	10-10-2023	\$809,700	Improved Commercial
192480	1185 27 STREET SE	10-13-2023	\$55,700	Improved Commercial
192443	304 4979 SOUTHLANDS DRIVE SE	10-16-2023	\$857,500	Improved Commercial
114381	608 INDUSTRIAL AVENUE SE	10-27-2023	\$184,900	Improved Commercial
182986	620 PORCELAIN AVENUE SE	11-15-2023	\$961,500	Improved Commercial
192440	206 4979 SOUTHLANDS DRIVE SE	11-16-2023	\$1,242,600	Improved Commercial
122408	97 8 STREET NW	12-06-2023	\$1,516,500	Improved Commercial
119033	317 6 AVENUE SE	12-11-2023	\$313,400	Improved Commercial

Roll	Address	Sale Date	Adjusted Price	Type
114767	1 3307 DUNMORE ROAD SE	01-17-2024	\$171,800	Improved Commercial
114774	8 3307 DUNMORE ROAD SE	01-17-2024	\$171,800	Improved Commercial
114778	12 3307 DUNMORE ROAD SE	01-17-2024	\$171,800	Improved Commercial
114768	2 3307 DUNMORE ROAD SE	01-17-2024	\$171,800	Improved Commercial
114769	3 3307 DUNMORE ROAD SE	01-17-2024	\$171,800	Improved Commercial
114770	4 3307 DUNMORE ROAD SE	01-17-2024	\$171,800	Improved Commercial
114771	5 3307 DUNMORE ROAD SE	01-17-2024	\$172,000	Improved Commercial
114772	6 3307 DUNMORE ROAD SE	01-17-2024	\$172,000	Improved Commercial
114773	7 3307 DUNMORE ROAD SE	01-17-2024	\$171,800	Improved Commercial
114775	9 3307 DUNMORE ROAD SE	01-17-2024	\$172,000	Improved Commercial
114776	10 3307 DUNMORE ROAD SE	01-17-2024	\$172,000	Improved Commercial
114777	11 3307 DUNMORE ROAD SE	01-17-2024	\$172,000	Improved Commercial
114779	13 3307 DUNMORE ROAD SE	01-17-2024	\$171,800	Improved Commercial
114780	14 3307 DUNMORE ROAD SE	01-17-2024	\$171,800	Improved Commercial
113050	415 NORTH RAILWAY STREET SE	01-27-2024	\$677,000	Improved Commercial
124570	6 1224 STRACHAN ROAD SE	01-29-2024	\$389,000	Improved Commercial
101907	439 5 AVENUE SE	02-17-2024	\$482,200	Improved Commercial
174782	571 3 STREET SE	04-30-2024	\$806,900	Improved Commercial
122125	690 SOUTH RAILWAY STREET SE	06-15-2024	\$257,300	Improved Commercial
113245	3021 DUNMORE ROAD SE	07-11-2024	\$1,252,600	Improved Commercial
113246	3033 DUNMORE ROAD SE	07-11-2024	\$1,214,300	Improved Commercial
101830	1705 BOMFORD CRESCENT SW	07-19-2024	\$961,600	Improved Commercial
130927	2 564 SOUTH RAILWAY STREET SE	11-18-2024	\$331,500	Improved Commercial
102919	401 7 STREET SW	11-27-2024	\$572,600	Improved Commercial
126142	513 3 STREET SE	12-06-2024	\$153,100	Improved Commercial
118669	181 CARRY DRIVE SE	01-21-2025	\$3,010,200	Improved Commercial
114894	403 NORTH RAILWAY STREET SE	01-22-2025	\$238,100	Improved Commercial
185163	2771 BOX SPRINGS BOULEVARD NW	01-31-2025	\$2,006,800	Improved Commercial
121138	1156 27 STREET SE	03-06-2025	\$867,000	Improved Commercial
192442	308 4979 SOUTHLANDS DRIVE SE	04-26-2025	\$859,900	Improved Commercial
200022	406 4979 SOUTHLANDS DRIVE SE	04-30-2025	\$1,127,900	Improved Commercial
114216	6 3341 DUNMORE ROAD SE	06-16-2025	\$1,100,700	Improved Commercial

Roll	Address	Sale Date	Adjusted Price	Type
112076	926 16 STREET SW	08-19-2022	\$285,000	Improved Industrial
122979	1 2265 10 AVENUE SW	08-19-2022	\$553,400	Improved Industrial
122980	2 2265 10 AVENUE SW	08-19-2022	\$282,600	Improved Industrial
115166	841 14 STREET SW	10-18-2022	\$410,000	Improved Industrial
103023	618 16 STREET SW	11-09-2022	\$400,000	Improved Industrial
115935	3378 15 AVENUE SW	11-25-2022	\$1,700,000	Improved Industrial
101119	1721 10 AVENUE SW	01-19-2023	\$1,800,000	Improved Industrial
106337	777 15 STREET SW	03-10-2023	\$680,000	Improved Industrial
108082	1171 32 STREET SW	03-28-2023	\$820,000	Improved Industrial
112503	774 15 STREET SW	04-15-2023	\$278,000	Improved Industrial
112505	770 15 STREET SW	05-05-2023	\$475,000	Improved Industrial
119698	841 16 STREET SW	05-08-2023	\$567,500	Improved Industrial
121181	617 18 STREET SW	05-15-2023	\$2,000,000	Improved Industrial
111536	10 4 STREET SW	09-06-2023	\$550,000	Improved Industrial
115602	1001 BRIER PARK WAY NW	10-04-2023	\$650,000	Improved Industrial
118340	671 INDUSTRIAL AVENUE SE	01-17-2024	\$1,234,100	Improved Industrial
137950	3224 18 AVENUE SW	01-18-2024	\$800,000	Improved Industrial
122981	3 2265 10 AVENUE SW	02-29-2024	\$470,000	Improved Industrial
118882	765 2 STREET SE	03-13-2024	\$645,000	Improved Industrial
100466	821 INDUSTRIAL AVENUE SE	07-31-2024	\$2,200,000	Improved Industrial
122419	1119 BRIER PARK DRIVE NW	10-22-2024	\$450,000	Improved Industrial
107903	1707 BRIER PARK CRESCENT NW	01-21-2025	\$425,000	Improved Industrial
113081	23 SOUTH WEST DRIVE SW	03-17-2025	\$1,150,000	Improved Industrial

Roll	Address	Sale Date	Adjusted Price	Type	Zoning
101909	3401 13 AVENUE SE	12-26-2022	\$1,772,600	Vacant Land	C-H
192181	2402 BOX SPRINGS BOULEVARD NW	03-09-2023	\$730,400	Vacant Land	C-H
182990	990 INDUSTRIAL AVENUE SE	11-15-2023	\$55,800	Vacant Land	FUD
109320	673 INDUSTRIAL AVENUE SE	01-17-2024	\$166,800	Vacant Land	MU
110309	728 BRAEMAR STREET SE	03-16-2024	\$75,300	Vacant Land	MU
184866	19 STOBBER BAY SE	07-30-2024	\$903,100	Vacant Land	MU