

Citation: Altus Group v The City of Edmonton, ECARB 2012-000899

Assessment Roll Number: 3173630
Municipal Address: 9508 34 AVENUE NW
Assessment Year: 2012
Assessment Type: Annual New

Between:

Altus Group

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
John Noonan, Presiding Officer
Jasbeer Singh, Board Member
John Braim, Board Member

Preliminary Matters

[1] Upon questioning by the Presiding Officer, the parties indicated they had no objection to the composition of the Board. In addition, the Board members indicated they had no bias on this file.

[2] At the outset of the hearing, the Board was advised that the total 2012 assessment for the subject property included an assessment of \$160,001 for the improvements on the property, and this assessment was not in dispute. The appeal before the Board was in respect of 2012 assessment of \$1,049,808 in respect of the land only

Background

[3] The subject parcel of land measuring 53,334 square feet (1.224 acre) is zoned IB and is located at 9508 – 34 Avenue in ‘Commercial Corridor Interior’ in Strathcona Industrial Park in the SE Industrial quadrant in Edmonton. The 2012 assessment for the property, including the value for improvements, is \$1,209,500.

Issue(s)

[4] Is the 2012 land value assessment of \$1,049,808 (\$19.68 per square foot) fair?

Legislation

[5] 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

[6] The Complainant filed this complaint on the basis that the land assessment of \$1,049,808 was inequitable and in excess of the market value. In support of this position, the Complainant presented a 38 page assessment brief (Exhibit C-1).

[7] The Complainant advised the Board that the set of 10 sales comparables included in the evidentiary package (C-1, page 8) were all located in the same industrial quadrant as the subject and provided a median time adjusted sales price of \$15.85 per square foot. The Complainant argued that this was a clear indication that the 2012 assessment for the subject at \$19.68 per square foot was unfair and excessive.

[8] The Complainant stated that the requested 2012 assessment value of \$16 per square foot was based on the knowledge of the market and was supported by the median of ten sales comparables.

[9] In response to questions during cross-examination and in summation, the Complainant agreed that the subject was located on a major traffic artery but argued that the differences in the traffic volumes on the roads on which the comparables were located, was a ‘red-herring’ and did not have any impact on the valuation of the properties.

[10] The Complainant argued that the differences in the size of the comparable properties was immaterial as long as the size of the lots was not larger than approximately five acres and stressed that the largest of the comparables was only five and a half acres in size.

[11] The Complainant alleged that some of the Respondent’s sales comparables also supported a reduction in the 2012 assessment of the subject.

[12] The Complainant requested the Board to reduce the 2012 assessment for the land portion in the subject property from \$1,049,808 (\$19.68 per square foot) to \$857,383 (\$16 per square foot). (C-1, pages 7-9).

Position of the Respondent

[13] The Respondent presented to the Board a 78 page document that included an assessment brief and a law & legislation brief (R-1). The assessment brief included four sales comparables that supported the subject's 2012 land value assessment of \$1,049,808 as fair and equitable.

[14] During cross-examination, the Complainant pointed out discrepancies in respect of the Respondent's sales comparable #2 (located at 1453 – 91 Street) and in response, the Respondent struck this comparable from the record of evidence, leaving three valid sales comparables. (R-1, page 10).

[15] The Respondent argued that the three valid sales comparables were located in the same industrial quadrant as the subject and adequately supported the subject's land portion assessment of \$19.69 per square foot. (R-1, page 10).

[16] The Respondent pointed out to the Board that many of the Complainant's sales comparables (C-1, page 8) showed significant qualitative dissimilarities with the subject to be considered valid comparables. In particular:

- a. Comparable #1 (6403 Roper Road) was considerably larger in size than the subject (148,975 sq.ft versus 53,336 sq.ft.), had an odd shape and enjoyed much smaller traffic volumes (9800 vehicles versus the subject's 22,600 vehicles per day).
- b. Comparable #3 (5803 Roper Road) was 50% larger than the subject, had an odd triangular shape and enjoyed much smaller traffic volumes (9800 vehicles versus the subject's 22,600 vehicles per day).
- c. Comparables #6, #7, #8 & #9 were all interior locations and did not have the exposure to a major traffic artery as the subject did.

[17] The Respondent further argued that the Complainant's sales comparable #10 (5620 99 Street) had not been recorded correctly. The same property was also included in the Respondent's list of sales comparables (#1 on R-1, page 10). However, while the Complainant had cited February 2008 sale of the entire 225,641 square foot parcel at \$16.77 per square foot, the Respondent's more current information showed that this parcel had been subdivided and a 2.286 acre portion sold in September 2008 at \$23.69 per square foot.

[18] The Respondent stressed that the subject was located on a major traffic artery in a busy commercial part of the SE industrial quadrant of the city and its land component had been equitably and fairly assessed at \$19.68 per square foot.

[19] The Respondent requested the Board to confirm the 2012 assessment of \$1,209, 500, including the land component assessed at \$1,049,808.

Decision

[20] The Board confirms the 2012 total assessment at \$1,209,500.

Reasons for the Decision

[21] The Board is of the opinion that there are significant issues with the sales comparables presented by the Complainant for the purpose of establishing value for the subject. Sales of equivalent sized parcels of land at interior locations within the same industrial quadrant do not provide persuasive guidance for valuation of similar parcels that enjoy excellent exposure on busy thoroughfares, as is the case with the subject property located at 9508 – 34 Avenue NW.

[22] The Board is not persuaded by the Complainant's argument that the land values are not impacted by the traffic volumes on the roads on which parcels of land are located.

[23] The Board agreed with the Respondent's assertion that a more recent sales price of a comparable property was more persuasive than an earlier sale price for the same property. This was applicable to a sales comparable used by both parties (5620 – 99 Street NW). The Complainant had relied on a February 2008 sales price of \$16.77 per square foot and the Respondent had cited a more recent, September 2008 sales price of \$23.69 per square foot.

[24] The Board found that when sales with demonstrated significant dissimilarities were excluded from the Complainant's set of comparables (C-1, page 8) and more recent sale price was applied to a comparable used by both parties (5620 – 99 Street), the average time adjusted sale price supported the 2012 assessment of \$19.68 applied to the subject.

Comparable #	Address	Time Adjusted Sales price /sq.ft.
#2	4804 – 58 Avenue	\$15.36
#4	5003 – 72 Avenue/7110 – 50 Str.	\$20.94
#5	4903 – 55 Avenue	\$17.18
#10	5620 – 99 Street	\$23.69
	Average	\$19.29

[25] The Board noted that when the above valid sales comparables of the Complainant were combined with the two remaining valid sales comparables of the Respondent (other than the common one located at 5620 – 99 Street and included in the table above), this yielded an average of \$19.40 per square foot and supported the subject's 2012 assessment of \$19.68 per square foot. The Board was cognizant of the fact that these two of the Respondent's comparables were inferior to the subject in terms of location.

[26] In view of the sales considered to be the best indicators of comparable value, the Board is satisfied that the subject is assessed fairly.

Dissenting Opinion

[27] There was no dissenting opinion.

Heard commencing September 18, 2012.

Dated this 24th day of September, 2012, at the City of Edmonton, Alberta.

John Noonan, Presiding Officer

Appearances:

Chris Buchanan
for the Complainant

Darren Nagy
for the Respondent