



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 356/11

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 8, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
3033727	9210 34 Avenue NW	Plan: 8422100 Block: 10 Lot: 7A	\$1,389,000	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:

Shelly Milligan

BACKGROUND

The subject property is a 1984-built 3,864 sq. ft. auto dealer showroom and service garage on a 33,046 sq. ft. (.759 acre) lot, zoned CSC, in the Strathcona Industrial Park neighbourhood. The improvement covers 12% of the site and in recognition of the lot's long and narrow shape, a minor shape allowance (negative 5%) is recognized in the land value assessment. Of the total \$1,389,000 assessment prepared by the cost approach, the land value accounts for \$1,210,611. The value of the improvement is not under complaint.

The complaint was heard immediately following the hearing that dealt with the neighbouring auto dealer property, roll number 8975831, at 9150 34 Ave. The parties requested the CARB to carry forward relevant evidence from that hearing.

ISSUE(S)

A copy of the complaint form was absent from the documentary evidence, and so the CARB is unable to provide a summary of the issues raised on that form. At the hearing, the Board heard evidence and argument on the following issue:

Does the sales evidence warrant a reduction in the land value component of the subject's assessment?

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 presented eight auto dealer sales comparables and concluded a per sq. ft. value of \$177.30 on the size of the improvement. Applied to the 3,864 sq. ft. improvement, this would yield a total assessment of \$683,954.

Twelve vacant land sales comparables including two post facto sales were presented. Six of these sales generated an average of \$16.82 per sq. ft. Applied to the subject 33,046 sq. ft., a land value of \$555,833 plus the improvement at \$178,522 would produce a total assessment of \$734,355. If the Board were to select one of the highest land sale rates, the \$24.15 per sq. ft. time-adjusted price seen at the sale of 904 Parsons Road, a total assessment of \$976,589 would be indicated.

An average of the three calculations determined the final requested assessment of \$798,299.

POSITION OF THE RESPONDENT

The Respondent provided eight vacant land sales comparables in defense of the assessment. Three of the sales were just under an acre in size, three were between 1.063 to 1.779 acres and two were 3.340 acres and 5.866 acres with an average lot size of 2.058 acres. The time-adjusted sales prices averaged \$1,584,921 per acre compared to the subject's assessment of \$1,595,008 per acre. On a per sq. ft. basis, the comparables averaged \$36.38 which the Respondent observed was very close to the subject's \$36.63 and requested confirmation of the assessment.

DECISION

The CARB reduces the assessment to \$967,500.

REASONS FOR THE DECISION

The CARB found fault with the Complainant's method of deriving a value from eight auto dealer sales. These sales included improvements up to ten times the size of the subject's 3,864 sq. ft. building, and furthermore, compress the land values of widely varying lot sizes into a dollar-per-sq. ft. value including the improvements. Here, the value of the improvement, \$178,522 is not at issue.

With the exception of one post facto sale, November 29, 2010, the Complainant's vacant land sales were substantially larger parcels, from 1.76 to 10.63 acres. The CARB found these to be of limited usefulness in trying to determine whether the subject .76 acres is assessed at a reasonable estimate of market value. In spite of these concerns with parts of the Complainant's evidence, the CARB noted the subject assessment increased some 38% year over year. This increase seemed at variance with the flat overall trend that was described to the Board.

The CARB found the best comparable in the Respondent's evidence: a July 2009 sale of .84 acres at 2847 34 Street. This property sold for a time-adjusted \$25.14 per sq. ft. By applying a 5% shape allowance for the subject, the result is \$23.88 per sq. ft. or \$789,237. Adding the \$178,522 improvement, the Board finds a fair assessment to be \$967,500.

Dated this 6th 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