



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 355/11

APTAS
#397 52471 RR 223
Sherwood Park, AB T8A 4P9

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 November 7, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
4314720	9131 34A Avenue	Plan: 9525376 Block: 10 Lot: 11	\$875,000	Annual New	2011

Before:

John Noonan, Presiding Officer
James Wall, Board Member
Tom Eapen, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Michelle Warwa-Handel

Persons Appearing on behalf of Respondent:

Darren Nagy, Assessor

BACKGROUND

The subject is a 1.12 acre (48,872 sq. ft.) IB zoned vacant lot at 9131 34A Avenue in the Strathcona Industrial Park neighbourhood. The \$875,000 assessment prepared by the cost approach equates to a land value of \$17.90 per sq. ft. or just under \$780,000 per acre.

ISSUE(S)

An attachment to the complaint form stated the 2011 assessment was in excess of the subject's market value and identified four issues:

1. Sales of similar properties indicate a lower market value using the sales or income approach to value. The 2011 assessed value does not reflect typical market value for similar properties.
2. The assessment is neither fair nor equitable.
3. The online sales information provided by the assessor appears to be just a list of all the sales, not similar to the subject in many attributes such as size, age, location, category or per square foot value. The properties are not stratified into groups of comparable properties, and the range of sales values is not sufficiently transparent to demonstrate comparability to the subject's assessment.
4. Adjustments for lot shape, configuration and condition were missed.

At the hearing, the Composite Assessment Review Board (CARB) heard evidence and argument on the following issues:

1. Do the sales comparables presented by the Complainant show the subject is assessed at greater than market value?

2. Has the subject been assessed equitably?

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

Issue 1: Sales Comparables

The Complainant requested the assessment be reduced to \$751,105 or \$15.36 per square foot.

The Complainant presented a list of 12 vacant land sales, predominantly drawn from the Pylypow Industrial area. The sales occurred in the July 2007- August 2010 timeframe with the sales prices time-adjusted by 3% per year to show a median value of \$603,925 per acre for parcels ranging from 1.65 – 4.5 acres, all zoned IM, similar in value to the IB zoning of the subject.

A further 12 sales with IB, IH and CSC [Board note: Industrial Business, Industrial Heavy, Commercial/Shopping Centre] zoning showed an average price of \$13.89 per sq. ft. [Board note: 6 of these sales were post facto the valuation date of July 1, 2010, occurring from November 2010 to May 2011.] Three sales from 2007 and 2008 were presented as the most relevant comparables, with time-adjusted per sq. ft. values of \$17.19, \$10.90 and \$15.32. An average \$14.47 from these three applied to the subject would indicate a value of \$707,176.

The Complainant advised that though the real estate market peaked in 2007 and had since declined, all the sales comparables presented had been positively adjusted by 3% per year, from date of sale to valuation date, July 1, 2007.

Issue 2: Assessment Equity

The Complainant presented maps and assessment details of three vacant lots in the same neighbourhood as the subject, the Strathcona Industrial Park. The lot sizes were 3.04 acres, 4.12 acres and 1.61 acres and had been assessed at \$699,000 per acre, \$676,000 and \$750,000 respectively. An average of these three assessments, \$708,588 per acre, applied to the subject would produce an equitable assessment of \$795,035.

The requested assessment of \$751,105 was the average of the value found from the sales comparables (\$707,176) and an equitable value, \$795,035.

POSITION OF THE RESPONDENT

Issue 1: Sales Comparables

The Respondent presented 3 sales and 4 assessment equity comparables in defense of the assessment. Two of the three sales were just under 3 acres in size, and one was 1.787 acres, for an average lot size of 2.59 acres. The time-adjusted sales prices averaged \$833,388 per acre as compared to the subject assessment of \$779,857 per acre.

In response to a Board question, the Respondent noted that the City's time-adjustment had not been raised as an issue, and as the Complainant had not requested the time-adjustment chart, none had been supplied. To the best of his recollection, the assessor advised that 2007 sales had been adjusted upwards until the market peak in November 2007. From January 2008 to November 2008 the market was in decline and a negative time-adjustment had been applied;

from December 2008 through valuation date, no adjustment had been made as the market was essentially stagnant through this period.

Issue 2: Equity comparables

The four equity comparables included the 3 sales comparables presented, and showed an average assessment of \$17.24 per sq. ft. The assessor acknowledged that the assessment of one of the sales comparables, 721 Parsons Road, was low and likely had not taken into account a superior location. That property was assessed at \$740,834 per acre but had sold in December 2009 at a time-adjusted \$886,880 per acre.

DECISION

The CARB reduces the assessment to \$784,000.

REASONS FOR THE DECISION

The parties submitted sales evidence identical to that presented at an earlier hearing, roll number 8873572. The parties requested that their comments and questions on that evidence be carried forward as applicable to this hearing as well. This is a request frequently made and granted in the interest of hearing efficiency. While the CARB and the parties have no problem with the concept of carrying forward evidence, the same cannot be said about the idea of carrying back evidence presented at one hearing as also applicable to an earlier file. Such a situation arises here, where the CARB sees a complete assessment equity issue presented by the Complainant, that was also intended for the previous file but was missing several key pages in that instance. The CARB sees, in retrospect, that the missing equity evidence would not have changed the earlier decision, but in this hearing was helpful to the Board in reaching a decision.

The CARB found the best sales comparable to be a property at 4803 55 Avenue, larger than the subject at 1.95 acres, but like the subject, one lot removed from a good corner location. That property sold for \$16.06 unadjusted for time, in February 2008. While the Complainant had adjusted this sale to \$17.19 per sq. ft., the evidence on the Respondent's time-adjustment factors would indicate a negative adjustment would be appropriate, but by an unknown amount. Using the comparable's \$16.06 per sq. ft. would produce a value for the subject of \$784,884 or \$700,790 per acre.

The CARB noted a larger but nearby parcel at 3603 93 Street, whose 3 acres attracted an assessment of \$699,209 per acre.

Having found reasonable sales and equity comparables both pointing to a value of \$700,000 per acre, the Board applied this value to the subject's 1.12 acres to arrive at a decided value of \$784,000.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 2nd day of December, 2011, at the City of Edmonton, in the Province of Alberta.

John Noonan, 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: 231134 ALBERTA LTD