

**COMPOSITE ASSESSMENT REVIEW BOARD
NOTICE OF DECISION****CARB 0302-04/2013**

July 19, 2013

Altus Group Ltd.
Suite 780, 10180 - 101 Street
Edmonton, AB
T5J 3S4

Strathcona County
Assessment and Taxation
2001 Sherwood Drive
Sherwood Park, AB T8A 3W7

This is a decision of the Composite Assessment Review Board from a hearing held on Wednesday, June 26, 2013 regarding a complaint for:

Hearing #	Owner	Property Description	Roll #	Assessed Value
C2013-12	Cabo International Corp.	Lot 10, Block 4, Plan 8222487 NE 33-52-23-W4 25 Athabasca Avenue (Bubbles Car Wash)	7000732003	\$1,603,000

Before:

Rick McDonald, Presiding Officer
Ryan Bosch, Board Member
Tom Robert, Board Member

Board Officer: Maureen Shaw

Persons Appearing: Complainant

Brett Flesher, Altus Group Ltd.

Persons Appearing: Respondent

Jeff McKinnon, Manager, Assessment & Tax
Treena Malishewski, Assessment & Tax

PROCEDURAL MATTERS

There were no objections to the composition of the Board or the process to be followed as outlined by the Presiding Officer.

BACKGROUND

The subject property is 1.2 acres (52,270 square feet), zoned C-5 Service Commercial, and is referred to as Bubbles Car Wash. The subject property contains one structure built in 1999 covering approximately 9% of the site. The 2013 assessment totals \$1,603,000 based on the July 1, 2012 valuation, and is comprised of land valued at \$762,000 and improvements valued at \$841,000. The complainant is not disputing the value of improvements.



ISSUE

Is the assessed value of the land excessive?

POSITION OF THE COMPLAINANT

The Complainant presented his submission, Exhibit C-1, and argued that the assessor has given a land value of \$14.58 per square foot which he believes is too high and provided his evidence to support a value of \$13.75 per square foot. The requested assessment is \$1,560,000 representing an adjustment to the land value only. The Complainant acknowledged that the amount of value reduction being requested was less than 3% of the total assessed value but argued that the reduction requested represents 6% of the land value. The Complainant supplied a chart on page 8 of his submission offering six (6) examples of similar properties providing a range of \$12.97 to \$15.22 per square foot with an average of \$13.96 per square foot and a median sale price per square foot of \$13.75.

The Complainant further argued and provided examples where, in his opinion, the discount factors that should have been applied in relation to location, access, and age should be higher than those used by the Assessor.

POSITION OF THE RESPONDENT

The Respondent presented their submission, Exhibit R-1, and argued that using the sales comparison approach to establishing equitable value includes both land and improvements. The adjustment being requested by the Complainant is less than 5% of the assessed value of the subject property. In addition, it was argued that there are a number of significant factors that support the current valuation including location, access, type of service, the comparative value of the property closest to the subject property and the potential for resale. The Complainant's sales comparables include a number of inferior attributes or differences when compared with the subject property. The Respondent provided an analysis of the Complainant's sales that addressed location and physical attribute adjustment factors wherein an adjusted value range of \$14.27 to \$18.56 per square foot was applied when inferior attributes are acknowledged. After adjusting the sales for inferior attributes, the Respondent felt that the assessed value of \$14.58 is supported.

REBUTTAL FROM COMPLAINANT

The Complainant refuted the Respondent's application of adjustment amounts on the Complainant's sales comparisons. The Respondent noted the Assessor applies a discount factor of 5% for corner lot wherein he suggested that the reduction should be 15%. He provided examples of properties in the City of Edmonton where it appears that discounts ranged between 26% and 53%.



DECISION

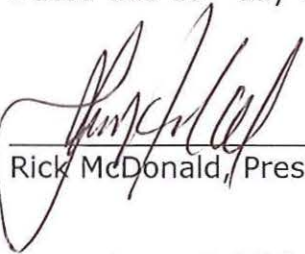
The decision of the Board is to confirm the assessment at \$1,603,000.

REASONS FOR THE DECISION

The Board has determined that the overall adjustment requested to the assessment by the Complainant is less than 3%. It is the opinion of the Board that the Assessor has met the required "Valuation standard for a parcel and improvements", identified in the regulation. *Matters Related to Assessment and Taxation Regulation, AR 220/2004 s.6(1)* states: "When an assessor is preparing an assessment for a parcel of land and the improvements to it, the valuation standard for the land and improvements is market value unless subsection (2) or (3) applies."

In regard to the tolerable range for assessments done on a mass appraisal model, the BC Supreme Court suggests "an approximate range of plus or minus 5% of assessed value as being within an acceptable range of actual value." (See *Bentall Retail Services et al v. Assessor of Area No.9 - Vancouver* 2006 BCSC 424, at para 96). The Board heard the appeal and would have made adjustments to the valuation if it heard compelling arguments to support such adjustment, however, the Board did not find compelling evidence to support the Complainant's position. The Board is of the opinion that the assessment is fair, equitable and at fair market value given the evidence before the Board.

Dated this 19th day of July, 2013 at Strathcona County, in the Province of Alberta.



Rick McDonald, Presiding Officer

1. Exhibit C-1 Complainant Disclosure filed May 13, 2013
2. Exhibit R-1 Respondents Disclosure filed June 10, 2013
3. Exhibit C-2 Complainant Rebuttal filed June 17, 2013

Section 470(1) of the *Municipal Government Act*, RSA 2000, c.M-26 provides you the right to appeal this decision to the Court of Queens Bench on a question of law or jurisdiction. You must make your appeal within 30 days after you receive this notice of decision.

Copy to: Municipal Government Board