



## ASSESSMENT REVIEW BOARD

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

### NOTICE OF DECISION      0098 93/11

Canadian Valuation Group  
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 August 10, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10013388	8310 - 93 Avenue NW	Plan: 0325528 Block: 15 Lot: 31	\$22,012,000	Annual New	2011

#### **Before:**

Ted Sadlowski, Presiding Officer  
Jack Jones, Board Member  
Jasbeer Singh, Board Member

**Board Officer:** Nicole Hartman

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

Tom Janzen, Canadian Valuation Group

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

Devon Chew, City of Edmonton, Assessor  
Cameron Ashmore, City of Edmonton, Law Branch

## **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 property comprises two high-rise apartment buildings and 90 units of the 160 unit row house project known as Holyrood Gardens. The subject property's row houses are two-bedroom units built in 1954 and have been assessed as being in fair condition. The two high rise buildings have a 2011 assessed value of \$12,793,500 which is not in dispute.

## **ISSUE(S)**

The Complainant had listed a number of issues on the complaint form but the evidence and argument presented at the hearing addressed only the following:

- 1) Is the 2011 assessment of the subject property's row house component at \$9,281,500 fair and equitable?
- 2) Is the gross income multiplier (GIM) utilized to determine the 2011 assessment correct?

## **LEGISLATION**

### ***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 presented evidence (C-1) and argument for the Board's review and consideration.

The Complainant indicated that they were in agreement with the 2011 assessment with respect to the income, vacancy rate and valuation of the high rise component of the complex. The only requested revision to the 2011 assessment was with respect to the GIM applied to the row house (90 units) portion of the complex.

The Complainant noted that the expense ratio for the complex was unusually high due to the impact of the Owner-paid utilities and a higher maintenance requirement due to the age and condition of the facility.

The Complainant presented eleven comparable sales of low rise apartments (noting no row house sales occurred prior to the valuation date of July 1, 2010) which had an average GIM of 9.22 compared to the 2011 assessment GIM of 10.15. The Complainant indicated the best sales comparables with respect to the age of the properties were sales comparables #2, 5 & 10 which had an average GIM of 8.46 (C-1, page 2).

The Complainant then utilized a GIM of 8.5 applied to the effective gross income determined by the City in the 2011 assessment to arrive at a value of \$7,722,500 for the value of the row house portion of the complex.

The Complainant further indicated that due to the age, fair condition and the fact that the Owner pays the utilities for the units that a further reduction in value to \$7,500,000 is warranted.

When the requested row house assessment is added to the high rise assessment for the subject property the total requested 2011 assessment is reduced from \$22,012,000 to \$20,293,500.

### **POSITION OF THE RESPONDENT**

The Respondent presented evidence (R-1 & R-2) and argument for the Board's review and consideration.

The Respondent referenced the variables that impact the income a property can achieve as well as the factors that impact the GIM (R-1, page 10). The three key variables impacting the GIM are market area, building type and age.

The Respondent presented evidence (R-1, tab 4 & R-2, page 36) concerning the Complainant's sales comparables to show that the data can vary significantly depending on the sources of the information. The data sources utilized were the Network and Anderson Data. It was noted by the Respondent that of the sales provided by the Complainant (C-1, page 2), the three noted as the best comparables, #2 and #5 were non-arms length and #10 is a post-facto sale (after the valuation date of July 1, 2010). The Respondent also noted that the remaining comparables presented by the Complainant were generally in inferior neighbourhoods to the subject property.

The Respondent also presented four row house sales comparables (R-1, tab 6 & R-2 page 43) which had GIM's ranging from 11.33 to 12.22. It was noted that one of the sales was post-facto (March 29, 2011) and one was dated Dec. 21, 2005.

The Respondent presented an equity chart (R-2, pages 46-49) which included all row house complexes in the City of Edmonton. The condition of these complexes ranged from fair to average and the GIM's ranged from 9.95 to 12.18 compared to the GIM applied to the subject property of 10.15.

The Respondent presented five sales comparables of walk-up apartments (R-1, tab 5 & R-2 pages 38- 41) which included income data and the associated GIM's derived from three different sources. The three sources were The Network, Anderson Data and the City of Edmonton. The purpose of the presentation was to illustrate that the data and the results derived from the data from the same sale can vary significantly depending on the sources of the information.

The Respondent requested the 2011 assessment of \$ 22,012,000 be confirmed as being fair and equitable.

### **DECISION**

The Decision of the Board is to confirm the 2011 assessment of \$22,012,000 as fair and equitable.

### **REASONS FOR THE DECISION**

- 1) In reviewing the evidence presented by the Complainant, the Board determined that the Complainant had not met the onus or burden of proof required to determine that the 2011 assessment was not appropriate.
- 2) The Board placed greatest weight on the equity comparables (R-2, pages 46-49) provided by the Respondent which represented all of the row house complexes in the City of Edmonton and supported the GIM of 10.15 utilized for the 2011 assessment as being fair and equitable.
- 3) The 2011 assessment GIM of 10.15 was further supported by the sales data for row houses provided by the Respondent (R-1, tab 6 & R-2, page 43). This sales data indicated that the GIM utilized by the Respondent was appropriate for the subject property.
- 4) The Board placed little weight on the methodology employed by the Complainant to derive their requested GIM, as it relied heavily on questionable sales (non-arms length & post-facto) and low rise apartments, while the subject property is a row house complex.
- 5) The Board finds that the GIM of 10.15 utilized in arriving at the 2011 assessment is appropriate for the subject property's market area, building type and age.

### **DISSENTING OPINION AND REASONS**

There were no dissenting opinions.

Dated this 16<sup>th</sup> day of August, 2011, at the City of Edmonton, in the Province of Alberta.

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Ted Sadlowski, 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, R.S.A. 2000, c.M-26.*

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cc: 410087 ALBERTA LTD  
424363 ALBERTA LTD