



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
EDMONTON AB T5J 2R7
(780) 496-5026 FAX (780) 496-8199

NOTICE OF DECISION NO. 0098 152/10

Canadian Valuation Group
Suite 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 9, 2010 respecting a complaint for:

Roll Number 3223427	Municipal Address 10334-108 Street NW	Legal Description Plan:B2 Block:8 Lot: 127, etc.
Assessed Value \$2,381,500	Assessment Type Annual New	Assessment Notice for: 2010

Before:

Board Officer: Alison Mazoff

Dean Sanduga, Presiding Officer
Terri Mann, Board Member
Brian Frost, Board Member

Persons Appearing: Complainant
Peter Smith, CVG

Persons Appearing: Respondent
Ning Zheng, Assessor, City of Edmonton

PRELIMINARY MATTERS

Neither party objected to the Composition of the Board, nor did the Board indicate any bias.

BACKGROUND

The subject is an owner occupied a two storey retail building, built in 1947. It is 4000 square feet and situated on a site area of 14,988 square feet. The subject is located in the downtown quadrant. It has an effective zoning of CB2.

The City of Edmonton has valued the subject, for 2010 assessment purposes, utilizing the direct sales comparison approach to value, with the building valued nominally at \$500 and the land at \$2,381,000.

ISSUES

The Complainant has raised the following issues:

1. The assessment amount shown on the Annual Realty Assessment Notice for 2010 is incorrect as it is greater than the July 1, 2009 market value of this property and is inequitable in relation to 2010 assessments of similar properties.
2. The 2010 assessment equate to a land value for the subject property that is substantially higher than the values derived from sales of downtown land parcels.
3. The capitalized income approach to value results in a lower value than the current assessment.

The Complainant did not provide evidence on the income approach to value for the subject; accordingly the Board did not determine this issue.

Issues 1 and 2 are subsumed in the issue as to whether the assessment reflects market value, in considering comparable sales of downtown land parcels.

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.

Matters Relating to Assessment Complaint Regulation, Alta reg. 310/2009

s.3 If a complaint is to be heard by a local assessment review board, the clerk must

- (a) provide, no later than the date the notice of hearing is provided to the complainant, written acknowledgement to the complainant that the complaint has been received,
- (b) schedule a hearing date, and
- (c) after a copy of the complaint form has been provided to the municipality in accordance with section 462 of the Act, notify the municipality, the complainant and any assessed person or taxpayer other than the complainant who is affected by the complaint

of the date, time and location of the hearing and the requirements and timelines for disclosure of evidence not less than 35 days before the hearing date.

s. 4(1) In this section, “complainant” includes an assessed person or taxpayer who is affected by a complaint who wishes to be heard at the hearing.

(2) If a complaint is to be heard by a local assessment review board, the following rules apply with respect to the disclosure of evidence:

(a) the complainant must, at least 21 days before the hearing date,

(i) disclose to the respondent and the local assessment review board the documentary evidence, a summary of the testimonial evidence, including any signed witness reports, and any written argument that the complainant intends to present at the hearing in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing, and

(ii) provide to the respondent and the local assessment review board an estimate of the amount of time necessary to present the complainant’s evidence;

(b) the respondent must, at least 7 days before the hearing date,

(i) disclose to the complainant and the local assessment review board the documentary evidence, a summary of the testimonial evidence, including any signed witness reports, and any written argument that the respondent intends to present at the hearing in sufficient detail to allow the complainant to respond to or rebut the evidence at the hearing, and

(ii) provide to the complainant and the local assessment review board an estimate of the amount of time necessary to present the respondent’s evidence;

(c) the complainant must, at least 3 days before the hearing date, disclose to the respondent and the local assessment review board the documentary evidence, a summary of the testimonial evidence, including any signed witness reports, and any written argument that the complainant intends to present at the hearing in rebuttal to the disclosure made under clause (b) in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing.

POSITION OF THE COMPLAINANT

The Complainant is of the position that the 2010 assessment of the subject is incorrect, as it is substantially higher than the values derived from sales of downtown land parcels. In this regard, the Complainant has provided a list of nine comparable sales, dated April 2007 – November 2009, to support his position that the subject assessment is excessive. The Complainant has provided supporting documentation for the sales upon which he relies (C-1, p.1, and p.4-12).

The Respondent did not provide supporting documentation for the sales comparables upon which he relied. The Complainant noted that he was disadvantaged in his examination of the Respondent’s evidence as a result of this omission. Further, the Complainant noted that he attempted to verify the Respondent’s sales data, but could not locate sales# 1,2,3,5 and 7 on the commercial land sales database from the City of Edmonton Assessment Department (C-2). For this reason, the Complainant was of the position that the Board ought not to rely upon these sales.

Based upon consideration of his sales comparables, the Complainant requested a revised value of \$100 per square foot for the subject, or \$1,499,000.

POSITION OF THE RESPONDENT

The Respondent is of the position that the 2010 assessment of the subject is fair, equitable and correct. To support his position, the Respondent provided seven comparable sales, all in the downtown quadrant, and bearing CB2 zoning, like the subject. The average of these comparables was \$215.00 per square foot, which supported the subject's assessment of \$158.89 per square foot (R-1 p.33).

DECISION

The decision of the Board is to reduce the 2010 assessment of the subject from \$2,381,500 to \$2,016,000.

REASONS FOR THE DECISION

The Board reviewed the Complainant's sales comparables. The Respondent identified a possible contamination issue with respect to the Complainant's sale# 7 (C-1 p.10). The Board noted that the network data sheet for sale# 8 indicated that this property had historical contamination issues. In addition, the Board noted that sales # 7, 8, and 9 occurred past the valuation date of July 1, 2009, and were thus post facto and not usable to determine market value.

The Respondent acknowledged the Complainant's position in his examination of the Complainant, that sale # 1 was situated in a similar location to the subject (Northwest core). The Complainant further confirmed that the zoning for sale #1 was EZ, dissimilar to the subject's CB2 zoning, but similar in permitted use. The Board found sales comparable # 6 to be relevant and persuasive to some extent, in indicating that the assessment is excessive (C-1, pg 9). As well, sale #6's size and zoning were very similar to those of the subject. The Board also considered that this was a recent sale. The remaining sales were not relied upon because of inferior locations as they were well out of the downtown core.

The Board also considered the Respondent's sales comparables, (R-1 pg 33). The Board noted that the Respondent failed to provide supporting documentation for the sales comparables (i.e. network data), which would have assisted in the analysis of the comparables. The Board, however, reviewed the data presented and found that Respondent's sales comparables# 5 and 7 were most similar to the subject's location, and shared other characteristics with the subject, such as zoning and size. The Board did not place weight on the Respondent's sales # 1 – 4 and 6 as these were in superior locations on or adjacent to high profile arterials.

The Board determined that the Complainant provided sufficient evidence to substantiate a reduction in the subject assessment. In arriving at a revised value for the subject assessment, the Board accepted the most suitable sales comparables provided in evidence, being the Complainant's sale# 1, and the Respondent's sales # 5 and 7, arriving at a value of \$134.47 per square foot, or \$2,016,000 (\$2,051,500.00 for the land plus the nominal value of the building at \$500.00). The Board did not place significant weight on the Complainant's sale# 6 because it was not located in the downtown core.

DISSENTING DECISION AND REASONS

There were no dissenting opinions or reasons.

Dated this 25th day of August, 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: 839173 Alberta Ltd.
Municipal Government Board