



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 116/10

Canadian Valuation Group Ltd.
1200, 10665 Jasper Avenue
Edmonton AB T5J 3S9

The City of Edmonton
Assessment and Taxation Branch
600 Chancery Hall
3 Sir Winston Churchill Square
Edmonton AB T5J 2C3

This is a decision of the Composite Assessment Review Board (CARB) from a hearing held on July 26, 2010 respecting a complaint for:

| | | |
|--------------------------------------|-------------------------------------------------|--------------------------------------------------------|
| Roll Number 1604602 | Municipal Address 11915 156 Street NW | Legal Description Plan 2821MC Block 21 Lot 1 |
| Assessed Value \$1,618,500 | Assessment Type Annual New | Assessment Notice for: 2010 |

Before:

Patricia Mowbrey, Presiding Officer
Petra Hagemann, Board Member
Howard Worrell, Board Member

Board Officer:

J. Halicki

Persons Appearing: Complainant

Tom Janzen, Agent
Canadian Valuation Group

Persons Appearing: Respondent

Blaire Rustulka, Assessor
Industrial Assessment Unit
Assessment and Taxation Branch

PRELIMINARY MATTERS

There were no preliminary matters.

PROCEDURAL MATTERS

The Complainant and Respondent expressed no objection to the composition of the Board and the Board Members had no bias to this file.

BACKGROUND

The subject property located in the Mitchell Industrial subdivision consists of a site of 1.855 acres and building thereon. Using a cost approach, the land is assessed at \$1,465,717 equating to \$790,144 per acre and the building valued at \$153,113.

ISSUE(S)

Is the land value for the subject's property assessment fair and equitable?

LEGISLATION

The Municipal Government Act, R.S.A. 2000, c. M-26;

s.467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

s.467(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- a) the valuation and other standards set out in the regulations,
- b) the procedures set out in the regulations, and
- c) the assessments of similar property or businesses in the same municipality.

POSITION OF THE COMPLAINANT

The 2010 assessment is \$1,618,500 which includes building value at \$153,113. The building value was not under appeal. The land assessment is \$1,465,717 or \$790,144 per acre (C1, pg.1; C2, pgs. 1, 2).

The Complainant requests a reduction in the 2010 land assessment from \$790,144 to \$600,000 per acre.

The Complainant submitted nine sales comparables (C1, pg. 1).

The Complainant's rebuttal (exhibit C2) consisted of the Respondent's land sales analysis with the Complainant's notation consisting of the assessments for sales comparables #1 to #3 and #5 to #7.

POSITION OF THE RESPONDENT

The Respondent stated that the 2010 assessment of the subject is fair and equitable and presented, as evidence, exhibit R1.

The Respondent presented a chart documenting seven land sales comparables (R1, pg. 16) to support the current land assessment indicating that these comparables were selected for similarity in location, highest and best use, and major roadway. The time-adjusted sales prices ranged from \$734,004 to \$1,002,148 per acre which the Respondent noted that the subject property at \$750,762 per acre was within this range. The assessment values for the sales comparables were included in the land sales analysis chart (R1, pg. 16).

FINDINGS

The Complainant shifted the burden of proof to the Respondent.

DECISION

The Board's decision is to reduce the land assessment from \$1,465,717 (\$790,414 per acre) to \$1,199,605 (\$646,513 per acre).

Including the assessed value of the building at \$153,113 the 2010 assessment is reduced from \$1,618,500 to \$1,352,718.

REASONS FOR THE DECISION

1. The Board reviewed the Complainant's and the Respondent's evidence (exhibits C1, C2, and R1).
2. The Board considered location the prime factor that affects value along with the other factors of: lot size and sale date (R1, pg. 6).
3. The Board noted the Complainant indicated sales comparables #4, #5, #7, and #8 (C1, pg. 1) were to be given the most consideration since these were on major roadways. However, sales #4 and #5 are located closest to the subject property and the Board placed greater emphasis on these two sales comparables which average \$646,513 per acre.
4. The Board reviewed the Respondent's seven sales comparables (R1, pg. 15) of which the Board considered sales #2 and #3 to be most similar to the subject property given their location in a similar northwest industrial area and fronting onto major roadways. Sales comparables #4 to #7 are located in south industrial areas and the Board placed less weight on these comparables.
5. The Board noted that each party provided a sales comparable located on St. Albert Trail which the Board was of the opinion differs to the subject location as it is a major arterial roadway connecting St. Albert and Edmonton. For this reason, the Board did not consider these comparables.
6. The Complainant, in rebuttal, (exhibit C2) provided the 2010 assessments for the Respondent's sales comparables (R1, pg. 15) using the assessments for sales comparables #2 and #3 and #5 to #7. These result in an average land assessment of \$709,006 per acre. Comparable sale #1 was excluded because of unexplained differences in the lot size; similarly, sale comparable #4 was excluded because an assessment value was not provided.
7. The Board noted the time-adjusted sales prices of the Respondent's sales comparables #2 and #3 and #5 to #7 averaged \$829,081 per acre. The Board considers this a wide differential to the assessments of these same properties which averaged \$709,006 per acre.
8. The Board placed greatest weight on the Complainant's sales comparables #4 and #5 due to their close location to the subject property and recent sales dates which averaged \$646,513 per acre. When applied to the land area of the subject property, this equates to a land value of \$1,199,605.
9. The Board finds the land assessment for the subject property excessive and reduces it to \$646,513 per acre or \$1,199,605.

DISSENTING DECISION AND REASONS

There were no dissenting decisions.

Dated this twenty-eight day of July, 2010, at the City of Edmonton, in the Province of Alberta.

Presiding Officer

This decision may be appealed to the Court of Queen's Bench on a question of law or jurisdiction, pursuant to Section 470(1) of the Municipal Government Act, R.S.A. 2000, c.M-26.

CC: Municipal Government Board
City of Edmonton, Assessment and Taxation Branch
General Scrap Iron & Metals Ltd.