

## **Edmonton Composite Assessment Review Board**

**Citation: Altus Group v The City of Edmonton, 2013 ECARB 00649**

**Assessment Roll Number:** 6366405

**Municipal Address:** 13215 97 Street NW

**Assessment Year:** 2013

**Assessment Type:** Annual New

Between:

**Altus Group**

Complainant

and

**The City of Edmonton, Assessment and Taxation Branch**

Respondent

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### **DECISION OF**

**Steven Kashuba, Presiding Officer**

**James Wall, Board Member**

**Randy Townsend, Board Member**

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### **Procedural Matters**

[1] Upon questioning by the Presiding Officer the parties before the Board indicated no objection to the Board's composition. In addition, the Board Members indicated no bias with respect to this file.

### **Preliminary Matters**

[2] There were no preliminary matters.

### **Issue**

[3] Is the assessment of the subject property fair and equitable based upon the sale of similar properties?

### **Background**

[3] The subject property is improved with a major auto dealership known as Northgate Pontiac Buick GMC and is municipally located at 13215 - 97 Street NW in the Glengarry subdivision of North Central Edmonton. The improvement provides full automobile sales and servicing and the site has an area of 223,997 square feet or 5.14 acres (more or less).

## **Legislation**

### **[4] The *Municipal Government Act*, RSA 2000, c M-26, reads:**

s 1(1)(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;

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**

[5] The City assessed the land on the subject property at \$5,414,756 or \$24.17 per square foot and the improvements at \$1,379,174 for a total assessment of \$6,793,500 (Exhibit C-1, page 7).

[6] The Complainant stated to the Board that the assessment of the improvements on the subject property is not at issue. At issue, however, is the assessment of the land.

[7] Based upon sales of similar land parcels, the Complainant believes that the assessment of land within the subject property does not reflect market value and is excessive.

[8] The Complainant stated to the Board that although the subject property had extensive frontage on main roads (97 Street and 132nd Avenue), it is not a corner property. The Complainant explained to the Board that the subject property wraps around the corner property which is under separate ownership and is improved.

[9] In support of their position, the Complainant presented six sales comparables (Exhibit C-1, page 8). These sales comparables are in various locations, but are generally west of the subject property, and the Complainant considers them to be good indicators of market value.

[10] The sales took place between October 2007 and October 2011 at time adjusted sale prices between \$13.38 and \$20.80 per square foot with a median of \$17.97 per square foot. The subject land is assessed at \$24.17 per square foot (Exhibit C-1, page 8).

[11] Land sizes ranged from 130,244 square feet to 332,798 square feet, which compares to the subject land with a size of 223,997 square feet.

[12] The time adjustments were taken from the city's time adjustment table (Exhibit C-1, pages 13-15).

[13] The Complainant emphasized that although their sales comparables were not located on the same street as the subject, they did represent larger parcels of land with zoning categories which would allow similar development to the subject lands with a CSC classification.

[14] In answer to a question from the Respondent, the Complainant stated that although comparable #1 was located on a one-way road, it could be successfully compared to the subject. The Complainant agreed there were buildings on their comparable #2. When the Respondent questioned the Complainant regarding the location and exposure of comparable #5, the Respondent agreed that it was not as well located as the subject on 97 Street, but it could be adjusted. In answering general questions as to the locations of their comparables, which were a considerable distance from the subject, the Complainant stated that they were all located in the northwest quadrant of the city.

[15] The Complainant answered several questions from the Board regarding the zoning, treatment of improvements on the comparable land and site coverage. The Complainant clarified that the issue of the hearing was not the value of the improvement's assessment but rather the value of the land as if vacant.

[16] The Complainant stated that their best comparable was the #4 land sale located at 17007-111 Avenue NW which sold October 2011 at a time adjusted sale price of \$17.85 per square foot. This property was at the intersection of two major roadways (170 Street and 111 Avenue) and was similar to the subject land in size at 216,493 square feet.

[17] In summation, the Complainant stated that the subject property was not located on Highway 28, as inferred by the Respondent, but rather was located on 97 Street.

[18] The Complainant requested that the assessment of the subject land be reduced to \$4,031,947 or \$18 per square foot. Adding the assessment of the improvements at \$1,379,174 would result in an assessment of \$5,411,000.

### **Position of the Respondent**

[19] In support of the assessment, the Respondent provided four sales comparables (Exhibit R-1, page 20) which occurred between January of 2007 and January of 2011.

[20] These sales comparables reflect land sizes ranging from 6,181 to 145,491 square feet, and time-adjusted sale prices ranging from \$32.90 to \$58.81 per square foot. The Respondent indicated that all of the sales comparables had corner advantage, and all with the exception of sale comparable #4 were located on or in close proximity to 97 Street.

[21] The Respondent emphasized the location differences between their sales comparables and the Complainants.

[22] The Complainant questioned the Respondent regarding the small size of the Respondent's sales comparable #1 at 6,181 square feet, and the differences in locations compared to the subject, particularly 'the Respondent's sales comparable #4 located at 2904 Calgary Trail. The Complainant questioned the Respondent as to whether or not they were aware that substantial improvements of some value were located on this property as at the date of sale. The Respondent indicated that they had very little information on this sale, but rather relied upon the transfer document (Exhibit R-1, pages 29-32).

[23] In answer to Board questions, the Respondent indicated their best comparable was #4 in terms of size and its location on a similar roadway. The Respondent conceded that this property was actually located on a service road adjoining the Calgary Trail. In answer to a Board question as to whether or not a direct control (DC 5) zoning, such as on the Respondent's sales comparable #4 would impact on the value of the subject property, the Respondent indicated that a property with this zoning would generally be rezoned later so it would not have much impact upon market value.

[24] The Respondent requested the Board confirm the subject property's assessment on the basis of land at \$24.17 per square foot for an overall assessment of \$6,793,500.

### **Decision**

[25] It is the decision of the Board to reduce the 2013 assessment of the subject property from \$6,793,500 to \$5,899,000.

### **Reasons for the Decision**

[26] The Board reviewed all evidence and heard all arguments, and places particular emphasis on size and locational factors applied by both parties' sales comparables in arriving at its decision.

[27] The Board is persuaded that the Complainant's sales #1, 2 and 4, which indicate time-adjusted sale prices of \$20.72, \$20.80 and \$17.85 per square foot respectively represent the best indicators of value for the subject land. These sales have an average time-adjusted sale price of \$19.79 per square foot.

[28] The Board finds the foregoing sales comparables, based on their locations and land sizes, to be particularly pertinent in relation to the subject's market value. The Board notes that these properties all have a corner advantage and are therefore slightly superior to the subject. However, this would be more than offset by the subject property's slightly superior location on 97 Street.

[29] The Board places little weight on the Respondent's sales comparables. Although three of them were located in reasonably close proximity to the subject, their actual locations, as they relate to traffic exposure, did not compare well to the subject. In addition, the Board questions their comparability in size.

[30] The Board notes that the Respondent considered sales comparable #4 to be the best comparable. In questioning, the Respondent agreed that this property was located on a service road adjoining Calgary Trail in the extreme south end of the City of Edmonton. The Board heard and accepts as fact that this property exhibited building improvements which added some contributory value to the sale.

[31] The Board finds that the Respondent's sales comparables did not offer good evidence to support the assessment.


[32] The Board is of the opinion that the subject land's assessment should be reduced from \$5,414,756 to \$4,519,820 or \$20 per square foot. The total assessment should be reduced from \$6,793,500 to \$5,899,000.

**Dissenting Opinion**

[33] There was no dissenting opinion.

Heard commencing June 12<sup>th</sup>, 2013.

Dated this 28<sup>th</sup> day of June, 2013, at the City of Edmonton, Alberta.

  
Steven Kashuba, Presiding Officer

**Appearances:**

Chris Buchanan, Altus Group  
for the Complainant

Doug McLennan, City of Edmonton  
Scott Hyde, City of Edmonton  
for the Respondent

*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.*