



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 738/11

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 February 1, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9985972	2133 - 99 Street NW	Plan: 0024240 Block: 16 Lot: 1	\$1,728,000	Annual New	2011

#### Before:

Tom Robert, Presiding Officer  
Brian Hetherington, Board Member  
Judy Shewchuk, Board Member

**Board Officer:** Segun Kaffo

#### **Persons Appearing on behalf of Complainant:**

Walid Melhem

#### **Persons Appearing on behalf of Respondent:**

Alana Hempel  
Tim Dmytruk

## **BACKGROUND**

The subject property is a restaurant improvement of 2,878 square foot, located on a 45,712 square foot piece of land in the South Edmonton Common power centre. The restaurant is operated by Tim Horton's.

## **ISSUE(S)**

What was the market value of the subject property on the assessment date of July 1, 2010?

## **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 argues that the subject property should be assessed by the income approach to value, as are all other similar restaurants in the area. The Complainant provided the Board with a chart of seven restaurant lease rate comparables, ranging in value from \$20.50 per square foot to \$29.00 per square foot, with an indicated average of \$24.94 and a median value of \$25.07 per square foot.

The requested lease rate to be applied to the income approach to value is \$25.07 per square foot. Based on typical allowances and a typical capitalization rate of 7.5% for similar properties in the area, the requested value based on the income approach is \$906,000.

Further, the Complainant argues that, based on the method of valuation applied by the assessor, which is only to value the land and apply a minimal value to the improvements (\$500), the land value is in excess of market value as at the assessment date of July 1, 2010.

The Complainant presented four time-adjusted land value sales comparables ranging from \$15.43 to \$31.11 per square foot, with an average of \$22.07 and a median of \$20.86 per square foot. The requested value, based on the four sales comparables is \$21.00 per square foot. The total requested value is \$959,952 or an assessment of \$960,000 (45,712 square foot at \$21.00).

The Complainant presented in written evidence (C1- page 16) (item 42) a sale for a half interest in a property located in South Edmonton Common, which sold for \$920,000 or a total value of \$1,840,000 in December 2009. The indicated size of this site (from previous evidence in roll # 10037277) is 54,014 sq. ft. (1.24 acres). The time-adjusted value is \$1,790,000, with an indicated value is \$33.14 per square foot.

## **POSITION OF THE RESPONDENT**

The Respondent argues that the subject property has an excessive amount of land to building ratio. The land size is 45,712 square foot, while the building occupies 2,878 square foot of the property. It is therefore argued that all of the value for the subject property is attributed to its land value.

The Respondent presented a chart of three land sales comparables, ranging from \$31.11 to \$45.04 per square foot, with an average of \$36.35 per square foot. The assessed value of the subject is \$37.86 per square foot. The Respondent also indicated that sale # 1 in his chart, at 11103 Ellerslie Road, at \$31.11 per square foot is the same sale used by the Complainant (sale # 3). The Respondent argues that this sale, not being in a power centre, is inferior to the subject in terms of location and of restricted access.

## **DECISION**

The decision of the Board is to reduce the assessment to \$1,514,500

## **REASONS FOR THE DECISION**

The Board determined that the best indicator to market value, as of July 1, 2010, is the sale of the half interest in the property in South Edmonton Common at \$920,000 (full value at \$1,840,000). The time-adjusted value of \$1,790,000 indicated a value of \$33.14 per square foot.

This value is further supported by the sale presented by both the Complainant and Respondent, located at 11103 Ellerslie Road at \$31.11 per square foot and the Respondent's June 2009 sale at 1004 Ellerslie Road at \$32.90 per square foot. The sales comparables on Ellerslie Road are not in a power centre and may require an upward adjustment for location.

Therefore the Board reduces the value from \$1,728,000 to \$1,514,900, rounded to \$1,514,500. This assesses the 45,712 square foot site at \$33.14 per square foot.

## **DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

Dated this 9<sup>th</sup> day of February, 2012, at the City of Edmonton, in the Province of Alberta.

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Tom Robert, 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: THE TDL GROUP LTD/GROUPE TDL LTEE