



## ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL  
1 SIR WINSTON CHURCHILL SQUARE  
EDMONTON AB T5J 2R7  
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### NOTICE OF DECISION NO. 0098 147/10

Canadian Valuation Group  
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 3, 2010 respecting a complaint for:

<b>Roll Number</b> 3401650	<b>Municipal Address</b> 11525 Jasper Avenue	<b>Legal Description</b> Plan: B3 Block: 15 Lot: 52-57
<b>Assessed Value</b> \$3,148,000	<b>Assessment Type</b> Annual New	<b>Assessment Notice for:</b> 2010

**Before:**

**Board Officer:** Alison Mazoff

James Fleming, Presiding Officer  
Dale Doan, Board Member  
Jack Jones, Board Member

**Persons Appearing: Complainant**  
Tom Janzen, Canadian Valuation Group

**Persons Appearing: Respondent**  
Richard Fraser, Assessor, City of Edmonton  
Yasaman Navidi, Assessment Assistant, City of Edmonton

### **PRELIMINARY MATTERS**

No preliminary issues were raised. The parties did not object to the composition of the Board. Neither the Board nor the parties raised any issues of bias.

### **BACKGROUND**

This is an appeal of a property assessed as Special Purpose and valued using the cost approach. The site contains approximately 47,855 square feet of land, improved with roughly 22,900 square

feet of building. The subject is part of an auto dealership (Edmonton Motors) in the Oliver area, just west of the downtown. The subject is located on Jasper Avenue and occupies the entire frontage between 115 and 116 Street. The value of the improvements (\$373,067) is not in dispute. The Complainant is contesting the value ascribed to the land. The property is zoned DC1 with an EVZ (effective zoning) of CB2.

### **ISSUES**

What is the best evidence of market value of the land: similar sized property located on major roadways in the municipality, or property located in relative proximity to the downtown?

### **LEGISLATION**

#### ***The Municipal Government Act, R.S.A. 2000, c. M-26;***

s.467(1) An assessment review board may, with respect to any matter referred to in section s. 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**

The Complainant produced eight land sales dated from September 2007 to September 2009. The parcel sizes varied from 9,312 square feet to 62,291 square feet, and the prices varied from \$16.86 per square foot to \$49.40 per square foot. The Complainant submitted that virtually no time adjustment was required to the sale prices. He indicated that all sites were located on “fairly” major roads with similar traffic to the subject, although the specific traffic volumes were not provided for all of the comparables or for the subject. He also indicated that the comparables had fairly similar zoning. He asked that the Board place the greatest weight on sales #1, 2, 4 and 7 which were similar in size to the subject, noting particularly sale #1 at \$29.76 per square foot for a site that was ultimately to be used for the same purpose as the subject. Based on these sales he was requesting a land rate of \$30.00 per square foot for a total land value of \$1,435,650 and a resulting total assessment request of \$1,808,500.

In response to questions, the Complainant acknowledged that several sales had caveats or right-of-way on title, but noted that there was no evidence that these encumbrances impacted the value.

### **POSITION OF THE RESPONDENT**

The City produced eight land sales dated from February 2007 to August 2008. The parcel size ranged from 6,600 square feet to 34,000 square feet, and the prices varied from \$44.64 per square foot to \$108.07 per square foot. The locations of six of the properties were in the east part of downtown. The Respondent argued that the properties’ location should be the operative factor in determining the value. He further noted that the comparables had an average and median price around \$65.00 per square foot, which was greater than the \$58.00 per square foot that the

Respondent was requesting. He submitted that the Board should put greater weight on Sales #2, 6 and 8.

The Respondent also provided seven Equity Comparables (two of which he subsequently asked be disregarded) with values from \$62.18 per square foot to almost \$163.00 per square foot. Additionally, with five of the comparables having assessments in excess of \$150.00 per square foot, he argued that these examples provided strong additional support for the assessment. The assessor asked that the assessment be confirmed.

In response to questions, the Respondent acknowledged that his preferred sales comparables were not identical to the subject property, but still represented valid sales and were comparable to the subject property. He also agreed that three of the land sales were purchased by the City of Edmonton at three of the highest rates per square foot, but confirmed that these sales were still valid.

### **FINDINGS**

The best evidence of value will come from the properties with similar attributes such as parcel size, location on a major road, and traffic volume, and not just the proximity to downtown.

### **DECISION**

The decision of the Board is to reduce the assessment from \$3,148,000 to \$2,143,500.

### **REASONS FOR THE DECISION**

The Board agreed with the Complainant that the complaint concerned correctness, not equity, and so put little weight on the Respondent's equity comparables.

The Board reviewed the sales submitted by both parties. The Board accepted the Complainant's argument that similar sized parcels located on major roadways, with similar zoning significantly influenced the value of the subject. The Board also accepted the argument of the Respondent that the location proximity to downtown should have some impact on the value. In reviewing the Complainant's preferred sales; the Board put little weight on Sale #2 because the value seemed to be an outlier, and the Board was not convinced 132 Avenue was a comparable major road. Likewise, little weight was placed on Sale #7 as it was significantly larger than the subject and the value was significantly below the averages. The Board concludes that there may be additional issues in the sales of these two comparables.

In reviewing the Respondents' preferred sales, the Board put little weight on Sale #2 because it was 40% smaller than the subject and the Board concluded that 96 Street was not a comparable major road. They also placed little weight on sale # 6 because, at \$108.07 per square foot, the Board considered it an outlier in the range of values and the site was only 50% of the size of the subject as well.

Accordingly, the Board used the remaining two sales (Sale #1 and #4) suggested by the Complainant and only the Respondent's sale #8. With greater weight on the Complainant's sales (at \$29.76 per square foot and \$43.19 per square foot) because of the greater similarity in parcel size, the Board found the value of the land to be \$37.00 per square foot for a total land value of \$1,770,635. Adding to this the building value, one arrives at the revised assessment noted above.

**DISSENTING DECISION AND REASONS**

There were no dissenting decisions or reasons.

Dated this 25<sup>TH</sup> day of August, 2010, at the City of Edmonton, in the Province of Alberta.

James Fleming  
Presiding Officer

*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, R.S.A. 2000, c.M-26.*

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CC: Municipal Government Board  
CC: Wheaton Investments Ltd