

Edmonton Composite Assessment Review Board

Citation: 307081 Alberta Ltd., represented by CVG v The City of Edmonton, 2014 ECARB 00710

Assessment Roll Number: 10303571

Municipal Address: 11445 Jasper Avenue NW

Assessment Year: 2014

Assessment Type: Annual New

Assessment Amount: \$2,901,000

Between: **307081 Alberta Ltd.**

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
Patricia Mowbrey, Presiding Officer
Brian Hetherington, Board Member
Jasbeer Singh, 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.

[2] The Complainant indicated to the Board that the only issue was the assessed value of the land and there was no concern regarding the assessment of the building on the property.

[3] With mutual agreement of the parties, evidence, argument and oral submissions, as relevant, were brought forward to this file from roll number 3401650.

Preliminary Matters

[4] There were no preliminary matters.

Background

[5] The subject property is an auto dealership (Edmonton Motors) located at 11445 – Jasper Avenue, NW, on a 0.566 acre (24,653 sq. ft.) lot on a major downtown traffic artery in Oliver Neighbourhood. The subject property is zoned CB2 and the land assessment of \$2,354,062 (or \$95.49 per sq. ft.) and the total assessment of \$2,901,000 for 2014 has been contested by the Complainant.

Issues

[6] Is the land assessment of \$95.49 per sq. ft. for a total of \$2,354,062 too high??

Position of the Complainant

[7] The position of the Complainant was that the land assessment at \$95.48 per square foot, or \$2,354,062 is too high.

[8] The building value of \$547,179 was not challenged.

[9] The Complainant presented eight sales comparables, located in Edmonton's central area with sales dates that ranged from March 2008 to November 2012; sizes that ranged from 9,312 to 274,428 square feet, and time-adjusted sales prices per square foot that ranged from \$19.00 to \$59.07.

[10] The Complainant suggested that there were few sales in close proximity to the subject property in the downtown area, which is why the eight comparables are located in various areas.

[11] The Complainant told the Board that the comparables were all located on main roads and similar to where a car dealership might be located.

[12] The Complainant stated that comparable #7 was the most recent sale and was the site of an automobile dealership, although it was considerably larger at 274,428 square feet and had a TASP per square foot of \$59.07. The Complainant further indicated that the sales price for the larger site, \$59.07, supported the requested \$75.00 per square foot for the smaller subject site of 24,654 square feet, for a value of \$1,849,050.

[13] The Complainant pointed out that comparable #8 was the most recent sale and although it was smaller than the subject, it provided a current sale price.

[14] The Complainant requested a reduced 2014 assessment for the land and building of \$2,400,000.

Position of the Respondent

[15] In support of the assessment, the Respondent presented the Board with a chart of six sales comparables located in close proximity to the subject property, with sales dated between July 2010 and July 2013, which the Respondent noted were much more recent than those presented by the Complainant.

[16] The lot sizes in the sales comparables ranged from 0.19 to 0.69 acres compared to the subject site at 0.566 acres, with time-adjusted sales prices that ranged from \$101 to \$147 per square foot. The assessment of the subject land is \$95.49 per square foot. The Respondent stated that higher sales prices reflect the economy of scale for the smaller sized properties.

[17] The Respondent presented the Board with maps of the comparable sales presented by both parties, with the exception of the eighth comparable presented by the Complainant, showing that the Respondent's sales were much closer in location to the subject property, creating increased validity.

[18] The Respondent expressed to the Board that it was impossible to find one-acre sites available for sale in the downtown area.

[19] The Respondent requested the Board to confirm the City's assessment of \$2,901,000, comprising a building assessment of \$546,938 and land assessment of \$2,354,062.

Decision

[20] The decision of the Board is to confirm the 2014 assessment at \$2,901,000.

Reasons for the Decision

[21] The Board noted that none of the eight sale comparables presented by the Complainant share the location characteristics of the subject that is located on a major downtown traffic artery.

[22] The Board was persuaded by the Respondent's plotting of the sale comparables on maps to demonstrate the proximity or dispersion of the sale comparables presented by the parties and finds that the Respondent's sale comparables were located closer to the subject and better reflected the area characteristics enjoyed by the subject property.

[23] The Board noted that the sale comparable #7 (located at 11850 -104 Avenue), that was highlighted by the Complainant, was sufficiently dissimilar to the subject in terms of location and size to be a reliable indicator of the subject's market price as on the valuation date.

[24] The Board reviewed the sales comparables presented by the Complainant and noted that:

- a. Sales #1 and #2, having occurred in 2008, were relatively too old to provide guidance to the Board.
- b. Sales #5 and #8 were in respect of considerably smaller lot sizes located in different parts of the city that were not representative of the market conditions in the subject's downtown location.
- c. Sale #4 (located at 13135 – St. Albert Trail) was not comparable to the subject as it was zoned IB and located in an industrial area, quite different from the subject's downtown location.
- d. The Complainant's sale comparable #6 (located at 12145 – 97 Street) is located in the midst of a residential neighbourhood and not comparable to the subject.

[25] The Complainant was unable to reconcile the difference between the comparable time adjusted sales prices and the requested assessment value.

[26] The Board was not persuaded by the Complainant's reference to a previous year's Assessment Review Board decision because the relevant evidence or argument presented at the previous hearing was not before the Board.

[27] The Board notes that the Complainant was unable to satisfy the burden of proof that requires the Complainant to provide sufficiently convincing evidence on which a change to the assessment can be based.

[28] The Board finds the Respondent's six sale comparables persuasive as these pertain to comparable properties that are located in close vicinity of the subject, are zoned commercial and whose sales occurred more recently, between July 2010 and August 2012.

[29] The Board finds that the subject assessment at \$95.49/ sq. ft. is adequately supported by the time adjusted sale prices of the Respondent's comparable vacant land sales in the area.

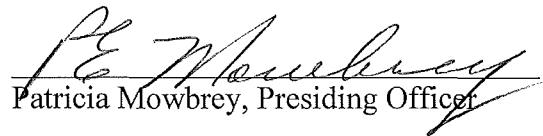
[30] The Board finds the assessment of \$2,901,000 for the subject property to be fair and equitable.

Dissenting Opinion

[31] There was no dissenting opinion.

Heard July 21, 2014.

Dated this 11th day of August, 2014, at the City of Edmonton, Alberta.


Patricia Mowbrey, Presiding Officer

Appearances:

Peter Smith, CVG
for the Complainant

Scott Hyde, City of Edmonton Assessor
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.

Exhibits

Complainant: C1 19 pages

Respondent: R1 54 pages