



## ASSESSMENT REVIEW BOARD

Churchill Building  
10019 103 Avenue  
Edmonton AB T5J 0G9  
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### NOTICE OF DECISION NO. 0098 463/11

Canadian Valuation Group (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 December 6, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10126261	5110 WINDERMERE BOULEVARD NW	Plan: 0822223 Block:14 Lot:2	\$33,225,500	Annual New	2011

#### Before:

Robert Mowbrey, Presiding Officer  
Francis Ng, Board Member  
Petra Hagemann, Board Member

**Board Officer:** Karin Lauderdale

#### Persons Appearing on behalf of Complainant:

Tom Janzen, CVG

#### Persons Appearing on behalf of Respondent:

Chris Rumsey, Assessor, City of Edmonton

## **PRELIMINARY MATTERS AND PROCEDURAL MATTERS.**

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board advised the parties that the Board had no bias on this file.

## **BACKGROUND**

The subject property is 34.45 acres of partly developed land located at 5110 Windermere Boulevard NW. The 2011 assessment for the subject property is comprised of \$29,667,597 land and \$3,558,039 improvements for a total of \$33,225,500. The only issue before the Board is the land component.

## **ISSUE(S)**

What is the land market value of the subject property?

## **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.

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## **POSITION OF THE COMPLAINANT**

The Complainant filed this complaint on the basis that the subject property of \$33,255,500 is in excess of market value. At the outset of the hearing, the Complainant indicated that the only issue for this complaint is the 2011 assessment value of the land (\$29,667,597 or \$19.77/sq. ft), not the assessment of the improvement (\$3,558,039). In support of this position, the Complainant presented 7 sales that have been time adjusted using the City of Edmonton's time adjustment schedule from the date of sale to the valuation date, July 1, 2010.

The 7 sales comparables submitted by the Complainant as follow:

Comp.	Address	Sale Date	Size (Acres)	Sale Price/sq. ft	TASP/sq.ft	Asmt/sq.ft
1	9204 Ellerslie Road SW	Apr 07	3.14	14.00	17.75	N/A
2	9107 Ellerslie Road SW	Oct 07	10.63	12.99	14.77	N/A
3	930 Parson Road SW	Jul 08	7.78	16.00	14.64	N/A
4	5103 Windermere Blvd	Sep 08	4.62	17.05	15.09	N/A
5	14339 50 St	Mar 10	3.93	17.78	16.27*	17.46
6	5603 199 St	Jun 10	4.18	15.00	15.00	17.91
7	18544 Stony Plain Road	Dec 10	19.59	14.06	14.06	18.79
7a	Commercial Portion of #7	Dec 10	10.82	15.81	15.81	N/A

The 2 equity comparables submitted by the Complainant as follow:

Comp.	Address	Size (Acres)	Asmt/sq.ft
8	6004 Currents Dr.	23.09	19.00
9	1107 Windermere Way SW	20.05	19.89
<b>Subject property</b>	<b>5110 Wintermere Blvd.</b>	<b>34.45</b>	<b>19.77</b>

The Complainant submitted that based on their analysis of the 7 sales and 2 equity comparables, the subject property should be assessed at a value of \$12.00 per sq. ft for the land component.

In responding to a question on the value of \$12.00 per sq. ft, the Complainant testified that they have made an adjustment for size, based on the economies of scale theory. The Complainant submitted that *“the larger subject property should be assessed at a lower rate per square foot than either of”* their comparables (Exhibit C1, p.2).

In summary, the Complainant indicated that the Respondent’s sale no. 1 is a non arm’s length transaction that both the vendor and purchaser are related companies, as noted that both the vendor and purchaser signatures are signed by the same person (Exhibit R1, p.17). Secondly, on this same “Transfer” document, it stated *“in consideration of the sum of ONE (\$1.00) DOLLAR and good and valuable consideration”*. Furthermore, the \$90,567,500 value was someone’s opinion, not supported by any further evidence.

The Complainant further argued that the Respondent’s sale no. 3 is a post facto transaction; however a CARB made a decision on November 21<sup>st</sup>, 2011 to reduce its assessment from \$20.89 per sq. ft to \$15.00 per sq. ft. Its new assessment supports the Complainant’s position.

The Complainant requested the value of \$18,010,680 for the land component and a total of \$21,568,719 including improvements.

## **POSITION OF THE RESPONDENT**

The Respondent submitted an assessment brief (Exhibits R-1 and R-2) and rebuttal documents (Exhibits R-3 and R-4) defending the 2011 assessment of the subject property. This brief referred to the mass appraisal process used by the City in valuing their land inventory. Sales occurring from January 2006 through June 2010 were used in the model development and testing

taking into account lot size, corner locations, study area and servicing amongst other adjustments to arrive at market value.

The 4 sales comparables submitted by the Respondent as follow:

Comp.	Address	Lot Size (sq. ft)	Sale Date	Sale Price (\$)	TASP	2011 Assmt on the land	Sale Price/sq.ft	TASP/sq.ft
Subject	5110 Windermere Blvd NW	1,500,890				\$29,667,597 (\$19.77/sq.ft)		
1	5120 Windermere	5,120,274	Dec 07	90,567,500	96,472,501		17.69	18.84
2	1107 Windermere	1,134,785	Feb 07	15,860,000	21,000,226		13.98	18.51
3	170 St & Wates Link	261,335	Dec 08	7,200,000	6,305,040		27.55	24.13
4	5120 Windermere	302,315	Sep 10	6,800,000	6,800,000		22.49	22.49

The Respondent provided the Board with 3 comparable sales (Exhibit R-1, p.15) to support the assessment of the subject property. These range in date of sale from Feb 2007 to Sept 2010 and are similar to the subject in zoning and are all located in close proximity to the subject in Ambleside. The time adjusted sales prices vary from \$18.51 per square foot to \$24.13 per square foot with an average of \$20.49 per square foot.

Comparable #4 located at 5120 Windermere was post facto and was not included in the average; however its time adjusted sale price per sq. ft of \$22.49 is suggesting a higher trend in values in the subject area.

The Respondent directed the Board to R-4, a CARB decision on the 2011 assessment complaint for comparable #2 located at 1107 Windermere very close to the subject. The assessment of the property was confirmed at \$19.89 per square foot. This further supports the assessment of the subject property at \$19.77 per square foot.

A further CARB decision (R-3) on a property located at 6004 Currents Drive, directly across from the subject property also resulted in a confirmation at \$19.00 per square foot.

The Respondent requested the Board to confirm the 2011 assessment of the subject property at \$19.77 per square foot for a total value of \$33,225,500.

## **DECISION**

The decision of the Board is to confirm the 2011 assessment of \$33,255,500 as being fair and equitable.

## **REASONS FOR THE DECISION**

The Board reviewed the Complainant's sales comparables and the Respondent's sales comparables and found the Respondent's sales comparables to be more compelling than the Complainant's sales comparables.

The Board agrees with the Complainant that sale number 1 could be non arms length. (Exhibit R-1 page 15). However, the Board found the Respondent's sale number 4 (5120 Windermere) to be most comparable due to the proximity to the subject property. Although the sale is post facto, the sale does indicate a trend and the sale transfer was only 2 months post facto and the sale negotiation could have occurred sometime prior to the transfer date.

The Complainant's sales were generally not in close proximity to the subject property, whereas the Respondent's sales were very close to the subject property. Generally, the Complainant's sales were substantially smaller than the subject property.

The Complainant was requesting an assessed value on the subject property of \$12.00 per square foot. This was based on the economies of scale that the larger parcels of land can achieve. The Board believed the Complainant used judgment, experience and intuitiveness to arrive at the requested valuation, but there was little or no evidence to show the Board how the \$12.00 per square foot was arrived at.

The Board notes that the assessment per square foot for comparables 8 and 9 (Exhibit C-1 page 1), support the subject's. (6994 Currents Drive assessment per square foot is \$19.00) (1107 Windermere Way SW assessment per square foot is \$19.89) The subject property's assessment per square foot is \$19.77.

The Board is of an opinion that the 2011 assessment of the subject property at \$33,225,500 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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Robert Mowbrey, 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: WINDERMERE COMMERCIAL LANDS LTD