



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 230/11

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 October 12, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
3826815	8115 118 Avenue NW	Plan: N3070AJ Block: 6 Lot: B C/D Plan: 6196HW Block: 6 Lot: F Plan: 5850R Block: 6 / Plan: 92	\$705,500	Annual New	2011

#### Before:

Ted Sadlowski, Presiding Officer  
James Wall, Board Member  
Petra Hagemann, Board Member

**Board Officer:** Segun Kaffo

#### Persons Appearing on behalf of Complainant:

Tom Janzen

#### Persons Appearing on behalf of Respondent:

Chris Rumsey  
Jerry Sumka

## **PRELIMINARY MATTERS**

There were no preliminary matters presented.

The presiding officer asked if there were any objections to members of the panel and if any of the panel members have any bias towards this case. There were no objections and no bias.

## **BACKGROUND**

The subject property is the Cromdale hotel site located at 8115 – 118 Avenue, in the Parkdale neighbourhood of northeast Edmonton. The existing building was condemned a number of years ago and has remained vacant. The size of the subject land is 20,119 sq ft. The assessment is comprised of \$500 nominal value for the derelict improvements and the balance for vacant land for a total assessment of \$705,500.

## **ISSUE(S)**

Is the 2011 assessment correct?

## **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 20 page brief (C-1) to challenge the correctness of the 2011 assessment of the subject property.

The Complainant advised the Board that there had been an 8% increase in assessment from 2010 to 2011. The commercial land time adjustment chart provided by the City shows a decrease in value of approximately 11.5% from July 2009 to July 2010.

The Complainant provided 2 sales comparables. The first located at 9219/25 – 118 Avenue is similar in size to the subject, sold October 2007 and when time adjusted to valuation date, indicates a value of \$26.15 per square foot. Sale #2 on 11337-95 Street sold July 2008 and when time adjusted indicates a value of \$28.90 per square foot.

The Complainant further provided 7 equity comparables located on 118 Avenue, 82 and 81 Streets, in the same block (#6) as the subject. These comparables range in assessment from \$14.87 per square foot - \$27.23 per square foot.

During the questioning and argument process of the hearing, it was noted that the subject had a corner attribute applied to it which effectively increased the assessment by 7.7%.

Taking the above into consideration, the Complainant requests the Board reduce the 2011 assessment from \$35.04 per square foot to \$26.50 per square foot (plus \$500 for derelict improvements) or from \$705,500 to \$533,500 (C-1, pg 2).

### **POSITION OF THE RESPONDENT**

The Respondent provided the Board with a 38 page assessment brief (R-1). The brief contained reference to mass appraisal, the subject's detail assessment report as well as sales and equity comparables to defend the assessment.

The 3 sales comparables (R-1, pg 17) ranged in time adjusted sales price from \$28.92 per square foot to \$35.03 per square foot for a reported average of \$30.14 per square foot and a median of \$31.36 per square foot. The Respondent indicated sales comparables #2 & #3 are the same as the Complainant's sales comparables #1 & #2 (C-1, pg 1).

In addition the Respondent submitted 11 equity comparables (R-1, pg 18), all located on 118 Avenue similar to the subject. These range in size from 2400 square feet to 9229 square feet; averaging \$36.77 per square foot.

The Respondent indicated that the subject property has a commercial corner attribute applied, as the vacant lot adjoining the subject to the west is City owned and considered by the City to be undevelopable.

Also provided in the assessment brief was evidence that the subject property together with other adjoining land to the east was offered for sale April 2011 as a development site at \$2,500,000 or \$39.85/sq ft.

The Respondent submitted evidence that the correct size of his sales comparable #2 (R-1, pg 17) is 16,316 square feet compared to 19,560 sq ft as stated by the Complainant for the same sales comparable (C-1, pg 1).

The Respondent requested that the Board confirm the subject property's 2011 assessment at \$705,500 comprised of land at \$34.04/sq ft and \$500 for the derelict improvement.

### **DECISION**

The decision of the Board is to reduce the 2011 assessment of the subject from \$705,500 to \$583,000, a reduction of \$122,500

### **REASONS FOR THE DECISION**

1. The Board placed no weight on the Complainant's argument related to the year to year % increase in assessment as previous decisions have found that each assessment year is independent of previous years' assessments.

2. The Board placed little weight on the Respondent's reference to the offering for sale of the property which includes the subject (R-1, pg 27-29) as it was post facto (April 2011).
3. The Board considered both the Complainant's and Respondent's equity comparables however placed little weight on this evidence as they lacked comparability due to their smaller sizes and different locations in relation to the subject.
4. The Board considered the Complainant's and Respondent's sales comparables. The Respondent's comparable #1 located on 9502 – 118 Avenue and comparable #2 (same as Complainant's comparable #1) located at 9219/25 – 118 Avenue enjoy corner advantage while the subject does not.
5. The City of Edmonton applied a 7.7% adjustment to the assessment of the subject to recognize exposure to 82 Street. It is the Board's opinion this adjustment is not valid as there is a narrow adjoining parcel (approximately 30 feet) that separates the subject from 82 Street. This vacant parcel may have development potential.
6. The Board placed the greatest weight on the three comparables provided by the Respondent however reduced comparable #1 & #2 by 7.7% to allow for better comparability to the subject property. The resulting time adjusted sales prices for these 3 comparables are: \$32.33 per square foot, \$28.95 per square foot and \$28.92 per square foot indicating an average of \$30.06 per square foot and a median of \$28.95 per square foot.
7. The Board accepts the median time adjusted sales price (\$28.95 per square foot) of these three comparables and applying it to the 20,119 square feet of the subject, derives a value of \$582,445. Adding the \$500 nominal value for the derelict building, the Board reduces the 2011 assessment from \$705,500 to \$583,000.

### **DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

Dated this 13th day of October, 2011, at the City of Edmonton, in the Province of Alberta.

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Ted Sadlowski, 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: 1251497 Alberta Inc.