

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 00654

Assessment Roll Number: 10015028

Municipal Address: 5220 Gateway Boulevard 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.

Background

[3] The subject property is known as Rally Subaru and is located at 5220 Gateway Blvd in South Edmonton. The property owner is Ducor Development Corp.

[4] The 2013 assessment for the subject is as follows: improvements assessed at \$1,031,656, land at \$4,076,665, resulting in a total assessment of \$5,108,000. Only the land valuation is being challenged.

[5] The subject property is zoned CB2, which allows for a major car dealership.

[6] The parcel size is 102,476 square feet (2.35 acres). The land assessment of \$4,076,665 works out to be \$39.78 per square foot.

Issue(s)

[7] Is the assessment fair and equitable based upon the sales of comparable land parcels?

Legislation

[8] **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

[9] The City of Edmonton has assessed the improvements at \$1,031,656. The Complainant stated that they are satisfied with this valuation and thus the improvement assessment is not at issue.

[10] The land assessment is the subject of the complaint. The 2013 assessment is \$4,076,665 on a parcel of 102,476 square feet or \$39.78 per square foot.

[11] Based upon sales of similar land parcels, the Complainant believes that the land assessment is excessive and should be assessed at \$2,818,097 or \$27.50 per square foot.

[12] In support of this position the Complainant presented four sales comparables (Exhibit C-1, page 8) as evidence. Three of the sales are in the Millwoods area and one sale is approximately three blocks from the subject. Parcel sizes range from 43,560 to 181,645 square feet. All are commercially zoned but with various sub-types. One sale is time adjusted from 2006, but the other three are 2010 sales and do not require any time adjustment according to the City’s time adjustment chart as shown in Exhibit C-1, page 13.

[13] The adjusted sales values for the four comparables range from a low of \$25.00 to a high of \$29.84 per square foot. The median price is \$27.55.

[14] The Complainant referred to the Respondent’s #2 sale, which was a sale between the City of Edmonton and the Edmonton Petroleum Club. The Complainant stated that this sale should not be used since the Petroleum Club had been leasing this parcel from the City for many years and used it as a parking lot. In the Complainant’s opinion this is not a good arm’s length sale and the Board should place little weight upon it.

[15] The Complainant also referred to the Respondent's sales #1 and #4 as lacking comparability as they are extremely small (16,706 and 11,747 square feet respectively) in relation to the subject property at 102,476 square feet.

[16] The Respondent's sale #3 is closest in size to the subject at 145,491 square feet but must be discounted as this property included a multi-plex cinema and a night club in the sale. It could not be determined if there were any other considerations in the sale as neither the Respondent nor the Complainant were able to provide further information on this sale.

[17] The Complainant stated that, in their opinion, the best comparable is their sale #4, which is 181,645 square feet in size. It is zoned CB2, which is the same as the subject. Also, it is located only a few blocks from the subject. This comparable is used for the same purpose as the subject property, a car dealership. It is assessed at \$26.98 per square foot (land only).

[18] The Complainant has requested that the land assessment be adjusted to \$2,818,097. As a result, the total assessment should be reduced from \$5,108,000 to \$3,849,500.

Position of the Respondent

[19] In support of the current assessment the Respondent presented four sales (Exhibit R-1, page 17), two of which were sales from 2007, one from 2010 and one from 2011. The 2007 sales were time adjusted but the other two sales were not, according to Exhibit C-1, pages 13-15.

[20] The comparable sales ranged in size from 11,747 to 145,491 square feet. Time adjusted sale prices for the four comparables ranged from \$35.92 to \$78.83 per square foot.

[21] The Respondent provided sales comparables (Exhibit R-1, pages 26-29) in response to the Complainant's four comparable sales. None of the Respondent's sales comparables matched sales used by the Complainant.

[22] In response to questioning from the Board the Respondent said they did not use the Complainant's sale #4 because it was an improved multiple parcel with split zoning (CB2 and IB), which would cause the overall price per square foot to be lower than if the entire parcel were sold as one commercial zoning (Exhibit R-1, page 29).

[23] The Respondent, in their presentation (Exhibit R-1, pages 26-28), referenced the Complainant's sales #1-3 as being inferior properties to the subject. In fact, sales # 2 and #3 were actually located in residential neighborhoods.

[24] In conclusion, the Respondent stated that they did not use any of the sales that the Complainant presented as, in their opinion, these were not comparable to the subject in any meaningful manner. The Respondent stated that their sales comparables were the best available and should be used to confirm that the current assessed value is fair and equitable.

Decision

[25] It is the decision of the Board to reduce the land assessment from \$4,076,665 to \$2,818,097 (\$27.50/square foot), reducing the total 2013 assessed valuation for the subject property from \$5,108,000 to \$3,849,500.

Reasons for the Decision

[26] The Board reviewed the four sales submitted by the Complainant in comparison to the four sales submitted by the Respondent. Of all of the sales reviewed, the Board placed the most weight on the Complainant's sale #4 (5524 to 5240 Gateway Blvd). This sale is located nearest the subject parcel, is used for the same purpose as the subject (auto sales) and is a relatively current sale (2010). The land is assessed at \$26.98 per square foot on this comparable.

[27] The Board concluded that just because this parcel had a building on it and split zonings (CB2 and IB) at the time of purchase, this was not evidence enough to discount the use of this sale. The City of Edmonton often uses comparables that have improvements on them. The Board finds that sale #4 was the best comparable of all sales presented by either party.

[28] In the Respondent's summary and argument it was stated by the Respondent that "*the City looks for vacant sales and alarms went off when it reviewed the Complainant's #4 sale and found it had improvements.*" This, in the Board's opinion, is not sufficient reason to disallow consideration of this sale.

[29] The Board places little weight on the Respondent's four sales as they were poor representatives of comparable sales to the subject. With the exception of sale #3, they were all considerably smaller than the subject property (11,747, 16,706 and 28,574 square feet, compared to the subject at 102,476 square feet). Due to the size disparity between the comparables and the subject, the Board does not consider these to be reasonable comparables on which to determine if the subject parcel was being assessed fairly.

[30] The Respondent's sale #2 was a sale between the City of Edmonton and the Edmonton Petroleum Club. The Edmonton Petroleum Club had been leasing the parcel for many years from the City as a parking lot. The Board placed lesser weight on this sale as it was in a very different location than the subject and because the Respondent could not sufficiently provide the Board with any details of this sale. The Board did not have sufficient evidence presented to it to determine if, in fact, this was a true arm's length sale due to the previous relationship of the two parties involved.

[31] In response to questioning from the Board regarding the Respondent's sale #3, the Respondent did not give sufficient details, other than what was indicated on the Land Titles transfer, for the Board to accept this as a good sale comparable.


[32] The Board was, therefore, unable to place any weight on the Respondent's sales comparables. In contrast, the Complainant was able to provide the Board with at least some sufficient sales comparables to persuade the Board that the assessment for the subject property is excessive and should be reduced.

Dissenting Opinion

[33] There was no dissenting opinion by the board.

Heard commencing June 12th, 2013.

Dated this 28th day of June, 2013, at the City of Edmonton, Alberta.


Steven Kashuba, Presiding Officer

Appearances:

Chris Buchanan, Altus Group
for the Complainant

Doug McLennan, City of Edmonton
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.