

## **Edmonton Composite Assessment Review Board**

**Citation: CVG v The City of Edmonton, 2013 ECARB 01279**

**Assessment Roll Number:** 10284795  
**Municipal Address:** 3723 Roper Road NW  
**Assessment Year:** 2013  
**Assessment Type:** Annual New

Between:

**CVG**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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### **DECISION OF**

**George Zaharia, Presiding Officer**  
**Judy Shewchuk, Board Member**  
**Randy Townsend, Board Member**

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### **Procedural Matters**

[1] When asked by the Presiding Officer, the parties did not object to the composition of the Board. In addition, the Board Members indicated no bias in the matter before them.

### **Preliminary Matters**

[2] There were no preliminary matters.

### **Background**

[3] The subject property is a vacant 5.908 acre parcel of undeveloped land located at 3723 Roper Road NW in the Pylypow Industrial neighbourhood of southeast Edmonton. The land is fully serviced and is zoned IL (light industrial).

[4] The subject property was valued on the cost approach resulting in a 2013 assessment of \$3,593,500 (\$608,243 per acre).

### **Issue(s)**

[5] Is the 2013 assessment of the subject property too high based on sales of similar properties?

## **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] In support of his position that the 2013 assessment of the subject property is excessive, the Complainant presented an 11-page brief (Exhibit C-1). The Complainant argued that based on an analysis of sales of similar properties, the assessment of the subject property is too high.

[8] The Complainant submitted sales of five comparable properties that occurred between August 2010 and May 2011 for time-adjusted sales prices ranging from \$358,659 to \$618,681 per acre, compared to the assessment of the subject at \$608,243 per acre. The sizes of the comparables ranged from 0.92 to 13.10 acres, compared to the size of the subject at 5.908 acres. (Exhibit C-1, page 1).

[9] Based on an analysis of the five sales comparables, with most weight placed on those sales with more similar physical and locational characteristics to the subject, those being sale nos. 1, 4 and 5, the Complainant calculated an assessment of \$575,000 per acre as being more reasonable (Exhibit C-1, page 2).

[10] The Complainant submitted a rebuttal, providing the assessment of the Respondent’s sales comparable no. 3, located in the same industrial neighbourhood as the subject. This comparable is 3.593 acres in size, smaller than the 5.908 acre size of the subject, but is assessed at \$582,869 per acre compared to the subject’s assessment at \$608,243 per acre, arguing that this supported his requested \$575,000 per acre assessment (Exhibit C-2, page 2).

[11] In summation, the Complainant argued that the Respondent’s sales no. 1 is not a good comparable since it is a smaller parcel of land compared to the subject, and is a corner lot located closer to 50<sup>th</sup> street while the subject is an interior lot located further from 50<sup>th</sup> street. The Respondent’s sales comparable no. 3, assessed at \$583, 869 per acre, coupled with the Complainant’s selected sales (nos. 1, 4 and 5) support the requested reduced assessment of \$575,000 per acre.

[12] The Complainant requested the Board reduce the 2013 assessment from \$3,593,500 to \$3,395,000.

### **Position of the Respondent**

[13] The Respondent stated that the 2013 assessment of the subject is fair and equitable. In support of this position, the Respondent presented a 42-page assessment brief (Exhibit R-1) that included law and legislation.

[14] The Respondent submitted five sales comparables, all located in the Pylypow Industrial neighbourhood as is the subject. The sales occurred between January 27, 2010 and March 20, 2012 for time-adjusted sales prices ranging from \$608,931 to \$693,743 per acre resulting in an average of \$653,011 per acre, and a median of \$660,364 per acre, greater than the \$608,243 per acre assessment of the subject. The comparables ranged in size from 2.75 to 4.89 acres and are all zoned industrial (Exhibit R-1, page 10).

[15] The Respondent submitted four equity comparables of IL zoned land located adjacent to, or across the road from the subject on Roper Road, ranging in size from 4.36 to 5.79 acres. These equity comparables were assessed for values ranging from \$609,931 to \$633,257 per acre, resulting in an average of \$622,146 and a median of \$622,698 per acre, greater than the \$608,243 per acre assessment of the subject (Exhibit R-1, page 10).

[16] In summation, the Respondent argued that the five sales comparables, all located in the Pylypow Industrial neighbourhood, and similar in size, supported the assessment of the subject property. As well, the four equity comparables, located on Roper Road, again similar in size to the subject, supported the assessment of the subject.

[17] In argument, the Respondent questioned the comparability of four of the Complainant's five sales comparables: sale no. 1 is much larger than the subject calling into question economies of scale, sales nos. 2 and 5 are financed through vendor take-back mortgages calling into question the motivation of these sales, and sale no. 4 is triangular in shape, possibly having an impact on the sale price. The Respondent suggested that the Complainant's sale no. 3 at \$618,681 per acre actually supported the \$608,243 assessment of the subject (Exhibit R-1, page 17). It is the Respondent's position that Roper Road east of 50<sup>th</sup> street is a major roadway and therefore the major roadway attribute is appropriate.

[18] In conclusion, the Respondent requested that the Board confirm the 2013 assessment of the subject property at \$3,593,500.

### **Decision**

[19] The decision of the Board is to confirm the 2013 assessment of the subject property at \$3,593,500.

### **Reasons for the Decision**

[20] The Board placed less weight on the Complainant's evidence and argument for the following reasons:

- a) Sale no. 1 at 13.10 acres is more than twice the size of the subject, with economies of scale probably having an influence on the sale price.

- b) Sale no.2 has rural standard servicing and therefore is not comparable to the subject that has full municipal standard servicing.
- c) Sale no. 3 that sold for a time-adjusted sale price of \$618,681 per acre, which is higher than the assessed value of the subject, reflects the smaller size of the comparable, and is not on a major roadway.
- d) Sale no. 4, that is smaller than the subject and sold for a time-adjusted sale price of \$591,696 per acre, 2.7% less than the assessed value of the subject, falls within the quality standard range of +/- 5% as identified in s. 10(3) of MRAT.
- e) Sale no. 5, which is the closest in size to the subject, sold for a time-adjusted sale price of \$571,696 per acre, 6% less than the assessment of the subject, just outside the quality standard range of +/- 5% as identified in s. 10(3) of MRAT, but is not located on a major roadway.

[21] Although the Complainant argued that Roper Road at 37<sup>th</sup> street was a collector road rather than a major roadway, the Board concurred more with the Respondent that Roper Road was a major roadway.

[22] Although the Complainant rebutted the Respondent's sales comparable no. 3 with an assessed value of \$582,869 per acre as support for his request to reduce the assessment of the subject to \$575,000 per acre, the Board noted that this property was not on a major roadway, as is the subject.

[23] The Board placed greater weight on the evidence and argument presented by the Respondent for the following reasons:

- a) The five sales comparables presented by the Respondent were all closer in size to the subject, were all located near the subject, east of 50<sup>th</sup> street, and at an average sale price of \$14.99 and median of \$15.18 per square foot, supported the \$13.96 per square foot assessment of the subject. All of the sales comparables had full municipal standard servicing, as does the subject.
- b) The four equity comparables presented by the Respondent were all very close in size to the subject, were all located nearby the subject, and at an average assessment of \$14.28 and median of \$14.29 per square foot, supported the \$13.96 per square foot assessment of the subject.

[24] The Board was persuaded that the 2013 assessment of the subject property at \$3,593,500 was fair and equitable.

### **Dissenting Opinion**

[25] There was no dissenting opinion.

Heard September 9, 2013.

Dated this 23<sup>rd</sup> day of September, 2013, at the City of Edmonton, Alberta.

A handwritten signature in black ink, appearing to read 'George Zaharia', written over a horizontal line.

George Zaharia, Presiding Officer

**Appearances:**

Peter Smith  
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.*