



ASSESSMENT REVIEW BOARD

Churchill Building
10019 103 Avenue
Edmonton AB T5J 0G9
Phone: (780) 496-5026

NOTICE OF DECISION NO. 0098 125/11

CUSHMAN & WAKEFIELD
1730 - 111 5 AVENUE SW
CALGARY, AB T2P 3Y6

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 August 22, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1075639	Null	Plan: 7820294 Block: 5 Lot: 3	\$826,000	Annual New	2011

Before:

Dean Sanduga, Presiding Officer
Jack Jones, Board Member
Jasbeer Singh, Board Member

Board Officer: Kristen Hagg

Persons Appearing on behalf of the Complainant:

Jan Goresht, Cushman & Wakefield

Persons Appearing on behalf of the Respondent:

Darren Nagy, City of Edmonton, Assessor

PROCEDURAL MATTERS

Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.

PRELIMINARY MATTERS

There were no preliminary matters.

BACKGROUND

The subject property is comprises two vacant interior lots consisting of 45,812 sq. ft. (1.052 acres), zoned Industrial Business (IB). The subject's assessment is based on direct sales comparison approach to value.

ISSUE(S)

Is the 2011 assessment of \$826,000 fair and equitable?

LEGISLATION

Municipal Government Act, RSA 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 Complainant submitted exhibits C-1, 16 pages and C-2, 2 pages.

The assessment of the subject is \$780,000 per acre. The Complainant argued that the property is incorrectly assessed based on market value indicated by other similar land sales. Similar land sales suggest a rate of \$650,000 per acre.

The Complainant submitted that this is inequitable and that the subject should also be assessed at \$650,000 per acre for a total assessment of \$683,000.

The Complainant submitted 12 sales comparables (C-2, page 1) with per acre sales ranging from \$339,806 to \$ 675,000. The Complainant agreed that some of the sales comparables are *post facto* sales, and are serving only as an indication of market trending.

The Complainant requested an assessment of \$683,000.

POSITION OF THE RESPONDENT

The Respondent advised that properties are assessed using an industrial land model that adjusts for attributes that impact market value in order to arrive at a typical market value for properties in these classes.

The Respondent presented 6 sales comparables (R-1, page 20) to support the land rates used. The subject is assessed at \$17.68 per sq. ft., whereas the comparables average assessment is \$18.29 per sq. ft.

The Respondent submits that the subject is assessed equitably with all of the other industrial parcels.

DECISION

The assessment is reduced to \$650,000 per acre, total assessment reduced to \$683,000.

REASONS FOR THE DECISION

In the sales comparison approach, market value is estimated by comparing the subject property to similar properties that have recently sold, are listed for sale or under contract. A major premise of the sales comparison approach is that the market value of a property is directly related to the price of comparable, competitive property (R-1, page 6, Mass Appraisal Approaches).

The Complainant demonstrated that the subject is not assessed equitably with a similar property to it. The Board agrees that the Complainant's sales comparables are similar to the subject. The Board viewed the Respondent's sales comparables and noted that they are dissimilar to the subject in size, location and date of sales.

The Board considered the Complainant's *post facto* sales evidence to confirm market trends, and thus they were not used in setting value.

DISSENTING OPINION AND REASONS

None.

Dated this 1st day of September, 2011, at the City of Edmonton, in the Province of Alberta.

Dean Sanduga, 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, RSA 2000, c M-26.

cc: The Standard Life Assurance Company of Canada