APPRAISING GOVERNMENT REAL ESTATE
Public Services and Procurement Canada (PSPC) Appraisal and Valuation Services

June 9, 2017
Official Bilingualism / Bilinguisme officiel

Please note that this presentation is also available in French.

Prière de noter que cette présentation est également disponible en français.
Objective

• To provide members of the AI and AIC with a quick overview of the PSPC Real Property Services and the Key Mandates of the PSPC Appraisal and Valuation Services.
Government of Canada (GC) Real Property Portfolio

- TBS Directory on Federal Real Property lists 72 custodian organizations with real property holdings.

- PSPC’s portfolio accounts for about 5.3% of federal buildings. Many are large office buildings with PSPC’s portfolio making up 26% of the government’s floor space.

Source: Directory of Federal Real Property – Treasury Board Secretariat (TBS)
PSPC Real Property National Portfolio

PSPC floor space: 7,080,000 m² as of 2016
Key Facts and Figures

Office accommodation
Locations: 1,629
Leases: 1,246
Lease-purchase: 15

Asset property value
$6.8 billion
Crown-owned buildings
368

Private sector Business volume
Leases: $1.265 billion

Space managed
7.1 million m²

Real Property

Federal employees accommodated
257,000

PSPC Real Property Branch employees
(total)
3,384

Source: RPB Key Facts, 2016
PSPC Real Property Services Legislative Context

Mandated by *Department of Public Services and Procurement Canada Act* to provide real property services to departments and agencies on fee for service basis.

- Office accommodation
- Architecture, engineering
- Facility and property management
- Investment strategies
- Project delivery, construction and leasing of facilities
- Disposal of real property assets
- Environmental services
- Heritage conservation
- Real Estate Services (*including Appraisal*)
PSPC is mandated through different Acts and by Treasury Board Secretariat (TBS) Policies as the sole provider of:

- GC office space
- other real property services:
  1. Appraisal
  2. Payments in Lieu of Taxes
  3. Expropriation
TBS Policy on Management of Real Property

- Sets the rules for mainly all departments
- Responsible management of real property, throughout its life cycle
- Financially prudent
- Represent the best value
- **All transactions in relation to the market value of the property.**
TBS Policy Instrument – Appraisals and Estimates Standard for Real Property

• An Administrative Standard
• Required “Appraisals” from/through PSPC Appraisal and Valuation Services
• Transaction over $350,000 - Appraisals: Written Opinion of Value according to appraisal practices (CUSPAP) from an Accredited Appraiser
• Transaction less than $350,000 – Estimates: Written Opinion of Value from a person experienced in real estate
PSPC Appraisal & Valuation Services

• Provide value estimates, supported by market evidence, to assist federal government departments in making informed real estate decisions for all type of transaction
• Integrity of the appraisal process, QA/QC and review functions
• Similar Model to other Governmental Organizations
• Outsourcing leverage
• Strong Appraisal Industry Relations
Appraisal Typical Projects

TYPICAL PROJECTS INCLUDE:

- Appraisal Reports to support any type of transaction and/or planning
- Market Rent Reports (MAR, MSR) to support leasing activities
- Municipal Property Assessment Review on Major Leases
- Parking Studies - Market Rent of Parking Spaces
- Valuation Market Research to aid business decisions
- Fair Market Rents – Federal Housing & Public Service Living Accommodation
- Appraisal Advisory Support for Aboriginal land claims
Valuation Outsourcing Tool

PSPC Appraisal & Valuation Services is exploring **new and more efficient outsourcing model on projects to:**

- Streamline Valuation procurement process
- Enhance timeliness in project delivery
- Ensure consistency and efficiency in service delivery

For 2017-18, Establish **SOSA partnership** with multiple service providers/vendor partners per region

*SOSA: Standing Offers and Supply Arrangements*
Thank you / Merci


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