

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, ECARB 2012-001044

Assessment Roll Number: 8956146

Municipal Address: 9335 27 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] Witnesses giving testimony were either sworn in or affirmed, the choice being that of the individual witness.

Background

[3] The subject property is a parcel of undeveloped land in the Parson's Industrial subdivision of the City of Edmonton. Located at 9335 - 27 Avenue NW the subject parcel is an interior lot with an area of 51,411 square feet (1.18 acres) and is zoned IM. The 2012 assessment for the land is \$747,500 and is under complaint.

Issue(s)

[4] Is the 2012 assessment of \$747,500 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 appealed the 2012 assessment on the basis that the subject property’s assessment of \$747,500 was excessive. In support of this position, the Complainant presented a 50 page assessment brief (Exhibit C-1) that included a set of 16 sales comparables in respect of similar industrial lots with interior locations, same as the subject.

[7] The Complainant argued that the sales comparables before the Board were very comparable to the subject in terms of size (between 1 and 3 acres), location (all were interior lots) and were similarly zoned (IB, IL or IM). The median time adjusted sales price in respect of these comparables was \$13.46 which, supported the request for a lower 2012 assessment of \$13.50 per square foot instead of \$14.54 per square foot, as currently assessed. (C-1, pages 7 & 8).

[8] The Complainant advised the Board that the City of Edmonton’s time adjustment factors (C-1, pages 12-13) indicated a downward trend in industrial land values for 2011 and argued that this supported his request for a lower assessment.

[9] The Complainant requested the Board to reduce the 2012 assessment to \$13.50 per square foot or \$694,500 for the entire parcel of land.

Position of the Respondent

[10] The Respondent presented to the Board a 72 page document including an assessment brief and a law & legislation brief (R-1). The Respondent advised the Board that during a recent site inspection, the assessor found that a fence around the perimeter of the subject property had not been included in the City’s assessment records. Inclusion of this omission in the records or

‘data correction’, added \$3,075 to the property’s value increasing the 2012 assessment value to \$750,500.

[11] The assessment brief included a set of six sales comparables that supported the subject’s 2012 assessment of \$747,500 as fair and equitable. The average and median of time adjusted sales prices of these comparables were shown to be \$14.87 and \$14.90 per square foot, respectively and supported the subject’s 2012 assessment at \$14.54 per square foot. (R-1, page 10). Three of the Respondent’s sales comparables (located at 4604 – 53 Avenue, 3601 – 53 Avenue and 5321 – 47 Avenue) were also included in the Complainant’s list of sales comparables.

[12] The Respondent argued that many of the Complainant’s sales comparables were dated, having occurred in 2007 and 2008, whereas all six of the Respondent’s sales occurred between Feb 2010 and Mar 2011, were much closer to the valuation date (Jul 01, 2011) and hence, provided a better representation of the actual market conditions on the valuation date.

[13] The Respondent pointed out to the Board that the Complainant’s sales comparable #1 (6104 – 72A Avenue NW) had an irregular shape, little exposure and a constrained access and therefore, was not a good comparable. Similarly, the Complainant’s sales comparable #14 (1235 – 70 Avenue NW) was also not a good comparable as it was located near the end of a roadway and did not enjoy through or bi-directional traffic.

[14] The Respondent argued that six of the sales comparables presented by the Complainant (#3, #4, #6, #10, #11 & #12 on C-1, page 8) supported the subject’s assessment and requested the Board to confirm the subject’s 2012 assessment at \$747,500 or \$14.54 per square foot.

Decision

[15] The Board confirms the 2012 assessment at \$747,500.

Reasons for the Decision

[16] The Board noted that all six of the Respondent’s six comparable sales occurred within sixteen months of the valuation date, were all from the SE Industrial quadrant as is the subject, and three of these comparables were also included in the Complainant’s set of 16 sales comparables.

[17] The Board noted the Respondent’s suggestion that the sales closer to the valuation date better represented the actual market conditions on the valuation date. However, the Board also noted that the City’s mass appraisal model used for the 2012 assessments included valid sales going as far back as January 2007 and thus, excluding any of the Complainant’s 16 sales comparables, on the grounds of these being dated, would be inappropriate.

[18] The Board was persuaded by the Respondent’s reasoning that some of the Complainant’s sales comparables were inferior to the subject and should not be relied upon as good comparables.

- a. Sales comparable #1 (6104 – 72A Avenue NW) had an irregular shape, little exposure and a constrained access.
- b. Sales comparable #14 (1235 – 70 Avenue NW) was located near the end of a roadway (cul-de-sac) and did not have the benefit of through or bi-directional traffic.
- c. Sales comparables #2 and #3 were both in respect of the same property (5533 – 48 Street NW). The sale listed as #3 occurred in Aug 2010 and was priced at \$14.40 per square foot. Inclusion of a three year prior sale (in July 2007) for the same property at a much lower price of \$13.29 per square foot, was not appropriate. The most recent sale was a better indicator of current value.

[19] From the analysis of the valid sales comparables provided by both the parties, the Board noted that;

- a. The average of the time adjusted sales prices in respect of the Complainant's sales comparables, excluding the three inferior properties (#1 #2 & #14) mentioned above was \$14.02 per square foot.
- b. The similar average in respect of the Respondent's six sales comparables was \$14.87 per square foot.
- c. All 16 valid sales comparables combined (i.e. 13 valid comparables from the Complainant and three from the Respondent's that were not in the Complainant's list), produced an average time adjusted sales price of \$14.14 per square foot.

[20] All of the above led the Board to the conclusion that the 2012 assessment of \$747,500 was well within the acceptable range of values and no changes to the subject's assessment were called for. For some years, Alberta assessment tribunals have been guided by the Bentall decision where an assessment range of plus or minus 5% of actual value has been deemed sufficiently accurate. (*Bentall Retail Services et al v. Assessor of Area #9 – Vancouver*).

[21] The Board considered the Respondent's request for addition of the value of the perimeter fence to the 2012 assessment but in the absence of any such information in respect of the sales comparables presented by either of the two parties, the Board decided against adding the Respondent's proposed value of the fence to the subject's assessment as doing so had the potential of introducing a new element of inequity for the 2012 assessment. In any event, the requested increase was so negligible, less than half a percent, that no material difference would result.

Heard September 18, 2012.

Dated this 28th 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