



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 455/11

ALTUS GROUP  
17327 106A Avenue  
EDMONTON, AB T5S 1M7

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 December 5, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1212323	9524 Yellowhead Trail NW	Plan: 4159HW Lot: 19	\$462,500	Annual New	2011

#### Before:

Ted Sadlowski, Presiding Officer  
Dale Doan, Board Member  
George Zaharia, Board Member

**Board Officer:** Jason Morris

#### Persons Appearing on behalf of Complainant:

John Trelford, Altus Group

#### Persons Appearing on behalf of Respondent:

Ning Zheng, Assessor, City of Edmonton

## **PRELIMINARY MATTERS**

There were no preliminary matters raised with regard to this file.

## **PROCEDURAL MATTERS**

The Board Members indicated that they had no bias with regard to the matter. The Parties indicated that they had no objection to the composition of the Board.

## **BACKGROUND**

The subject property is a one storey retail/wholesale located in the Yellowhead Corridor Subdivision, with a municipal address of 9524 Yellowhead Trail NW. The land size of the property is approximately 16,650 square feet, with an assessed building area of approximately 1,500 square feet. The 2011 assessment of the subject property is \$462,500.

## **ISSUE(S)**

Is the land value used in 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**

1. The subject property is valued by the cost approach. The Complainant does not disagree with the \$187,911 value assigned to the improvements, but does disagree with the \$274,990 assigned to the land value of the subject property.
2. The Complainant provided five comparable land sales that occurred between February 6, 2006 and September 28, 2010 for time adjusted sale prices ranging from \$10.32 to \$14.63 per square foot resulting in an average of \$11.69 per square foot and in a median of \$10.98 per square foot (Exhibit C-1, page 10).
3. The Complainant provided three equity comparables of land zoned IM as is the subject and larger in size than the subject with assessments ranging from \$11.85 to \$14.94 per square foot resulting in an average of \$13.52 per square foot and in a median of \$13.79 per square foot (Exhibit C-1, page 12).

4. The Complainant requested the Board to reduce the 2011 assessment from \$462,500 to \$387,500 based on a land value of \$12 per square foot.

### **POSITION OF THE RESPONDENT**

1. The Respondent provided four comparable land sales that occurred between September 20, 2006 and June 25, 2009 for time adjusted sale prices ranging from \$13.52 to \$27.06 per square foot resulting in an average of \$18.63 per square foot and in a median of \$16.97 per square foot (Exhibit R-1, page 33).
2. The Respondent provided five equity comparables of land, reasonably similar in size, with assessments ranging from \$15.28 to \$24.90 per square foot resulting in an average of \$17.99 per square foot and in a median of \$17.00 per square foot (Exhibit R-1, page 34).
3. The Respondent argued that none of the land sale comparables provided by the Complainant are zoned IM as is the subject, and that four of the five sales are double in size. With regards to the equity comparables, the Respondent acknowledges that all the comparables are zoned IM as is the subject, but that they are all much larger in size, making the comparables inappropriate because the economy of scale is not taken into account (Exhibit R-1, page 49).
4. The Respondent acknowledged that the shape of a parcel of land can have an impact on the value. Deductions are applied as follows:
  - a. Minor up to 5%
  - b. Moderate up to 10%
  - c. Major up to 15%
  - d. Extreme up to 20%

(Exhibit R-1, page 7)

5. The Respondent requested the Board to confirm the 2011 assessment at \$462,500.

### **DECISION**

The decision of the Board is to reduce the 2011 assessment from \$462,500 to \$421,500.

Roll Number	Original Assessment	New Assessment
1212323	\$462,500	\$421,500

### **REASONS FOR THE DECISION**

1. The Board placed little weight on the Complainant's land sale comparables since four of the five comparables were from more than twice to almost five times in size compared to the subject's land size. As well, none of the sales comparables were zoned IM as is the subject.

2. The Board placed little weight on the Complainant's land equity comparables since all three comparables were larger in size from two and one-half times to more than twenty times in size compared to the subject's land size. In the Board's opinion this definitely engaged the concept of economy of scale.
3. The Board placed greater weight on the sales and equity comparables provided by the Respondent since the size of the land was much more comparable to the subject's. However, the Board considered the subject unique due to its shape, both being very narrow and having the west portion of the site disappear into a point due to the alignment of the road that curves around the southwest edge of the property.
4. The Board was persuaded that consideration should be given to the shape of the land and applied a 15% reduction to the \$16.52 per square foot value applied by the Respondent in the original 2011 assessment. This resulted in a \$14.04 per square foot value or \$233,668 for the full site. By adding the value of the improvements in the amount of \$187,911, this results in a total value of \$421,500.
5. The Board is persuaded that a reduced 2011 assessment in the amount of \$421,500 is fair and equitable.

#### **DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

Dated this 20<sup>th</sup> day of December, 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: 1253595 ALBERTA LTD