



ASSESSMENT REVIEW BOARD

Churchill Building
10019 103 Avenue
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NOTICE OF DECISION NO. 0098 185/11

Leston Holdings (1980) Ltd.
4915 - 210 Street NW
Edmonton, AB T6M 0A8

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 September 7, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
4043139	10430 106 Avenue NW	Plan: B3 Block: 4 Lot: 209 / Plan: B3 Block: 4 Lot: 210	\$1,016,500	Annual New	2011

Before:

Lynn Patrick, Presiding Officer
Brian Frost, Board Member
Jack Jones, Board Member

Board Officer: Segun Kaffo

Persons Appearing on behalf of Complainant:

David Mitton

Persons Appearing on behalf of Respondent:

Bartosz Jarocki
Chris Rumsey
Ryan Heit

PROCEDURAL MATTERS

Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.

PRELIMINARY MATTERS

The Respondent noted that the Complainant included three sales comparables (12015 Fort Road, 9103 - 111 Ave and 9009 - 111 Ave) in his rebuttal that did not appear in the Disclosure and accordingly asked that they be struck from evidence. The Board and Complainant agreed to do so.

BACKGROUND

The property is a 15,016 sq ft corner lot upon which is a 550 sq ft “auto sales” building.

ISSUE(S)

Is the 2010 property assessment fair and equitable?

LEGISLATION

Municipal Government Act, RSA 2000, c M-26

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

It is the position of the Complainant that the assessment should be reduced to \$600,000. In support the Complainant presented a disclosure package, (C-1), containing 9 tabs including current and prior assessments for the subject and adjoining properties, (Tabs 1, 2 & 3), sales comparables, (Tabs 4 and 9), zoning information, (Tab 5), redevelopment issues, (Tabs 6 & 7) photographs, (Tab 8) and written argument regarding the requested reduction, (Tab 9). Three Comparative Assessments and three Comparable Sales were also itemized in Tab 9, items 3 and 4.

The Complainant submitted that the subject site was basically inaccessible because of LRT construction, and could no longer generate any level of income commensurate with its intended use as a used car lot. Instead it was used for vehicle storage, renting for \$500/month.

POSITION OF THE RESPONDENT

It is the position of the Respondent that the current assessment is both fair and equitable. The building and an appropriate amount of land was valued utilizing the income approach to value, and the excess land value was added to produce the assessment. In support, their Assessment Brief, (C-1) and Legal Legislation Brief, (C-2) were submitted. The Assessment Brief identified 5 sales comparables, (C-1, page 29) and 14 Equity Comparables (C-1, page 46) in support of its request that the 2011 assessment be confirmed at \$1,016,500.

DECISION

It is the Board's decision to reduce the assessment to \$742,500.

REASONS FOR THE DECISION

The Board noted the Complainant's position that the building on the subject site was inconsequential by virtue of its size and condition. The Complainant submitted three Equity (Assessment) comparables for properties for which use, zoning and characteristics were similar, reflecting assessments of \$45.93, \$46.26 and \$49.76 per sq. ft. of land. All were zoned C1, the same as the subject. The Board noted that the Respondent provided 14 equity comparables, with a range of values from \$62.29 to \$143.07 per sq. ft.; however six were zoned C2 and the remaining eight had improvements that were significantly larger than the subject and were producing income. The Board determined the Respondent's equity comparables were of limited value as compared to those of the Complainant.

The Board then reviewed the Sales Comparables. The Respondent provided five Comparables, reflecting time adjusted sales price per square foot ranging from \$63.68 to 103.25. Four of the sales comparables were zoned C2, (superior to the subject), and one was zoned CO, and all but one were half the size of the subject. No information was provided as to improvements. The Complainant provided three sales comparables, one of which was immediately adjacent to the subject that sold for \$46 per sq. ft. of land on May 17, 2010. Improvements included a house. Two other sales reflected sales prices of \$57 and \$38 per sq. ft. for sites similar in size to the subject. The Board noted the Respondent's comment that one sale (at \$38) was an "as-is" sale as a result of the fact that it was likely contaminated. However, overall, the Board felt the Complainant did the best job of matching comparables to the subject property.

In the end, the Board determined that the Respondent's methodology in setting the assessment was sound, however it's valuation of the excess land was excessive given the evidence presented. By applying a land value of \$47.00 per sq. ft. to the excess land the Board determined that a revised assessment of \$742,500 was both correct and equitable.

DISSENTING OPINION AND REASONS

There were no dissenting Opinions.

Dated this 16th day of September, 2011, at the City of Edmonton, in the Province of Alberta.

Lynn Patrick, 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, RSA 2000, c M-26.

cc: David Mitton