



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 129/11

Assessment MV Advisors Inc.  
O/A Assessment Advisory Group  
#311 638 11 Ave SW  
Calgary, AB T2R 0E2

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 24, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
3196300	10151 108 Street NW	Plan: B2 Block: 7 Lot: 97	\$1,157,000	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:

Tom Janzen, CVG

#### Persons Appearing on behalf of the Respondent:

Chris Rumsey, City of Edmonton, Assessor

## **PROCEDURAL MATTERS**

Upon questioning by the Presiding Officer the parties before the Board 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 issues.

## **BACKGROUND**

The subject property is a gravel parking facility on a single lot measuring 7,500 square feet, located in downtown Edmonton. The subject property has been assigned a Land Use Code (LUC) 537 that is applicable to "Parking Lot (unpaved with no net items)". The subject's 2011 assessment is based on direct sales comparison approach.

## **ISSUE(S)**

Is the 2011 assessment of \$1,157,000 for the subject property, 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 Complainant attended the hearing and, in support of his position that the 2011 assessment of \$1,157,000 for the subject is not fair and equitable, presented an 11 page brief (C-1) including area maps, tabulated information pertaining to the sales comparables and the transaction particulars in respect of the sales comparables.

The Complainant provided the following arguments for the Board's consideration;

- The subject is a single lot, used as a private parking lot;

- The six sales comparables (C-1, page 1) show time adjusted sale prices ranging from \$110.31 to \$178.60 per square foot, with an average of \$112.50 per square foot. For 2011, the subject had been assessed at \$154.27 per square foot;
- Item #2 in the sales comparables list carried the highest per square foot time adjusted sale price of \$178.60, but this was a much smaller parcel of land (3000 square feet) and was purchased by the adjacent owner as part of an assembly; thus, this did not provide a good or reliable comparison (C-1, page 1);
- Comparables #1 and #3 are within one block of the subject property and their time adjusted values (\$130.14 and \$130.80) would be most similar to the subject and relevant in arriving at a fair market value for the subject property (C-1, page 1).

The Complainant submitted that based on his analysis (C-1, page 2), the 2011 assessment value for the subject should be no more than \$130 per square foot, or \$975,000 (7500ft<sup>2</sup> x \$130).

### **POSITION OF THE RESPONDENT**

The Respondent attended the hearing and presented as documentary evidence, an assessment brief (R-1, 38 pages) and a law and legislation brief (R-2, 42 pages). The Respondent's position is summarized in the following points:

- The Respondent stated that in the case of vacant commercial land properties in the City of Edmonton, the direct sales comparison approach had been selected as the most appropriate approach. Additionally, mass appraisal required that a uniform valuation method be applied to all properties within a group; therefore the sales comparison approach was deemed to be the best method of establishing equitable valuation estimates for the subject property group (R-1, page 6).
- The Respondent provided two sets of sales comparables in support of the 2011 assessment of the subject (R-1, page 15). One set of four sales comprised larger parcels assembled for development and the other set of three sales comprised smaller single lots, closer in size to the subject. These sets of comparables demonstrated an average time adjusted sale price of \$237.55 and \$150.69, respectively. The subject is assessed at \$154.27 ft<sup>2</sup>.
- One of the comparables in the second set of smaller sized parcels was also included in the Complainant's list of comparables.
- The Respondent advised the Board that all downtown area properties were treated equally by the mass appraisal model, and the 'corner' attribute premium was applied where so required. No significant premium was applied to larger, assembled parcels of land.

The Respondent requested that the 2011 assessment of \$1,157,000 be confirmed.

### **DECISION**

The decision of the Board is to reduce the 2011 assessment from \$1,157,000 to \$975,000 on the basis of \$130 per square foot for 7,500 square foot size of the subject parcel.

## **REASONS FOR THE DECISION**

1. Both parties submitted to the Board that practically no vacant land sales had taken place in the downtown area since 2006 - 2007. Time adjusting such sales prices to arrive at the current likely market values was the only reasonable alternative; both parties were in agreement on this.
2. The Board noted that none of the parties offered any equity evidence or arguments in support of or as a challenge to the 2011 assessment.
3. The Board was persuaded by the Complainant's reasoning that the western parts of the downtown area were likely to lag behind in development as compared to the central or core portions, and hence, are deserving of consideration for a more favorable assessment. (The subject property is located closer to the western edge of the downtown area C-1, page 3).
4. The Board accepted the Complainant's submission that the two comparables (#1 and #3) on the Complainant's list (C-1, page 1) were closest to the subject property in terms of location and size. Both of these had a time adjusted sale price of \$130 per square foot.
5. The Board noted that the Respondent's only comparable that matched in size and was in close proximity to the subject also showed a time adjusted sales price of \$129.79 per square foot (R-1, page 15, item #5).
6. Applying the requested rate of \$130 per square foot to the size of the subject parcel (7,500 ft<sup>2</sup>); the Board arrived at the reduced 2011 assessment of \$975,000 as fair and equitable.

## **DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

Dated this 2<sup>nd</sup> day of September 2011, at the City of Edmonton, in the Province of Alberta.

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Dean Sanduga, Presiding Officer

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*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.*

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cc: CVG  
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