



**ASSESSMENT REVIEW
BOARD**

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
EDMONTON AB T5J 2R7
(780) 496-5026 FAX (780) 496-8199

NOTICE OF DECISION NO. 0098 326/10

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 between August 23 and October 21, 2010 respecting a complaint for:

| | | |
|--------------------------------------|---|---|
| Roll Number 9989352 | Municipal Address 15035 114 Avenue NW | Legal Description Plan: 0122850 Unit: 3 |
| Assessed Value \$1,800,000 | Assessment Type Annual – New | Assessment Notice for: 2010 |

Before:

Tom Robert, Presiding Officer
Dale Doan, Board Member
Mary Sheldon, Board Member

Board Officer:

Segun Kaffo

Persons Appearing: Complainant

Walid Melhem

Persons Appearing: Respondent

Stephen Leroux, Assessor
Veronika Ferenc, Law Branch

PROCEDURAL MATTERS

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to the file.

All parties giving evidence during the proceedings were sworn by the Board Officer.

PRELIMINARY MATTERS

The parties agreed that all evidence, submissions and argument on Roll # 8480097 would be carried forward to this file to the extent that matters were relevant to this file. In particular, the Complainant chose not to pursue arguments with respect to the evidence he had provided regarding the income approach to value.

The Complainant and the Respondent presented to the Board differing time adjustment figures for industrial warehouses based on the Complainant's submission that some data used in the preparation of the Respondent's time adjustment model was faulty. The Board reviewed the data from the Complainant used in the preparation of his time adjustment figures and was of the opinion that the data used was somewhat questionable (Exhibit C-2). In any event, the differences between the time adjustment charts used by the parties for industrial warehouses were small and in many cases of little significance. Therefore, the Board has accepted the time adjustment figures used by the Respondent.

BACKGROUND

The subject property is a condo warehouse unit built in 1970 and located in the High Park Industrial subdivision of the City of Edmonton. The property has a building area of 13,003 square feet with site coverage of 24%.

ISSUES

The Complainant had attached a schedule listing numerous issues to the complaint form. However, most of those issues had been abandoned and the issues left to be decided were as follows:

- Is the assessment deemed to be reflective of market value based on comparable sales?
- Is the assessment of the subject fair and equitable when compared to the assessments of comparable 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.*

POSITION OF THE COMPLAINANT

In support of his position that the assessment of the subject is not reflective of market value based on comparable sales, the Complainant presented five sales comparables with time adjusted sale prices ranging from \$75.95 to \$117.81 per sq. ft. (C-3q, page 11). The average price of these comparables was \$93.88 per sq. ft. compared to the subject's assessment of \$138.43 per sq. ft.

The Complainant further submitted four equity comparables ranging in value from \$75.17 to 108.04 per sq. ft. The average value of these comparables was \$85.95 (C-3q, page 13).

The Complainant argued that based on the sales comparables the indicated value of the subject was \$93.86 per sq. ft. and requested a reduction of the assessment to \$1,220,500.

POSITION OF THE RESPONDENT

The Respondent presented six sales comparables in support of his position that the assessment of the subject is correct. The time adjusted sale prices of these comparables ranged from \$127.09 to \$201.34 per sq. ft.

The Respondent also submitted eight equity comparables, all assessed in "average" condition, similar to the subject ranging in value from \$126.83 to \$137.87. The average assessment of these comparables was \$130.66 per sq. ft.

The Respondent argued that the assessment of the subject at \$138.43 per sq. ft. was within the range indicated by the sales and equity comparables.

DECISION

The decision of the Board is to confirm the assessment of the subject at \$1,800,000.

REASONS FOR THE DECISION

The Board notes that the subject has no second floor space, whereas the Complainant's sales comparables # 2 and # 4 have significant second floor space. This makes them less valuable as comparables. Further, if only the assessment per sq. ft. of the main floor space of the comparables is used in the Complainant's calculations, the average will change substantially.

The Board notes the Complainant's agreement that his sales comparable # 3 should be excluded because it was acquired by one of the tenants. The Board notes that if the City's time adjustment is applied to the balance of the Complainant's sales comparables, taking into consideration only main floor space, the resulting figure supports the current assessment of the subject.

The Board accepts the Respondent's argument that less weight should be placed on the Complainant's equity comparables # 1, #2 and #3, as they all have multiple buildings whereas the subject has one, making a comparison less reliable.

The Board notes that in contrast to the Complainant's comparables the subject has significant office and warehouse finish. Although the subject falls to the high end of the comparables presented, it is within the acceptable 5% range and accordingly, the Board confirms the assessment.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 25th day of October 2010, 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
Shamrock Property Management Ltd.