

## Edmonton Composite Assessment Review Board

Citation: Newcastle Centre GP Ltd. as represented by CVG v The City of Edmonton, 2014  
ECARB 01697

Assessment Roll Number: 1104694  
Municipal Address: 16704 123 STREET NW  
Assessment Year: 2014  
Assessment Type: Annual New  
Assessment Amount: \$4,261,000

Between:

Newcastle Centre GP Ltd. as represented by CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

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DECISION OF  
George Zaharia, Presiding Officer  
Jasbeer Singh, Board Member  
Mary Sheldon, Board Member

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### 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] There were no preliminary matters.

### Background

[3] The subject property is a 5.072 acre parcel of fully-serviced vacant land, zoned shopping center zone (CSC) and is located in the Rapperswil Neighbourhood of north Edmonton at 16704 123 Street NW.

[4] The subject property was valued on the cost approach resulting in a 2014 assessment of \$4,261,000.

[5] Is the 2014 assessment of the subject property at the rate of \$19.29 per square foot too high?

### **Position of the Complainant**

[6] The Complainant submitted a twelve-page brief arguing that the 2014 assessment of the subject property at the rate of \$19.29 per square foot is too high.

[7] To support his argument that the assessment of the subject property was too high, the Complainant provided five sales comparables of serviced vacant lots. These sales comparables transacted between June, 2012 and March, 2013, ranged from 1.15 to 4.37 acres in size, and sold for time-adjusted sale prices ranging from \$13.60 to \$18.58 per square foot (Exhibit C-1, page 1).

[8] At 4.37 acres, sale comparable number 5 located at the corner of 137 avenue and 97 street is the closest in size to the subject and enjoys a superior location at the corner of two major roadways. Sale number 3, at 3.51 acres is also somewhat larger, but has frontage to a main roadway. Conversely, the subject fronts onto 167 avenue which is a minor connecting roadway, and at 5.072 acres is larger than all the sales comparables (Exhibit C-1, page 2).

[9] The Complainant emphasized the subject's lack of exposure to a major roadway, arguing that that three of the Respondent's sales comparables are located on roads with a major traffic influence (15,000- 50,000 vehicles per day) while the subject has a moderate traffic influence (5,000- 15,000 vehicles per day).

[10] The Complainant requested the Board to reduce the 2014 assessment from \$4,261,000 (\$19.29 per square foot) to \$3,755,855 (\$17.00 per square foot).

### **Position of the Respondent**

[11] The Respondent stated that the 2014 assessment of the subject property was fair and equitable. To support the position, the Respondent presented a seventy-seven page brief which included law and legislation.

[12] The Respondent provided four sales comparables of serviced vacant lots. These sales comparables transacted between March, 2010 and September, 2011, ranged from 3.59 to 10.03 acres in size, and sold for time-adjusted sale prices ranging from \$19.48 to \$21.09 per square foot (Exhibit R-1, page 16). The resulting average of \$20.22 and median of \$20.15 per square foot support the subject's \$19.29 per square foot assessment.

[13] The Respondent provided four equity comparables of serviced vacant lots. These equity comparables ranged from 3.35 to 4.38 acres in size, and were assessed from \$20.10 to \$26.83 per square foot (Exhibit R-1, page 25). The resulting average of \$22.37 and median of \$21.27 per square foot support the subject's \$19.29 per square foot assessment.

[14] The Respondent advised that his equity comparable number 1 assessed at \$20.10 per square foot and his sales comparable number 3 that sold for a time-adjusted sale price of \$20.30 per square foot, are the same property. He also stated that his equity comparable number 3 assessed at \$26.83 per square foot is the same property as the Complainant's sales comparable number 5 that sold for a time-adjusted sale price of \$18.28 per square foot (see paragraph number 15 adjusting this value), acknowledging that the major traffic influence of being located at the intersection of two major roadways could explain the higher \$26.83 per square foot assessment.

[15] The Respondent provided a copy of a caveat registered on title of the Complainant's sales comparable number 5 (Exhibit R-1, page 13). The caveat shows that a binding agreement as to the sale price was made on December 3, 2010 even though the transaction was not completed until March, 2013. The result is that the time-adjusted sale price would increase from \$18.28 per square foot in December 2010 as shown by the Complainant to \$20.30 per square foot.

[16] The Respondent provided aerial photographs of the Complainant's five sales comparables (Exhibit R-1, pages 30 to 34), pointing out that: sales comparable number 1 is sunounded by residential properties; sales comparables numbers 2 and 4 are located on a "terrible roadway"; sales comparable number 3 borders residential properties and does not yet have any adjacent commercial properties; and sales comparable number 5, although having a super location, has numerous easements that may impact the sale price.

[17] In summation, the Respondent argued that the City's sales comparables better reflected the attributes of the subject property. In particular, the Respondent noted that its sales comparable located at 15134 127 street was assessed at \$20.10 per square foot and sold for \$20.30 per square foot. The Respondent noted that this sale supports the assessment of the subject property at \$19.29 per square foot.

[18] In conclusion, the Respondent requested that the Board confirm the 2014 assessment of the subject property at \$4,261,000.

### **Decision**

[19] The decision of the Board is to confirm the 2014 assessment of the subject property at \$4,261,000.

### **Reasons for the Decision**

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

- 1) The sizes of the sales comparables ranged from being much smaller in three cases to reasonably reflective in the remaining two cases compared to the size of the subject, increasing the need for adjustments due to size.
- 2) The sale date of comparable number 5 was twenty-seven months after the price had been agreed to by the vendor and the purchaser, necessitating a much greater time-adjustment. The time-adjusted sale price of this property was \$20.30 per square foot rather than the \$18.28 per square foot shown by the Complainant.
- 3) The locations of four of the Complainant's sales comparables were inferior compared to the subject property due to the lack of nearby commercial propeties and unattractive roadways.
- 4) With respect to traffic influence, there was no persuasive evidence to suggest any tangible effect on land prices based on moderate versus major traffic influences.

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

- 1) The sizes of the sales comparables better reflected the size of the subject, minimizing the need for adjustments due to size.
- 2) Although the subject property is adjacent to residential properties to the east and to the south, it is adjacent to a power centre to the west and close to another commercial property that includes a Walmart, banks, etc. This is a more desirable location than four of the five sales comparables submitted by the Complainant.
- 3) The sizes of the equity comparables better reflected the size of the subject, minimizing the need for adjustments due to size.
- 4) The Respondent's sales comparable number 3 which is equity comparable number 1, located reasonably close to the subject, with a time-adjusted sale price of \$20.30 and an assessment of \$20.10 per square foot, supports the \$19.69 per square foot assessment of the subject property.
- 5) Sales comparable number 1 that sold for a time-adjusted sale price of \$21.09 per square foot, although twice the size of the subject, provides strong support for the \$19.29 per square foot assessment of the subject property.

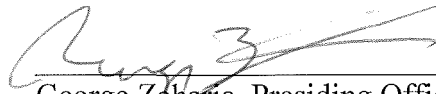
[22] The Board was persuaded that the 2014 assessment of the subject property at \$4,261,000 is fair and equitable.

#### **Dissenting Opinion**

[23] There was no dissenting opinion.

Heard October 15, 2014.

Dated this 27<sup>th</sup> day of October, 2014, at the City of Edmonton, Alberta.

  
George Zaharia, Presiding Officer

#### **Appearances:**

Tom Janzen  
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.*

## **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**

C-1 12 pages

R-1 77 pages