

NOTICE OF DECISION NO. 0098 80/12

Altus Group
780-10180 101 ST NW
EDMONTON, AB T5J 3S4

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: |
|--------------------|--------------------------|---|-----------------------|------------------------|-------------------------------|
| 3787744 | 13232 170 Street NW | LSD: 10 21-53-25-4 / LSD: 9 21-53-25-4 | \$29,583,000 | 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: GROCERY PEOPLE LTD.

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2012 ECARB 979

Assessment Roll Number: 3787744
Municipal Address: 13232 170 Street NW
Assessment Year: 2012
Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Peter Irwin, Presiding Officer
Lillian Lundgren, Board Member
Ron Funnell, Board Member

Preliminary Matters

[1] When asked by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board members indicated they had no conflict of interest in the matter before them.

Background

[2] The subject is a 424,609 square foot (sf) warehouse property located at 13232 170 Street NW in the Kinokamau Plains neighborhood. The site area is 2,769,106 square feet and is partially serviced with water and sanitary sewer services.

[3] The property is assessed \$29,583,000 for land and improvements using the cost approach. The land assessment is comprised of two components: \$576,641 for parkland and \$10,150,613 for the balance of the land. The only issue is the value of the 34.76 acre portion of land that is assessed \$10,150,613.

Issue

[4] The issue is: What is the market value for the 34.76 acre balance of the land?

Legislation

[5] The *Municipal Government Act*, RSA 2000, c M-26 reads:

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

[6] The Complainant explained that the subject property is assessed \$29,583,000 for land and improvements using the cost approach. The land assessment is comprised of two components: \$576,641 for the parkland portion of the site and \$10,150,613 for the 34.76 acre balance of the site.

[7] The Complainant filed this complaint on the basis that the 34.76 acres (1,515,017 square feet) is assessed in excess of market value. This portion of the subject site is assessed \$10,150,613 or approximately \$6.70 per square foot. The Complainant argued that the sales of similar land parcels indicate a lower value of \$4.50/sf.

[8] In support of this position, the Complainant presented four sales comparables that have a median time adjusted sale price (tasp) of \$4.47 per square foot. The comparables are located in the northwest quadrant of the city and have site areas ranging from 2,598,790 to 5,193,659 square feet (sf).

[9] In summary, the Complainant requested the Board to reduce the total assessment to \$26,250,000 based on a rate of \$4.50 per square foot for 34.76 acres.

Position of the Respondent

[10] The Respondent submitted that the 34.76 acres are correctly assessed at \$10,150,613 or \$6.70/sf. The Respondent defended the land assessment with five sales comparables that range in sale price from \$4.41/sf to \$9.10/sf. The Respondent noted that both parties relied on the sales comparables located at 14510 156 Street NW, 11604 186 Street NW and 16410 137 Avenue NW. The Respondent stated that there are no sales of similar size property and all three of the comparables are larger than the subject property. If the comparable sales are adjusted for size, the sale prices of these three comparables support the subject land assessment. As well, the comparable at 14510 156 Street NW is unserviced land and would require an upward adjustment.

[11] In summary, the Respondent requested the Board to confirm the total assessment at \$29,583,000.

Rebuttal

[12] The Complainant noted that two of the sales used by the Respondent are not located in the same quadrant of the city as the subject property. As well, the Respondent's comparable located at 2545 Aurum Road is superior to the subject because it is a fully serviced parcel, whereas, the subject property is partially serviced.

Decision

[13] The property assessment is confirmed at \$29,583,000.

Reasons for the Decision

[14] The only issue before the Board is whether the 34.76 acres are correctly assessed. The Board reviewed the sales comparables presented by the parties and finds as follows.

[15] In the absence of more and better sales evidence, the Board relied on the two sales comparables located at 11604 186 Street NW and 14510 156 Street NW. The comparables are larger than the subject property; however, they are the closest in size to the subject and are located in the same quadrant of the city as the subject property. The comparable located at 14510 156 Street is inferior to the subject property in terms of servicing. The comparables sold for \$9.10/sf and \$4.41/sf respectively and would require adjustments for the differences in size and servicing. The subject assessment of \$6.70/sf falls within the range of the per square foot sale prices of the comparables.

[16] The Board placed little weight on the Respondent's two sales comparables located in the southeast quadrant of the city because there was no evidence presented to show that land sells for the same price in the southeast quadrant as the northwest quadrant of the city.

[17] Further, the Board finds that the Complainant's sales comparables located at 14125 156 Street NW and 16410 137 Avenue NW are not good indicators of value for the subject land because they are at least three times the size of the subject property. All other things being equal, larger parcels of land sell for less per unit than smaller parcels because of economies of scale.

[18] Finally, there is insufficient market evidence to alter the subject assessment and the assessment of \$29,583,000 is confirmed.

Heard commencing June 26, 2012.

Dated this 25th day of July, 2012, at the City of Edmonton, Alberta.

Peter Irwin, Presiding Officer

Appearances:

Chris Buchanan

Kerry Reimer

for the Complainant

Doug McLennan

for the Respondent