



Environment and  
Climate Change Canada

Environnement et  
Changement climatique Canada

Canada

# Reviewing Appraisals for Non-Appraisers



**OLTA Gathering - Geneva Park**

**Laura Kucey, Environment and Climate Change Canada**

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**Kristie Virgoe, Oak Ridges Moraine Land Trust**

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# Context



- Ecological Gifts Program (EGP) context and suggestions
- Specific EGP requirements: [\(full details: 2015 OLTA Gathering EGP presentation\)](#)
  - Narrative Appraisal
  - Application for Appraisal Review and Determination
- Applicable to transactions outside of the EGP
- Recipients / charitable organizations often involved in the appraisal portion of the donation process
- Challenges:
  - LT staff reviewing appraisals have no formal appraisal training
  - Variability in appraisal services
  - Conservation lands may not be an appraiser's 'typical' assignment



# By the end of the session...

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- We want to arm you with knowledge and tools:
  - to engage the most appropriate appraiser for your appraisal needs, and
  - to review appraisals with some important concepts in mind
- Review the role of the Appraisal Review Panel
- Show you common issues that arise
- Hope that you will share your experiences (both **GOOD** and **BAD**) with each other
- Build up the reputation of appraisers that support conservation efforts



# ECCE and the ARP

- Environment and Climate Change Canada and the Appraisal Review Panel
- EGP is administered under the *Income Tax Act*
- **Independent** panel: professional appraisers across Canada
- ARP reviews the appraisal in support of the proposed fair market value and provides a recommendation to the Minister



- Basis for recommendation:
  - meets *Guidelines for Appraisals*
  - analysis, opinions and conclusions are appropriate, reasonable and support the proposed **fair market value** on an **open market**

# Communication with your Appraiser

- Communicate with your appraiser



- Find out if they have appraised conservation lands
- Are they willing to follow the *Guidelines for Appraisals*?
- Are they willing to follow-up on the assignment should more information be required?
- Share information about the ecological features, known zoning, municipal requirements, etc

- The person/entity commissioning the appraisal should be drafting/outlining the assignment



- Protect your organization by commissioning a sound and reasonable appraisal



# Communication with ECCC

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- All communication about proposed Ecological Gifts **must come through the Regional Coordinator** (Ontario donations = Laura)
  - This includes questions about appraisals, questions from appraisers, appraisal scenarios etc.
- The ARP cannot provide advice about an appraisal, appraisal methodology or scenarios – conflict of interest under the EGP
- Exception: Once the appraisal is in the review process, the ARP may contact the appraiser for small points of clarifications **if** the donor has consented to this on the application form



# Application authorizations

<u>AUTHORIZATIONS</u>	
Do you authorize Environment Canada to communicate the decision with respect to the appraisal review and determination process to the recipient of your proposed ecological gift?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Do you authorize Environment Canada and Environment Canada's Appraisal Review Panel to communicate with the recipient of your donation about your proposed ecological gift, the content of this Application, the appraisal and any other documents submitted in support of this Application or to obtain additional information?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Do you authorize Environment Canada and Environment Canada's Appraisal Review Panel to communicate with the parties who prepared the appraisal and any other documents submitted in support of this Application about your proposed ecological gift, the appraisal and other documents submitted with it or to obtain additional information?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



# Communication with each other

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- Communicate within your community
- Share your experiences (both **GOOD** and BAD)
- Share the resources we have here with your organization and others
- Build up the reputation of appraisers that can support conservation efforts



# Resources

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- Engaging an Appraiser *EGP publication*
  - <http://www.ec.gc.ca/pde-egp/default.asp?lang=en&n=72927A52-1>
- Guidelines for Appraisals *EGP publication*
  - <http://www.ec.gc.ca/pde-egp/default.asp?lang=en&n=9154C2AB-1>
- Application for Appraisal Review and Determination of the Fair Market Value of an Ecological Gift *EGP publication*
  - <http://www.ec.gc.ca/pde-egp/default.asp?lang=en&n=EF5903B1-1>
- Appraisal Institute of Canada
  - <http://www.aicanada.ca/>
- EGP Appraisal Workshops
- **2 Page Review Checklist**
- **Your Colleagues!**



## APPRAISAL REVIEW - COMPLETENESS CHECKLIST

*EGP Application for Appraisal Review and Determination and Narrative Appraisal*

### APPLICATION

- Correct donor(s) listed
  - Must be the same as listed on the Parcel Register
  - If applicable, include signing authority in the 'contact' field
- Area matches area listed in the appraisal
- Property description matches the Parcel Register
  - Include Property Identification Number (PIN)
- Value matches the value listed in the appraisal
  - Include the before and after values if it is a conservation easement
- Signed and dated by donor(s)
- All** other sections of the application form are filled out

### APPRAISAL

PDF VERSION PREFERRED, 3 COLOUR HARD COPIES WILL ALSO BE ACCEPTED

- Letter of transmittal
  - On letterhead and signed by appraiser
  - Appraiser is qualified (i.e., AACI, CRA, ASA)
- Parcel Register / Title Abstract is included
  - Document is clear and current (less than 6 months old)
- Legal description is identical to the legal description on title documents (Parcel Register)
- Area of donation is consistent throughout the appraisal
- (Fair) market value or market value definition is included
- Interest(s) being valued are identified *such as fee simple, easement, covenant, non-realty interest, etc.*
- Conservation Easement Agreement is included, *if applicable* (signed final version or draft nearest to completion)
- Certification Statement is included, must contain:
  - *Appraiser acknowledges that Environment and Climate Change Canada can rely on the opinion, (regardless of who commissioned the report), and that the purpose of the report is to establish the fair*