



ASSESSMENT REVIEW BOARD

Churchill Building
10019 103 Avenue
Edmonton AB T5J 0G9
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NOTICE OF DECISION NO. 0098 621/11

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 14, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10064562	5903 66A AVENUE NW	Plan: 0625512 Block: 11 Lot: 4	\$2,444,000	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 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 Roper Industrial subdivision of the City of Edmonton at 5903 66A Avenue.
- The site contains 145,508 square feet, or 3.34 acres, of land with an IH 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 \$2,444,000 correct?

LEGISLATION

Municipal Government Act, RSA 2000, c M-26

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.*

s 467(1) *An assessment review board may, with respect to any matter referred to in section (b) the procedures set out in the regulations, and (c) the assessments of similar property or businesses in the same municipality.*

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.*

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 supplied the CARB with a 38-page brief (C-1), including assessment methodology used by the Municipality and an included legal submission.

The Complainant provided the CARB with the following market transactions:

Comp	Address	Sale Date	Sales Price	Price/sq. ft.	Site Area	TASP	TASP/sf
1*	4524 55 Ave	Jan 2010	\$2,148,000	\$13.72	156,507	\$2,148,000	\$13.72
2*	4424 55 Ave	Dec 2009	\$5,313,350	\$13.66	388,991	\$5,313,350	\$13.66
3	6208 72 A Ave	Oct 2007	\$2,500,000	\$11.46	218,185	\$2,582,000	\$11.83
4	5671 & 5605 70 St	Mar 2007	\$6,500,000	\$9.36	694,810	\$8,775,000	\$12.63
5	5410 68 Ave	Dec 2006	\$420,000	\$7.09	59,226	\$635,964	\$10.74
6	5811 72 A Ave	Feb 2006	\$1,435,000	\$5.40	265,716	\$3,185,557	\$11.99
Subj.	5903 66A Ave				145,508	\$1,746,094	
					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 **\$1,746,000** as the market indicated valuation rate for the subject.

POSITION OF THE RESPONDENT

The Respondent presented to the Board a 64-page package (R1), including the City of Edmonton's Law and Legislation document for 2011 property assessments. The Respondent's document also contained photographs and maps showing the site of the subject property.

The Respondent presented a recommendation to the Board that the assessment of the subject property be reduced from \$16.80 per square foot to \$13.43 per square foot, providing a total assessment of \$1, 953,000.

The Respondent also presented the Board with a chart, shown below, which also contained details of six comparable sales:

Comp	Address	Sale Date	Sales Price	Price/sq. ft.	Site Area Sq. Ft.	TASP	TASP/sf
1	2804 Ellwood Dr.	Jun 2006	\$951,000	\$7.10	133,860	\$1,811,560	\$13.53
2*	4424 55 Ave	Dec 2009	\$2,130,100	\$13.62	156,424	\$2,130,100	\$13.62
3*	4524 55 Ave	Jan 2010	\$2,148,000	\$13.73	156,468	\$2,148,000	\$13.73
4	4110 56 Ave	May 2010	\$2,925,000	\$14.94	195,802	\$2,925,000	\$14.94
5	5703 48 St.	May 2010	\$2,812,000	\$13.20	212,965	\$2,812,000	\$13.20
6	3603 93 St.	Mar 2006	\$880,000	\$6.65	132,292	\$1,880,208	\$14.21
Subj.	5903 66A Ave				145,490	\$1,953,500	
				Revised Assessment Rate			\$13.43

**Common to both Parties*

The CARB was asked to accept the revised 2011 assessment of \$13.43 per square foot or **\$ 1,953,500** as the market indicated value for the subject property.

FINDINGS

- The sales comparables located at 4524 – 55 Avenue and 4424 – 55 Avenue are common to both parties.
- The units of comparison rates are \$13.73 and \$13.62 respectively.
- These sales are the best comparable indicators for the subject.

REASONS FOR THE DECISION

The Complainant provided six sales comparables in the range of \$10.74 to \$13.72. Based on an analysis to the six sales the average rate indicted is \$12.43 and a median rate indicated is \$12.31; hence the Complainant's request for a rate of \$12.00.

However, the Complainant did identify the comparable at 4524 – 55 Avenue as the most comparable to the subject as it is the most recent sale (January 2010). It is relatively the same size and in a similar location to the subject.

The CARB agrees with the Complainant that the comparable at 4524 – 55 Avenue, with an indicated revised rate of \$13.73 per square foot, strongly supports the recommended assessment rate of \$13.43 per square foot.

The recommended assessed rate of \$13.43 per square foot is supported by the four 2009/2010 sales identified as the Respondent's comparables #2, 3, 4 & 5. These four comparables indicate rates of \$13.62, \$13.73, \$14.94 and \$13.20 respectively.

The CARB gave consideration to both parties' comparables but gave most weight to those comparables that both parties have identified as having the most similar significant factors. Those factors are location, size, and a geographic similar area.

The CARB is not persuaded to reduce the assessment to the requested \$12.00 per square foot when the most comparable properties sold in the range of \$13.00 to \$14.00 per square foot. The CARB accepts the recommended revised assessment rate of \$13.43 per square foot.

DECISION

The assessment is **revised to \$1,953,500.**

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: GPM MANAGED INVESTMENTS INC