

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 00656

Assessment Roll Number: 3811726

Municipal Address: 13145 97 Street 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 is occupied by a Mazda auto dealership and is municipally located at 13145 - 97 Street NW in the Killarney subdivision in North Central Edmonton. The improvement provides full automobile sales and servicing and the site has an area of 88,751 square feet. The 2013 assessment is \$3,195,000.

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 \$2,681,603 or \$30.21 per square foot and the improvements at \$513,807 for a total assessment of \$3,195,000 (Exhibit C-1, page 7).

[6] The Complainant stated to 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 excessive.

[8] In support of their position, the Complainant presented seven sales comparables (Exhibit C-1, page 8). These sales comparables are in various locations, but are generally west of the subject property, and the Complainant considers them to be good indicators of market value. The Complainant stated that although sale #2 was located in close proximity to the subject property (southwest corner of 97 Street and 137th Avenue), they considered it a “high outlier”.

[9] The Complainant’s sales took place between April 2006 and October 2011 at time adjusted sale prices between \$14.43 and \$39.25 per square foot with a median of \$18.12 per square foot. The subject land is assessed at \$30.21 per square foot (Exhibit C-1, page 8).

[10] Land sizes ranged from 37,026 to 216,493 square feet. The subject land has a size of 88,751 square feet.

[11] The time adjustments were taken from the City’s time adjustment tables (Exhibit C-1, pages 13-15).

[12] The Complainant emphasized that although their sales comparables, with the exception of sale #2, were not located on the same street as the subject, they did represent larger parcels of land with zoning categories which would allow similar development to the subject lands with a CSC classification.

[13] In response to the Respondent's questioning, the Complainant agreed that their sale #1 had previously been a service station site. However, they had no knowledge of possible contamination issues.

[14] The Complainant stated that although comparable #4 was located on a one-way road, it could be successfully compared to the subject. In answering general questions as to the locations of the majority of their comparables, which were a considerable distance from the subject, the Complainant stated that they were all located in the northwest quadrant of the city.

[15] Under questioning by the Board, the Complainant stated that comparable #2, which was a land sale at the south west corner of 97 Street and 137 Avenue NW, was their best comparable geographically.

[16] In response to a question from the Board, the Complainant stated that they tend to use sales in the same timeframe as the City. However, since there had been a lack of transactions within the last five years, they used a 2006 transaction. The Complainant indicated their preference was to place the greatest weight on the most current sales.

[17] The Complainant commented that compared to the subject, the Respondent's sales #1, #2 and #3 were small in size and would require downward adjustments to reflect economies of scale. The Respondent's sale #4 sold as a part of a multi-parcel sale and was improved with the former Gateway theater complex and the Ivory Nightclub.

[18] In summation, the Complainant stated that the subject property was not located on Highway 28, as suggested by the Respondent, but rather was located on 97 Street.

[19] The Complainant requested that the assessment of the subject land be reduced from \$2,681,603 to \$1,619,709 or \$18.25 per square foot. Adding the assessment of the improvements at \$513,807 would result in an assessment of \$2,133,500 (Exhibit C-1, page 7).

Position of the Respondent

[20] In support of the assessment, the Respondent provided four sales comparables (Exhibit R-1, page 21) which occurred between January of 2007 and January of 2011.

[21] These sales comparables reflect land sizes ranging from 6,181 to 145,491 square feet, and time-adjusted sale prices from \$32.90 to \$58.81 per square foot.

[22] The Respondent emphasized the locational differences between their comparables and the Complainant's. The Respondent suggested that three of their sales comparables, unlike six of the Complainant's seven sales comparables, were located within a reasonable distance of the subject property.

[23] The Complainant questioned the small size of the Respondent's sale #1 at 6,181 square feet, and the differences in locations compared to the subject, particularly the Respondent's sale #4 located at 2904 Calgary Trail. The Complainant also questioned the Respondent as to whether or not they were aware that substantial improvements of some value were located on sale #4 on its sale date. The Respondent indicated they could find very little information on this sale, but had, for verification, relied upon the transfer document (Exhibit R1, pages 29-32).

[24] In answer to Board questions, the Respondent indicated that their best comparable was #4 in terms of size and its location on a similar roadway. The Respondent conceded that this property was actually located on a service road adjoining Calgary Trail. In answer to a Board question as to whether or not a direct control (DC 5) zoning such as on the Respondent's sale #4 would impact on the value of the property, the Respondent stated that this type of zoned property would generally undergo rezoning so it would not have much impact on market value.

[25] The Respondent requested that the Board confirm the subject property's land assessment of \$2,681,603 or \$30.21 per square foot plus improvements at \$513,807 for an overall assessment of \$3,195,000.

Decision

[26] It is the decision of the Board that the assessment of the subject property be reduced from \$3,195,000 to \$2,466,500.

Reasons for the Decision

[27] The Board reviewed all evidence and heard all arguments, and places particular emphasis on size, and less emphasis on locational factors applied by both parties to their sales comparables in arriving at its decision.

[28] It is the Board's opinion that except for sale #1, all of the Complainant's sales comparables (Exhibit C-1, page 8) can be relied upon to indicate market value for the subject land. The Board places little weight on the Complainant's sale #1 as this property had been used as a service station site and may have had some degree of contamination.

[29] The Board notes that the Complainant's sale #2 is similar in size to the subject, but considered substantially superior in location at the intersection of two main roadways.

[30] The Board finds that the Complainant's sale #5 located at 16105 Stony Plain Road is larger than the subject and would require an upward adjustment to reflect its inferior location compared to the subject.

[31] The Respondent's sales comparables were found by the Board to be of very little assistance in estimating the market value of the subject land. Although three of them were located in reasonably close proximity to the subject, their actual locations as they relate to traffic exposure did not compare well to the subject. In particular the Board questions their comparability in regards to area.

[32] The Board notes that the Respondent considered sale #4 to be the best comparable. The Complainant stated to the Board that when this property was sold, it was improved with a theater and a nightclub which would have contributed value to the sale. In addition, the Complainant suggested this sale was a part of a multi-parcel sale. The Board notes that the Respondent did not refute this information, and that the only backup the Respondent provided for this sale was the transfer document, indicating they found no other information on this transaction.

[33] The Board closely examined the last six of the Complainant's seven sales comparables (Exhibit C-1, page 8) and the Respondent's sales comparable#2 (Exhibit R-1, page 21). The Board considers these seven sales comparables represent good evidence of the value of the subject property. These sales comparables indicate an average of \$23.59 per square foot.

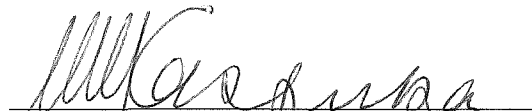
[34] It is the decision of the Board to reduce the assessment of the subject land from \$30.21 per square foot to \$24 per square foot or from \$2,681,168 to \$1,952,522. The total assessment is reduced from \$3,195,000 to \$2,466,500.

Dissenting Opinion

[35] There was no dissenting opinion.

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.