



Industrial, Commercial and Investment (ICI) Land Policy

Table of Contents

Purpose	2
Policy Statements.....	3
Industrial, Commercial and Investment (ICI) Land Requirements	4
ICI Land General Requirements	4
ICI Land Rate Code Requirements	4
ICI Land Adjustment Requirements	5
ICI Land Override Requirements	5
ICI Bare Land Strata Requirements	6
ICI Land Occupiers and Legislated Rate Requirements	6
Excess/Surplus Land Requirements	6
Resources	7
Definitions.....	7
Related Policies.....	7
References	7

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Purpose

This Assessment Policy ensures that BC Assessment (BCA) consistently and accurately values and systemizes industrial, commercial and investment (ICI) land including excess and surplus land.



Policy Statements

1. ICI land must be valued using a direct comparison approach based on its highest and best use (HBU) as if vacant.
2. ICI land size must only be entered in either acres or square feet.
3. The allocations of all unsuppressed land components must total to 100%.
4. ICI land must include the current zoning and applicable Official Community Plan (OCP) information, if available, as indicated by the applicable zoning bylaw.
5. ICI land records using effective size must be accompanied by an explanatory note.
6. ICI land size curves must be created and maintained using market evidence and analysis.
7. Vacant land with no present use must have classification split based on applicable local government planning documents.
8. ICI rate codes must be established, maintained, and coded as per [ICI Land Rate Code Requirements](#).
9. ICI land adjustments must be created and maintained as per [ICI Land Adjustment Requirements](#).
10. ICI land overrides must be supported and maintained as per [ICI Land Override Requirements](#).
11. Bare land strata land must be entered as per [ICI Bare Land Strata Requirements](#).
12. Lands that are occupied and lands that are valued using legislated rates must be systemized as per [ICI Land Occupiers and Legislated Rate Requirements](#).
13. When a substantial improvement is made to commercial land, research must be conducted to determine whether excess or surplus land exists; if it does, it must be recorded per the [Excess/Surplus Land Requirements](#).



Industrial, Commercial and Investment (ICI) Land Requirements

ICI Land General Requirements

1. ICI land must be valued using a direct comparison approach based on its highest and best use (HBU) as if vacant.
2. ICI land size must only be entered in acres or square feet (i.e., width and depth must not be utilized).
 - Acreage commercial land must be reported up to three decimal places (e.g., X.000), if available.
 - Square foot commercial must be recorded to the nearest square foot.
3. Unsuppressed land line sizes must add up to the (total) land size of the property record.
4. ICI land must include the current zoning, if available, as indicated by the applicable municipality or regional district zoning bylaw.

Note: Zoning formatting should match what is provided by the applicable municipality or regional district (e.g., if municipality indicates zoning is R1, key R1, not R-1 or R/1).

5. ICI land records using effective size must be accompanied by an explanatory note indicating rationale.
6. ICI land size curves must be created and maintained using market evidence and analysis.
7. Vacant land with no present use must have classification split based on applicable local government planning documents (e.g., zoning bylaws, phased development agreements, section 219 covenants, etc.).

ICI Land Rate Code Requirements

1. ICI land rate code amounts and boundaries must be supported by market evidence and established for the most efficient market groupings.
2. ICI rate code boundaries must be:
 - supported by market evidence that demonstrates a particular group of properties has a different market value than other properties; and
 - established where there is a clear change in the homogenous nature of the majority of properties, resulting in a change in market values.
3. ICI rate codes must include a minimum of 125 properties unless:
 - the rate codes are statutory; or
 - the entire population of the competitive market set is less than 125 properties (e.g., rural areas)



4. Rate code base rate must represent the typical lot in its market area coincide with the base size of the curve applied.
5. Rate codes must not be used to adjust for physical characteristics (e.g., topography) of properties within a market area, or as a replacement for adjustments or overrides.
6. Rate code amounts must be reviewed annually and coded as such regardless of whether the rate changed.
7. Land previously valued using legislated rates (e.g., farm, timber) that moves to a commercial rate (i.e., rate code changes from legislated to commercial) must be reviewed for accuracy and equity.
8. Unused rate codes must be maintained, reviewed and updated, as applicable, for one year after they are retired from active use. After one inactive year, they must be removed.

ICI Land Adjustment Requirements

1. ICI land adjustments must be used when an attribute (e.g., view):
 - varies land value from the base rate for the competitive market set
 - applies to a significant set of properties within the competitive market set; and
 - must be greater than the absolute 5% (i.e., $\pm 5\%$).
2. ICI land adjustments must not be duplicated for the same characteristic (e.g., multiple view adjustments).
3. Land adjustments must be created and maintained using market evidence.
4. Manual adjustments must only be used when an attribute applies to an insignificant number (e.g., less than 1% of properties in a rate code) of properties.

Note:

The goal of this requirement is to minimize the use of manual adjustments and promote the use of land characteristic adjustments.

5. Manual adjustments must be created and maintained using market evidence and accompanied by explanatory notes.
 - Market studies must be reviewed on an annual basis to ensure that the applicable adjustments reflect current market conditions.
6. Manual adjustments must be equal to or greater than the absolute 5% (i.e., $\pm 5\%$).

ICI Land Override Requirements

1. ICI land overrides that expire at tax year end.
2. ICI land overrides that do not expire at tax year end must be accompanied by explanatory notes and reviewed on an annual basis.



ICI Bare Land Strata Requirements

1. The area of each lot in a bare land strata must be the area shown on the registered plan.

ICI Land Occupiers and Legislated Rate Requirements

1. Lands assessed using legislated rates (e.g., farm, managed forests) must be split from the original parcel and valued as separate land records on the same property record to address the non-market value of the lands.

Excess/Surplus Land Requirements

1. When a substantial improvement is made to commercial land, research must be conducted to determine if excess/surplus land exists.
2. If excess or surplus land exists, the following requirements must be met:
 - A market study of the competitive markets set must be saved in the appropriate location
 - An explanatory note must accompany valuation, which must include:
 - The location and title of the competitive market set research required to make an excess/surplus land determination, and
 - Site specific considerations for excess/surplus land, and
 - A description of how the excess/surplus land is valued.



Resources

Definitions

- Refer to the [BC Assessment Glossary page](#) for term definitions.

Related Policies

- [Highest and Best Use Policy](#)
- [Industrial, Commercial, and Investment Sales Policy](#)
- [Mixed-Use Development Land Policy](#)
- [Occupiers Policy](#)

References

- [B.C. Geographic Names Search Engine](#)
- [Land and Resource Registries Portal](#)
- [ParcelMap BC](#)
- [Natural Areas Atlas for the Capital Region](#)

