

NOTICE OF DECISION NO. 0098 198/12

Altus Group
780-10180 101 ST NW
EDMONTON, AB T5J 3S4

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 27, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9946359	15015 112 AVENUE NW	Plan: 9722794 Block: 14 Lot: 10	\$268,500	Annual New	2012

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.

cc: CANADA SAFEWAY LIMITED

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, ECARB 2012-000985

Assessment Roll Number: 9946359

Municipal Address: 15015 112 AVENUE NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

James Fleming, Presiding Officer

Darryl Menzak, Board Member

Judy Shewchuk, Board Member

Preliminary Matters

[1] The parties did not object to the composition of the panel nor were any issues of bias identified.

Background

[2] The property is an unimproved 15,991 square foot (sq. ft.) parcel of land. The zoning is IM – Medium Industrial, and the property is valued using the Direct Sales Comparison (DSC) approach. The property was developed in 1997, has paving and fencing and operates as a parking lot. The property has received a 10% Topography adjustment.

Issue(s)

[3] The Complaint form identified nine issues. At the hearing, the Complainant argued only two issues:

[4] What is the appropriate market value for the land?

[5] Are the attributes/improvements properly valued?

Legislation

[6] The Municipal Government Act reads:

Municipal Government Act, RSA 2000, c M-26

s 1(1)(n) “market value” means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

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

[7] The Complainant provided six Direct Sales comparables (Ex. R1, pg.8) which showed a time adjusted sales price (TASP) between \$11.13 per sq. ft. and \$18.11 per sq. ft. The median of the values was \$13.21 per sq. ft., which supported their request for a value of \$13.25 per sq. ft. versus an assessed rate of \$14.80 per sq. ft. The comparables were located in the northwest quadrant of the City, the same as the subject property.

[8] The Complainant pointed out that because the subject is a parking lot, it does not need and does not have full municipal servicing.

[9] The Complainant also pointed out that the City had not applied any depreciation factor to the paving, which they represented was 14 years old and should thus qualify for 60% depreciation based on the Marshall and Swift Depreciation tables (Ex. C1, pg. 26).

[10] When these adjustments are made, the value is **\$224,500**, which is their requested assessment.

Position of the Respondent

[11] The Respondent provided four Sales Comparables (all from the northwest quadrant of the City as well) which showed a TASP of \$14.03 per sq. ft. to \$22.45 per sq. ft. (Ex. R1, pg. 10). The average price of the comparables was \$17.29 per sq. ft. which, the Respondent said, provided good support for their \$14.81 per sq. ft. assessed rate. The lot sizes for the comparables ranged from 7,057 sq. ft. to 58,632 sq. ft. versus the 15,987 sq. ft. of the subject.

[12] The Respondent noted that full municipal services are available to the site, and so the City assesses the property as fully serviced.

[13] The Respondent admitted an error in not processing the depreciation for the paving but they also noted that the property had not been assessed as having fencing, which it clearly did. As well, it did not appear that there were any topographical site issues, and the Respondent could not say when or why this topographical influence had been applied. Both parties agreed that in any event, it was no longer appropriate. The Respondent advised that after adjusting for these

three corrections (depreciation for the paving, assessing the fencing, and removal of the topography influence), the assessment would be \$277,500. The Respondent advised they would be making these adjustments for the next year. As a result, the Respondent did not feel compelled to correct for the paving depreciation given that the overall assessment (with all adjustments) would be higher than the present assessment.

[14] Accordingly, the Respondent asked that the assessment be confirmed at **\$268,500**.

Complainant's Rebuttal

[15] The Complainant reviewed the four sales comparables of the Respondent. They asked that the CARB put little weight on the two Comparables located on 149th St. as it is an arterial road with greatly higher traffic counts than the subject (8,000 vehicles per day (VPD) versus 2,500 VPD for the subject). They also noted that one of the 149th St. sales (13303) is on a corner and therefore even a more superior location than the subject.

Decision

[16] The Complaint is denied and the assessment is confirmed at **\$268,500**.

Reasons for the Decision

[17] The CARB considered all of the evidence and argument.

[18] First the CARB finds that the property is fully serviced as stated by the City, because services exist to service the property, and it is a management decision not to take advantage of the servicing. Thus the subject has "typical" services similar to the comparables.

[19] In terms of reviewing the Comparables, the CARB accepts that the Complainant's #2 and #3 comparables may have servicing issues as shown on the maps (Ex. R1, pgs. 16 & 17). The servicing issues were not adequately refuted by the Complainant and so the CARB puts less weight on those comparables. Likewise, while the CARB did not receive hard evidence on the shape concerns identified by the Respondent for the Complainant's comparable #5, in the CARB's experience, the depth of the property could limit the utility and impact the value. The CARB put less weight on that comparable as well.

[20] With respect to the Respondent's comparables, the CARB accepts the Complainant's argument that the 149th St. location is superior to the subject and so puts less weight on the Respondent's first two comparables. The CARB also notes that the Respondent's third comparable is over three times the size of the subject, and so economies of scale would tend to boost the \$14.03 per sq. ft. sales price in order to make it more comparable with the subject.

[21] In the final analysis, after the exclusion of certain comparables, for the reasons noted above, the CARB is left with four comparables. The CARB puts weight on the Comparable at 18037 105th Ave (with a value of \$18.11 per sq. ft.), because it was used by both parties. The remaining comparables comprise two from the Complainant at \$11.13 per sq. ft. and \$12.92 per sq. ft., and the one remaining of the Respondent's at \$14.03 per sq. ft. The CARB concludes that while the median of these is in the mid \$13.00 range per sq. ft (and an average of \$14.05), it is necessary to apply greater weight to the \$14.03 comparable because it needs to be adjusted higher to recognize the economies of scale. Additionally, the only comparable common to the parties' evidence also supports a higher amount. Accordingly the CARB concludes that with the

weight on the common comparable and adjusting the \$14.03 per sq. ft. comparable upwards to account for economies of scale, the assessed rate per sq. ft. supports the land value of the Respondent.

[22] The CARB recognizes the argument of the Complainant that the common Comparable may be in a superior location, however in its experience, (with a TASP of \$18.11 per sq. ft.), the CARB concludes that the adjustment for location would still result in a value in excess of the assessed value. The CARB also notes that it received no evidence on the suggested amount of a locational adjustment from either party, and so was forced to rely on its experience and judgement.

[23] The CARB considered the request for applied depreciation on the paving. The CARB was persuaded that the correction of the topography allowance and the inclusion of the fencing would have resulted in a higher assessment, and so concludes that the assessment arrived at with the attributes as calculated, is a fair and equitable statement of the value.

[24] As a result, the CARB confirms the assessment as noted above.

Dissenting Opinion

[25] There was no dissenting opinion.

Heard commencing August 27, 2012.

Dated this 14th day of September, 2012, at the City of Edmonton, Alberta.

James Fleming, Presiding Officer

Appearances:

Bret Flesher

Chris Buchanan

for the Complainant

Darren Nagy

for the Respondent

For Official Use Only:

Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Other property Types	Vacant Land	Cost /Sales	Land Value Depreciation