



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 614/11

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 13, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1075746	4703 93 Avenue NW	Plan: 7820294 Block: 9 Lot: 3	\$4,517,000	Annual New	2011

Before:

Don Marchand, Presiding Officer
Brian Hetherington, Board Member
Howard Worrell, Board Member

Board Officer: Karin Lauderdale

Persons Appearing on behalf of Complainant:

Jordan Thachuk, Altus Group

Persons Appearing on behalf of Respondent:

Darren Nagy, Assessor, City of Edmonton
Deanne Bannerman, Assessor, City of Edmonton, observing

PRELIMINARY MATTERS

This roll number was part of a series of roll numbers heard by the CARB over three days starting December 12, 2011 and concluding December 14, 2011. Both Parties at the outset of the hearings made an oath to tell the truth. This was subsequently confirmed at each day's hearing by each party. Further, no objection was raised as to the composition of the CARB panel. In addition, the Board members indicated no bias with respect to this file.

No preliminary matters were raised by the Parties. At the outset of the hearing the CARB was advised by the Complainant that the following issue applies to the subject complaint and is itemized as:

4. the assessment of the subject property is in excess of its market value for assessment purposes

and that the remaining common issues itemized as numbers 1-3, 5-8 as shown on the SCHEDULE OF ISSUES (C-1, pg 3) page will not be argued.

BACKGROUND

- The subject property is classified as 308,817 sq. ft. of undeveloped land, located at 4703 - 93 Avenue within the Eastgate Business Park subdivision of S.E. Edmonton. It is a fenced area, presently used as storage.
- A revised 2011 assessment was presented by the Respondent but subsequently refused by the Complainant.
- Both parties provided time adjusted sales data from within the evaluation period.
- The City of Edmonton time adjustment sales chart was used by both parties to establish a TASP and there was no dispute on this issue from either party.
- The Direct Sales Comparison Approach is the valuation approach used by the Parties to argue against, and support of, the assessment.

The above background and property description facts were all agreed to by the Parties.

ISSUE(S)

Is the 2011 assessment of the subject property at \$4,517,000 correct?

LEGISLATION

The CARB in its deliberations gave consideration to the:

Municipal Government Act, RSA 2000, c M-26

1(1) In this Act,

- (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;*

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.*

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.*

Matters Relating to Assessment and Taxation Regulation (AR 220/2004)

2. *An assessment of property based on market value*

- (a) must be prepared using mass appraisal,*
- (b) must be an estimate of the value of the fee simple estate in the property, and*
- (c) must reflect typical market conditions for properties similar to that property*

POSITION OF THE COMPLAINANT

The Complainant presented the Board with a 39-page brief (C-1) in support of his complaint that the subject property had been assessed in excess of market value. To support his application, he included in his brief a chart of seven comparable properties, which are presented in detail in the chart below:

Comp	Address	Sale Date	Sale Price	Price/sq. ft.	Site Area	TASP	TASP per SF
1	6208 72 A Ave	Oct 2007	\$2,500,000	\$11.46	218,185	\$2,582,000	\$11.83
2	5671 70 St & 5605 70 St	Mar 2007	\$6,500,000	\$9.36	694,810	\$8,775,000	\$12.63
3	3904 53 Ave	Dec 2006	\$1,823,500	\$8.03	227,011	\$2,761,144	\$12.16
4	6005 72A Ave	Sept 2006	\$1,900,000	\$5.69	333,681	\$3,226,960	\$9.67
5	7103 67 St	Aug 2006	\$1,458,000	\$6.87	212,137	\$2,572,787	\$12.13
6	4650 51 Ave	Aug 2006	\$812,700	\$6.21	130,782	\$1,434,090	\$10.97
7	3603 93 St	Mar 2006	\$880,000	\$6.65	132,289	\$1,880,208	\$14.21
Subj.	4703 93 Ave				308,817	\$3,705,000	
					Requested Rate		\$12.00

The Complainant requested a unit of comparison rate of \$12.00 per square foot and an assessment **\$3,705,000** as the market indicated valuation rate for the subject.

The Complainant suggested that his comparable #4 would be the most appropriate, primarily based on its comparable size.

POSITION OF THE RESPONDENT

The Respondent presented the Board with a 66-page brief (R-1), including a 43-page City of Edmonton Law and Legislation document. At the outset of his presentation, the Complainant informed the Board that the City was recommending a reduction in the assessment of the subject property from the original \$4,517,000 to **\$4,091,500**.

The Respondent presented the Board with the following chart of his proposed sales comparables:

Comp	Address	Sale Date	Sale Price	Price/sq . ft.	Site Area	TASP	TASP per SF
1	7003 67 St	Mar 2006	\$1,458,000	\$6.89	211,745	\$2,959,191	\$13.98
2	5811 72A Ave	Feb 2006	\$1,435,000	\$5.39	266,195	\$3,571,128	\$13.42
3	4424 55 Ave	Dec 2009	\$2,130,100	\$13.62	156,424	\$2,130,100	\$13.62
4	4524 55 Ave	Jan 2010	\$2,148,000	\$13.73	156,468	\$2,148,000	\$13.73
5	5703 48 St	May 2010	\$2,812,000	\$13.20	212,965	\$2,812,000	\$13.20
Subj.	4703 93 Ave				308,797	\$4,091,500	
				Recommended Assessment Rate			\$13.25

Questioned by the Board, the Respondent said that his comparables # 2 and # 5 would be the most comparable.

FINDINGS

- The Respondent's comparables have a narrow unit of comparison range; from \$13.20 to \$13.98 per square foot.
- The Respondent's comparable at 5811 - 72A Avenue has a similar size, at 6.1 acres, with a unit of comparison rate of \$13.42 per square foot.
- The Complainant's comparables have a wide "unit of comparison" range - from \$9.67 to \$14.21 per square foot.
- The Complainant's comparable at 6005 - 72A Avenue has a similar size, at 7.66 acres, with a unit of comparison rate of \$9.67 per square foot.

REASONS FOR THE DECISION

The CARB considers the two comparables provided by the Parties that are most similar in size to the subject as indicators. The Complainant's comparable at \$9.67 is at the low end of the range and appears to be atypical to the balance of comparables provided by both parties.

The Respondent's comparable at \$13.42 is supported by four other comparables.

The amended per unit rate of \$13.25 is reasonable. The subject is slightly larger than the Respondent's best comparable which would suggest some downward pressure from its rate of \$13.42 to the recommended unit rate of \$13.25 per square foot.

The CARB is not persuaded to give as much weight to a request that requires adjusting the rate of \$9.67 to the requested rate of \$12.00 per square foot.

The CARB accepts the recommended revised assessment.

DECISION

The assessment is revised to **\$4,091,500**.

Dated this 13th day of January, 2012, at the City of Edmonton, in the Province of Alberta.

Don Marchand, 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: IPEX INC