



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 540/11

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 November 16, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10015908	5815-75 Street NW	Plan: 0420486 Block: 1 Lot: 3	\$10,140,500	Annual New	2011

Before:

Warren Garten, Presiding Officer
Brian Carbol, Board Member
Mary Sheldon, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

Walid Melhem

Persons Appearing on behalf of Respondent:

Shelly Milligan, Assessor, City of Edmonton

PRELIMINARY MATTERS

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board Members indicated no bias with respect to this file.

No other preliminary matters were brought forward before the Board

BACKGROUND

The subject property is a “medium manufacturing plant” located in the Roper Industrial subdivision of the City of Edmonton with a municipal address at 5815-75 Street. The property has a building area of 74,183 square feet on a site area of 700,234 square feet. The land is currently zoned IH and has full municipal servicing.

ISSUE(S)

The first merit issue before the board is market value of the land (only) using the Direct Sales Comparison Approach to Value of the subject parcel totaling 700,234 Square Feet.

The second merit issue before the board is the impact of the City of Edmonton decision to construct the LRT adjacent to the subject. The result would negatively affect the access from 75 Street onto the site.

LEGISLATION

Municipal Government Act, RSA 2000, c M-26

s. 1(1)(n) ‘market value’ means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer.

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 noted that the assessment for the subject property indicates a major artery influence. While the subject property does now have access to 75th street, this will be closed in the near future. In November, 2010 the City of Edmonton finalized the Southeast LRT route (C-1, p.14-15).
- The Complainant, using the Land Value Direct Sales Comparison Approach, presented 5 sales of similar properties in southeast Edmonton (C-1, p.12).
- The Complainant’s sales comparables resulted in an average sales price of \$10.55 per square foot and a median sales price of \$10.33 per square foot.

- The Complainant maintained that the 5 sales of similar properties used as comparables indicated a value lower than the current assessment, and requested a revised assessment for the land of \$8.00 per square foot for a total requested assessment of \$7,328,000 for the subject property (C-1, p. 11).

COMPLAINANT'S REBUTTAL (C-2, p.2)

- The Complainant further argued that two of the five properties presented by the City of Edmonton are significantly smaller than the subject property, which would positively impact the value of the comparables.
- The Complainant also noted that one of the sales (10110- 51 Ave.) was purchased by the neighbouring property owner who was looking at expansion, which would indicate some motivation.
- Another property (931 Parsons Road) is CSC zoning (commercial) while the subject is industrial zoned property.
- The Complainant added that the only two sales that would be considered comparable to the subject sold for less than the assessed value of the subject property and are included by the Complainant in the Complainants disclosure (C-1, p 12).
- Finally, the Complainant states that the City of Edmonton has failed to address the issue of the LRT cutting off any access to the site from 75 Street.

POSITION OF THE RESPONDENT

- In support of its contention that the current assessment of the subject was fair and equitable, the Respondent provided to the Board a chart of 5 sales of land parcels comparable to the subject (R-2). The Board was advised by the Respondent that the comparable #5 was actually zoned commercial and removed it from the list of comparables.
- The Respondent conceded during questioning that there may be issues with sales comparable #4 and advised the Board that in terms of size, #1 and #3 were the most similar to the subject. Further, the Respondent stated that comparable #1 was the same as the Complainant's #2 comparable
- The Respondent argued that the median time adjusted price per square foot of the remaining 4 comparables was \$11.51. The Respondent stated that this supported the assessment per square foot of the subject land at \$12.02.
- With respect to the issue of the impact of the proposed LRT entrance close to the subject, the Respondent argued that this LRT was prospective and that an event that has not yet occurred cannot be taken into account in preparing the assessment. In addition, the Respondent argued that the proposed presence of a traffic light could improve access to the subject.
- Based on the evidence presented, the Respondent requested that the Board confirm the current assessment of the subject at \$10,140,500.

DECISION

It is the Board's decision to reduce the current assessment to \$9,471,000 based on a reduced land assessment of \$11.06 per square foot.

REASONS FOR THE DECISION

In reaching its decision, the Board considered all argument and evidence.

The Complainant's request for consideration of a reduced assessment due to the pending LRT's negative impact on the site could not be considered. There was no evidence that the LRT would severely impede the access to and from 75th street. The Board found that, with the installation of the traffic lights on 75 Street, this would likely provide safer access than the current access route.

The Complainant provided 5 comparables in high traffic locations. The Board found that the Complainant's comparable numbers 1 and 5 could not be considered as the location is in the west of Edmonton. Further, the Board found that comparable number 3 was heavily impacted by a creek running through the site. As a result, the Board placed the most weight on Complainant's sales comparable numbers 2 and 4 in addition to the Respondent's evidence.

The Respondent presented a total of 5 comparables of which number 3 and 4 were not considered by the Board as they are in West End locations. Comparable number 5 was removed from the list as this site was zoned commercial. The Board placed the most weight on the Respondent's sales comparable numbers 1 and 2. Number 1 is common to both the Complainant and Respondent.

The Board considered the Complainants number 2 and 4 along with the Respondent's number 1 and 2. The Board found the average time adjusted selling price of these 4 sales to be \$12.22 per square foot with a median selling price of \$11.06.

The Board placed the most weight on the median price of \$11.06 per square which reduces the land component of the assessment to \$7,744,588 from the initial assessment of \$8,414,154.

DISSENTING OPINION AND REASONS

There were no dissenting opinions regarding this decision.

Dated this 14th day of December, 2011, at the City of Edmonton, in the Province of Alberta.

Warren Garten, 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: CARRY EQUITIES INC