



ASSESSMENT REVIEW BOARD

Churchill Building
10019 103 Avenue
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NOTICE OF DECISION NO. 0098 50/11

Canadian Valuation Group Ltd.
1200-10665 Jasper Avenue
Edmonton, AB T5J 3S9

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 July 11, 2011, respecting a complaint for:

| Roll Number | Municipal Address | Legal Description | Assessed Value | Assessment Type | Assessment Notice for: |
|-------------|-----------------------|--------------------------|----------------|-----------------|------------------------|
| 1116987 | 10125 - 218 Street NW | Plan: 5302KS Block: L | \$1,708,000 | Annual New | 2011 |

Before:

Steven Kashuba, Presiding Officer
Judy Shewchuk, Board Member
Ron Funnell, Board Member

Board Officer: Nicole Hartman

Persons Appearing on behalf of Complainant:

Tom Janzen, Canadian Valuation Group (CVG)

Persons Appearing on behalf of Respondent:

Steven Radenic, City of Edmonton, Assessor

PRELIMINARY MATTERS

There were no preliminary matters. Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.

BACKGROUND

The subject is an industrial property consisting of a 14,214 square foot building on a 2.176 acre lot in the Winterburn area.

ISSUE(S)

1. Do the land sales comparables support the 2011 assessment of the land portion of the subject property?
2. Is the entire subject property assessed correctly?

LEGISLATION

The Municipal Government Act, R.S.A. 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 stated that there was no issue with the assessment of the building; however, the assessment of the land portion of the subject property was at issue.

The Complainant submitted a package of evidence (Exhibit C-1) stating that the issue at hand is the market value of the land component. Five comparable sales were presented ranging in size from .67 to 5.93 acres. The time adjusted sale prices per acre ranged from \$191,653 to \$251,608 with an average of \$217,881 per acre. The subject is assessed at \$303,056 per acre.

The Complainant submitted that comparable #3 is the closest in size to the subject with an adjusted sale price of \$224,489 per acre. Accordingly, the Complainant asked that the Board reduce the assessment to \$225,000 per acre for a total of \$489,000. Adding this amount to the established assessment for the building (\$1,048,672) results in a total assessment of \$1,538,272.

POSITION OF THE RESPONDENT

The Respondent submitted an assessment brief (Exhibit R-1) and a law and legislation brief (Exhibit R-2). Five comparable sales were presented ranging from .88 to 3.36 acres in size. The time adjusted sale prices per acre ranged from \$282,411 to \$371,922 with an average of \$330,239 per acre.

The Respondent stated that the comparables have no services while the subject has water, thereby supporting the conclusion that the subject property does have added market value. The Respondent submitted that comparable #5 is the closest in size to the subject with an adjusted sale price of \$363,478, which is significantly higher than the assessment of the subject at \$303,056 per acre.

The Respondent submitted that three of the Complainant's comparables are situated in close proximity to a landfill and are therefore significantly less valuable than the subject.

The Respondent asked that the Board confirm the assessment of the land at \$659,450 or \$303,056 per acre which when added to the assessment of the building at \$1,048,672 results in a total assessment of \$1,708,000.

DECISION

It is the decision of the Board to confirm the assessment of the subject property for 2011 at \$1,708,000.

REASONS FOR THE DECISION

Issue # 1: Is the land component of the subject property assessed correctly?

1. The Respondent's sales comparables reflect an average time-adjusted sales value of \$330,239 per acre while the Complainant's sales comparables show an average time adjusted sales value of \$217,881 per acre. However, the Respondent submitted that the Complainant's sales comparables should not be considered because they were located near a landfill which may have had a direct impact upon market value.
2. The Board examined the 5 land sales comparables presented by the Complainant (C-1, page 1) and the 5 sales comparables presented by the Respondent (Exhibit R-1, page 15). In neither case were the sales comparables in the same neighbourhood as the subject thereby bringing into question the element of comparability. The Board notes that the subject property is located on 101 Avenue while the comparables, in both cases, are located some distance to the north.
3. The Board does accept the Respondent's argument that the Complainant's land sales comparables were located in a subdivision which had one parcel of land set aside as a landfill and the proximity of the sales comparables to this landfill had a direct impact upon market values.

4. The Board places considerable weight upon the Respondent's submission that the subject property is fully serviced while the sales comparables were not fully serviced. Having regard for the above, the Board concludes that the Complainant did not provide sufficient evidence which would prove that the market value of the land component of the subject property is over-stated. As a result, it is the decision of the Board not to disturb the assessment of the subject property.

Issue #2: Is the entire subject property assessed correctly?

Having confirmed the assessment of the land portion, the Board confirms the assessment of the entire subject property.

DISSENTING OPINION AND REASONS

There were no dissenting opinions.

Dated this 26th day of July, 2011, at the City of Edmonton, in the Province of Alberta.

Steven Kashuba, 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, R.S.A. 2000, c.M-26.

cc: 593816 ALBERTA LTD