



## ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL  
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EDMONTON AB T5J 2R7  
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### NOTICE OF DECISION NO. 0098 627/10

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 23, 2010 respecting a complaint for:

<b>Roll Number</b> 3236155	<b>Municipal Address</b> 10823 Kingsway NW	<b>Legal Description</b> Plan: 2813KS Block: 8 Lot: 267
<b>Assessed Value</b> \$1,761,500	<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**

John Ball, 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 were reminded they remained under oath.

### **BACKGROUND**

The subject property, located in the Prince Rupert subdivision, is a drive-in/sit-down restaurant consisting of a building with an approximate gross area of 2,573 ft<sup>2</sup>, built in 1993. The land area is 34,750 ft<sup>2</sup>; the site coverage is 7%. The parties agree that a 25% site coverage is typical.

The Complainant argued that the subject property should be valued the same as other drive-in/sit down restaurants on the income approach to value plus a value to the excess land portion of 26,062 ft<sup>2</sup>.

The Respondent argued that the subject property cannot achieve its market value via the income approach to value and that market value for assessment is best achieved by a direct comparable land value plus a minimal value for improvements.

## **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 provided an income pro forma based on a typical 25% site coverage, plus a value to excess land. The total requested value is \$1,304,000.

In support, the Complainant presented three excess land comparables ranging in time-adjusted values per square foot from \$12.05 to 16.97 with an average of \$16.13/ft<sup>2</sup>.

Further, the Complainant argued that a property at 11403 - Kingsway Avenue, smaller than the subject, is assessed at \$30.41/ft<sup>2</sup> (C1, pg. 24). Applying the \$30.41/ft<sup>2</sup> value to the excess land portion of the subject property of 26,062 ft<sup>2</sup> indicates a value of \$792,545; plus the \$901,571 income pro forma value indicates a value of \$1,694,116. If assessed as land only, the value indicated is \$1,057,000.

## **POSITION OF THE RESPONDENT**

The Respondent argued that the subject property is located in a high traffic area with very good site visibility. The Respondent advised that the subject property was assessed on its land value at \$50.66/ft<sup>2</sup> (\$1,760,435) plus \$500 for improvement value for a total \$1,761,500 (rounded).

The Respondent put forward the argument that the subject property cannot achieve its market value via the income approach.

Further, the Respondent provided thirteen land sales comparables ranging per square foot from \$39.89 to \$112.85. The best comparables selected were: 10656 – 97 Street at \$112.85/ft<sup>2</sup> and 10617 – 97 Street at \$103.75/ft<sup>2</sup>. The Respondent also advised that a sale at 9111 – 111 Avenue, close to the subject and similar in size, but inferior in terms of location, sold for a time-adjusted value of \$58.76/ft<sup>2</sup> (R1, pg. 27).

## **DECISION**

The decision of the Board is to confirm the 2010 assessment at \$1,761,500.

## **REASONS FOR THE DECISION**

The Board does not have the jurisdiction to direct the use of a particular valuation approach in determining market value assessments.

The Board reviewed both parties methods and evidence. The Board was persuaded that mid-range of the sales presented by Respondent best represented the value of the subject property. The time-adjusted sale at 9111-111 Avenue of \$58.76/ft<sup>2</sup>, close to the subject in terms of location and size, further supports the assessed value of \$50.66/ft<sup>2</sup>.

## **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  
Terra Nova Enterprises Ltd.  
Rockshore Investments (1981) Ltd.