



## **ASSESSMENT REVIEW BOARD**

MAIN FLOOR CITY HALL  
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EDMONTON AB T5J 2R7  
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### **NOTICE OF DECISION NO. 0098 622/10**

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 30, 2010 respecting a complaint for:

<b>Roll Number</b> 9991938	<b>Municipal Address</b> 10824 102 Avenue NW	<b>Legal Description</b> Plan: 0124773 Block: 8 Lot: 104A
<b>Assessed Value</b> \$1,983,500	<b>Assessment Type</b> Annual New	<b>Assessment Notice for:</b> 2010

#### **Before:**

Tom Robert, Presiding Officer  
Tom Eapen, Board Member  
John Braim, Board Member

#### **Board Officer:**

J. Halicki

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

Chris Buchanan, Agent  
Altus Group Ltd.

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

Allison Cossey, Assessor  
Assessment and Taxation Branch

### **PROCEDURAL MATTERS**

The parties expressed no objection as to the composition of the CARB; Board Members expressed no bias toward this or any of the other accounts appearing on the agenda. The parties providing evidence were placed under oath/affirmed.

### **BACKGROUND**

The subject, a retail plaza known as Courtesy Corner and located in Downtown Edmonton, comprises two, one-storey buildings with a total leasable area of approximately 5,215 ft<sup>2</sup> and is

situated on a 14,008 ft<sup>2</sup> site. The improvements were constructed in 2002. The Respondent has requested an increase in the 2010 assessment to \$2,414,000. The current assessment is \$1,983,500.

## **ISSUE**

What is the market value of the subject property?

## **LEGISLATION**

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

*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 presented ten leases starting for the period from July 2008 to June 2009. The lease data was for properties in the west and northwest areas of Edmonton. The leases ranged in value from \$19.00/ft<sup>2</sup> to \$26.00/ft<sup>2</sup> (averaging \$22.67/ft<sup>2</sup>). The leased properties ranged in size from 875 ft<sup>2</sup> to 4,679 ft<sup>2</sup> with an average of 1,859 ft<sup>2</sup> (C1, pg. 15).

Three leases within the subject property were presented as follows: for 1,050 ft<sup>2</sup> beginning December 2002 at \$25.00/ft<sup>2</sup>; for 1,050 ft<sup>2</sup> commencing in August 2005 at \$23.00/ft<sup>2</sup>; and, for 2,993 ft<sup>2</sup> commencing July 2002 at \$24.06/ft<sup>2</sup> (average of the three leases is \$24.02/ft<sup>2</sup>).

Further, the Complainant presented 14 assessment equity capitalization rates (all properties are on Jasper Avenue) ranging from 7.50% to 8.50%, averaging 7.79%, and with a median of 7.50% (C1, pg. 16).

The requested value is \$1,450,000.

## **POSITION OF THE RESPONDENT**

The subject property was assessed using the income approach to value. This approach produced a value of \$1,983,500. The Respondent argued that the current assessed value is below market value of comparable vacant land. If the City were to have assessed the subject parcel as vacant, it would have produced a value of \$2,413,620.

The Respondent argued that the current value undermines the land value at hand which is under assessed at \$141.60/ft<sup>2</sup> (including two buildings on site). This value is below vacant land values

for the area and, therefore, the City recommended a new assessment to capture the land threshold value in place. The Respondent's requested and recommended assessed value is \$2,414,000.

The Respondent presented three assessment comparables to support their position (R1, pg. 54). These values indicate per square foot respectively as follows: \$160.70, \$159.42, and \$160.67.

Further, the Respondent presented four, time-adjusted land sales comparables (R1, pg. 27). The indicated value range is from \$175.10 to \$331.48 per square foot.

The Respondent put forward the current income assessment detail report which indicates rental values (convenience store plaza at \$29.75/ft<sup>2</sup> and main floor, area plaza at \$27.75/ft<sup>2</sup>). The resulting net operating income is capitalized at a 7.0% rate producing \$1,983,500.

### **COMPLAINANT'S REBUTTAL**

The Complainant presented two charts: the Respondent's sales comparables as well as their own sales comparables chart with properties of the same zoning as the subject (C2, pg. 13).

The City sales indicate a range per square foot from \$156.00 to \$174.11. The current assessment (based on land is \$141.60/ft<sup>2</sup>).

The Complainant's chart indicates sales comparables zoned the same as the subject (i.e. EZ) indicating an average of land at \$129.51/ft<sup>2</sup>.

Further, the Complainant put forward four CARB decisions relating to land values within the same area as the subject. These comparables were of varying sizes, zoning, and location. The range in values was from \$121.00/ft<sup>2</sup> to \$129.00/ft<sup>2</sup>.

Two of the CARB decisions from the Respondent were relative to land values within the same area as the subject. These comparables were of varying sizes, zoning, and location. The range in values was from \$154.76/ft<sup>2</sup> to \$158.86/ft<sup>2</sup>.

### **DECISION**

The decision of the Board is to confirm the 2010 assessment at \$1,983,500.

### **REASONS FOR THE DECISION**

The Board is of the opinion that a range in values exists from both sales and assessment equity comparables appearing to support a value of \$141.00/ft<sup>2</sup>. The range in assessment equity comparables taken from recent CARB decisions indicates a range from \$121.00/ft<sup>2</sup> to \$158.86/ft<sup>2</sup>. Sales of properties with similar zoning indicate a range of \$131.11/ft<sup>2</sup> to \$158.99/ft<sup>2</sup>. Sales presented by the Respondent indicate a range of \$156.00/ft<sup>2</sup> to \$174.11/ft<sup>2</sup>.

The Board is of the opinion that all of the comparables presented represent, on average, a typical market value per square foot acknowledging that sales are affected by market conditions and

physical characteristics which may be different from the subject. Given these differences, the ranges in value presented by both parties would appear to support the current value.

### **DISSENTING OPINION AND REASONS**

There were no dissenting opinions.

Dated this fourteenth day of December, 2010 A.D., 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  
City of Edmonton, Assessment and Taxation Branch  
Shamrock Property Mgmnt. Ltd.