

Edmonton Composite Assessment Review Board

Citation: High Street Holdings Ltd. v The City of Edmonton, 2014 ECARB 00542

Assessment Roll Number: 2722700

Municipal Address: 10133 125 Street NW

Assessment Year: 2014

Assessment Type: Annual New

Assessment Amount: \$904,000

Between:

**High Street Holdings Ltd. as represented by
its designate agent, Altus Group Limited**

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

**DECISION OF
George Zaharia, Presiding Officer
Brian Carbol, Board Member
Martha Miller, Board Member**

Procedural Matters

[1] Upon questioning by the Presiding Officer the parties indicated they did not object to the Board's composition. In addition, the Board members stated they had no bias with respect to this file.

Preliminary Matters

[2] Both parties asked for carry forward from Assessment Roll Number 2722650 to this account. The property at 10109 125 Street is adjacent to the subject property and the evidence, questions, argument and summary all carry forward to this file.

Background

[3] The subject property is a residential building converted to commercial located at 10133 125 Street in the Westmount subdivision of the City of Edmonton. The subject property is two storey with basement with an effective year built of 1924, comprising 3,012 square feet, and is situated on a 15,012 square foot lot.

[4] The property was valued using the direct sales approach resulting in a 2014 assessment of \$904,000.

Issues

[5] Is the 2014 assessed value too high when compared to sales and assessments of similar properties?

Position of the Complainant

[6] In support of his position that the 2014 assessment of the subject property is incorrect, the Complainant presented a 70-page brief (Exhibit C-1), arguing that compared to recent sales and assessments of similar properties, the assessment of the subject property is too high.

[7] The Complainant presented eight sales/equity comparable properties that ranged in size from 1,479 to 5,054 square feet with subject property at 3,012 square feet. The comparable properties sold for time-adjusted sale prices ranging from \$233.26 to \$481.41 per square foot, and were assessed from \$168.88 to \$398.01 per square foot with the subject property being assessed at \$300.13 per square foot. The Assessment to Sales Ratio's (ASR) of the comparables ranged from 63% to 127% with an average of 80% and a median of 75%. The Complainant argued the ratio of sales to assessment is well outside the quality standard of +/- 5%. The ASR for the subject is not included in the Complainant's "Assessment Comparable Chart" as the subject has not been sold in the last five years.

[8] The Complainant argued that an assessment of \$270.50 per square foot for subject was appropriate and compared favorably to the median assessment of \$270.33 and average assessment of \$275.61 of the comparables.

[9] The Complainant stated the sales/equity comparables were in close proximity to the subject property which is located at 10133 125 Street, and provided a map of the area showing the locations of the comparables and that of the subject.

[10] The Complainant referred the Board to a court decision in *Bramalea Ltd v British Columbia (Assessor of Area No. 9 – Vancouver)* (1990), 76 DLR (4th) 53 (BCCA) wherein the judge wrote "...It is my view that the principles mentioned give the taxpayer two distinct rights: (i) a right to an assessment which is not in excess of that which can be regarded as equitable; and (ii) a right not to be assessed in excess of actual value ...".

[11] The Complainant reviewed the sales presented by the Respondent and stated that comparable number 3 located at 10150 122 Street to be the only valid comparable property. The remaining sales comparables submitted by the Respondent are in different market zones, with a variety of building types and locations in the north and the south sides of the city.

[12] In the rebuttal document, the Complainant restated his "Assessment Comparable Chart" from Exhibit C-1 with the addition of the Respondent's sales comparable number 3. The Complainant argued with this additional comparable, the time-adjusted sale prices per square foot for the comparables, produce a median of \$318.90 and an ASR of 72%. The Complainant adjusted the median time-adjusted sale price of \$318.90 by the 72% ASR producing a value of \$229.59 per square foot, suggesting that this would be the equitable value for the subject property. However, the subject property is assessed at \$300.13 per square foot.

[13] The Complainant requested the Board to reduce the 2014 assessment of the subject property from \$904,000 to \$814,500 based on a reduced value of \$270.50 per square foot that reflects the median assessment per square foot of the eight sales/equity comparables that he submitted.

Position of the Respondent

[14] The Respondent stated that the 2014 assessment of the subject was fair and equitable. To support the position, the Respondent presented a 63-page assessment brief which included law and legislation. (However, in that the Respondent had stated that the brief was the same as Roll Number 2722650 which had 64 pages, the Board relied on the sales/equity comparables chart from the other file.)

[15] In response to the Complainant's position that a value of \$813,500 for the subject property would appear to be more reasonable, the Respondent wrote that *"All 224 properties were assessed using the same methodology. This would indicate that the assessment of the subject property is similar to the assessments of other 224 properties. Recent sales appear to indicate that the inventory as a whole is under assessed. However, the assessed rates (\$/ft) indicate that the subject is assessed fairly and equitably, as the rate of \$300 per foot is within range established by the sales comparables."*

[16] The Respondent provided fifteen sales/equity comparables, acknowledging that the comparables were not in the same area as the subject. The comparables, with effective year built ranging from 1912 to 2006 (with the subject at 1924), sold for time-adjusted sales prices ranging from \$200.00 to \$603.37 per square foot, and were assessed with Assessment to Sales Ratios (ASR) of 0.58 to 1.34, resulting in a median of 0.74 and an average of 0.834. There is no time-adjusted sale price for the subject as it has not sold in the last five years. The Respondent argued that if the subject were to sell it could well have an ASR similar to the median or average ASR of the comparables. The \$300.13 per square foot assessment of the subject property fell within the time-adjusted sales price range.

[17] The Respondent argued the subject is assessed fairly and equitably, as the rate of \$300 per square foot falls within the lower end of the range created by the sales of Land Use Code (LUC) 224 properties of \$200 to \$603 per square foot.

[18] The Respondent asked the Board to confirm the 2014 assessment of subject property at \$904,000.

Decision

[19] The decision of the Board is to confirm the 2014 assessment of the subject property at \$904,000.

Reasons for the Decision

[20] The Board noted the Complainant's comparables were all two storeys with basement, in reasonable proximity to the subject and were all residential buildings converted to commercial as is the subject property.

[21] The Board had some concerns with the comparables provided by the Respondent as follows:

- a. There were inconsistencies in the size shown on the comparables sales chart compared to the supporting documentation.

- b. Some of the comparables appeared to be single family properties rather than converted properties similar to the subject.
- c. Some of the comparables were single storey properties while the subject property is a two storey building.
- d. Some of the comparables were located in other areas of the city and were not as close locationally as the Complainant's comparables.

[22] Of the eight comparables provided by the Complainant and the fifteen comparables provided by the Respondent, four properties were common. The Board placed greater weight on the resulting average time-adjusted sale prices per square foot and the average assessments per square foot of these four comparables.

[23] The average time adjusted sale price of these four comparables was \$398.11 per square foot and the average assessment of those four comparables was \$293.42 per square foot. The ASR of these four comparables is 0.737, very close to the median ASR derived from the Complainant's eight comparables of 0.75 and the Respondent's fifteen comparables of 0.74.

[24] The Board's calculation of \$293 per square foot when applied to the size of the subject property of 3,012 square feet produces an assessed value of \$882,500 (rounded). This value is within the +/- 5% range of quality standards in determining a fair and equitable assessment pursuant to s 10 of the *Matters Relating to Assessment and Taxation Regulation*, Alta Reg 220/2004.

[25] The Board was persuaded that the 2014 assessment of the subject property at \$904,000 was fair and equitable.

Dissenting Opinion

[26] There was no dissenting opinion.

Heard June 17, 2014.

Dated this 15th day of July, 2014, at the City of Edmonton, Alberta.



George Zaharia, Presiding Officer

Appearances:

Jordan Nichol, Altus Group
for the Complainant

Chris Rumsey
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.

Appendix

Legislation

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.

The *Matters Relating to Assessment and Taxation Regulation*, Alta Reg 220/2004, reads:

10(1) In this section, “property” does not include regulated property.

(2) In preparing an assessment for property, the assessor must have regard to the quality standards required by subsection (3) and must follow the procedures set out in the Alberta Assessment Quality Minister’s Guidelines.

(3) For any stratum of the property type described in the following table, the quality standards set out in the table must be met in the preparation of assessments:

Property Type	Median Assessment Ratio	Coefficient of Dispersion
Property containing 1, 2 or 3 dwelling units	0.950 - 1.050	0 - 15.0
All other property	0.950 - 1.050	0 - 20.0

(4) The assessor must, in accordance with the procedures set out in the Alberta Assessment Quality Minister’s Guidelines, declare annually that the requirements for assessments have been met.

Exhibits

Exhibit C-1 Complainant's Evidence – 70 pages

Exhibit C-2 Complainant's Rebuttal – 51 pages

Exhibit R-1 Respondent's submission – 63 pages