



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 146/10

Canadian Valuation Group
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 August 3, 2010, respecting a complaint for:

Roll Number 3368305	Municipal Address 11445 Jasper Avenue	Legal Description Plan: B3 Block 14 Lot 52, etc.
Assessed Value \$1,612,000	Assessment Type Annual New	Assessment Notice for: 2010

Before:

James Fleming, Presiding Officer
Dale Doan, Board Member
Jack Jones, Board Member

Board Officer: Alison Mazoff

Persons Appearing: Complainant

Tom Janzen, Canadian Valuation Group

Persons Appearing: Respondent

Richard Fraser, Assessor, City of Edmonton
Yasaman Navidi, Observing, City of Edmonton

PRELIMINARY MATTERS

No preliminary issues were raised. The parties did not object to the composition of the Board. Neither the Board nor the parties raised any issues of bias.

BACKGROUND

This is an appeal of a property assessed as Special Purpose and valued using the cost approach. The site contains 16,200 square feet of land. The subject is part of an auto dealership (Edmonton Motors) in the Oliver area of Edmonton, just west of the downtown area. The value of the improvements (\$541,366) is not in dispute. The Complainant is contesting the value ascribed to the land

ISSUES

Is the assessment of the land portion of this 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 produced nine land sales comparables dated from September 2007 to September 2009. The parcel sizes varied from 3,300 square feet to 62,291 square feet. The prices varied from \$16.86 per square foot to \$49.40 per square foot.

The Complainant submitted that virtually no time adjustments to the sales prices were required. He indicated that all sites were located on “fairly” major roads with similar traffic to the subject, although the specific traffic volumes were not provided for all of the comparables or for the subject. He also indicated that the comparables had fairly similar zoning. His argument stressed that the best comparables were sales of properties of similar size and zoning to the subject and located on major roads with similar traffic volume to the subject.

The Complainant also indicated that the comparables had fairly similar zoning to the subject property. He asked that the Board place the greatest weight on sales #3, 5, 6 and 9 (with values from \$38.53 per square foot to \$49.40 per square foot) which were the closest in size to the subject. Based on these sales he requested that the Board establish the subject property’s land value at \$45.00 per square foot, for a land value of \$729,000 and a resulting total assessment of \$1,270,000.

In response to questions, the Complainant acknowledged that several sales had caveats or right-of-ways on their titles but noted that there was no evidence that these encumbrances negatively affected the comparable’s values.

POSITION OF THE RESPONDENT

The Respondent produced eight land sales comparables dated from May 2007 to August 2008. The parcel size ranged from 6,600 square feet to 34,000 square feet, and the prices varied from \$44.64 per square foot to \$108.07 per square foot. The locations of six of the comparable properties were in the east part of downtown. The Respondent argued that the downtown location should be the operative factor in determining the value and noted that the comparables had average and median prices that were very close to the value of the land component of the subject assessment at \$66.00 per square foot. The Respondent requested confirmation of the assessment at \$1,612,000.

The Respondent also provided eight equity comparables with values that ranged from \$62.81 per square foot to \$74.51 per square foot, and argued that these comparables supported the assessment.

In response to questions, the Respondent acknowledged that the subject property had no corner exposure. He also agreed that three of the land sales were purchased by the City at three of the highest rates per square foot, but confirmed that these were valid sales.

FINDINGS

The best evidence of value will come from properties with similar attributes such as parcel size, location on a major road, and traffic volume; not just the proximity to the downtown area.

DECISION

The decision of the Board is to reduce the assessment from \$1,612,000 to \$1,416,000.

REASONS FOR THE DECISION

The Board agreed with the Complainant that the appeal was about correctness, not equity, and so put little weight on the Respondent's equity comparables.

The Board reviewed the comparable sales that each party submitted. The Board accepted the Complainant's argument that major roadway location and zoning significantly influenced the value of the subject and thus were appropriate comparables. The Board also accepted the Complainant's argument that properties similar in location and zoning were the most appropriate comparables. As well, the Board accepted the Respondent's argument that the subject's proximity to downtown should have some impact on the value.

In reviewing the Respondent's sales, the Board put no weight on sales comparable #1 due to its location (it did not fit well with the Respondent's argument that downtown location was important, nor was it located on a major roadway). The Board also placed no weight on sale # 6 because, at \$108.07 per square foot, the Board considered it an outlier in the range of values. Accordingly, the Board used the four preferred sales submitted by the Complainant and the remaining six sales submitted by the Respondent.

In considering these ten sales and rounding down, the Board found the value of the land to be \$54.00 per square foot for a total land value of \$874,400. Adding to this the building value, one arrives at the revised assessment above.

DISSENTING DECISION AND REASONS

There were no dissenting decisions or reasons.

Dated this 25th day of August, 2010, at the City of Edmonton, in the Province of Alberta.

James Fleming
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
CC: 307081 ALBERTA LTD.