



## ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL  
1 SIR WINSTON CHURCHILL SQUARE  
EDMONTON AB T5J 2R7  
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### NOTICE OF DECISION NO. 0098 142/10

Altus Group Ltd  
17327 - 106A Avenue  
Edmonton, AB T5S 1M7

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 10 and 11, 2010 respecting a complaint for:

Roll Number	Assessed Value	Municipal Address	Legal Description	Assessment Type	Assessment Notice for
3113537	301,000	11056 97 Street NW	Plan: 5021S Block: 21 Lot: 1 / 2 / 3	Annual New	2010
3113545	315,000	11058 97 Street NW	Plan: 5021S Block: 21 Lot: 1 / 2 / 3	Annual New	2010
3113560	332,500	11058A 97 Street NW	Plan: 5021S Block: 21 Lot: 1 / 2 / 3	Annual New	2010

#### Before:

Lillian Lundgren, Presiding Officer  
Petra Hagemann, Board Member  
Howard Worrell, Board Member

**Board Officer:** Annet N. Adetunji

#### Persons Appearing: Complainant

John Trelford, Altus Group

#### Persons Appearing: Respondent

Chris Rumsey, Assessment and Taxation Branch  
Tanya Smith, Law Branch

## **PRELIMINARY MATTER**

There were no preliminary matters raised by either party which have not been dealt with in previous hearings.

## **BACKGROUND**

The three subject properties are vacant parcels of land zoned CB-2 and used as a parking lot by Park Memorial Ltd.

**11056 97 Street NW** is a 4,084 square foot corner lot assessed at \$285,473 (\$69.91/ sq. ft.) for land and \$15,759 for improvements (paving) for a total property assessment of \$301,000.

**11058 97 Street NW** is a 4,429 square foot interior lot assessed at \$305,312 (\$68.93/ sq. ft.) for land and \$10,083 for improvements (paving) for a total property assessment of \$315,000.

**11058A 97 Street NW** is a 4,776 square foot interior lot assessed at \$324,938 (\$68.04/ sq. ft.) for land and \$7935 for improvements (paving) for a total property assessment of \$332,500.

## **ISSUES**

1. What is the correct rate per square foot for the subject properties?
2. Should additional depreciation be allowed for the improvements (paving)?

The only issues brought forward in the hearing before the Composite Assessment Review Board (CARB) are those referred to above; therefore the CARB has not addressed any of the other issues initially raised by the Complainant on Schedule 1.

## **LEGISLATION**

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

S.460(5) A complaint may be about any of the following matters, as shown on an assessment or tax notice:

- (a) the description of a property or business;
- (b) the name and mailing address of an assessed person or taxpayer;
- (c) an assessment;
- (d) an assessment class;
- (e) an assessment sub-class;
- (f) the type of property;
- (g) the type of improvement;
- (h) school support;
- (i) whether the property is assessable;
- (j) whether the property or business is exempt from taxation under Part 10.

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 filed these complaints on the basis that the vacant land rate used to prepare the assessment exceeds market value and that the improvements should be given additional depreciation.

1. What is the correct rate per square foot for the subject properties?

The Complainant argued that the sales of similar properties average \$25.66/ sq. ft. compared to the three subject assessments of \$69.91/ sq. ft., \$68.93/ sq. ft., and \$68.04/ sq. ft. respectively. The Complainant submitted six sales comparables in support of this argument and is requesting a rate of \$25.66/ sq. ft. for the land portion of each of the three properties under complaint.

2. Should additional depreciation be allowed for the improvements (paving)?

The Complainant submitted that the improvements are at least eighteen years old and have not received the correct amount of depreciation according to the Depreciation - Commercial Properties table for a typical life expectancy of twenty years. The Complainant is requesting additional depreciation for each of the three properties. During the course of the hearing the Respondent recommended reduced assessments for the improvements as follows: the property located at 11056 97 Street NW \$5,253, 11058 97 Street NW \$3,361, and 11058A 97 Street \$2,645. The Complainant accepted each of the recommendations.

### **POSITION OF THE RESPONDENT**

1. What is the correct rate per square foot for the improvements (paving)?

The Respondent submitted thirteen sales of property which sold in the same neighborhood of McAuley that average \$76.28/ sq. ft. The Respondent argues this supports the assessed rates per square foot of the subject properties.

2. Should additional depreciation be allowed for the improvements (paving)?

The Respondent explained that the Assessment Department is in the process of revising the assessments of similar improvements to reflect the correct amount of depreciation, thereby explaining the recommendations.

### **FINDINGS**

1. The assessed rates per square foot are correct.
2. The subject properties should receive additional depreciation.

## **DECISION**

The Board revises the 2010 property assessments as follows:

Roll Number 3113537 is reduced to \$290,500

Roll Number 3113545 is reduced to \$308,500

Roll Number 3113560 is reduced to \$327,500

## **REASONS FOR THE DECISION**

1. What is the correct rate per square foot for the subject properties?

The Board reviewed the Complainant's sales comparables and the Board finds the Complainant's sales to be dissimilar to the subject properties for various reasons, and the differences which could or would affect the sale price are noted for each of the sold properties:

12518 97 Street NW is approximately fifteen times the size of the subject properties, has a utility right of way and cell tower, and has limited access.

9225 118 Avenue NW is approximately five times larger.

14307 23 Avenue NW is approximately seven times larger and located in the southwest quadrant of the City, distant from the subject properties.

4402 118 Avenue NW is approximately two and a half times larger and has a restrictive covenant on title.

8103 169 Avenue NW is approximately eleven times larger and has a restrictive covenant on title.

9103 111 Avenue NW is approximately eleven times larger.

Unless adjustments are made to the sale prices of the properties for the differences that affect the market value, the Board does not accept that any of these sale prices would reflect the market value of the subject properties if they would have sold on the valuation date of July 1, 2009. Properties that are significantly larger tend to sell for less per sq. ft. owing to the economies of scale and cannot be compared to small parcels such as the subject parcels of 4084 sq. ft., 4429 sq. ft., and 4776 sq. ft. Depending on the type of restrictive covenant on title, a property with a restrictive covenant would be less valuable in the market place. The Complainant provided no evidence to show that the two sold properties with restrictive covenants reflected market value.

The Board also reviewed the Respondent's sales comparables and finds that, overall, the sales are more comparable to the subject properties because all of the sales are in the same market area as the subject properties, and eleven of the thirteen sales are of similar size to the subject properties. However, the Respondent provided third party sales data sheets for only six of the properties. Absent the data sheets, the Board does not have sufficient details to determine whether the properties are similar, and therefore will place little weight on the properties not supported by third party sales data sheets. The Respondent did provide the Land Titles Office

transfers for seven of the sold properties which shows the usual information such as sale price, sale date, affidavit of value, vendor, and purchaser, but these documents do not provide the details respecting encumbrances or any other comments related to the sale of the property. For example, the sales data sheets prepared by The Network have a comment section which would state the condition of property at time of sale, whether the property was purchased for re-development purposes, whether the property is contaminated, and whether the property has influences for shape/topography/access. In part, evidence such as third party sales data sheets assists the Board in determining if the sold property is a good comparable. In conclusion, the Board is persuaded by the six properties in McAuley which sold for an average sale price of \$81.83 per sq. ft. which supports the vacant land assessment value used to prepare the subject assessments.

2. Should additional depreciation be allowed for the improvements (paving)?

With respect to the second issue of depreciation, the Board accepts the values recommended by the Respondent and accepted by the Complainant as being representative of market value. The recommendations are included in the revised assessments.

**DISSENTING DECISION AND REASONS**

There were no dissenting decisions.

Dated this 17<sup>th</sup> day of August, 2010, at the City of Edmonton, in the Province of Alberta.

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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.*

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CC: Municipal Government Board  
Park Memorial Ltd.