



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 541/10

Altus Group Ltd
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 November 1, 2010 respecting a complaint for:

Roll Number 9942036	Municipal Address 10803 104 Avenue NW	Legal Description Plan: 9623319 Block: 8 Lot: A
Assessed Value \$5,023,500	Assessment Type Annual New	Assessment Notice for: 2010

Before:

Tom Robert, Presiding Officer
Tom Eapen, Board Member
John Braim, Board Member

Board Officer:

J. Halicki

Persons Appearing: Complainant

Walid Melhem, Agent
Altus Group Ltd.

Persons Appearing: Respondent

John Ball, Assessor
Assessment and Taxation Branch

PRELIMINARY MATTERS

Prior to the beginning of the hearing, the Complainant asked the Board to confirm if Assessment Review Board (ARB) administration had received its rebuttal; the Board confirmed the rebuttal document was not on file. Accordingly, at the procedural time for the Complainant's rebuttal, the Respondent objected to its introduction as it had not been previously disclosed (neither to the Respondent nor filed with the ARB) as required according to *Matters Relating to Assessment Complaints Regulation* AR 310/2009 ("MRAC").

At the start of the Respondent's oral presentation, the Complainant objected to the site coverage of the subject property at 50% being raised. It was alleged this information had not been disclosed, as required, by s. 9 MRAC.

The Board considered the Complainant's objection and ruled that the issue of site coverage in the downtown core, had not been properly exchanged, and thus it was to be struck from the record.

Subsequently during the Respondent's presentation, at page 94 of exhibit R1, it was discovered site coverages had been properly disclosed. The Complainant clarified that it was a lack of clearly demarcated boundaries of the downtown core (e.g. map at R1, tab 2, pg. 25) that had not been properly disclosed and was the actual subject of the initial objection.

The Board ruled that it would consider site coverage and noted the lack of the downtown core cartographically defined was the Complainant's concern as this information had not been exchanged/disclosed.

BACKGROUND

The subject property is a restaurant located in downtown Edmonton zoned EZ – enterprise zone district and an effective zoning of CB2. With a site coverage of approximately 16%, it is situated on a lot comprising approximately 29,970 sq. ft.

ISSUE(S)

1. What is the market value of the subject property?
2. Is the subject property assessed fairly and equitably with similar properties?

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 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.*

The Matters Relating to Assessment Complaints Regulation AR 310/2009.

9(1) *A composite assessment review board must not hear any matter in support of an issue that is not identified on the complaint form.*

9(2) *A composite assessment review board must not hear any evidence that has not been disclosed in accordance with section 8.*

POSITION OF THE COMPLAINANT

The land assessment of subject property equates to \$154.76/sq. ft.

The Complainant presented 61 comparables from different areas of Edmonton to demonstrate that the pad (site coverage) ratios for similar properties typically averaged 14% (C1, pgs. 14; 29).

The Complainant presented five land sale comparables averaging \$101.47/sq. ft. (C1, pg. 15) and support *Network* data sales sheets (C1, pgs. 126-130) were included.

The Complainant presented ten equity comparables averaging \$75.85/sq. ft. (C1, pg. 16).

Valuation summaries were also included.

The Complainant requested the 2010 assessment be reduced to \$1,562,500.

POSITION OF THE RESPONDENT

The Respondent asserts that the subject property was properly assessed according to the principles of mass appraisal and the commercial vacant land assessment model.

The Respondent provided thirteen restaurant comparable actual rents (R1, tab 4), all located in the Downtown and Oliver neighbourhoods. These ranged from \$25/ sq. ft. to \$50/sq. ft. from which the estimated rent of the subject property at \$30/sq. ft was supported.

Four sales comparables (R1, tab 5), all zoned CB2 and with accompanying land title documentation, were submitted for the Board's consideration.

Exhibit R1, also included the Respondent's legal brief including a CARB decision and MGB order related to land assessment.

The Respondent requested the assessment of \$5,023,500 be confirmed.

DECISION

The decision of the Board is to revise the 2010 assessment from \$5,023,500 to \$4,638,500.

REASONS FOR THE DECISION

The subject property is located in the downtown core. It is the policy of the Respondent (City of Edmonton) to place a minimal value on downtown core buildings which do not represent the

highest and best use of the land. The Board is of the opinion that the subject falls within this consideration.

The Board reviewed all direct sales comparables presented by both parties. The Board is of the opinion that all of the comparables presented represent, on average, a typical market value per square foot acknowledging that the sales are affected by market conditions and physical characteristics which may be different from the subject.

The indicated, an overall median value of these limited amount of sales is approximately \$177/sq. ft. which supports the current assessed value of \$154.76/sq. ft. Applying the current value per square foot to the entire land area of 29,970 sq. ft. and adding a minimal \$500 value for improvements (as established by the policy of the Respondent) indicates a total value of \$4,638,500 (rounded).

In regard to the issue of equity, the Board is not convinced that the equity comparables presented have similar characteristics to the subject in terms of zoning and location.

DISSENTING OPINION AND REASONS

There were no dissenting opinions.

Dated this tenth day of November, 2010 A.D., at the City of Edmonton, in the Province of Alberta.

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.

CC: Municipal Government Board
City of Edmonton, Assessment and Taxation Branch
Northland Properties Corp.