

## LESSON NO. 4

### Market Research and Subject Property Identification

---

*Note:* Selected readings for this lesson can be found under "Online Readings" on your Course Resources webpage.

#### Assigned Reading

1. UBC Real Estate Division. 2009. *BUSI 497 Course Workbook*. UBC Real Estate Division: Vancouver. Lesson No. 4: Market Research and Subject Property Identification
2. Appraisal Institute of Canada & Appraisal Institute (US). 2005. *The Appraisal of Real Estate, Second Canadian Edition*. UBC Real Estate Division: Vancouver.<sup>1</sup> Chapter 7: Data Collection
3. Appraisal Institute of Canada. 1995. *Claim Prevention Bulletin CP-14: Data Verification*. February 1995. Appraisal Institute of Canada: Winnipeg.
4. Appraisal Institute of Canada. 1995. *Claim Prevention Bulletin CP-15: Measurement Practices*. August 1995. Appraisal Institute of Canada: Winnipeg.

#### Suggested Reading

1. UBC Real Estate Division and the Appraisal Institute of Canada. 2006. *BUSI 442 Workbook*. UBC Real Estate Division and the Appraisal Institute of Canada: Vancouver. Lessons 8 and 9: These lessons focus on valuation issues specific to agricultural properties.
2. UBC Real Estate Division. 2006. *BUSI 401 Course Workbook*. UBC Real Estate Division: Vancouver. Lesson 9: Agricultural Property Analysis
3. UBC Real Estate Division. 2004. *Commercial Property Analysis*. UBC Real Estate Division: Vancouver. Chapter 14: Agricultural Property Analysis
4. Clipperton, William H. 1984. "How a Rural Appraisal Practice Operates". *Canadian Appraiser*. August 1984.
5. Appraisal Institute (US). 2000. *The Appraisal of Rural Property*. Appraisal Institute: Chicago. Chapter 5: Data Collection – Sources for Subject and Sales

---

<sup>1</sup> Alternative Sources of Readings: Appraisal Institute of Canada. 1992. *The Appraisal of Real Estate, Canadian Edition*. Appraisal Institute and Appraisal Institute of Canada: Winnipeg. Chapter 7: Data Collection and Analysis, pages 132-156. Chapter 10: Building Description, pages 210-212.

## General Objectives

There are two general objectives for this lesson. First, the lesson will review the market research and sources of information which are directly related to real estate appraisal. Second, the lesson will discuss how to select the subject property for this course.

## Specific Objectives

After completing this lesson, the student should be able to:

1. Identify the types of information required for an appraisal analysis.
2. Identify sources of the required information.
3. Evaluate options and select the subject property for this course.
4. Support the choice of the subject property by completing a checklist of required and recommended criteria.
5. Apply appropriate space measurement techniques to record dimension and area data for the subject and comparable properties.
6. Create a reference file for the collection and recording of essential information on comparable land sales and improved property sales.

## Tutor's Comments

Lesson No. 3 covered the principles of research applicable in a general context. This lesson will review sources of information and research required to undertake an appraisal analysis, keeping in mind the overall goal of producing a full narrative appraisal report. It will also provide guidance to the student on the single most important decision the candidate has to make for this course — the selection of the subject property to be appraised.

As opposed to the normal assignments for a practising real estate appraiser, students have a tremendous advantage in this course — they have the freedom to select their own subject property rather than to respond to the subject property and type required by a client. As will be seen below, there are certain characteristics and requirements that the subject property chosen for this course has to satisfy, but there is significant flexibility for the student in the specific subject property to be selected. The student must use this flexibility to his/her advantage.

### Planning Ahead

Choosing the subject property is the single most important decision you will make in this course.

In choosing your subject property, the "KISS" principle (Keep it Simple) is most important for success in this course. Select a subject property that represents the easiest to permit a full and thorough analysis and application of the appraisal process. Thus, market research is required at this stage to ensure that adequate information will be available on the market, the subject property, and the comparable properties to permit a full application of appraisal theory and the drafting of a full narrative appraisal report. Undertaking this assignment in a small market with limited data adds to the difficulty of this course.

The success of your report will depend largely on the availability of ample market data to support the requirements of this course. You are advised to first gather data that will be needed for the preparation of the report, especially vacant land sales and improved property sales. Once this information is available, a subject property should be chosen for which there is ample data, not only of comparables to be analyzed in comparison to the subject, but also to be used to justify and support adjustments made to the comparables. Often, candidates will select a subject property first, only to find later that although the property in itself is suitable, there is insufficient market data relating to the property or its immediate locale to complete the report. Read this workbook thoroughly and prepare a list of the necessary market data prior to selecting a subject property.

### **Hints for Success**

Select the simplest, most standard subject property available in your market, for which there is ample sales data.

The first assigned reading reference provides a review of the theory and practice of market information requirements and general sources of that information. This will provide a foundation and reference to the student for application in selecting the subject property. The second reference highlights the depth of research required in order to make every effort to ensure the reliability and the validity of the data upon which the appraisal estimate will be based.

### **Required Information and Sources**

The student should review the headings for the full narrative report generated in the first lesson. For each heading, a list should be made of general information required, and the source of that information. An illustrative example is provided below for the key components of a full narrative appraisal report. The student will have to modify this reference to suit the particular characteristics and requirements of their chosen subject property. As a key step in the selection of the subject property, the student should ensure access to all of the information listed below. Note that the table below is not necessarily all-inclusive for all property types. Also note that many of the sources also have websites that contain a lot of relevant information.

<b>Table 4.1</b>		
<b>Narrative Appraisal Report — Agricultural Property: Information and Sources</b>		
<b>Topic</b>	<b>Information Required</b>	<b>Source</b>
Identification of the Property	Street address Legal description	Visual inspection/Municipal and assessment office Land Titles or Registry office
Regional and Neighbourhood Data	Land use, topographic influences, soils, weather, access, markets and restrictions Social and economic conditions specific to competitive market	Municipal and county records Statistics Canada Agri-Canada Environment Canada Farm Credit Corporation Marketing boards Real estate boards Extensive neighbourhood tour
Subject Site	Full access for inspection Survey, plot plan Site dimensions Sales history Site details: topography, soil quality and drainage, productivity or capability of soil, irrigation requirements, services available	Property owner Tenants Site inspection Land survey Land Titles or Registry office Topographic and soil mapping Provincial or County statistics Agri-Canada Environment Canada
Site Improvements	Full access for inspection Site details: fencing, interior roads, water and septic systems, irrigation and drainage utility, improvements, easements	Owner or tenants, site inspection, land survey, utility companies, health department and municipal offices
Assessment and Taxes	Current assessment and trends Current taxes and trends	Assessment office Municipal office Owner
Land Use Controls	Approved land use through zoning bylaws/maps or official plan Restrictive covenants or agreements. Local evidence of contamination, hazardous material disposal requirements	Municipal or County authority, Department of the Environment, Health Department, Agriculture Ministry, chemical supply companies, Environmental audit

Topic	Information Required	Source
Highest and Best Use Analysis of land "as if" vacant and as "improved"	Full inspection of land and improvements, as well as trends affecting the industry for current and future use Potential associated with the land in the immediate or perceived future	Municipal or County development plans or land use studies, real estate professionals, multiple listing services and land title or registry offices, industry trade magazines, co-operative or marketing boards Agricultural building and equipment contractors, competitive farm operation managers, Agriculture Canada
Land Value	Type, quality and use of subject land compared with at least four comparable sales that exhibit similar utility, access, and potential within the appropriate time frame	Municipal Office, Newspapers Land Titles or Registry office Owner/tenant Farm Credit Corporation, seed and fertilizer companies Appraisers, assessors, real estate brokers Multiple Listing or similar service Will need access to at least one of vendor, purchaser, real estate broker, or solicitor for each comparable sale, and ideally for each other sale used to quantify adjustments
Property Value	At least four comparable improved property sales Sufficient other improved sales for adjustment support	Owner/tenant Municipal office, newspapers Land Titles or Registry office Appraisers, assessors, real estate brokers Multiple Listing or similar services Farm Credit Corporation Will need access to at least one of vendor, purchaser, real estate broker or solicitor for each comparable sale, and ideally for each other sale used to quantify adjustments
Cost Analysis	At least two builders' estimates Cost manual or computerized costing service Subject construction details Equipment details, including age and capacities Subject measurements and areas	Two local agricultural building contractors Marshall & Swift/Boeckh cost manual or computerized costing service Property owner or municipal office for plans Equipment suppliers and liquidators Dept of Health and Environment.

Topic	Information Required	Source
Depreciation Analysis	Detailed inspection and thorough knowledge of specific trends in this industry Building and fixed equipment, physical condition as well as functional utility Detailed identification of a replacement or repair program	Property owner On-site inspection Industry, journals or websites. Agriculture Canada, Farm Credit Corporation, equipment manufacturers and newspapers Historic sales of similar properties broken down between land and buildings
Income/Expense Analysis	A detailed analysis of operating incomes and costs must be included in the analysis Current income and expense statement for subject 2-3 years subject history Same details on comparables Market expense data	Property owner Suppliers Trade publications Farm Credit Corporation (FCC) data Government data, surveys, etc.
Capitalization	Gross income multipliers Overall capitalization rates	Comparable improved sales At least one party to the sale of comparable, improved properties
Adjustment Analysis	Market sales with enough descriptive detail to allow analysis and quantification of adjustments Notes from interviews with a party involved with sale negotiations Cost data Financing details	Real Estate Board MLS reports, other services offering data on relevant property sales Buyers and sellers of comparable properties in the market Municipal offices Assessment offices Appraisers, real estate brokers Contractors Banks, lenders, developers Most importantly — one or more parties (purchaser, vendor, real estate broker) to transactions

To summarize the foregoing, it is essential to select a subject property where there is/are:

1. A property owner and/or tenants willing to:
  - provide full or reasonable access to the subject property for inspections and measurements; and
  - assist in identifying the age and utility of the improvements and equipment, and also identify those items that would be chattels and not included with the farm.
  
2. Sufficient comparable farm sales in the immediate area, and access to one or more of the key parties to the transaction (vendor, purchaser, lawyer, real estate broker, appraiser). This will be important in verifying the terms and conditions of sale, analyzing the motivating factors in the sale, and offering perspective as to the value applied to the components of the property. This applies to both vacant land sales as well as improved properties in the report and to the supplemental data used to justify and quantify adjustments.

Normally, access is readily available to public and collegial sources such as Land Titles or Registry Offices, municipal offices, assessment offices, property managers, appraisers, and real estate brokers. For broader market and trending information, websites offer access to municipal, provincial, and federal data such as general statistical information.

### **Selection of Subject Property**

The following lists the **criteria that the subject property must satisfy** for this course. The criteria are designed to ensure that the subject property is capable of being analyzed to the degree required by these assignments, and that the work undertaken represents the individual effort of the student. Remember that the purpose of the appraisal report is to estimate the market value of the fee simple interest in the subject property, **as though it were unencumbered by any interest such as registered leases or mortgage financing**. Therefore, for this course, it will not be necessary to address and adjust for situations where the subject property is rented at more or less than market rent, or financed at a rate that is atypical of standard financing available as of the effective date of appraisal. The fee simple interest is being valued, not the leased fee. As well, value other than market value, such as value in use or going-concern value, is not acceptable.

### **Mandatory Requirements for Subject Property**

1. Sufficient market information must be available (see above) to permit the full application of the three traditional approaches to value to the level of detail required in a full narrative appraisal report.
2. The site must be improved by one or more structures, one of which must be significant to the highest and best use of the property and be at least five years old (in order to demonstrate the appropriate depreciation).
3. The subject property must be capable of permitting a detailed analysis of operating incomes and expenses.
4. The subject property must be such that the site as if vacant could be sold on its own, independent of any other property.
5. The property rights appraised must be "fee simple", as though unencumbered by any existing leases, mortgages, etc. Partial interests, such as condominium rights, are not acceptable as the subject property.
6. The highest and best use of the property must be for use as an agricultural property.
7. The subject property must contain at least one actual example of physical deterioration, curable.
8. The subject property cannot have been the subject of a demonstration report for the AIC, or of another BUSI 497 course, for five years previous to its selection by the student for this course (this includes repeating BUSI 497 due to failure — students must choose a new subject property). **UBC may also reject subject properties in close proximity to one another.** Students must verify the availability of a property using the "Registering a Subject Property" link on the BUSI 497 Course Resources webpage. UBC will confirm the appropriateness of the selection of the subject property upon approval of the assignment to this lesson.

### Hints for Success

If you find that another property has been registered with the same postal code as your proposed subject property, then this may be an indication that there will be a problem with proximity. In this situation, you should contact your tutor **before** submitting Assignment No. 4. You will have to justify why your property is significantly different than the previously registered property. You may not be allowed to use this as your subject property or you may have some restrictions on your use of it, such as limitations on the effective date of the appraisal.

It is strongly recommended that the student **select the simplest and easiest property** available that meets the foregoing requirements. The narrative report requirements are sufficiently rigorous that the student will be well-served to heed this advice. No bonus marks are awarded in this course for the student who selects an overly complicated subject property.

The ideal subject property will be an agricultural enterprise that falls within the realm of the student's experience, and for which complete data is readily available in order to complete each of the three approaches to value. There should be many sales of comparable properties with the same or similar zoning, identical highest and best uses, as well as minimal differences in comparison to the subject (e.g., date of sale and at least one other characteristic requiring adjustment). Over the years, the most successful subject property types have proven to be simple mixed farms or crop farms with traditional improvements and unencumbered by natural resource aspects such as aggregate deposits, lake frontage, or being in close proximity to an expanding community. These are the most common agricultural property types that regularly sell in the market, and which present the most readily available data in the market-place to permit the student to satisfy the requirements of this course with the most reasonable and manageable level of effort.

Some agricultural enterprise businesses are particularly difficult to value and for a number of reasons do not make good subjects for demonstration purposes. These include multi-agricultural enterprises; highly specialized businesses; atypically large agricultural enterprise; those in isolated areas, or conversely, situated on the urban fringe and perhaps subject to some particular local, political, or economical influence.

The ideal subject does not exist, but some types of agricultural enterprises sell only infrequently, while with others, financial information may be difficult to obtain. Most farmers are cooperative and helpful towards candidates, but there is often a lack of useful records, and an attempt should be made at the outset to ascertain the amount and reliability of information that might be available. Agricultural enterprise records are often not kept in a form useful for the development of income approaches, but nonetheless this course will require analysis of income and expense data.

### Hints for Success

The most often chosen types of agricultural properties to select as the subject of this course are simple mixed farms or crop farms with traditional improvements and unencumbered by natural resource aspects such as aggregate deposits, lake frontage or being in close proximity to an expanding community.

If functional obsolescence exists, quantifying the impact on value will require the analysis of relevant market information. The requirements of the assignments for this course are more easily satisfied if there is no actual functional or external obsolescence.

Students are advised not to pick a property that has structural defects to the building, environmental contamination issues, or other complicated value-impacting factors.

**Hints for Success**

1. It will be easier to meet the requirements of Assignment No. 13 if you use hypothetical examples of functional and external obsolescence, rather than selecting a property where they actually exist.
2. Do not select a subject property that has structural defects, a heritage designation, or environmental contamination.

At this point, it is not recommended but necessary to commit to an **effective date of appraisal** for the appraisal report. This is the second area of flexibility afforded to the student. The only limitation on the effective date of appraisal is that **it is within five years of the date that UBC approves the subject property.**

Once the comparable properties have been identified and researched, the student should select an effective date of appraisal that is most convenient to the available data. However, if selecting a subject property based on available data, including a preliminary indication of the most relevant land and improved comparable sales, the student should now select an effective date of appraisal such that a majority of the sale dates of the land and improved comparables precede the effective date of appraisal. The effective date of appraisal may be subject to revision once the comparable sales are investigated to determine their actual dates of sale, which reflects the date of a binding contract for the sale/purchase of the properties, normally somewhat prior to the date of registration of the transfer documents.

**Hints for Success**

1. Select an effective date of appraisal after you have identified the best land sale and improved property comparables. This will ensure that a majority of these sales precede the effective date of appraisal. Pick a date that is the most convenient for you!
2. Although in an extreme situation, you can change your effective date of appraisal at any time prior to Lesson No. 19, it is highly recommended that you keep the same effective date for Assignments 8 to 17, inclusive. After Assignment No. 8, you should not change your effective date of appraisal without first discussing it with your tutor.

The checklists below are provided to assist students in the selection of their subject property.

**Table 4.2**  
**Subject Property Checklist: Mandatory Requirements**

1.  Sufficient market information is available.
2.  Land sales exist such that the majority precede the effective date of appraisal.
3.  Improved property sales exist such that the majority precede the effective date of appraisal.
4.  Farm buildings are at least 5 years old as of the effective date of appraisal.
5.  The effective date of appraisal does not precede the date of registration and approval of the student's choice of subject property by more than five years.
6.  Site as if vacant can be sold on its own.
7.  Property rights being appraised as fee simple.
8.  Highest and best use is as an agricultural property.
9.  Site is improved or is to be improved to its highest and best use.
10.  Subject has at least one actual example of physical deterioration, curable.

**Table 4.3**  
**Subject Property Checklist: Recommended Requirements**  
**(in order to minimize the implications on work required for the assignments)**

11.  Subject may have examples of functional obsolescence, but should not have any external obsolescence.
12.  Municipality would permit the subject building(s) to be rebuilt if destroyed.
13.  Subject has/does not have known structural deficiencies.
14.  Subject has/does not have heritage designation.
15.  Subject has/does not have known environmental contamination issues.
16.  Subject is a relatively standard size farm.
17.  Subject buildings are typical in the industry.
18.  The owner and tenants of the subject property are very cooperative with respect to permitting access for inspection purposes.
19.  The owner of the subject property has agreed to provide a two- to three-year revenue and expense history for the subject property.
20.  Building plans are available for the subject property.

**Hints for Success**

Although the requirements in Table 4.3 are not mandatory, the more of these criteria that are satisfied, the easier it will be to complete the assignments in this course. Non-compliance with any of these criteria will require additional explanation and analysis.

## Data Recording — Comparable Transactions

Even though this is the introductory stage of the valuation process, students should begin to record information on their most relevant and important market transactions. These include specifically: land sales and improved property sales. All should be relevant to, and preferably prior to, the effective date of appraisal.

### *Data Verification*

For the final report, the candidate must verify sales information with one or more of the principals involved (vendor or purchaser if possible, or alternatively with the brokers, closing agents, or lenders). In addition, transactional details must be verified related to the comparables used in the land value and direct comparison approach sections, including both the date of sale (agreement of purchase and sale) and date of registration, and the identification of any encumbrances. Details on the agreement of purchase and sale (as opposed to closing documents) are to be confirmed with one of the parties to the transaction. However, the candidate is not expected to produce a copy of the agreement document itself. Transfer, easement, and mortgage documents are to be confirmed by way of a search at the appropriate Land Titles or Registry Office. Students must submit copies of the pertinent pages of transfer documents for all comparable sales used in the Direct Comparison section of the report, plus mortgage documents only if the financing was found to be a value-influencing factor (vendor take-back and assumed mortgages only). This provision of documentation does not apply to paired sales or resale properties used to support adjustments; however as indicated later in this workbook, these sale properties must be adequately described. For the properties used as adjustment support, pertinent information includes, as a minimum:

- price (where available on transfer documents);
- mortgage principal amount and mortgage terms;
- legal description, date of registration, instrument number, and, where available, the affidavit of land transfer tax.

### **Planning Ahead**

One of the most difficult challenges to this course will be adjustment support in the land value and direct comparison approach lessons. The time invested to thoroughly research and document transactions will be worth the effort during the early lessons.

Listed below are summary tables of key information that will be required for subsequent appraisal analysis for each of these three types of market transactions. Not all of the suggested information may be available at this stage of the valuation process, but students will need to research and obtain at least the following information in order to permit the necessary appraisal analysis.

**Table 4.4**  
**Data on Land Sales Comparables**

1. Address
2. Legal Description
3. Vendor
4. Purchaser
5. Date of Sale
6. Date of Registration
7. Instrument or Registration Number or provincial/territorial equivalent
8. Land Size — Dimensions, Area, and Soil Type
9. Zoning or Land Use Control/Quota
10. Highest and Best Use (cursory indication to ensure consistency with the subject's highest and best use)
11. Consideration — Price Paid and Financing Details (amount, term, rate, payments, etc.)
12. A brief narration describing the vacant land sale and setting out similarities and dissimilarities between it and the subject site
13. A site plan and a map permitting the display of the location of the comparable land sale in comparison to the location of the subject site
14. Name(s) of persons interviewed, role they played in the transaction, interview notes

**Table 4.5**  
**Data on Improved Property Sales**

1. Address
2. Legal Description
3. Vendor
4. Purchaser
5. Date of Sale
6. Date of Registration
7. Instrument or Registration Number or provincial/territorial equivalent
8. Land Size — Dimensions, Area, and Soil Type
9. Building descriptions and utility provided
10. Basic Construction of the Building (Concrete, wood frame, steel frame, etc.)
11. Other Site Improvements — parking, pavement, fencing, landscaping, etc.
12. Zoning or Land Use Control/Quota
13. Highest and Best Use (cursory indication to ensure consistency with the subject's highest and best use)
14. Consideration — Price Paid and Financing Details (amount, term, rate, payments, etc.)
15. A brief narration describing the improved property sale and setting out similarities and dissimilarities between it and the subject property
16. A site plan, plot plan, or map permitting the display of the location of the comparable property sale in comparison to the location of the subject property
17. Photographs of the improved comparables
18. If available, plans of the comparable building(s)
19. Expense details, itemized using the standard entries for appraisal analysis
20. Gross Income Multiplier
21. Overall Capitalization Rate
22. Name(s) of persons interviewed, role they played in the transaction, interview notes

Although the lessons permit the use of some land sales and improved property sales that occurred subsequent to the effective date of appraisal, every effort should be made to locate land sales and improved property sales, and to choose an effective date of appraisal, such that all sales occurred prior to or on the effective date of appraisal, particularly when backdating the effective date of appraisal (remember — five year limit from the date of registration of the subject property with UBC). **Sales subsequent to the effective date of appraisal are permitted, primarily to allow added flexibility to students who live in smaller centres where sales information may be very limited.** However, a majority of land sales and improved property sales, i.e., 3/4, 3/5, 4/5, or 4/6, must precede the effective date of appraisal. Any sales occurring subsequent to the effective date of appraisal, should have occurred as recently as possible to the effective date of appraisal.

Students should be aware that it may not be possible at this early stage of the course to anticipate all of the detailed facts and information that will be required for subsequent lessons and for the crafting of the narrative appraisal report. Often, it is necessary to revisit, supplement, revalidate, or otherwise review data and information throughout the application of the valuation process. This is quite normal and is to be expected.

To repeat, one advantage for the student in this course is the flexibility to adjust the effective date of appraisal to provide the best "fit" for the data that is available to them in undertaking this work. Although it will be necessary to decide upon the effective date of appraisal beginning with Assignment No. 8, it is possible and acceptable to change the effective date of appraisal if it proves necessary to do so, at any point up to Assignment No. 19. However, any change to the effective date after Assignment No. 8 will require the revision of all subsequent assignments to reflect the revised effective date of appraisal when they are consolidated into Assignment No. 19. This is why the prior consultation with the tutor is required. While individual assignments may reflect different effective dates of appraisal, this is to be discouraged as it will be more difficult to consolidate the lessons into a single, coherent report for Assignment No. 19, with the same effective date of appraisal throughout. Therefore, the student is advised to select the effective date as early in the course as is possible, and to use this date for all assignments.

### **Changing Subject Properties**

Once Assignment No. 4 is submitted and approved, this is the subject property you are expected to analyze for the remainder of this course. If you wish to change your subject property subsequent to the approval of Assignment No. 4, you may do so by resubmitting Assignment No. 4. This resubmission costs \$35 and your new property will need to be approved again by both your tutor and the Real Estate Division. Note that you will not be required to resubmit any other assignments previously submitted based on your original property. However, keep in mind that you will be responsible for ensuring that your previously submitted assignments are revised correctly to reflect your new property – consistency between all sections of the report is an important consideration in the final assignment submission, and significant inconsistency is a "major fault" that can result in an automatic failing grade. Therefore, you may wish to consider revising these assignments and resubmitting them to your tutor (at a cost of \$35 per resubmission; note that your original grade will not change). With the exception of Assignment 4, you cannot resubmit any assignment more than once.

**APPLICATION TO REGISTER A SUBJECT PROPERTY  
FOR BUSI 497 — Agricultural Guided Case Study**

Student's Name: \_\_\_\_\_

Student Number: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Date of Application: \_\_\_\_\_

Street Address of Property To Be Appraised:

\_\_\_\_\_  
\_\_\_\_\_

Postal Code (MANDATORY): \_\_\_\_\_

Legal Address:  
\_\_\_\_\_

Type of Property (e.g., family mixed farm; crop farm; dairy or beef operation; etc.):

\_\_\_\_\_

Effective Date of Appraisal (optional at this point): \_\_\_\_\_

Verified that property is available using the BUSI 497 Course Resources webpage:

Completed Subject Property Checklist: Mandatory Requirements (Table 4.2):

Completed Subject Property Checklist: Recommended Requirements (Table 4.3):

## ASSIGNMENT NO. 4

### Market Research and Subject Property Identification

---

**SUBMITTING ASSIGNMENTS:** Refer to your Course Resources webpage for instructions on submitting this and other assignments.

1. The assignment for this lesson requires you to choose the subject property that you will work with for the remainder of this course. You are also expected to choose a tentative effective date of appraisal. The Real Estate Division and your tutor will confirm the approval of your choice of subject property. This assignment will be awarded a grade of pass or fail. If your submission is unacceptable, you will have to take the tutor's feedback into account and resubmit the assignment until you pass. It will be impossible to continue with the course unless an acceptable subject property has been selected at this point.

The date of approval of the registration of the subject property by the Real Estate Division will establish the current date for the five-year backdating provision.

- (a) The student is required to submit a copy of the "Application to Register a Subject Property" form. A copy of this form is included immediately preceding this assignment and can also be downloaded from the BUSI 497 Course Resources webpage by clicking on "Registering a Subject Property". This form must clearly indicate:
  - the address of the subject property (legal description is optional at this point);
  - **the postal code** (mandatory for registering your property); and
  - the type of farm (e.g., 100 acre family mixed farm; 145 acre grain farm; 240 head dairy farm; 1,200 head pork operation; etc.).
- (b) In addition, the student must submit completed checklists from Tables 4.2 and 4.3 of this lesson for the subject property (these can also be downloaded from the Course Resources webpage using the link above). The tutor will refer to these lists if it is necessary to contact the student to discuss and verify the appropriateness of the chosen subject property.

### Planning Ahead

Although it is not a formal part of this assignment, students should also create data files for their own use, using Tables 4.4 and 4.5 as guides. These data files should contain the research data which was used to assist in the determination of the subject property and preliminary indication of effective date of appraisal. This data will be used for the completion of the assignments and narrative appraisal report in the rest of this course.