



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 674/11

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 on January 24, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
7376031	5124 122 Street NW	Plan: 2923RS Block: 30 Lot: 49B	\$1,855,500	Annual New	2011

#### Before:

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

#### Board Officer:

Annet Adetunji

#### Persons Appearing on behalf of Complainant:

John Trelford, Altus Group Ltd

#### Persons Appearing on behalf of Respondent:

Peter Bubula, Assessor, City of Edmonton  
Gail Rookes, Observer

## **PRELIMINARY MATTERS**

Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.

During the hearing, both parties agreed that the only issue was the value of the land. The improvements had a nominal value of \$500 and the remainder of the 2011 assessment was for the land value.

## **BACKGROUND**

The subject property comprises a portion of a shopping plaza located in the Lansdowne neighborhood, constructed in 1968. It contains 16,575 sq ft of retail space and is located on 42,661 sq ft of land zoned CNC, Neighborhood Commercial.

The property has been assessed for taxation purposes on the basis of it being primarily land value.

## **ISSUE**

What is the market value of the land?

## **LEGISLATION**

### ***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.

## **POSITION OF THE COMPLAINANT**

The Complainant filed this complaint on the basis that the subject property has been assessed in excess of its market value. In support of this position, the Complainant provided a chart (Exhibit C-1, page 10) detailing the sale of the adjoining property to the South, which comprises a former Safeway/IGA retail grocery store that was also built in 1968. The condition of the adjoining property is similar to the subject and is of virtually no to fair value as described by the Network (C-1, page 15), a third party supplier of information.

The adjoining property was sold in January 2009 for a sum of \$2,700,000 which equates to a unit rate of \$22.75/ sq ft of land including the building, which is the same basis on which the subject property has been assessed. The Complainant indicated it was the best comparable sale as it situated adjacent to the subject property and has the same land use designation as the subject property. The Complainant requested the value of the subject should be based on a rate of \$23.00/ sq ft which equates to a reduction in the assessment from \$1,855,500 to \$981,200.

In support of the above sale, the Complainant also provided a second chart (Exhibit C-1, page 11) detailing the assessments of four parcels of excess land ranging in area from 21,918 sq ft to 113, 481 sq ft. The assessments per sq ft of land ranged from \$16.99/ sq ft to \$32.49/ sq ft with an average of \$23.24/ sq ft and a median of \$21.75/ sq ft. The Complainant stated that theses four assessments also supported the requested assessment of \$23.00/ sq ft of land. On questioning, the Complainant stated that these comparable properties were all situated in superior locations to the subject.

Upon questioning by the Complainant, the Respondent admitted that the comparable land sales are all superior locations to the subject.

The Complainant also provided a rebuttal (Exhibit C-2) indicating the Respondent's four sales were in superior locations to the subject (Exhibit C-2, page 4), some being corner lots with exposure to two busy traffic arteries. All had substantially higher traffic counts than the subject property on each of the frontages (Exhibit C-2, page 6).

### **POSITION OF THE RESPONDENT**

The Respondent provided to the Board 81 pages of information regarding the 2011 assessment of the subject property (Exhibit R-1).

The Respondent provided four land sales with time adjusted value ranges from \$37.88 to \$57.16 per sq. ft. (Exhibit R-1, pages 28 to 32). The subject is assessed at \$43.49 per sq. ft.

The Respondent also provided four comparable assessments of Plaza Properties which have a value ranging from \$116.26 per sq. ft. to \$168.88 per sq. ft. whereas the subject is assessed at \$153.31 per sq. ft. (Exhibit R-1, pages 33 to 37).

In conclusion, the Respondent requested the Board to confirm the 2011 assessment at \$1,855,500.

### **DECISION**

The decision of the Board is to reduce the 2011 assessment from \$1,885,500 to \$981,500.

### **REASONS FOR THE DECISION**

The Board was persuaded by the Complainant's sale comparable. Courts have ruled that the best indicator of market value is the sale of the subject property itself close to the valuation date. The next best indicator of market value has to be the sale of similar property that is adjacent to the

subject property. The adjacent property had a time adjusted selling price of \$23.00 / sq ft. The Board multiplied the subject property's area by this rate to arrive at the market value as follows:-  
42,661 sq. ft. x \$23.00/ sq. ft. = \$981,203.

The Board was not persuaded by the Respondent's income proforma statement. The Board considers the typical rental rates and capitalization rates suspect and would be most difficult to achieve for a property in poor condition, like the subject. The Respondent indicated the improvements had a nominal value of \$500, thus, indicating the state of disrepair of the improvements.

The Board was not persuaded by the Respondent's comparable land sales. The Respondent admitted, under questioning by the Complainant, that all of the comparable land sales were superior to the subject property. Under rebuttal argument, the Complainant provided the Board with the City of Edmonton traffic counts, which indicated the superior locations of the Respondent's comparables.

In addition, while the Respondent provided the Board with comparable assessments for plaza properties, the Board did not find the comparables to be similar to the subject property. The comparables were all operating plazas, whereas the subject property was for land value only, making the comparability most difficult.

Under questioning by the Board, the Respondent indicated the Complainant's land comparable would require an upward adjustment for the size factor to the subject property. While the Respondent indicated the land comparable would require an upward adjustment, the Respondent was not able to put a definitive figure to the comparable.

The Board considers the exposure of the subject property to be inferior to the comparables, thus the Board considers the size factor and the exposure factor would tend to neutralize each other.

### **DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

Dated this 31<sup>st</sup> day of January, 2012, at the City of Edmonton, in the Province of Alberta.

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Robert Mowbrey, Presiding Officer

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*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.*

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cc: Shamrock Property Management Limited