

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, 2013 ECARB 01658

Assessment Roll Number: 3442001

Municipal Address: 11608 102 AVENUE N W

Assessment Year: 2013

Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Shannon Boyer, Presiding Officer

Martha Miller, Board Member

Mary Sheldon, Board Member

Procedural Matters

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

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject is a residential property converted to commercial use in the Oliver subdivision of Edmonton. The subject is a bungalow with basement, built in 1929 and with an effective age of 1935. The lot size is 3,519 square feet and the building area is 1,155.9 square feet. The site coverage is 33%. The subject is assessed using the direct sales comparison methodology and the 2013 assessment is \$600,500. The Complainant is requesting that the 2013 assessment be reduced to \$369,500.

Issue(s)

[4] There were numerous issues attached to the complaint form. However, most of the issues were abandoned and the only issues remaining to be decided are as follows:

Issue #1: Is the assessment of the subject correct when the sales of comparable properties are considered?

Issue #2: Is the assessment of the subject fair and equitable when the assessments of similar properties are considered?

Legislation

[5] **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

[6] The Complainant presented an assessment brief in support of the position that the assessment of the subject was excessive (Exhibit C-1).

[7] The Complainant presented a chart of seven sales of properties which, in the opinion of the Complainant, are similar to the subject (Exhibit C-1, page 10). The Complainant stated that all the sales comparables are located in the Oliver area, similar to the subject and all are residential properties converted to commercial use, similar to the subject. The year built of the comparables ranged from 1925 to 1995 while the effective year of construction for the subject is 1935.

[8] The Complainant advised the Board that the site coverage of each sales comparables is considerably lower than the 33% site coverage of the subject. To account for this difference, the Complainant adjusted the time adjusted sale price per square foot of the sales comparables based on a calculated time adjusted sale price per square foot of land value of \$45 (Exhibit C-1, page 28). The range of time adjusted sales prices per square foot, adjusted for land value, is from \$168.75 to \$423.21. The average time adjusted sale price per square foot of the comparables is \$312.78 and the Complainant compared this to the assessed value per square foot of the subject at \$519.49.

[9] The Complainant argued that an appropriate value per square foot based on this sales evidence would be \$320 per square foot for a total value for the subject of \$369,500.

[10] The Complainant also provided a chart of thirty-one assessments of properties which, in the opinion of the Complainant, are similar to the subject (Exhibit C-1, page 11). The average assessment per square foot of these comparables is \$335.73 and the median assessment per square foot is \$305.89.

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[11] The Complainant argued that this evidence demonstrated that an assessment per square foot for the subject of \$320 would be fair and equitable.

[12] In response to questioning, the Complainant stated that the high site coverage of the subject posed problems for parking and that the sales comparables with lower site coverage had to be adjusted for this attribute. The Complainant also stated that adjustments had to be made in the assessment comparables to account for upper floor value as none of the assessment comparables are bungalows.

[13] The Complainant requested that the Board reduce the assessment of the subject to \$320 per square foot or \$369,500 total value, based on the sales comparables provided.

Position of the Respondent

[14] The Respondent stated that the 2013 assessment of the subject is correct, fair and equitable and presented an assessment brief (Exhibit R-1) in support.

[15] In support of the position that market evidence supports the current assessment of the subject, the Respondent presented a chart of the sales of three properties which, in the opinion of the Respondent, are similar in many respects to the subject (Exhibit R-1, page 11). Although the comparables are two storey properties, unlike the subject which is a bungalow, all are located in the Oliver area and are close in age to the subject.

[16] The average time adjusted sales price per square foot for the comparables is \$463.25 while the median is \$454.78. The Respondent stated that this supported the assessment per square foot of the subject at \$519.49.

[17] The Respondent presented the account detail report for the subject and noted that the subject had received positive adjustments to its value for renovation, corner location and exposure to major traffic influence (Exhibit R-1, page 7).

[18] The Respondent also presented the Board with details of the sale of the subject in 2009 (Exhibit -1, page 22). The subject sold for \$600,000 at that time and the price included approximately \$50,000 worth of chattels.

[19] During questioning, the Respondent stated that none of the sales comparables he presented are located on major roadways and only one is located on a corner.

[20] The Respondent also presented four assessment comparables to demonstrate that the assessment of the subject is fair and equitable (Exhibit R-1, page 16). All the comparables are bungalows with basements. Only two of the comparables are located in the Oliver neighborhood, similar to the subject. The average and median assessments per square foot of the comparables are \$471.05. The Respondent argued that this supported the assessment of the subject at \$519.49 per square foot when adjustments are made for the subject's superior location and exposure.

[21] The Respondent requested that the Board confirm the 2013 assessment of the subject at \$600,500.

Complainant's Rebuttal

[22] Subsequent to the Respondent's presentation of evidence, the Complainant provided a rebuttal document (Exhibit C-2).

[23] The Complainant pointed out that the sales comparables presented by the Respondent had much lower site coverage than the subject and that this would increase the value of the comparables. Despite the fact that these comparables had an increased value, the subject was still assessed at a higher rate per square foot than the time adjusted sale price per square foot of the comparables.

[24] The Complainant also pointed out that the equity comparables presented by the Respondent had much lower site coverage than the subject and that this would increase the value of the comparables. The Complainant stated that the subject should be assessed lower on a per square foot basis than these comparables.

[25] The Complainant also noted the equity comparable #4 presented by the Respondent which is newer than the subject and almost twice the size. As well, this comparable fronts 104th Avenue and would have an increased value for that exposure. The Complainant stated that this comparables is assessed at \$521,500 and that the subject should be assessed lower than this.

[26] The Complainant repeated the request that the Board reduce the assessment of the subject to \$369,500.

Decision

[27] The decision of the Board is to reduce the 2013 assessment of the subject to \$511,000.

Reasons for the Decision

Issue #1: Is the assessment of the subject correct when the sales of comparable properties are considered?

[28] In the opinion of the Board, the evidence of the sales comparables presented by the Complainant is sufficient to allow the Board to doubt the correctness of the subject assessment.

[29] The median value per square foot of those comparables, even adjusted for land value to account for the higher site coverage of the subject, is \$323.45, well below the assessed value per square foot of the subject at \$519.49.

[30] When the Board then considered the market comparables presented by the Respondent, the median value is \$454.78, well below the assessed value per square foot of the subject at \$519.

[31] In the opinion of the Board, this market evidence demonstrates that the subject is over-assessed. However, the Board is not convinced that the Complainant's requested value of \$369,500 based on this market evidence, is warranted as the subject is located on a corner lot and does have a major traffic influence, positive characteristics that are not shared by most of the Complainant's comparables

Issue #2: Is the assessment of the subject fair and equitable when the assessments of similar properties are considered?

[32] In the opinion of the Board, the evidence of the equity comparables presented by the Complainant is sufficient to allow the Board to doubt the fairness of the subject assessment.

[33] The median value per square foot of those comparables, even adjusted for half value attributed to upper floor space, is \$305.89, well below the assessed value per square foot of the subject at \$519.49.

[34] When the Board then considered the assessment comparables presented by the Respondent, the median value per square foot is \$471.05, well below the assessed value per square foot of the subject at \$519.49.

[35] In the opinion of the Board, this assessment evidence demonstrates that the subject is not assessed equitably. However, the Board is not convinced that the Complainant's requested value of \$346,500 based on this equity evidence is warranted as only very few of the Complainant's comparables are located on corner lots and subject to major traffic influence, positive influences which are attributed to the subject.

Conclusion

[36] The Board concludes that the closest indicator of value for the subject is equity comparable #4 presented by the Respondent. This bungalow with basement is located at 10339 120 Street, in Oliver as is the subject, and while it is newer than the subject and has a larger lot size, its building size and exposure to major traffic – in this case 104 Avenue—are similar to the subject. It is assessed much lower than the subject at \$441.85 per square foot or \$521,500.

[37] In the opinion of the Board, while this comparable is superior to the subject in terms of lot size, site coverage and age, this is balanced by the superior corner location and renovation code applied to the subject.

[38] The Board notes that this comparable is assessed at \$441.85 per square foot. In the opinion of the Board, this is an appropriate value to apply to the subject.

[39] When this value is applied to the gross building area of the subject, the result is a total value of \$511,000.

[40] Accordingly, the Board reduces the 2013 assessment of the subject to \$511,000.

Dissenting Opinion

[41] There was no dissenting opinion.

Heard commencing October 17, 2013.

Dated this 25th day of October, 2013, at the City of Edmonton, Alberta.


Shannon Boyer, Presiding Officer

Appearances:

Jordan Nichol
for the Complainant

Tim Dueck
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.