

Edmonton Composite Assessment Review Board

Citation: Michele Warwa-Handel, APTAS v The City of Edmonton, 2013 ECARB 00882

Assessment Roll Number: 4085189

Municipal Address: 5604 90 Street NW

Assessment Year: 2013

Assessment Type: Annual New

Between:

**Edmonton Exchanger & Refinery Services Ltd. as represented by Alberta Property Tax
and Assessment Services**

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
James Fleming, Presiding Officer
John Braim, Board Member
Mary Sheldon, Board Member

Procedural Matters

[1] The parties did not have any objection to the composition of the Board. The Board members did not report any bias or conflict of interest with respect to this matter.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject is a vacant, undeveloped parcel of land situated in south Edmonton in the Davies Industrial West neighborhood. The size of the subject is 1.123 acres or 48,911.607 square feet. The actual and effective zoning is IB and the land use is 258 (fenced storage). The location of the subject is major roadway interior.

[4] The subject is assessed for 2013 at \$949,500 using the direct sales comparison method. Of that amount, \$6,634 is allocated to the net items and \$943,389 to the land value.

Issue(s)

[5] The parties advised the Board that the following issues were to be decided in the merit hearing:

- Is the 2013 assessment for the subject appropriate when sales of comparable properties are considered?
- Is the 2013 assessment for the subject fair and equitable when the assessments of comparable properties are considered?

Legislation

[6] 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

[7] The Complainant presented an assessment brief, Exhibit C-1, 44 pages, in support of the position that the current assessment of the subject is excessive.

[8] The Complainant advised the Board that the address of the subject is 5604 90 Street. It is an interior lot with exposure to 91st Street but with no direct access to that route.

[9] In support of the position that sales of comparable properties demonstrate that the subject was over-assessed, the Complainant presented a chart of the details of the sales of ten comparable properties (Exhibit C-1, page 7).

[10] These comparables range in size from .61 acres to 4.55 acres. The time adjusted sale prices per acre range from \$588,235 to \$965,756 per acre with an average time adjusted sale price per acre of \$719,191. The assessments of those sales comparables range from \$478,409 to \$789,036 per acre.

[11] The Complainant argued that this sales evidence demonstrates that the assessment per acre for the subject at \$845,503 is excessive. In particular, the Complainant pointed out that the sales comparables #4 and #5 are of the most assistance in establishing value for the subject. Both those comparables are interior lots in the Davies Industrial neighborhood, similar to the subject.

[12] The Complainant also provided the current assessments for the sales comparables and submitted that the assessed values were not consistent with the market values.

[13] The Complainant requested that the Board apply a value of \$719,191 per acre to the 1.12 acre lot size of the subject. This would result in a value for the subject land of \$805,493.

[14] With respect to the issue of equity, the Complainant presented the assessments of four properties which, in the opinion of the Complainant, are similar to the subject (Exhibit C-1, page 7). The Complainant submitted that the average assessment per acre of those comparables is \$706,129 which demonstrates that the assessment per acre of the subject at \$845,503 is excessive.

[15] The Complainant argued that equity comparable #1 is located very near to the subject and shares the same exposure to 91st Street but has a lack of access to that thoroughfare, similar to the subject. The Complainant submitted that the assessment per acre of that comparable at \$719,055 supports a reduction to the assessment of the subject.

[16] The Complainant noted that the address of the subject is 90th Street and submitted that it should not be assessed as if it were located on 91st Street, a major thoroughfare.

[17] In response to questioning, the Complainant acknowledged that the sales comparables #4, 5, 7 and 8 are larger than the subject, some at least twice the size. As well, the Complainant acknowledged that, while the subject has exposure to 91st Street, most of the sales comparables do not have a major roadway attribute.

[18] The Complainant also noted that only sales comparable #1 was zoned IB similar to the subject but stated that the different zoning would have no meaningful impact on the value.

[19] The Complainant repeated the request that the Board reduce the 2013 assessment of the subject to \$805,500 based on the sales evidence provided.

Complainant's Rebuttal

[20] The Complainant also provided a rebuttal document (Exhibit C-2, 5 pages). The Complainant submitted that this document contained the 2013 assessments of the sales comparables used by the Respondent.

[21] The Complainant submitted that this information showed a discrepancy between the time adjusted sales prices of the comparables and the assessments of those same comparables.

Position of the Respondent

[22] The Respondent provided an assessment brief, Exhibit R-1, 42 pages, in support of the position that the current assessment of the subject is appropriate, fair and equitable.

[23] The Respondent provided a map to indicate that the subject had exposure to 91st Street (Exhibit R-1, page 6).

[24] The Respondent provided the details of five sales of properties which, in the opinion of the Respondent, are comparable to the subject (Exhibit R-1, page 11). The Respondent argued that this market data supports the assessment of the subject at \$845,503 per acre. The average time adjusted sale price per acre of these comparables is \$918,092 and the median is \$896,228.

[25] The Respondent advised the Board that all the comparables are just over one acre in size, have similar zoning and are located on major roadways, all characteristics shared with the subject. The Respondent also noted that the sales comparable # 1 is in common with the Complainant's sales comparable #1 and that it supports the assessment of the subject.

[26] In response to questioning, the Respondent acknowledged that some of the comparables are not located in study area 12 as is the subject.

[27] With respect to equity, the Respondent provided three comparables similar to the subject. The average assessment per acre is \$935,397 and the median assessment per acre is \$922,619.

[28] In response to questioning, the Respondent noted that the back-up assessment information for the equity comparables had not been provided.

[29] The Respondent directed the Board to Exhibit R-1, page 23 which sets out the major roadway definition. The Respondent noted that a major road is defined as a road with a traffic flow of 15,000+ vehicles per day and pointed to evidence in Exhibit C-1, page 44 which states that the traffic flow on 91st Street, where the subject is located, is 18,000 vehicles per day. The Respondent stated that 91st St. therefore qualifies as a major roadway.

[30] The Respondent provided the Board with details of the relationship of certain property characteristics to the value of industrial land (Exhibit R-1, page 21). The Respondent advised that the characteristics of time adjustment, lot size, lot location, study area and servicing are used in valuation of industrial land.

[31] The Respondent argued that subject's location and exposure on 91st Street is the important factor and that access and egress to that thoroughfare from the subject are not important in the valuation model. The Respondent submitted further that the valuation model for industrial land does not recognize a difference between major roadway corner and major roadway interior.

[32] The Respondent requested that the Board confirm the 2013 assessment of the subject at \$949,500.

Decision

[33] The decision of the Board is to confirm the 2013 assessment of the subject at \$949,500.

Reasons for the Decision

[34] In assessing the quality of the sales comparables presented by both parties, the Board notes the evidence of the Respondent that time adjustment, lot size, lot location, study area and servicing are important factors in the valuation of industrial land for 2013 in Edmonton.

[35] There was no disagreement as to the time adjustment factor used and the servicing for all the comparables from both the Complainant and the Respondent was full municipal standard. The Board also heard verbal evidence that zoning was not an issue. With respect to study area, the Board heard evidence that not all the sales comparables from both parties are in area 12, similar to the subject.

[36] The Board heard submissions that lot location and lot size are major variables to be adjusted and considered.

[37] With respect to the variable of lot location and its influence in the valuation of industrial land, the Board accepts that the subject has exposure to 91st Street, which fits the definition of a major roadway. The Board also accepts that it is the exposure to a major roadway that is important in the valuation model of industrial properties.

[38] The Board notes that all of the Respondent's sales comparables are on major routes with high traffic exposure, similar to the subject. In the opinion of the Board, the Respondent's sales comparable situated on Gateway Boulevard ought to be excluded as the location is superior to the subject in terms of traffic count.

[39] The Board notes that the Complainant's sales comparable #1 is in common with the Respondent's sales comparable #1 and is on a major roadway.

[40] The Board then reviewed the sales comparables in terms of the variable of lot size. Of the Complainant's sales comparables, only #1, #6 and #9 are between one and two acres, similar to the subject. All of the Respondent's comparables are between one and two acres in size.

[41] The Board notes that an average value per acre of the three appropriately sized sales comparables of the Complainant together with an average value per acre of the Respondent's sales comparables (excluding the Gateway Boulevard property) supports the assessment of the subject.

[42] With respect to the issue of equity, the Board notes that the Complainant's equity comparable #1 is located very close to the subject with exposure to 91st Street but is almost three times the size. When an adjustment is made for the fact that a larger property will sell for less per acre, that comparable provides indirect support for the subject's assessment. The other equity comparables presented by the Complainant do not have a lot location on a major traffic route while the subject has exposure to 91st Street.

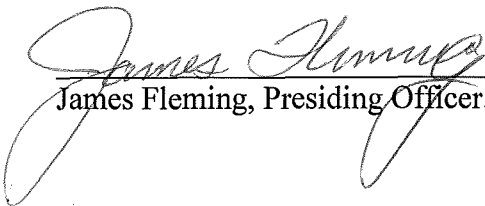
[43] The Board concludes that the 2013 assessment of the subject is appropriate, fair and equitable.

Dissenting Opinion

[44] There was no dissenting opinion.

Heard commencing November 15, 2013.

Dated this 21st day of November, 2013, at the City of Edmonton, Alberta.


James Fleming, Presiding Officer.

Appearances:

Michele Warwa-Handel, APTAS
for the Complainant

Aaron Steblyk
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.