

Edmonton Composite Assessment Review Board

Citation: 122 Street Developments Ltd. v The City of Edmonton, 2014 ECARB 00432

Assessment Roll Number: 10389688

Municipal Address: 12230 Jasper Avenue NW

Assessment Year: 2014

Assessment Type: Annual New

Assessment Amount: \$9,033,000

Between:

**122 Street Developments Ltd. as represented
by its agent, Canadian Valuation Group**

Complainant

and

The City of Edmonton, Assessment and Taxation Branch

Respondent

**DECISION OF
Peter Irwin, Presiding Officer
Dale Doan, Board Member
Taras Luciw, Board Member**

Procedural Matters

[1] Upon questioning by the Presiding Officer the parties indicated they did not object to the Board's composition. In addition, the Board members stated they had no bias with respect to this file.

Preliminary Matters

[2] There were no preliminary matters.

Background

[3] The subject property is a partially completed development of a two storey bank building with 19,280 square feet on the main floor located at 12230 Jasper Avenue NW. The project is on a 60,112 square foot site and will include a high-rise apartment tower. The 2014 assessment was based on the cost approach with the building valued at \$3,916,828 and the land valued at \$5,116,444.

Issues

[4] Is the market value of the land component lower than the current land assessment based on an analysis of sales of similar properties?

[5] Should the assessment class be changed to other residential and non-residential?

Position of the Complainant

[6] The Complainant presented evidence and argument relative to the assessment of the land and included five land sales comparables and one equity comparable in support of the request for a lower land assessment. The evidence included third party information from The Network, a real estate sales data provider, which reflected the details of the sales. The Complainant had no issue with the assessed value of the building under construction and noted that the assessment class is shown as 100% non-residential.

[7] Two of the six comparable properties were located on Jasper Avenue near the subject property while the other four were several blocks away with one on 124 Street, one on 127 Street and two along 104 Avenue. The Complainant described the locations as comparable to the subject property with the equity comparable at 11525 Jasper Avenue described as a superior location with its exposure at the corner of 116 Street and Jasper Avenue.

[8] The sales comparables ranged in size from 8,000 square feet to 346,302 square feet with time adjusted prices per square foot ranging from \$36.58 to \$138.81 compared to the subject with 60,112 square feet assessed at \$85.12 per square foot. The per square foot assessment ranged from \$31.37 to \$105.84 for three of the properties with no amount shown for two of the properties. The one equity comparable was 47,854 square feet in size and assessed at \$87.66 per square foot. The Complainant addressed the size differences by noting that they require adjustments, upward for the larger properties or downward for the smaller ones.

[9] The Complainant's analysis of the comparable properties, with more weight placed on the larger comparables, concluded a market value of \$70 per square foot for a total of \$4,207,840 for the land component. After adding the building value of \$3,916,828, a fair value of \$8,124,668 is concluded. A reduction in the assessment to \$8,124,500 was requested.

[10] The Complainant addressed the assessment class issue and described the bank structure as covering 19,280 square feet, 32% of the site while the high-rise apartment tower will be developed on the remainder of the site, 40,832 square feet or 68% of the land area.

[11] The Complainant had no issue with the bank building being shown as 100% non-residential but given that 68% of the land area will be used for a multi-family apartment tower, the Complainant believes that the assessment class should be split between residential and non-residential to reflect this. Based on the requested reduction and change to the assessment amount, the assessment class should be changed to 38.5% other residential and 61.5% non-residential.

Position of the Respondent

[12] The Respondent submitted three sales comparables and three equity comparables supporting the 2014 assessment of the subject property.

[13] The sales comparables ranged from 8,003 square feet to 21,750 square feet and sold for prices ranging from \$1,110,500 to \$2,187,120 (\$100.55 per square foot to \$138.76 per square foot). The assessments of these three properties ranged from \$101 per square foot to \$139 per square foot. Both the sales prices and assessments support the subject property's assessment of \$85 per square foot. Of note is that two of the three sales comparables were common to both the Respondent and the Complainant.

[14] The Respondent's three equity comparables were all located along Jasper Avenue and ranged in size from 24,654 square feet to 47,854 square feet with per square foot assessments ranging from \$87.66 to \$117.67, which also supports the subject property's assessment of \$85.11 per square foot.

[15] The Respondent also provided a chart with the Complainant's comparables and noted that four of the five sales comparables had 2014 assessments below their time adjusted selling price.

[16] The Respondent addressed the Complainant's issue relative to splitting the assessment class and advised that as at December 31, 2013 there were no permits issued for development of a high-rise apartment building. A copy of a computer screen-shot showing a permit issue date of February 11, 2014 "to construct a multi use building – phase 2 (shell only –" was included as confirmation that there was no development of a high-rise tower taking place in 2013 and therefore the mill rate should reflect what was on site as at December 31, 2013.

[17] The Respondent requested the Board to confirm the 2014 assessment in the amount of \$9,033,000.

Decision

[18] The Board confirms the 2014 assessment in the amount of \$9,033,000.

Reasons for the Decision

[19] The Board is not persuaded by the Complainant's evidence with its wide range of property sizes and sale prices and which are located in Commercial Land Groups different from the subject. Specifically, sale number one is one third the size of the subject and is an inner lot; sale two is a substantially smaller lot that sold for a substantially higher price which the Board considers an outlier; and sale four is a smaller site in a location far less desirable than the subject. Sales three and five are also outliers due to their size being nearly five and six times the size of the subject.

[20] The subject site is located in Commercial Land Group 9 which includes properties on Jasper Avenue between 109 Street and 125 Street, known as Jasper Ave West. With the Complainant's comparable properties being outside this area, the Board places less weight on their comparability.

[21] The Complainant's equity comparable, which is located within Commercial Land Group 9, is an automotive dealership which the Board finds is not comparable to a commercial site currently under development.

[22] The Board accepts the Respondent's evidence showing that no permit application for a high-rise development was made in 2013 and therefore does not consider the Complainant's assessment class issue any further.

Dissenting Opinion

[23] There was no dissenting opinion.

Heard June 5, 2014.

Dated this 19th day of June, 2014, at the City of Edmonton, Alberta.



Peter Irwin, Presiding Officer

Appearances:

Tom Janzen, Canadian Valuation Group
for the Complainant

Tracy Ryan, 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.

Appendix

Legislation

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.

Exhibits

Exhibit C-1: Complainant’s submission – 24 pages

Exhibit R-1: Respondent’s submission – 67 pages