



## ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL  
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EDMONTON AB T5J 2R7  
(780) 496-5026 FAX (780) 496-8199

### NOTICE OF DECISION 0098 609/10

Altus Group Ltd  
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 November 16, 2010 respecting a complaint for:

<b>Roll Number</b> 9940102	<b>Municipal Address</b> 13804 127 Street NW	<b>Legal Description</b> Plan: 9621873 Lot: 4
<b>Assessed Value</b> \$1,552,500	<b>Assessment Type</b> Annual – New	<b>Assessment Notice for:</b> 2010

#### **Before:**

Darryl Trueman, Presiding Officer  
Terri Mann, Board Member  
Brian Frost, Board Member

#### **Board Officer:**

Karin Lauderdale

#### **Persons Appearing: Complainant**

Steven Cook  
Chris Buchanan

#### **Persons Appearing: Respondent**

Tony Mah, Assessor  
Tanya Smith, Law Branch

### **PROCEDURAL MATTERS**

The parties indicated no objection to the composition of the Board. At a previous hearing regarding related appeals and involving the same parties, the Presiding Officer advised that he and the person appearing on behalf of the Complainant had formerly served at the same time as appointees to the Municipal Government Board. Neither the Presiding Officer nor either of the parties indicated any issue of conflict or bias for the purpose of this hearing.

The oath was administered, and/or the witnesses remained under oath from previous hearings with respect to the evidence they were to provide.

### **PRELIMINARY MATTERS**

Neither party raised questions that would be considered preliminary to the merit portion of the hearing.

### **BACKGROUND**

The subject is a single tenancy retail building (a car wash) 5,633 square feet, located on lands 31,645 square feet. The assessment for the subject was derived based on land value plus \$500 for improvement value.

### **ISSUES**

The Complainant initially delineated 12 issues. However, at the Hearing, the Complainant led evidence on a singular issue, being the land value.

### **LEGISLATION**

#### ***Matters Relating to Assessment and Taxation Regulations (MRAT)***

Part 1, Standards of Assessment

*2 An assessment of property based on market value (a) must be prepared using mass appraisal.*

#### ***The Municipal Government Act, R.S.A. 2000, c. M-26;***

**s.289(2)** *Each assessment must reflect*

*(a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and*

*(b) the valuation and other standards set out in the regulations for that property.*

**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 is of the position that the land value of \$49.05 per square foot applied to the subject's land area is excessive. The Complainant submits that a rate of \$17.50 per sq. ft. ought to be applied for the land value, resulting in a revised land value of \$553,779, or a rounded total of \$554,000 (C-1 p.17). In support of his position, the Complainant provided 16 land sales comparables ranging from \$9.05 to \$23.66 per square foot, with an average of \$15.10 per sq. ft. (C-1 p.14). The Complainant also provided 12 equity comparables averaging \$17.41 (C-1 p.15).

## **POSITION OF THE RESPONDENT**

The Respondent is of the position that the property is assessed fairly and equitably. Land value, as applied to the subject property, was the only issue, the building having been nominally valued at \$500 as it did not represent highest and best use. Land value and assessment comparables were provided that provided support for the assessed land value (R-1 p.11-13).

## **DECISION**

The complaint is denied and the assessment is confirmed at \$1,552,500.

## **REASONS FOR THE DECISION**

The Board received photographic evidence that the subject housed a building of relatively recent vintage upon which a business operating as a Bubbles car wash was in operation as of both the valuation date and condition date. The Respondent advised the Board that data pertaining to rental rates for car washes was inconsistent and therefore the City of Edmonton's mass model produced unreliable results for such facilities based on the income approach.

The Board examined the Complainant's comparable land sales (C1, pg 14) and it was noted that there was no adjustment in contemplation of the improvements situated on the subject property. The Board was not persuaded by the Respondent's evidence because of the errors in the calculation of the corner influence, dissimilar location, and inconsistencies in site size. The Board heard that No. 16 was the Complainant's best comparable however noted that this was a post-facto sale, lacking sanitary sewage service lines.

The Complainant provided unimproved equity comparables (C-1, pg 15), which were deemed to be in excess of the land-base required for properties similar to the subject.

The Board was reluctant to ignore the potential value of the improvements on the subject property and also noted the assessor's responsibility with respect to MRAT above.

The Complainant argued that because the assessor had placed a nominal value on the improvements, then the Board should ascertain the subject's value by comparing the subject lands to similar unimproved property. This was not persuasive to the Board.

The Board noted the absence of a defense of the complaint based upon the valuation of a "unique" or "special-purpose" facility.

Dated this 10<sup>th</sup> day of December, 2010, at the City of Edmonton, in the Province of Alberta.

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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.*

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CC: Municipal Government Board  
Bubbles International Car Wash Corporation