



ASSESSMENT REVIEW BOARD

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10019 103 Avenue
Edmonton AB T5J 0G9
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NOTICE OF DECISION NO. 0098 325/11

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 an amendment to the decision of the Composite Assessment Review Board (CARB) from a hearing held on October 26, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10126263	6004 Currents Drive Nw	Plan: 0822223 Block: 14 Lot: 3	\$91,366,500	Annual New	2011

Before:

Tom Robert, Presiding Officer
Jack Jones, Board Member
John Braim, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Tom Janzen

Persons Appearing on behalf of Respondent:

Chris Rumsey, Assessor
Frank Wong, Assessor

PRELIMINARY MATTERS

None.

BACKGROUND

The subject property is comprised of a large newer retail development located in Windermere, in southwest Edmonton. The subject is partially developed and is valued for assessment purposes for 2011 at \$91,366,500. The developed portion is assessed at \$72,260,912 utilizing the income approach to value. It was determined by the Respondent that the typical threshold site coverage for this type of development is 25%. The actual coverage for 2011 is 16% and both parties agree that the excess land portion is 1,005,598 square feet (23.09 acres). The Respondent has assessed this portion of excess land at \$19.00 per sq. ft. which derives a value of \$19,106,000.

The Complainant agrees with the income component of the developed portion of the subject, as well as the estimated amount of the excess land. The value per square foot applied to the excess land is in dispute.

ISSUE(S)

What is the market value of the excess land portion of the subject property as of July 1, 2010?

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 argues that the excess land component of the subject is over valued at \$19.00 per sq. ft. The complainant presented five time adjusted sales ranging in value from \$7.15 to \$20.34 per sq. ft. The sales comparables were primarily 2010 sales with one sale in 2009. The sizes ranged from 57,064 to 262,231 square feet. The Complainant further adjusted these sales to reflect location and size. Based on the analysis, the adjusted sales comparables indicated values of \$13.83 and \$12.75 per sq. ft for sale numbers 4 and 5, which have more similar physical and locational characteristics to the subject property. The Complainant's requested value for the excess land portion is \$13,072,774, based on an adjusted sales comparables value of \$13.00 per sq. ft. for a total requested assessment of \$85,333,686.

The Complainant argues that the sales used by the Respondent were in question based on the following:

- Sale # 1 (roll # 10089166) is a non-arm's length transaction in that the vendor and purchaser are related companies;
- Sale #2 (roll #10081083) is a land swap between two quasi related companies employing the same operating company;
- Sale #3 (roll #10129445) is post facto and the 2011 assessment is \$6,315,500 which is 7% less than the sale price. Further, the adjacent parcel at 5103 Windermere Boulevard sold for a time adjusted value of \$15.09 per square foot.

POSITION OF THE RESPONDENT

The Respondent advised that there was an error in the original 2011 assessment and adjusted the total value of the subject from \$91,366,500 to \$90,810,500. The error was on the area used by the anchor tenant 1 which was corrected from 216,666 sq. ft. to 212,666 sq. ft. The resulting change in the potential gross income was used to recalculate that portion of the subject property calculated on the income approach to value.

The Respondent presented three time adjusted sales in support of the value used in arriving at the excess land component of the subject property. These sales comparables were in the immediate area of the subject property. The adjusted values per square foot range from \$18.51 to \$18.84. The third sale in September 2010 which was agreed to be post facto was \$22.49 per sq. ft. The sizes range from 1,134,785 to 5,120,274 square feet (the post facto sale was 302,315 square feet).

The Respondent argues that the sales presented by the Complainant are not similar in location or size. The Respondent further argues that there is no evidence to support the adjustments made pertaining to size or location of the Complainant's sales comparables.

DECISION

The decision of the Board is to reduce the 2010 assessment of the subject property to \$90,810,500.

REASONS FOR THE DECISION

The Board has determined that the adjusted sales comparables presented by the Complainant were not similar in size or location, and the adjustments made for comparability were not supported by any substantive evidence.

The Respondent presented three sales which the Board heard in evidence were non-arms length transactions or were post facto. The Respondent suggested that in his view these sales were strong indicators of value borne out by the high demand in the area.

The Board is of the view that the sale at 5103 Windermere Boulevard at \$15.03, and the trend indicated by the post facto sale at 5120 Windermere Boulevard at \$22.49, are the only valid indicators of value for the subject. The current assessment of \$19.00 per sq. ft. for the excess land portion falls within this range of values and is therefore accepted.

Accordingly, the Board reduces the 2010 assessment of the subject property to \$90,810,500 based on the correction to the area used by the Anchor Tenant 1, and an assessment of \$19.00 per sq. ft. for the excess land portion.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 24th day of November, 2011, at the City of Edmonton, in the Province of Alberta.

Tom Robert, 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, RSA 2000, c M-26.

cc: WINDERMERE COMMERCIAL LANDS LTD