

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, ECARB 2012-000902

Assessment Roll Number: 7097934

Municipal Address: 10631 82 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] When asked by the Presiding Officer, the parties indicated no objection to the composition of the Board. The Board members indicated they had no bias in the matter before them. The parties providing evidence were sworn in.

Background

[2] The subject property comprises a fully serviced 8,762 sq ft parcel of vacant land located on Whyte Avenue and is zoned CB2 General Business Zone. The land forms part of the Southpark Auto Dealership and as such is utilized for vehicle sales. The lot is paved but the value attributed to the improvement is not in dispute. The only issue before the Board was the assessed value of the vacant land.

Issue(s)

[3] Does the assessment of the subject property represent fair market value?

Legislation

[4] 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

[5] The Complainant filed this complaint on the basis that the 2012 assessment of the subject property exceeded its market value. In particular, the Complainant stated that the subject assessment equates to a unit rate of \$104.63/ sq ft compared to the market rate of \$90.00/ sq ft.

[6] In support of the assertion the assessment was high the Complainant provided the Board with a chart of seven comparable sales of vacant land parcels, four of which were located on Whyte Avenue and three were located close to Whyte Avenue and had similar traffic counts to the subject property (C-1, page 8). All the parcels were fully serviced and were zoned CB1 or CB2 similar to, or the same as, the subject.

[7] The 7 parcels were sold between December 2006 and June 2011 and ranged in size from 4,316 sq ft to 41,818 sq ft. The sales were time adjusted and produced a range of value from \$51.75/ sq ft to \$103.95/ sq ft. The median price was \$78.81/ sq ft which are well below the assessment. The Complainant considered \$90/ sq ft was a fair rate for the subject, which was less than the assessed value. In response to questions on why \$90.00/ sq ft as opposed to the median rate of \$78.81/ sq ft the Complainant stated that it was a judgment call based on the fact that the best comparable sale (#4 @ \$90.71/ sq ft) was very similar in size to the subject and also had a very similar traffic count and was in a very similar location.

[8] In summation the Complainant stated that of the seven sales provided six were on major traffic arterial roads and four of these were on Whyte Avenue, the same as the subject. He also stated that the Respondent's two sales were both smaller than the subject and required a downward adjustment to compensate for the economies of scale wherein smaller parcels of land generally sell at a higher unit price than larger parcels.

Position of the Respondent

[9] The Respondent stated that it was difficult to find comparable sales that were similar in size and location to the subject and argued that the subject property was in a superior location to the comparables provided by both parties. The two sales provided had also been utilized by the Complainant.

[10] In defense of the assessment the Respondent provided the Board with a chart of equity and sales comparables (R-1, page 11). The equity comparable chart comprised a parcel of vacant land which was assessed at a unit rate of \$104.58 / sq ft. This comparable is located very close to the subject, was almost identical in size and had a CB2 land use designation like the subject.

[11] The comparable sales chart exhibited two sales of CB2 zoned land that were also located on Whyte Avenue one of which sold in August 2007 and one in April 2010. The two sales were similar in size at 4,321 sq ft and 4,353 sq ft and the time adjusted values exhibited by these two sales, following a re-calculation of the time adjustment factors, were \$103.83/ sq ft and \$102.63/ sq ft respectively: at an average of \$103.23/ sq ft the two sales support the assessed rate of \$104.63/ sq ft.

[12] Except for the two sales that were used by the both the Respondent argued that the balance of the Complainant's sales information was problematic for the following reasons:

- a) Sale #1 was a long but narrow lot with little exposure to traffic and also abutted the rail tracks and had very low pedestrian traffic.
- b) Sale #2 suffered from the same location disadvantage as sale #1.
- c) Sale #3 was in a different subdivision with limited pedestrian traffic and there was no meaningful way of comparing the two areas.
- d) Sale #4 was also in a different subdivision and had lower pedestrian traffic than existed on Whyte Avenue.
- e) Sale #6 was the least comparable to the subject as it was in a secondary location on 83 Avenue.

Decision

[13] The Board confirms the 2012 assessment in the sum of \$907,000.

Reasons for the Decision

[14] The Board finds that the two sales utilized by both parties were the most meaningful sales as there was no dispute as to their validity or relativity to the subject. Though the Complainant noted these two sales comparables were half the size of the subject, and that smaller lots would be expected to sell at a higher per sq ft value, the Board finds the subject enjoys excellent exposure to Whyte Avenue and could be considered superior to the two smaller lots.

[15] Though the Complainant did not raise an issue of assessment equity, the Respondent demonstrated that the subject is being treated equitably with a similar vacant property on this part of Whyte Avenue

[16] The Board was not persuaded by the balance of the Complainant's sales as the discrepancies noted by the Respondent resulted in them being less meaningful.

Heard on September 17, 2012.

Dated this 15th day of October, 2012, at the City of Edmonton, Alberta.

John Noonan, Presiding Officer

Appearances:

Bret Flesher

Chris Buchanan

for the Complainant

Cameron Ashmore

Meghan Richardson

for the Respondent