



ASSESSMENT REVIEW BOARD

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Edmonton AB T5J 0G9
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NOTICE OF DECISION NO. 0098 395/11

ALTUS GROUP
17327 106A Avenue
EDMONTON, AB T5S 1M7

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 November 23, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1106764	13603 170 STREET NW	Plan: 4541MC Lot: A	\$4,313,500	Annual New	2011

Before:

Dean Sanduga, Presiding Officer
Petra Hagemann, Board Member
Tom Eapen, Board Member

Board Officer: Karin Lauderdale

Persons Appearing on behalf of Complainant:

Jordan Thachuk, Altus Group

Persons Appearing on behalf of Respondent:

Darren Nagy, Assessor, City of Edmonton

PRELIMINARY 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.

BACKGROUND

The subject property is an undeveloped parcel of land located at 13603-170 Street in the Mistatim Industrial subdivision of the City of Edmonton. The property has a site area of 861,348 square feet, however is a narrow parcel running parallel to 170 Street and 137 Avenue

ISSUE(S)

Is the 2011 assessment of the subject property at \$4,313,500 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

The Complainant submitted a 38 page brief (C-1) contesting the correctness of the assessment of the subject property. The brief illustrated (C-1, pg 7) the unusual shape of the property. The 2011 assessment of the subject allows for a “major” shape attribute resulting in a reduction of 45%.

The Complainant provided 6 comparable sales (C-1, pg 10) located in the north west quadrant of the City. The subject property is serviced whereas comparable #1, 2, 3 and 5 are unserviced. Comparables 4, 5, and 6 are on a major roadway similar to the subject. Comparable #2 also has a 45% applied to the assessment similar to the subject.

The average time adjusted sale price of these 6 comparables is \$4.75 per square foot. Applying a 45% reduction to make it comparable to the subject would result in a time adjusted sale price of \$2.75. Applying this to the size of the subject (864,988 x 2.75) would result in a value of \$2,378,500. The Complainant requested the Board to reduce the 2011 assessment to this amount.

POSITION OF THE RESPONDENT

The Respondent submitted an assessment brief (R-1) defending the 2011 assessment. This brief included information about the mass appraisal process, law and legislation, assessment detail report, photos of the subject and 4 comparable sales (R-1, pg 21).

These sales are similar to the subject in location and servicing, except for comparable #1 which is only partially serviced. These sales range in time adjusted sales price from \$4.46 to \$6.78 per square foot with an average of \$5.56 per square foot supporting the assessment of the subject property at \$5.01 per square foot.

The Respondent requests the Board to confirm the 2011 assessment of the subject property at \$4,313,500.

DECISION

The decision of the Board is to reduce the 2011 assessment of the subject property from \$4,313,500 to \$2,378,500.

REASONS FOR THE DECISION

The Board examined the evidence and argument provided by the Complainant and the Respondent.

The Complainant submitted 6 sales comparables and applied a 45% reduction to the average time adjusted sales price of these sales to make them comparable to the subject which already had a 45% applied to the 2011 assessment. The Board discounted sale #2 as it already had a 45% reduction similar to the subject.

During argument, the Respondent suggested that a 10% adjustment for lack of servicing would be fair; this was accepted by the Board. Taking this into account, the Board adjusted the Complainant's sale #1, 3 and 5 (unserviced parcels) upward by 10% to make these comparable to the "serviced" subject property. This results in time adjusted sales prices per square foot as follows: #1=5.12, #3=5.35, #4=4.46 (unchanged), #5=5.47 and #6 remains at 4.65. This results in a new average time adjusted sale price of \$5.01 compared to the Complainant's calculation of \$4.75. Applying a 45% reduction to bring these properties to comparability to the subject, a new average time adjusted sales price of \$2.76 is derived.

The Board examined the Respondent's sales comparables. Sale #3 was not considered as it was a non arms length sale. Removing this sale reduces the average time adjusted sales price to \$5.15 per square foot. Applying a 10% increase for the parcels which are and reducing the average time adjusted sales price by 45% to bring these properties to comparability to the subject, a new time average adjusted sales price of \$3.11 was derived. This suggests the assessment of the subject is excessive.

The Board was most persuaded by the Complainant's sales evidence and argument and reduces the assessment from \$4,313,500 to \$2,378,500.

DISSENTING OPINION AND REASONS

Dated this 1st day of December, 2011, at the City of Edmonton, in the Province of Alberta.

Dean Sanduga, 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: LEHIGH HANSON MATERIALS LIMITED