



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 165/11

CVG  
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 23, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10054328	11404 132 Street NW	Plan: 5025HW Block: 21	\$10,139,500	Annual New	2011

#### Before:

Larry Loven, Presiding Officer  
Judy Shewchuk, Board Member  
Ron Funnell, Board Member

**Board Officer:** Nicole Hartman

#### Persons Appearing on behalf of Complainant:

Tom Janzen, CVG

#### Persons Appearing on behalf of Respondent:

Mark Sandul, City of Edmonton, Assessor  
Tanya Smith, City of Edmonton, Law Branch

## **PRELIMINARY 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.

## **BACKGROUND**

The subject property consists of eight 12 suite low rise apartment buildings originally built in 1954, with an effective year built of 1975. Each building contains 6 one bedroom and 6 two bedroom suites for a total of 96 suites. It is part of Phase I of the Baywood Park development.

## **ISSUE(S)**

Is the 2011 assessment of the subject property at \$10,139,500 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 provided a summary of testimonial evidence and documentary evidence C-1, 18 pages. The subject property is one of 9 parcels known as Baywood Park Phases 1 and 2 located in west-central Edmonton. The Complainant challenged the gross income multiplier used by the Respondent as well as the value per suite and equity.

The Complainant provided eleven sales comparables (C-1, p. 2) of which six were located in the same neighborhood as the subject. Comparables #7 to #11 were larger similar projects located in various market areas. In his submission, C-1, the Complainant relied upon comparables #7, #8, #11. The Complainant utilized a GIM of 9.5 and the Respondent's effective gross income for the subject property arriving at an assessment of \$8,854,000. Utilizing the Direct Comparison approach the \$95,000 per suite value, as determined by the Complainant, equates to a market value of \$9,120,000. The Complainant requested a value of \$8,900,000 based on these calculations.

## **POSITION OF THE RESPONDENT**

The Respondent submitted evidence (exhibits R-1 and R-2) which included six sales comparables in the same market area as the subject. At R-2, p. 39, the Respondent presented a

table showing gross income multipliers (GIMs) for these comparables from Network published data ranging from 9.61 to 10.80. At R-2, p. 40, the Respondent presented a table with Respondent's assessed GIMs for the same comparables ranging from 9.09 to 11.06. The time adjusted sale prices per suite for these sales comparables ranged from \$85,000 to \$122,222.

At R-2, p. 47, the Respondent provided a table of six large investment walk-up sales situated in various parts of the city. The GIMs for these comparables ranged from 9.33 to 12.34 with time adjusted sale prices ranging from \$90,000 to \$145,000.

At R-2, p. 60, the Respondent provided a table of eight equity comparables, all in the same area as the subject, with GIMs ranging from 11.357 to 11.8 and assessments per suite ranging from \$104,273 to \$117,906.

The Respondent presented a table at R-2, p. 61, in which they critiqued the Complainant's sales comparables as not being representative of the subject property.

The Respondent provided website information that the owner of the subject has a policy of purchasing undervalued buildings (R-2, p. 62).

The Respondent asked the Board to confirm the assessment, corrected in the hearing to \$10,039,000 or \$104,573 per suite, based on 48 two bedroom suites for a total of 96 suites.

## **DECISION**

It is the decision of the board to reduce the original 2011 assessment from 10,039,000 to \$8,900,000.

## **REASONS FOR THE DECISION**

The vacancy rate of 4% for the subject party was accepted by both the Complainant and the Respondent.

The Board notes that the Complainant's GIMs were from a third party source and the Respondent's determined by their model.

The Respondent provided two tables of their sales comparables to illustrate that there are variances between the Network and assessed GIM factors. In part, due to these variances, the Board found it necessary to place reliance upon the Direct Comparison approach in order to determine the time-adjusted sale price per suite versus value as determined by various effective gross income, cap rate and GIM factors.

The Board finds the three sales comparables (#7, #8 and #11) on which the Complainant placed reliance were located in varying market areas, were of similar age, bracketed the number of apartments in the subject property and accepts that \$95,000 per suite is a fair indication of value. Furthermore, five of the Respondent's six sales comparables (excepting the comparable located in Glenora) were located in Westmount or Inglewood neighbourhoods within Market Area 4, were similar to the subject property in terms of other attributes and had an average time adjusted sale price of \$93,149 per suite.

In its consideration of the above reasons, the Board finds the subject property to be fairly valued at the requested amount of \$8,900,000 or \$92,708 per suite.

**DISSENTING OPINION AND REASONS**

None noted.

Dated this 12<sup>th</sup> day of September, 2011, at the City of Edmonton, in the Province of Alberta

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Larry Loven, 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: OSGOOD INVESTMENTS INC