



# Industrial, Commercial and Investment (ICI) Sales Policy

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## Purpose

This Assessment Policy ensures that BC Assessment (BCA) consistently reviews all industrial, commercial and investment (ICI) sales to a common standard and in accordance with leading appraisal standards.



## Policy Statements

1. ICI sales review must be completed within the timeframe outlined in the [ICI Sale Operational Requirements](#).
2. ICI Sales must be reviewed as per the [ICI Sale Review Requirements](#).
3. Sale Date must not be blank, and must represent the conveyance date, if available, or the interim agreement date, as per the [ICI Sale Date Requirements](#).



## Industrial, Commercial and Investment (ICI) Sales Requirements

### ICI Sale Operational Requirements

1. The following deadlines must be met for ICI sales edits:
  - Eighty-five percent of sales edits must be completed and signed off within 56 calendar days (40 working days) of the date the sale is processed; and
  - One hundred percent of sales edits must be completed and signed off within 84 calendar days (60 working days) of the date the sale is processed.
2. The following BCA roll quality targets will apply when designing ICI sale reports.
  - Assessment to Sale Ratio (ASR): 95-100%
  - Coefficient of Dispersion (COD): 5-15%

### ICI Sale Date Requirements

1. Sale Date must not be blank.
2. Sale Date for ICI properties must be the same as the Conveyance Date unless the following circumstances apply, in which case the Sale Date can be adjusted to the date the vendor and purchaser reached a contract of purchase and sale (i.e., the interim agreement date):
  - unusually long (non-typical) closing period;
  - pre-sold strata units;
  - rapidly rising or falling market; or
  - if all Sale Dates in an assessment area are equitably converted to interim agreement dates, where those dates are readily available (e.g., via MLS).

**Note:** Only known interim agreement dates can be used (i.e., no estimated dates).

### ICI Sale Review Requirements

1. Sales must be assumed to be arm's-length transactions unless sufficient and compelling information is collected and documented to show otherwise.
2. Physical inventory (e.g., improvement quality, year built, effective year, year remodelled) on sold properties must only be updated to ensure currency and accuracy of inventory.
3. Economic inputs must not be altered in order to achieve sales statistic targets (i.e., sales chasing):

**Note:** Updates to economic inputs, identified through the sales analysis process will normally be applied to the working tax year; however, PAAB case managers have discretion to adjust inventory for properties under appeal to work towards resolution of an appeal.



4. An ICI Sales Cap Analysis must be attached as a parcel document to the subject sale property
5. Properties sold that are under appeal must include a detailed interior/exterior inspection.
6. The value of any substantial chattels must be subtracted from the sale price.
7. Appraisers must review if the property has become owner occupied after the sale and update the income record, as applicable.
8. Capitalization rates extracted during sales analysis must be based on (field labels for ICI Sales Cap Analysis tool provided in parenthesis):
  - actual income
  - actual income, and where excess vacancy occurs (actual stabilized) (i.e., Actual Adj. Vacancy)
  - economic income, expenses, vacancy (i.e., economic)
  - system income, expenses, vacancy, as a reference point only (i.e., indicated)
9. Semi-gross or gross rents must be converted to net rents in the capitalization rate analysis process.

## ICI Sale Information Gathering Requirements

1. Multiple attempts at making personal contact with the purchaser, real estate agent and the vendor must be made.
2. A sales questionnaire must be mailed to both vendor and purchaser if personal contact is not established.
3. FIN579, Multiple Listing Services and other sources of information must be reviewed to determine whether a sale reflects market value.

**Note:**

Alternative sources include Realnet, Space for Lease, Colliers, JJ Barnicke, Cushman-Wakefield-LePage, Real Estate Newswire sources, Business in Vancouver, Western Investor, brokers, realtors, and appraisers.

4. The following data sources must be searched for information relating to the sale:
  - [BC Registries and Online Services](#):
    - Company directors (if applicable)
    - Contaminated Site Registry
    - Archaeological Site Registry
  - SEDAR or System for Electronic Document Analysis and Retrieval.
  - Land Title Office to verify impact of encumbrances on sale price



## Resources

### Definitions

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

### Related Policies

- [Golf Course and Driving Range Properties Policy](#)
- [Hotel and Motel Properties Policy](#)
- [Industrial Properties Policy](#)
- [Industrial, Commercial and Investment \(ICI\) Land Policy](#)
- [Office Properties Policy](#)
- [Retail Properties Policy](#)
- [Seniors' Living Properties Policy](#)

### References

- [IAAO Standard on Ratio Studies](#)
- [IAAO Standard on Verification and Adjustment of Sales](#)
- [SEDAR or System for Electronic Document Analysis and Retrieval](#)
- [International Association of Commercial Administrators Board of Directors](#)

