



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION1 NO. 0098 815/11

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 February 27, 2012, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
9940102	13804 127 Street NW	Plan: 9621873 Lot: 4	\$1,678,000	Annual New	2011

Before:

Tom Robert, Presiding Officer
Brian Hetherington, Board Member
Howard Worrell, Board Member

Board Officer: Jason Morris

Persons Appearing on behalf of Complainant:

Walid Melhem, Altus Group

Persons Appearing on behalf of Respondent:

Frank Wong, Assessor, City of Edmonton
Tanya Smith, Law Branch, City of Edmonton

PRELIMINARY ISSUE

At the onset of the hearing the Respondent put forward a recommendation lowering the 2011 assessment from \$1,678,000 to \$1,668,000. This \$10,000 reduction was in response to the Complainant's issue of an inadequate improvement allowance for depreciation of the subject property's paving. This revised value of \$10,000 was accepted by the Complainant but he requested the hearing continue to hear the merits of the subject's correct market value.

BACKGROUND

The subject property is a car wash of approximately 5,672 square feet on a lot of 31,645 square feet located at municipal address 13804 127 Street NW. The property was assessed on the cost approach, and the 2011 assessment is \$1,678,000.

ISSUE(S)

- 1) Is the market value of \$1,223,586 for the subject's land parcel correct?
- 2) Is the improvement value of \$454,495 for the subject correct?

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 provided a 46-page brief identified as C-1. This brief contained an executive summary, issue statement, maps, photos, assessment summary, 11 land sales comparables and Legal Submissions.

A direct land sales analysis chart was provided to the Board that included eleven sales comparables. These comparables had sales dates ranging from March 2006 to March 2010 and showed site areas ranging from 19,560 square feet to 65,340 square feet. Time-adjusted sales prices showed a range of \$12.72 square feet to \$28.55 square feet with an average of \$18.46 square feet and a median of \$18.70 square feet. The Complainant requested a \$20.00 per square foot rate based upon the analysis provided producing a revised land value of \$632,907.

Using the requested \$632,907 for the revised land value and adding the agreed to improvement value of \$444,740, the Complainant requested the 2011 Assessment be \$1,077,500.

POSITION OF THE RESPONDENT

The Respondent agreed at the outset to a reduction of \$10,000 for depreciation of the pavement, but maintained the land assessment at \$1,223,586, which reduced the overall assessment to \$1,668,000.

In support of his position, the Respondent presented the Board with a chart of six sales comparables, which included one former gas station property with a restricted covenant that had been re-sold six months after the original sale at a 40% increase in price – from \$650,000 to \$1,100,000.

The six sales comparables in the chart had sales dates ranging from October, 2006 to December, 2009 and had property sizes ranging from 4,359 square feet to 145,496 square feet. The time-adjusted sales prices per square foot of these sales ranged from \$35.57 to \$56.82, with an average of \$44.22, which he suggested supported the assessment of the subject property at \$38.67 per square foot.

The Respondent informed the Board that his third land sale comparable was the Petroleum Club site at the corner of 109 Street and 111 Avenue, while sale # 5 was a vacant Shell gas station site on Stony Plain Road. He acknowledged that his sixth comparable, with a lot size of 4,359 square foot, was significantly smaller than either the subject property or his other comparables.

DECISION

The assessment of roll number 9940102 is revised to reflect the reduction in the improvement value from \$454,495 to \$444,740 for a revised assessment of \$1,668,000.

REASONS FOR THE DECISION

The Board has determined from analyzing the Complainant's direct land sales comparables, that none of the comparables fall within the parameters of comparability to the subject property. The direct sales closest in size and location require adjustments as to grade separation, irregular shape and servicing.

There has been no supportive evidence presented to support the required adjustments of these comparables. Therefore the Board confirms the land value of the subject property at \$1,223,586.

The Board accepts the recommended improvement value of \$444,740 for a total reduced assessment of \$1,668,000 from \$1,678,000.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 5th day of March, 2012, at the City of Edmonton, in the Province of Alberta.

Tom Robert, 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: BUBBLES INTERNATIONAL CAR WASH CORPORATION