



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION NO. 0098 871/11

COLLIERS INTERNATIONAL REALTY  
ADVISORS INC  
1000-335 8TH AVE SW  
CALGARY, AB T2P 1C9

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 March 16, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
2708105	10224 123 Street NW	Plan: RN22 Block: 20 Lot: 15	\$562,500	Annual New	2011

#### Before:

Warren Garten, Presiding Officer  
George Zaharia, Board Member  
Tony Slemko, Board Member

**Board Officer:** Jason Morris

#### Persons Appearing on behalf of Complainant:

Stephen Cook, Colliers International

#### Persons Appearing on behalf of Respondent:

Chris Rumsey, Assessor, City of Edmonton  
Ryan Heit, Assessor, City of Edmonton

## **PROCEDURAL MATTERS**

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.

## **PRELIMINARY MATTERS**

There were no preliminary matters.

## **BACKGROUND**

The subject property is a vacant lot, located at 10224 – 123 Street NW within the Oliver neighborhood of west central Edmonton. The lot size is 7,495 square feet and is zoned CB1.

The property was assessed on the cost approach resulting in a 2011 assessment of \$562,500.

## **ISSUE(S)**

Is the 2011 assessment of the subject property at \$562,500 fair and equitable compared to sales of similar properties?

## **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**

1. The Complainant provided a recent assessment history of the subject property that showed a 110.7% increase in the 2011 assessment compared to the 2010 assessment, arguing that there is no market evidence to justify such an increase (Exhibit C-1, pages 3 and 6).
2. To support his position that the 2011 assessment of the subject property is excessive, the Complainant provided four sales comparables of vacant land that sold between November 25, 2008 and June 18, 2009 in different neighbourhoods in northwest Edmonton. The sale prices ranged from \$38.30 to \$44.27 per square foot, compared to the assessment of the subject property at \$73.37 per square foot. The average of the four sales was \$40.41 and the median was \$39.53 per square foot (Exhibit C-1, page 7).

3. Based on the four comparable sales, the Complainant requested that the assessment of the subject be reduced from the current \$73.37 to \$40.00 per square foot resulting in a value of \$312,661 (Exhibit C-1, page 8).
4. The Complainant advised that a caveat, registered against the subject property to allow parking for a church located across the street, would impact upon its marketability (Exhibit C-1, page 6).
5. The Complainant submitted a rebuttal document, marked as C-2, challenging the sales and equity comparables provided by the Respondent. The Complainant challenged the appropriateness of the Respondent's sales comparables on the following grounds: 1) sale number one was of an office building, and 2) the age of sales number two and three (reported as 2006 & 2007). The Complainant challenged the appropriateness of the Respondent's equity comparables on the following grounds: 1) traffic count, 2) location, 3) size of lot, and 3) sale motivation (Exhibit C-2, page 3).
6. The Complainant requested the Board to reduce the 2011 assessment from \$562,500 to \$312,500.

#### **POSITION OF THE RESPONDENT**

1. The Respondent submitted a brief that included three sales comparables located near the subject. The time-adjusted sale price of these comparables ranged from \$52.55 to \$97.40 per square foot, resulting in an average sales price of \$68.50 per square foot, within \$5.00 of the assessment of the subject property at \$73.37 per square foot (Exhibit R-1, page 15).
2. Upon questioning the appropriateness of sales comparable number one, the Respondent asked that this sale be ignored, with the result that the average sale price of the remaining two comparables was \$76.47 per square foot.
3. The Respondent provided six equity comparables of properties within a few blocks of the subject property. The land assessment of these comparables ranged from \$66.59 to \$69.62 per square foot within \$7.00 of the land assessment of the subject's \$73.37 per square foot (Exhibit R-1, page 16).
4. Upon review of the of the equity comparables, the Respondent recommended that the land assessment of the subject property be reduced to \$66.70 per square foot.
5. The Respondent requested the Board to accept the recommendation to reduce the 2011 assessment of the subject property from \$562,500 to \$512,500.

#### **DECISION**

The Board accepts the Respondent's recommendation to reduce the 2011 assessment of the subject property from \$562,500 to \$512,500.

Roll Number	Original Assessment	New Assessment
2708105	\$562,500	\$512,500

## **REASONS FOR THE DECISION**

1. The Board placed less weight on the sales comparables provided by the Complainant for the following reasons:
  - a. There were no supporting network documents detailing the sales.
  - b. None of the sales were located in the same neighbourhood, all being either further from the downtown core, or arguably, in less desirable neighbourhoods.
  - c. The sale prices were not time-adjusted.
  - d. Two of the sales comparables were zoned residential while the subject property is zoned CB1.
2. The Board placed little weight on the Complainant's concern of a 110.7% increase in the 2011 assessment compared to the 2010 assessment. Previous Municipal Government Boards and Assessment review Boards have dealt with this issue and in each case it was determined that *"the mere fact of a large percentage increase without more evidence, is not enough information to draw the conclusion that the assessment is too high."* (Exhibit R-1, page 59)
3. Although it was stated that the caveat on the property would impact on its marketability, there was no evidence provided to substantiate this claim.
4. Although the Board was left with two sales to consider as support of the assessment of the subject property, the Board placed greater weight on these sales for the following reasons:
  - a. There was a supporting network documents detailing the sales.
  - b. Sale number two was located two blocks from the subject and was located in the same Oliver neighbourhood. Although the Board concurs with the Complainant that the property subject of the sale is located on a major road while the subject property is not, a differential of \$31.50 would suggest that this factor is considered. Sale number three was located further away in the Westmount neighbourhood, and the sale price of \$55.54 per square foot is a reflection of the different neighbourhood and a greater distance to the downtown core.
  - c. Sales comparable number two was zoned the same as the subject's CB1 zoning, while sales comparable number three was zoned as CB2.
5. The Board also placed considerable weight on the Respondent's equity comparables which, assessments at \$66.59 to \$69.55 per square foot, supported the reduced assessment of \$66.70 per square foot. Although five of the equity comparables were smaller than the subject, equity comparable number five was virtually the same size as the subject, and at an assessed value of \$66.59 per square foot, was within \$0.11 of the revised assessment of the subject property.

6. The Board is persuaded that the reduced 2011 assessment of the subject property at \$512,500 is fair and equitable.

**DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

Dated this 13<sup>th</sup> day of April, 2012, at the City of Edmonton, in the Province of Alberta.

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Warren Garten, 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: LISA J PRUDHOMME