

Edmonton Composite Assessment Review Board

Citation: Altus Group v The City of Edmonton, ECARB 2012-987

Assessment Roll Number: 10039877

Municipal Address: 3703 144 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

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 serviced 43,122 square foot (sq ft) parcel of undeveloped land located at 3703-144 Avenue. The subject is zoned CCNC and has been assessed using the cost approach to value resulting in a 2012 assessment of \$682,500.

Issue(s)

[3] The Complainant identified 9 issues but selected one issue to this appeal.

[4] Is the 2012 assessment of the subject property in excess of current market 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] The Complainant provided a 32-page brief (C-1) to show that the subject property’s 2012 assessment of \$682,500 is in excess of market value.

[7] The Complainant stated that size and location were the most important factors in selecting comparable properties to support a reduction in the assessment of the subject.

[8] Based on a review of vacant land sales of similar properties, the complainant suggested a value of \$12.25 per square foot would be more appropriate for the subject property. In support of this argument, the Complainant submitted seven sales comparables dated from May 12, 2007 to March 29, 2010. The time adjusted sale prices ranged from \$11.78 to \$18.93 with a median of \$12.68 per sq ft (C-1, page 8). Applying the \$12.25 per sq ft to the size of the subject, the Complainant requested the Board reduce the 2012 assessment to \$528,000.

Position of the Respondent

[9] The Respondent presented a 32 page assessment brief (Exhibit R-1) and a 44 page Law and Legislation document (Exhibit R-2) arguing the current assessment of \$682,500 is fair and correct when compared to sales of similar properties.

[10] The Respondent submitted five comparables sales, all located in north east Edmonton. These sales dated from March 2006 to September 2011, ranged in size from 32,389 to 436,906 sq ft. The time adjusted sales prices range from \$14.74 to \$18.99 per sq ft with an average of \$17.33 per sq ft. The Respondent suggested these sales confirm the assessment of the subject at \$15.83 per sq ft.

[11] In summation, the Respondent suggested the Board not consider most of the Complainant’s sales comparables: The subject is located on 144th Avenue zoned Neighbourhood Commercial and is surrounded by high density residential properties. The Complainant’s sales comparables #s 2, 6 and 7 are not comparable to the subject due to their inferior location in a commercial/industrial neighbourhood all abutting railway tracks. Comparable # 3 is an irregular “L” shaped lot without direct access to 82 Street. Comparable #4 is an irregular shaped lot

encumbered with a utility right of way, two restrictive covenants and a cell tower lease. These encumbrances would negatively affect the market value of this property therefore, and renders it incomparable (R-1, pg 20 – 25).

[12] Based on the above evidence, the Respondent requested the Board confirm the 2012 assessment.

Decision

[13] The decision of the Board is to confirm the 2012 assessment of the subject property at \$682,500.

Reasons for the Decision

[14] The Board examined the evidence and argument of both parties.

[15] The Board was not persuaded by the comparables provided by the Complainant for the following reasons: a) Comparables #s 1, 2 and 3 are significantly larger in size than the subject and no adjustments were made to account for this. b) The Board is in agreement with the Respondent that #s 2, 6 and 7 are not comparable to the subject due to their inferior location. c) Comparable # 3 may have its market value negatively affected due to it being an “L” shaped lot without direct access to 82nd Street. d) The Board is concerned with the restrictive covenant registered on title of comparable #4 and has no evidence as to the effect on its market value.

[16] The Board examined the five comparable land sales provided by the Respondent, but was not persuaded by them. Also, their average time adjusted sales price of \$17.33 per sq ft appears to support the assessment of the subject, the first two properties were significantly larger than the subject with the first one also being a post facto sale. The last three sales occurred in 2006 and required approximately 40% time adjustment. The Board is of the opinion that is significant and prone to error.

[17] In conclusion, the Board notes that it is the responsibility of the Complainant to provide sufficient and compelling evidence to persuade the Board to alter an assessment. The Board was not persuaded and therefore confirms the 2012 assessment at \$682,500.

Dissenting Opinion

[18] 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.