

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 00653

Assessment Roll Number: 1204528

Municipal Address: 10615 - 82 Avenue NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Steven Kashuba, Presiding Officer

James Wall, Board Member

Randy Townsend, Board Member

Procedural Matters

[1] Upon questioning by the Presiding Officer the parties before the Board indicated no objection to the Board's composition. In addition, the Board Members indicated no bias with respect to this file.

Preliminary Matters

[2] There were no preliminary matters.

Issue

[3] Is the assessment of the subject property fair and equitable based upon the sale of similar properties?

Background

[3] The subject property, owned by Wheaton Investments Ltd. and known as Southpark, is located in the Queen Alexandra Neighborhood at 10615 – 82 Avenue NW. The property is zoned as CB2 with a lot size of 26,170 square feet. The current assessment is \$3,075,500.

Legislation

[4] **The *Municipal Government Act*, RSA 2000, c M-26, reads:**

s 1(1)(n) “market value” means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

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

[5] The City assessed the land on the subject property at \$2,453,213 or \$93.74 per square foot (Exhibit C-1, pages 7-8), and improvements at \$622,291 for a total assessment of \$3,075,500.

[6] The Complainant informed the Board that the assessment of the improvements on the subject property is not at issue. At issue, however, is the assessment of the land.

[7] Based upon sales of similar land parcels, the Complainant believes that the assessment of land within the subject property does not reflect market value and is therefore excessive.

[8] In support of this position, the Complainant presented four sales comparables (Exhibit C-1, page 8). These sales occurred in the same sector of the City, in close proximity to the subject property and are, according to the Complainant, good indicators of market value.

[9] The sale dates range from March of 2007 to April of 2010, are time adjusted to July 1 of 2012, and reflect values per square foot ranging from \$49.18 to \$114.69 with a median of \$92.59 per square foot. The assessment of the subject land is set at \$93.74 per square foot.

[10] The time adjustments for the Complainant's land sales comparables were taken from the City's time adjustment table (Exhibit C-1, pages 13-15).

[11] In response to a question of the Board, the Complainant submitted that their best sales comparable was located at 8135 – 102 Street NW. This sale reflected a time-adjusted sales value of \$75.61 per square foot.

[12] Rather than relying upon the median value per square foot derived from sales comparables, the Complainant indicated that they relied upon the best sales comparable to calculate a requested assessment amount of \$2,611,000 (Exhibit C-1, page 7).

[13] In response to a question of the Board, the Complainant submitted that this particular property sold with a derelict building on it and, consequently, reflected land value only. As a result, this makes it a good measure of market value of land in the Queen Alexandra Neighborhood.

[14] In response to a question of the Board, the Complainant admitted that little weight should be placed upon sales comparables #3 and 4 because of their irregular shape, size, and location, even though adjustments can be made for their specific attributes.

[15] The Complainant requested an assessment value of \$76.00 per square foot for the land, resulting in an assessment of \$1,988,976 added to a value of \$622,290 for improvements, for a total assessment of \$2,611,000 (Exhibit C-1, page 7).

Position of the Respondent

[16] In support of the assessment, the City provided five sales comparables (Exhibit R-1, page 15) which occurred between April of 2010 and July of 2011.

[17] These sales comparables reflect lot sizes ranging from 4,321 to 21,750 square feet, and time-adjusted sales values ranging from \$89.99 to \$124.96 per square foot.

[18] Four of the Respondent's sales comparables occurred near the downtown area of the City while sales comparable #2 (also presented by the Complainant as their sales comparable #3 in Exhibit C-1, page 8), occurred in the vicinity of the subject property at 10813 – 82 Avenue NW. This particular sale reflected a time-adjusted value of \$114.55 per square foot, while the subject is assessed at \$93.74 per square foot (Exhibit R-1, page 15).

[19] The Respondent submitted that the current assessment does not reflect the feature of being located on a corner lot on a major traffic artery. As a result, the current assessment of \$2,453,213 should actually be \$2,784,397 (Exhibit R-1, page 15). Having regard for this information, the Respondent indicated that an upward adjustment of 9% will be reflected in the 2014 assessment amount.

[20] In conclusion, the Respondent requested that the current assessment be confirmed.

Decision

[21] It is the decision of the Board to confirm the assessment of the subject property for 2013 at \$3,075,500.

Reasons for the Decision

[22] The Board accepts the Respondent's argument that the value of the subject property is enhanced by its favorable location. In particular, the Board notes that both parties agree that there is an added value to the subject property by virtue of its location on the corner of a busy street and avenue.

[23] In particular, the Board is influenced by the Respondent's sales comparable #2 (Exhibit R-1, page 15) which occurred at 10813 – 82 Avenue at a time-adjusted value of \$114.55 per square foot. Although this is a smaller lot and one must take into consideration the element of economies of scale, its market value per square foot does support the assessment of the subject property.

[24] In addition, the Respondent presented four other sales comparables. However, little weight is placed upon these (Exhibit R-1, page 15, sales #1, 3, 4, and 5) because these occurred in a neighborhood considerably removed from the subject property.

[25] In reviewing the sales comparables presented by the Complainant, the Board notes that their best comparable was located at 8135 – 82 Avenue. The time-adjusted sales value per square foot was \$75.61.

[26] However, in this particular comparable the Board accepts the Respondent's argument that the market value of land on 82 Avenue east of the CPR Railway tracks demands a lesser market value than does land west of the railway tracks. From this, the Board deduces that a rate of \$93.74 per square foot for the subject property located west of the CPR Railway tracks is fully justified.

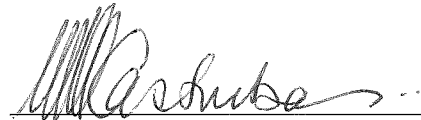
[27] Finally, the Board notes that two out of four of the Complainant's sales comparables actually support the assessment (Exhibit C-1, page 8, sales #3 and 4).

Dissenting Opinion

[28] There was no dissenting opinion.

Heard commencing June 12th, 2013.

Dated this 20th day of June, 2013, at the City of Edmonton, Alberta.


Steven Kashuba, Presiding Officer

Appearances:

Chris Buchanan, Altus Group
for the Complainant

Scott Hyde, City of Edmonton
for the Respondent

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.