

NOTICE OF DECISION NO. 0098 124/12

CVG
1200-10665 JASPER AVENUE
EDMONTON, AB T5J 3S9

The City of Edmonton
Assessment and Taxation Branch
600 Chancery Hall
3 Sir Winston Churchill Square
Edmonton AB T5J 2C3

This is a decision of the Composite Assessment Review Board (CARB) from a hearing held on August 7, 2012, respecting a complaint(s) for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
3042801	10011 103 STREET NW	Plan: NB Block: 2 Lot: 68	\$1,126,500	Annual New	2012
3042900	10019 103 STREET NW	Plan: NB Block: 2 Lot: 69	\$1,126,500	Annual New	2012
3043007	10023 103 STREET NW	Plan: NB Block: 2 Lot: 70	\$1,119,500	Annual New	2012
3044518	10022 102 STREET NW	Plan: NB Block: 2 Lot: 87	\$1,119,000	Annual New	2012
3044617	10018 102 STREET NW	Plan: NB Block: 2 Lot: 87	\$1,126,000	Annual New	2012
3044708	10010 102 STREET NW	Plan: NB Block: 2 Lot: 89	\$1,126,000	Annual New	2012
10014603	10002 102 STREET NW	Plan: NB Block: 2 Lot: 90	\$1,126,500	Annual New	2012
10014605		Plan: NB Block: 2 Lot: 91	\$1,256,500	Annual New	2012
10014621	10005 103 STREET NW	Plan: NB Block: 2 Lot: 66	\$1,264,000	Annual New	2012
10014622		Plan: NB Block: 2 Lot: 67	\$1,126,500	Annual New	2012

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.

Edmonton Composite Assessment Review Board (CARB)

Citation: CVG v The City of Edmonton, ECARB 2012-001642

Assessment Roll Number: 3042801 et. al.
Municipal Address: 10011 103 STREET NW
Assessment Year: 2012
Assessment Type: Annual New

Between:

CVG

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

DECISION OF
James Fleming, Presiding Officer
James Wall, Board Member
Brian Frost, Board Member

Preliminary Matters

[1] With the consent of the parties, the Complaints for the 10 above noted properties were heard together, as each of the lots were contiguous (or across a common lane), and formed part of what presented itself as one property. The parties agreed that Roll # 03042801 would be used to argue the Complaint as it could easily be used to demonstrate the issues for all of the properties under complaint with the exception of the corner lots. Roll # 10014621 was used to support the values for the corner lots.

[2] There were no issues raised with the composition of the panel, and no one noted any bias or conflicts.

[3] There were no other preliminary issues.

Background

[4] The subjects comprised 10 parcels of vacant land that were consolidated as a parking lot. There were 5 parcels on one street (103rd St.) and five on the adjacent street (102nd St.) which were separated by a City lane (which was thought to have been leased to the parking operator or the owner of the properties). The properties were zoned "CCA - Core Commercial Arts" and each property was represented as containing a nominal amount of improvements (i.e.: lighting, paving, poles etc.) the value of which was not in dispute. The property was valued according to the cost approach to value.

Issue(s)

[5] There were a number of “boilerplate” and in some cases inapplicable issues raised on the Complaint form. At the hearing, the Complainant advised there was only one issue:

[6] What is the best evidence of Market value for the subject properties? In order to decide this issue it is necessary to determine if the downtown area west of 105th St. constitutes a separate market area with different values than the area east of 105th St.

Legislation

[7] 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

[8] The Complainant provided 11 comparables (with supporting documentation) (Ex. C1) which produced a time adjusted spread in value from \$98.31 per square foot (sq. ft.) to \$287.00 per sq. ft. The sale dates ranged from Jan. 06 to Jan. 09, and both parties admitted that there were very old sales used in both their evidence packages because of the lack of recent sales in the downtown. The time adjustments for both parties were based on the City’s time adjustment studies and so were not in dispute (Ex.C1, pg. 3).

[9] The Complainant noted that if the appropriate time adjustment was applied to the July 1st, 2010 value to bring it to July 1st, 2011, the valuation date for 2012 Assessment, the value would be \$141.81 per sq. ft.

[10] The Complainant asked that the value be established by giving weight to Sale #1, to Sale #5 as well as Sale # 8 and Sale # 10, this produced an average market value of \$130.00 per sq. ft. They felt that Sales #6 and #11 should be excluded as they were outliers.

[11] Accordingly, they requested that the value be reduced to \$980,000 (after rounding) on the basis of \$130.00 per sq. ft.

[12] The Complainant also included an evidence package for one of the corner lots under complaint (Roll # 10014621). This package was virtually identical to the other packages submitted, but requested a value of \$145.00 per sq. ft. for the corner sites. The Complainant advised that the value was calculated using the same “rough” calculation of a 12% premium over the interior lot prices used by the City to establish their corner lot value. Thus, because the Complainant’s request for interior lots was \$130.00 per sq. ft., the corner lot was roughly 12% higher at \$145.00 per sq. ft.

Position of the Respondent

[13] The Respondent provided 9 sales, 8 of which were included in the Complainant’s evidence. The other sale was a resale of their 7th sale for \$140.00 more per sq. ft. The Respondent’s sales averaged \$174.45 per sq. ft. with the main distinction between the Respondent’s and the Complainant’s sales being that all of the Respondents’ sales were located east of 105th St.

[14] The Respondent pointed out that the City had divided the downtown core into 3 areas: West of 105th St., East of 105th St. and Jasper Ave. They advised that the value of the land East of 105th St. was \$148.35 per sq. ft., and the land West of 105th was 5% less than that (although there was some discussion because the initial West of 105th St. value given was \$122.00 per sq. ft. which was greater than 5% less than East of 105th St.). The Jasper Ave. value was \$155.00 per sq. ft.

[15] The Respondent reiterated that the values for sales East of 105th St. clearly supported the assessment, and noted in particular, the property at 10025 102nd St. (across the street from the subject) which sold for a time adjusted price of \$243.60 per sq. ft. in January 2009.

[16] The Respondent also submitted evidence for the corner lot (Roll#10014621). This package was virtually identical to their previous Respondents’ package, however it highlighted the assessment for the corner lots at \$166.59 per sq. ft., which they indicated represented a roughly 12% premium over interior lots. This premium, they indicated, was used City-wide for corner lot premiums.

[17] Accordingly, the Respondent requested confirmation of the assessments for the 10 lots under complaint.

Decision

[18] The Complaint is denied and the assessment is confirmed for all 10 properties.

Reasons for the Decision

[19] The CARB considered all of the evidence and argument. The issue in this complaint was whether there was a location adjustment to reflect a lower market value for vacant lands located West of 105th St. The evidence of the Complainant (Ex. C1, pg. 1) provided 6 sales West of 105th St. and 4 sales located East of 105th St. In analyzing these sales, the CARB did not include the sale at 9901 108th St. because there was questionable motivation (sold to a neighbor), and as well, it was over 250% higher than the other sales West of 105th St., and so was considered an outlier. The CARB did an analysis both including and excluding the East of 105th St. sale of 10025 102 St. which at \$243.60 per sq. ft., might also be considered an outlier.

[20] When the CARB considered the sales evidence calculations excluding the outliers, the Average and Median for the West of 105th St. sales were \$112.28 per sq. ft. and \$115.98 per sq. ft. respectively. The same calculation for the property sales East of 105th St. showed an Average of \$165.37 per sq. ft., and a Median of \$175.14 per sq. ft.

[21] So, based on an analysis of the Complainant's evidence, the CARB concludes that there is a difference in the price for downtown properties based on location, where properties located East of 105th St. are significantly more expensive on average than properties located West of 105th St. (\$165.37 per sq. ft. versus \$115.98 per sq. ft.)

[22] The CARB notes that the evidence of the Respondent supports the assessment range as well with an average sales price from their Comparables of \$174.85 per sq. ft. (Note that the Respondent only used sales East of 105th St).

[23] Insofar as the corner lots are concerned, both parties accepted (and used in their analysis) a 12% premium pricing over the value of an interior lot, and so this produces the \$166.59 value used by the Respondent in calculating the value of the corner lots.

[24] Finally, the CARB notes that the Complainant's argument suggests using Sales 1 to 5, plus 8 and 11. As was noted above, sales 1 to 5 are located West of 105th St, and therefore are not comparable with the subject property.

[25] Accordingly, the CARB confirms the assessment as noted above.

Dissenting Opinion

[26] There was no dissenting opinion.

Heard commencing August 7, 2012.

Dated this 9th day of August, 2012, at the City of Edmonton, Alberta.

James Fleming, Presiding Officer

Appearances:

Peter Smith, CVG
for the Complainant

Keivan Navidikasmaei, Assessor City of Edmonton
Steve Lutes, Legal Counsel, City of Edmonton
for the Respondent

For Official Use Only:

Appeal Type	Property Type	Property Sub-type	Issue	Sub Issue
CARB	Other Property Type	Vacant Land	Cost/Sales Approach	Land Value