



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 617/11

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 December 13, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
3801149	5805 99 STREET NW	Plan: 9220170 Block: A Lot: 7	\$1,784,500	Annual New	2011

Before:

Don Marchand, Presiding Officer
Brian Hetherington, Board Member
Howard Worrell, 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
Deanne Bannerman, Assessor, City of Edmonton, observing

PRELIMINARY MATTERS

This roll number was part of a series of roll numbers heard by the CARB over three days starting December 12, 2011 and concluding December 14, 2011. Both Parties at the outset of the hearings made an oath to tell the truth. This was subsequently confirmed at each day's hearing

by each party. Further, no objection was raised as to the composition of the CARB panel. In addition, the Board members indicated no bias with respect to this file.

No preliminary matters were raised by the Parties. At the outset of the hearing the CARB was advised by the Complainant that the following issues apply to the subject complaint and are itemized as:

2 the use, quality, and physical condition attributed by the municipality to the subject property are incorrect, inequitable and do not satisfy the requirement of Section (2) of the Municipal Government Act.

4. the assessment of the subject property is in excess of its market value for assessment purposes

and that the remaining common issues itemized as numbers 1,3, 5- 8 as shown on the SCHEDULE OF ISSUES (C-1, pg 3) page will not be argued.

BACKGROUND

- The subject property is “undeveloped land” located in the Coronet Industrial subdivision of the City of Edmonton at 5805 99 street.
- The site contains 108,823 square feet, or 2.498 acres, of land with an IM/IH industrial zoning.
- Only a narrow strip of the subject parcel extends to 99th street.
- A revised 2011 assessment was presented by the Respondent but subsequently refused by the Complainant.
- The City of Edmonton time adjustment sales chart was used by both parties to establish a TASP and there was no dispute on this issue from either party.
- The Direct Sales Comparison Approach is the valuation approach used by the Parties to argue against and support of the assessment.

The above background and property description facts were all agreed to by the Parties.

ISSUE(S)

Is the 2011 assessment of the subject property at \$1,784,500 correct?

LEGISLATION

The CARB in its deliberations gave consideration to the:

Municipal Government Act, RSA 2000, c M-26

1(1) *In this Act,*

(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;

289(2) *Each assessment must reflect*

- (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and
- (b) the valuation and other standards set out in the regulations for that property.

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.

Matters Relating to Assessment and Taxation Regulation (AR 220/2004)

2. An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property

POSITION OF THE COMPLAINANT

At the outset of his presentation to the Board, the Complainant said that there were two concerns that he wished to address – the overall assessment value and the limitation on use of the property, created by its shape. He said that the subject property was 108,823 square feet of undeveloped land with an address that was misleading, as only a narrow strip of the property was located on 99th Street and the bulk of the property was located behind the properties that were operational on 99th Street. He submitted that the narrow strip was “not really developable.”

The land is presently used as storage. The Complainant presented the Board with a chart of four comparable properties, which he suggested supported his application for a reduction in the assessment to \$1,251,000.

Comp	Address	Sale Date	Sale Price	Price/sq. ft.	Site Area	TASP	TASP per SF
1	10110 51 Ave	Feb 2007	\$3,600,000	\$11.22	320,872	\$5,049,720	\$15.74
2	5445 97 St.	Feb 2010	\$2,202,000	\$13.64	161,459	\$2,202,000	\$13.64
3	9518 54 Ave	Nov 2006	\$680,000	\$7.58	89,749	\$1,069,844	\$11.92
4	5450 97 St.	Apr 2008	\$750,000	\$9.24	81,134	\$680,925	\$8.39
Subj.	9805 99 St.				108,823	\$1,251,000	
					Requested Rate		\$11.50

In cross-examination, he said that the most appropriate of his comparable sales was #3, although he admitted that it was the most dated of the sales.

POSITION OF THE RESPONDENT

At the outset, the Respondent told the Board that the City had reduced the assessment from \$16.40 per sq. ft. for an overall assessment of \$1,784,500 to \$12.87 per sq. ft. with an overall assessment of \$1,400,000, due largely to the unusual shape of the property. However, the Complainant had not accepted the new rate and sought a value of \$11.50 per square foot.

The Respondent presented the Board with a chart of six comparable properties to support his request.

Comp	Address	Sale Date	Sale Price	Price/sq. ft.	Site Area	TASP	TASP per SF
1	2804 Ellwood Dr.	Jun 2006	\$951,000	\$7.10	133,860	\$1,811,560	\$13.53
2	4424 55 Ave	Dec 2009	\$2,130,100	\$13.62	156,424	\$2,130,100	\$13.62
3	4524 55 Ave	Jan 2010	\$2,148,000	\$13.73	156,468	\$2,148,000	\$13.73
4	4110 56 Ave	May 2010	\$2,925,000	\$14.94	195,802	\$2,925,000	\$14.94
5	5703 48 St	May 2010	\$2,812,000	\$13.20	212,965	\$2,812,000	\$13.20
6	3603 93 St	Mar 2006	\$880,000	\$6.65	132,292	\$1,880,208	\$13.87
Subj.	5805 99 St				108,813	\$1,400,000	
				Recommended Assessment Rate			\$12.87

The Respondent told the Board that his best comparable was #6, as it was the closest to the subject property in both size and zoning.

FINDINGS

- The Respondent has revised the subject's assessment rate from \$16.40 per square foot to a recommended revised rate of \$12.87 per square foot for the subject.
- The Complainant's requested unit of comparison rate of \$11.50 per square foot is 10% lower than the revised and recommended rate.
- The Complainant identified the sales comparable at 9518 – 54 Avenue with an indicated rate of \$11.92 per square foot as the best comparable.
- The sales comparable at 5450 – 97 Avenue with an indicated rate of \$8.39 is atypical to all the comparables provided to the CARB.
- The Respondent identified the sales comparable at 3603 – 93 Street with an indicated rate of \$13.87 as the best comparable.
- The revised assessment recognizes the narrow sliver of land with an adjustment equivalent to the percentage of the sliver area in relationship to the overall parcel area.

REASONS FOR THE DECISION

The CARB gave consideration to both parties' comparables, especially the two identified as the best comparable by each party. The revised and recommended rate is within the range of suggested rates by the parties' best comparables, with an adjustment in the assessment to recognize the subject's shape. The range is between \$11.92 and \$13.87 per square foot.

The CARB accepts the recommended revised assessment rate of \$12.87 per square foot.

DECISION

The assessment of roll number is 3801149 **revised to \$1,400,000.**

Dated this 13th day of January, 2012, at the City of Edmonton, in the Province of Alberta.

D. H. Marchand, 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: MID-NITE SUN TRANSPORTATION LTD.