

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, ECARB 2012-000693

Assessment Roll Number: 3041233

Municipal Address: 9934 105 STREET NW

Assessment Year: 2012

Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF

Dean Sanduga, Presiding Officer

George Zaharia, Board Member

Howard Worrell, Board Member

Preliminary Matters

[1] At the commencement of the hearing the parties declared that they had no objection to the composition of the Board. In addition, the Board Members indicated that they had no bias on this complaint.

Background

The subject property is an 11,216 square foot vacant interior parcel of land located at 9934 105 Street NW. The property has insignificant improvements in the form of paving, sidewalk curb and gutter.

Issue:

[2] Is the assessment fair and equitable, reflective of market value?

Legislation

[3] The Municipal Government Act reads:

Municipal Government Act, RSA 2000, c M-26

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

[4] The Complainant filed this complaint on the basis that the subject property’s assessment of \$1,397,500 was inequitable and in excess of the market value. In support of this position, the Complainant presented a 46-page assessment brief (Exhibit C-1), and a 43-page document rebutting the Respondent’s evidence to the Board (Exhibit C-2).

[5] The subject property is assessed on the cost approach to value. In this approach to value, the City has assessed the improvements at a value of \$3,759. This value is incorrect. There has been no depreciation applied to the net items. Based on Marshall & Swift manual, the net items should be depreciated on a 20 year life. The correct DRCN of the net items is \$1,880.

[6] This complainant argued that the base land rate of \$124.27 per square foot used to prepare the land assessment is too high. The Complainant further argued that sales of similar properties in the area indicate a median value of \$116.62 per square foot for the land portion of the assessment. The Complainant presented the following eight sales comparables that were time adjusted using the City of Edmonton time adjustment factors.

Complainant’s Sales Comparable.

	Address	Site Area	TASP
1	10230 105 Street NW	37,500sf	\$103.94
2	10160 106 Street & 10168 106 Street NW	22,200sf	\$ 98.31
3	10350 105 Street NW	22,188sf	\$126.59
4	10174 103 Street NW	15,000sf	\$176.97
5	10163 108 Street NW	15,000sf	\$116.57
6	10519 104 Ave. NW	15,000sf	\$116.67
7	10120 108 Street NW	7,750sf	\$115.98
8	10233 105 Street NW	7,491sf	\$144.05

Median: \$116.62 per square foot

Requesting: \$116.50 per square foot

[7] In conclusion, the Complainant argued that \$116.50 per sq ft is a reasonable assessment amount for the subject property, and requested that the 2012 assessment be reduced to \$1,308,500.

Position of the Respondent

The Respondent presented to the Board a 129-page assessment brief (Exhibit R-1) and a 44-page law & legislation brief (Exhibit R-2). The Respondent argued that the current assessment of the subject was correct, fair and equitable.

[8] The Respondent presented a chart of five sales of comparable properties (Exhibit R-1, page 9). The Respondent stated that the sales comparables are similar in location, zoning and size, the time adjusted values per square foot of these comparables ranged from \$116.57 to \$176.95 with an average of \$136.13 per square foot . The Respondent stated that this supported the assessment per square foot of the subject at \$124.27.

[9] Respondent's Sales Comparables.

	Address	Zoning	Site Area	TASP
1	10178 103 Street NW	HA	15,002sf	\$176.95
2	10233 105 Street NW	EZ	7,499sf	\$143.90
3	10350 105 Street NW	EZ	22,188sf	\$126.59
4	10519 104 Ave. NW	UW	15,000sf	\$116.67
5	10163/69 108 Street NW	EZ	15,000sf	\$116.57

[10] The Respondent also submitted a chart of four equity comparables (R-1, page 24). The average assessments per square foot \$124.26 foot and, in the opinion of the Respondent, supported the assessment of the subject at \$124.27 per square foot.

The Respondent's presented to the Board four interior located Equity Comparables (R-1 page 24), with an effective zoning of CB2 assessed at \$124.26 per square foot and noted the subject zoning is RMU and assessed at \$124.27 per square foot

[11] The Respondent requested that the Board confirm the 2012 assessment of the subject at \$1,397,500.

Complainant's rebuttal

[12] In the rebuttal document, the Complainant stated that the 5 sales comparables submitted by the Respondent have been utilized by the Complainant in his brief.

[13] The Complainant further argued , the Respondent has provided verbiage regarding three remaining sales Complainant used by the Complainant in an attempt to dismiss them as not comparable. And further asked the Board to:

- i. Discount the sale at 10160 106 Street because it was purchased by the City of Edmonton and noted that in numerous briefs, assessors has brought the same sale forward as a valid sale in support of their assessment.

ii. Discount the sale at 10120 108 Street because it was related transaction to build office building and is a motivated sale. The Complainant noted that in numerous briefs, assessors have brought the same sale forward as a valid sale in support of their assessment. In numerous decisions of the Board from 2011 and 2012, the Board has deemed this transaction valid.

iii. The Assessor has asked the Board to discount the sale at 10204 105 street because it was purchased by the City of Edmonton and stated that , this is not the first time the assessor have asked the Board to do this in each instance, the Board has reject the assessor's assertion that the sale was invalid.

[14] The Complainant further advised the Board that the Respondent has put into evidence the zoning bylaws for various zoning. The Complainant further stated in response to this information the assessment of land parcels in the downtown subdivision with various zonings including CMU, EZ (UW), HA and RMU zoned commercial interior lots , Each of these assessed parcels is assessed at the exact same rate of \$124.26 per square foot. (C-2 page 9)

Decision

[15] The decision of the Board is to confirm the 2012 assessment of the subject property at \$1,397,500.

[16]

Reasons for the Decision

[17] With respect to the Complainant's Equity comparables and assessment by zoning (C-2 page 9) the Board notes that the assessment of all similar zoned properties (RMU) are assessed at \$124.26 per square foot, the value of these equity comparables would support the 2012 assessment .

[18] The Board noted that the complainant's sales average (C-1 page 8) after eliminating high and low outliers (sales # 2 and 4) would result an average value of \$120.63 per square foot and it support the current assessment within 5% margin.

[19] The Board was persuaded by the Respondent's four equity comparables and noted that these comparables clearly demonstrated that each was equitably assessed at \$124.26 per square foot and are all interior properties and similar in zoning and location.

[20] following reviewing the Complainant's three sales under question by the Respondent , the Board is of the view that the sales are valid sales and should be given the same weight as the Complainant's sales

The Board notes that it is the responsibility of the Complainant to provide sufficient compelling evidence to raise a doubt in the mind of the Board that the assessment of the subject property is not fair and equitable. In the opinion of the Board, the Complainant's sales and equity comparables support the 2012 assessment.

Dissenting Opinion

[21] There was no dissenting opinion

Heard commencing September 4, 2012.

Dated this __27____ day of __September____, 2012, at the City of Edmonton, Alberta.

Dean Sanduga, Presiding Officer

Appearances:

Chris Buchanan
for the Complainant

Keivan Navidikasmaei
for the Respondent