



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION 0098 872/11

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:
2708030	10204 123 Street NW	Plan: RN22 Block: 20 Lot: 11 - 14	\$1,992,000	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 paved parking lot, located at 10204 – 123 Street NW within the Oliver neighborhood of west central Edmonton. The lot size is 29,985 square feet and is zoned CB1.

The property was assessed on the cost approach resulting in a 2011 assessment of \$1,992,000.

ISSUE(S)

Is the 2011 assessment of the subject property at \$1,992,000 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 114.9% 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 \$65.90 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 6).

3. Based on the four comparable sales, the Complainant requested that the assessment of the subject be reduced from the current \$65.90 to \$40.00 per square foot resulting in a value of \$1,215,775 (Exhibit C-1, page 7).
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 comparables provided by the Respondent. The Complainant challenged the appropriateness of the Respondent's sales comparables on the following grounds: 1) traffic count, 2) sales not reported by the Network, 3) concern whether a sale was "not at arms-length", and the age of the sales (reported as 2006) (Exhibit C-2, page 6).
6. The Complainant requested the Board to reduce the 2011 assessment from \$1,992,000 to \$1,215,500.

POSITION OF THE RESPONDENT

1. The Respondent submitted a brief that included two sales comparables located near the subject. The time-adjusted sale price of these comparables were \$52.55 and \$97.40 per square foot, resulting in an average sales price of \$74.98 per square foot, supporting the assessment of the subject property at \$65.90 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.
3. The Respondent argued that sale number two located two blocks from the subject and in the same Oliver neighbourhood, was a good indication of value.
4. The Respondent stated that MGA section 285 directs the municipality to prepare an assessment annually, and that one year's assessment is not based on the previous year's assessment (Exhibit R-1, page 30).
5. In summary, the Respondent stated that the subject property had been moved into another grouping of properties, and requested that the Board confirm the 2011 assessment of the subject property at \$1,992,000.

DECISION

The decision of the Board is to confirm the 2011 assessment of the subject property at \$1,992,000.

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 114.9% 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 57)
 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 only one sale to consider as support of the assessment of the subject property, the Board placed greater weight on this sale for the following reasons:
 - a. There was a supporting network document detailing the sale.
 - b. The sale 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.
 - c. The sales comparable was zoned the same as the subject's CB1 zoning.
 5. The Board is persuaded that the 2011 assessment of the subject property at \$1,992,000 is fair and equitable.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

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

Warren Garten, 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, RSA 2000, c M-26.

cc: MOUNTAIN EQUIPMENT CO-OPERATIVE