

NOTICE OF DECISION NO. 0098 66/12

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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 June 26, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10164527	10504 184 STREET NW	Plan: 0925780 Block: 2 Lot: 22A	\$3,719,500	Annual New	2012

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: TAZ HOLDINGS LTD

Edmonton Composite Assessment Review Board

Citation: Taz Holdings Ltd v The City of Edmonton, ECARB 2012-000439

Assessment Roll Number: 10164527

Municipal Address: 10504 184 STREET NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

**Taz Holdings Ltd
Represented by Michael Uhryn, MNP LLP**

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

**DECISION OF
Don Marchand, Presiding Officer
George Zaharia, Board Member
Howard Worrell, Board Member**

Preliminary Matters

[1] The parties indicated they had no objection to the composition of the Board. In addition, the Board members indicated they had no bias on this file.

[2] There were no preliminary matters.

[3] All the witnesses were sworn in.

Background

[4] The subject property is a 7.12 acre vacant lot with full municipal standard servicing, zoned "IM". The property is located at 10504 – 184 Street NW in the Poundmaker Industrial sub-division of northwest Edmonton.

[5] The subject property was valued on the direct sales comparison approach resulting in a 2012 assessment of \$3,719,500.

Issue(s)

[6] Is the 2012 assessment of the subject property at \$3,719,500 too high when compared to sales of similar properties?

Legislation

[7] The Municipal Government Act reads:

Municipal Government Act, RSA 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.

[8] The CARB gave consideration to the meaning of market value and to the requirements of an assessment made pursuant its market value.

s 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;

s 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.

[9] The valuation standard as set out within

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

s 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

[10] The position of the Complainant is that the \$522,402 per acre rate applied by the Respondent to the subject property is too high and should be reduced to \$228,000 per acre.

[11] In support of this position, the Complainant submitted five sales comparables, three of which he argued supported a lower assessment, are those that were zoned “IB” (Exhibit C-1, page 34). The median of these three sales comparables was \$228,000 per acre.

[12] The Complainant also argued that the physical condition of the property was not properly reflected in the current assessment.

[13] The Complainant requested the Board to reduce the 2012 assessment of the subject property from \$3,719,500 to \$1,623,360 based on the median rate of \$228,000 per acre.

Position Of The Respondent

[14] The Respondent provided a detailed assessment report that showed that the subject property had sanitary and storm sewers, water service, and street lighting resulting in an assessment of \$3,719,500 (Exhibit R-1, page 18).

[15] A sales comparables chart of six comparable sales plus the sale of the subject property were provided (Exhibit R-1, page 28). Five of the six sales comparables were zoned “IM” as is the subject while the sixth is zoned “IB”. They sold for time-adjusted sales prices ranging from \$489,189.16 to \$661,461.19 per acre or an average of \$583,669.10 per acre, supporting the assessment of the subject property at \$522,401.69 per acre.

[16] The subject property sold November 15, 2010 for a time-adjusted sales price of \$543,867.42 per acre, higher than the assessment of the subject property at \$522,401.69 per acre.

[17] The Respondent argued that comparing serviced land to un-serviced land was unrealistic. He submitted commentary about two of the three sales comparables that the Complainant had stated were his best, pointing out that these comparables were un-serviced while the subject property was serviced (Exhibit R-1, pages 42 and 43).

[18] The Respondent requested the Board to confirm the 2012 assessment of the subject property at \$3,719,500.

Decision

[19] The decision of the Board is to confirm the 2012 assessment of the subject property at \$3,719,500.

Reasons For The Decision

[20] The Board placed little weight on the Complainant’s sales comparables since two of the comparables deemed by the Complainant to be his best were sales of un-serviced land while the subject was serviced.

[21] The Board placed more weight on the sales comparables provided by the Respondent since they were sales of serviced lots.

[22] The Board placed greatest weight on the sale of the subject that occurred within one year of the valuation date and sold for a time-adjusted sales price of \$543,867.42 per acre, supporting the 2012 assessment of the subject at \$522,401.69 per acre.

[23] The Board was persuaded that the 2012 assessment of the subject property at \$3,719,500 was fair and equitable.

Dated this 18th day of July, 2012, at the City of Edmonton, Alberta.

Don Marchand, Presiding Officer

Appearances:

Michael Uhryn, MNP LLP
for the Complainant

Darren Nagy, Assessor
for the Respondent