



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 615/11

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:
10093160	7115 68 Avenue NW	Plan: 0725745 Block: 1 Lot: 2	\$13,999,500	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 only common issue that applies to the subject complaint is the one 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 and 5-8 shown on the SCHEDULE OF ISSUES (C-1, pg 3) page will not be argued.

BACKGROUND

- The subject property is “undeveloped land” located in the Davis Industrial East subdivision of the City of Edmonton at 7115 68 Avenue.
- The site contains 978,440 square feet, or 22.46 acres, of land with an IL industrial zoning.
- A revised 2011 assessment was presented by the Respondent but subsequently refused by the Complainant.
- 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 \$13,999,500 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 provided the CARB with a 36-page brief (C-1), including assessment methodology used by the Municipality, an included legal submission and 5 sales comparables.

The Complainant's document included the following list of sales comparables:

Comp	Address	Sale Date	Sale Price	Price/s q. ft.	Site Area	TASP	TASP/SF
1*	6208 72A Ave.	Oct 2007	\$2,500,000	\$11.46	218.185	\$2,582,000	\$11.83
2	6703 68 Ave.	Aug 2007	\$14,036,000	\$9.17	1,530,425	\$15,650,140	\$10.23
3*	5605 70 St	Mar 2007	\$6,500,000	\$9.36	694,810	\$8,775,000	\$12.63
4	5811 72 A Ave	Feb 2006	\$1,435,000	\$5.40	265,716	\$3,185,557	\$11.99
5	5960 17 St	Sep 2006	\$4,000,000	\$4.59	871,016	\$6,793,600	\$7.80
Subj.	7115 68 Ave				978,440	\$11,741,000	
					Requested Rate		\$12.00

**Common to both Parties*

The Complainant requested a unit of comparison rate of \$12.00 per square foot and an assessment **\$11,741,000** as the market indicated valuation rate for the subject.

The Complainant acknowledged that his comparable #3 was not fully serviced as the sewer service is a short distance away.

POSITION OF THE RESPONDENT

The Respondent provided the Board with a 71-page brief (R-1), including a 43-page Law and Legislation background document and seven sales comparables.

The Respondent presented a recommended assessment of \$12,666,000 to the CARB based on the subject property's unit of comparison being reduced from \$14.31 per square foot to \$12.95 per square foot.

The Respondent's chart of sales comparables:

Comp	Address	Sale Date	Sale Price	Price/sq. ft.	Site Area	TASP	TASP/ SF
1	10110 51 Ave.	Feb 2007	\$3,600,000	\$11.22	320,907	\$5,049,720	\$15.74
2*	6208 72A Ave.	Oct 2007	\$2,500,000	\$11.46	218,148	\$2,632,046	\$12.07
3	5811 72A Ave.	Feb 2006	\$1,435,000	\$5.40	266,195	\$3,571,337	\$13.42
4	931 Parsons Rd.	Jul 2008	\$5,422,348	\$15.99	338,984	\$5,104,598	\$15.06
5	4204 55 Ave	Dec 2009	N/A	N/A	388,991	\$5,313,350	\$13.66
6*	5605 70 St.	Mar 2007	\$6,500,000	\$9.36	694,782	\$8,775,000	\$12.63
7	13450 – 149 St.	May 2008	\$4,140,000	\$13.20	313,632	\$3,804,660	\$12.13
Subj.	7115 68 Ave				978,440	\$12,666,000	
				Recommended Assessment Rate			\$12.95

**Common to both Parties*

The Respondent advised the CARB comparable # 6 is a property that had been used by both parties and that it is the best comparable to the subject.

FINDINGS

- The subject's west boundary is adjacent to, and is influenced by, the 75th Street's major thoroughfare traffic. This influence is considered to apply to 25% to 30% of the large parcel.
- The subject which contains 22.46 acres of redevelopment land is located within the established Davies industrial/business park and has a limited number of direct sales comparables.
- Both Parties submitted the March 2007 sale of 5605 - 70th, with a time adjusted per unit price of \$12.63 for 15.95 acres, (694,782 square feet), as their best comparable indicator for the subject.

REASONS FOR THE DECISION

The CARB concurs with the Parties that the comparable at 5605 – 70 Street, with a time adjusted per unit price of \$12.63 for 15.95 acres (694,782 square feet), does provide an indication as to the subject's value.

The Complainant has given consideration to four additional comparables with value indicators that range from \$7.80 to \$ 11.90 per square foot and requested the CARB conclude with a rate of \$12.00 per square foot.

The CARB is not influenced by the Complainant's conclusion to reduce the assessment to his best comparable's indicated rate of \$12.63. This gives significant weight to the September 2006 sale with a time adjusted per unit price of \$7.80 per square foot. The sales details relative this comparable indicate a parcel that is severed by a creek and the parcel has incomplete servicing.

The Respondent has revised the subject's assessment rate of \$14.31 per square foot to a recommended revised rate of \$12.95 per square foot. The Respondent's six additional comparables provided to the CARB indicate an average size of 8.34 acres with an average rate of \$13.53 per square foot. This is compared to the subject's 22.46 acres with a revised rate of \$12.95 per square foot.

The CARB gives most weight to the best comparable identified by the Parties and the average concluded for parcels 1/3 the size of the subject. The CARB accepts the revised assessment as being reasonable based on the sales of similar properties.

DECISION

The assessment is revised to **\$12,666,000.**

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

D. H. 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: REMINGTON DEVELOPMENT CORPORATION