

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, ECARB 2012-1090

Assessment Roll Number: 3209400

Municipal Address: 10802 KINGSWAY 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

Dale Doan, Board Member

Petra Hagemann, Board Member

Preliminary Matters

[1] Upon questioning by the Presiding Officer, the parties indicated that they had no objection to the composition of the Board and no bias in the matter under appeal.

Background

[2] The subject property is a fully serviced 47,912 square foot (sq ft) vacant paved parking lot zoned CB2. located adjacent to Kingsway Garden Mall at 10802 Kingsway Avenue in the City of Edmonton. The land is assessed at \$1,928,500 (including improvements of \$122,616) based on the cost approach to value. Both parties agreed on the time adjustment factors prepared by the City.

Issue(s)

[3] The Complainant outlined seven separate issues, however indicated that they were only pursuing market value as based on comparable land sales.

[4] Is the 2012 assessment of the subject property in excess of current value?.

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] To challenge the correctness of the assessment, the Complainant submitted a brief (Exhibit C-1) which included a property map showing the location of the subject (C-1 page 5) and five comparable land sales (page 8, 14-23).

[7] The Complainant explained that these sales located throughout the City ranged in size from 37,897 to 77,537 sq. ft and sold from January 2007 to March 2010. Their time adjusted sales prices ranged from \$18.13 per sq. ft to \$37.18 per sq. ft. with a median of \$21.69 per sq. ft. as compared to the assessment of the subject at \$37.70 per sq. ft.

[8] The Complainant argued that these comparable sales were similar to the subject in size and especially in location as they were all located along major roads similar to the subject and with high traffic counts.

[9] By applying the \$22.00 median time adjusted sales price of the five comparable sales to the size of the subject and adding \$122,616 for the improvements, the Complainant requested the Board to reduce the assessment of the subject to \$1,176,500.

Position of Respondent

[10] The Respondent presented the Board with a brief (R-1) defending the assessment of the subject land. The brief included four comparable land sales and six equity comparables (R-1, pages 9-18) complete with Network sales data sheets as well as maps showing the location on these comparable properties in relation to the subject.

[11] The Respondent advised the Board that comparable #2 was located across from the subject, #4 located on 111th Avenue in close proximity to the subject, and #3 on 66th Street near a shopping mall similar to the subject. The sales ranged in date from April 2007 to June 2011, and were similar in zoning and size. Their time adjusted sales prices ranged from \$26.27 to \$52.15 with an average of \$38.32 supporting the assessment of the subject at \$37.70 per sq. ft.

[12] The Respondent referred the Board to the six equity comparables, three of which were located downtown, two on Airport Road close to the subject and one abutting the subject at Kingsway Garden Mall. These equity comparables ranged in assessments from \$37.62 to \$60.10 per sq. ft. The Respondent noted that the two properties on Airport Road were assessed at \$37.62 and \$37.84 and the one abutting the subject at \$39.85 suggesting that the assessment of the subject was not only correct but also equitable.

[13] The Respondent directed the Board to a CARB decision on a vacant parcel of land on the south west corner of Kingsway Garden Mall at 109th Street (R-1, pages 20-23). The Respondent suggested that the attributes of this complaint are similar to what was before the Board in the previous CARB hearing.

Decision

[14] The decision of the Board is to confirm the 2012 assessment at \$1,928,500.

Reasons for the Decision

[15] The Board considered all the evidence and argument presented by both parties.

The Board agreed with the Complainant's comments that size and location are key attributes in selecting comparable properties, and focused on the two properties #3 and #4 which the Complainant indicated to be most comparable to the subject.

Comparable #3, located at 13756 50 Street is an irregular shaped lot encumbered by a utility right of way, two restrictive covenants and a cell tower lease. The Complainant did not provide evidence as to the exact nature and what effect these encumbrances have on the market value of this property. The Board therefore placed little weight on this comparable.

The Board noted that the #4e parcel of land located at 9103 111 Ave. has a time adjusted sales price of \$37.18 which supports the assessment of the subject. Sales comparable #1 and #2 were located in the Ellerslie Road area and no evidence was provided as to how this newer area compared in market value to the established location at Kingsway Garden Mall.

The Board was not in a position to evaluate how the properties compare in respect to the locational attribute as no traffic count was provided for the subject property. The Board therefore placed little weight on the comparable sales provided by the Complainant.

[16] The Board was persuaded by the Respondent's sales comparables especially the properties located at 11110 108 Street and 9111 111 Avenue due to their close proximity to the subject. Their time adjusted sales prices of \$37.69 and \$37.18 per sq. ft. respectively support the assessment of the subject at \$37.70 per sq. ft.

[17] Although equity was not an issue, the Board was further persuaded by the equity comparables provided by the Respondent, in particular the two properties located on Airport Road and the one adjacent to the subject at Kingsway Garden Mall, all of which also support the assessment of the subject.

[18] In conclusion, the Board noted that the Complainant did not provide sufficient and compelling evidence in order for the Board to alter the assessment and therefore confirms the 2012 assessment of the subject property at \$1,928,500

Dissenting Opinion

[19] There was no dissenting opinion.

Heard commencing October 9, 2012.

Dated this 16th day of October, 2012, at the City of Edmonton, Alberta.

Dean Sanduga, Presiding Officer

Appearances:

Brett Flesher
for the Complainant

Keivan Navidikasmaei
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.