



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION 0098 81/11

Canadian Valuation Group Ltd.
1200-10665 Jasper Avenue
Edmonton, AB T5J 3S9

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 July 11, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10193784	3603 - 53 Avenue NW	Plan: 1023328 Block: 28 Lot: 3	\$27,176,000	Annual New	2011

Before:

Steven Kashuba, Presiding Officer
Judy Shewchuk, Board Member
Ron Funnell, Board Member

Board Officer: Nicole Hartman

Persons Appearing on behalf of Complainant:

Tom Janzen, Canadian Valuation Group

Persons Appearing on behalf of Respondent:

Blaire Rustulka, City of Edmonton, Assessor

PRELIMINARY MATTERS

There were no 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.

BACKGROUND

The subject is a 32.617 acre property with a 187,135 square foot building next to Whitemud Drive but without direct access. The current assessment is \$27,176,000.

ISSUE(S)

1. Is the 2011 assessment of the subject property's land value correct?

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 a revised 2011 Realty Assessment Complaint indicating that they will only be pursuing the argument pertaining to the market value of the land component.

In support of their request for a reduction in the assessment, the Complainant provided six land sales comparables (Exhibit C-1, page 1) ranging in size from 5.21 to 35.09 acres. The time adjusted sale prices ranged from \$215,054 to \$460,989 per acre with an average of \$370,772 per acre. The Complainant's position is that the land value indicated by the City is higher than sales derived from similar land parcels.

Based upon these sales comparables of similar size and location, a base year market value of \$400,000 per acre or a total of \$13,046,800 is appropriate. Adding the value of the land to the value of the building would result in an assessment of \$24,951,000. The Complainant requested that most weight be placed on those sales with more similar physical and location characteristics to that evident in the subject property.

POSITION OF THE RESPONDENT

The subject is a large, new flex building with offices in the front and warehouse in the rear situated on a large parcel of land adjacent to Whitemud Drive in a strongly active area of the City.

In support of the current assessment, the Respondent presented four comparable land sales (Exhibit R-1, page 20) which are fully serviced and in the southeast area of the city, similar to the subject property. The four comparables range in size from 13.1 to 35.13 acres while the subject consists of 32.61 acres. The adjusted sale prices range from \$410,000 to \$550,157 with an average time adjusted sale price of \$471,824 per acre.

The Respondent presented an equity chart (Exhibit R-1, page 21) containing six equity comparables of vacant land. The values range from \$414,622 to \$561,469 per acre with an average of \$466,926 per acre.

The subject property is fully serviced and in an excellent location and, in the opinion of the Respondent, nothing that exists would reduce the value. The Respondent asked that the Board confirm the assessment of the land portion at \$15,271,500 for a total assessment of \$27,176,000.

DECISION

It is the decision of the Board to reduce the assessment of the subject property for 2011 from \$27,176,000 to \$25,850,000.

REASONS FOR THE DECISION

1. The Board accepts the submission of both parties that the best indication of market value for the land component of the subject property is sales comparables.
2. The Board notes that both parties in their submissions listed two common sales comparables, Complainant's #2 and #6 and Respondent's #3 and #4. As a result, the Board places considerable weight upon these two common sales comparables.
3. The Board places less weight upon the remaining four sales comparables presented by the Complainant and the two remaining sales comparables presented by the Respondent because their sizes and locations bring into question the degree of comparability.
4. By applying the sales values of these two common sales comparables presented by both parties to the subject property, the Board accepts that a downward revision in the assessment of the subject is warranted.
5. Although the Respondent presented several equity comparables, the Board notes that the matter of equity was not an issue. Further, the Board places little weight upon these equity comparables in that insufficient information was provided to support the element of comparability and assessment value.

DISSENTING OPINION AND REASONS

There were no dissenting opinions.

Dated this 26th day of July, 2011, at the City of Edmonton, in the Province of Alberta.

Steven Kashuba, 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.

cc: The Great-West Life Assurance Company
London Life Insurance Company