



**ASSESSMENT REVIEW
BOARD**

MAIN FLOOR CITY HALL
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EDMONTON AB T5J 2R7
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NOTICE OF DECISION NO. 0098 397/10

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 8635005	Municipal Address 5809 98 Street NW	Legal Description Plan: 1331TR Block: 10 Lot: 8A
Assessed Value \$1,535,500	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

Mary-Alice Lesyk, Assessor
Joel Schmaus, 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 medium manufacturing plant built in 1974 and located in the Coronet Industrial subdivision of the City of Edmonton. The property has a building area of 8,899 square feet with site coverage of 18%.

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:

- Should the subject property have an adjustment to account for it being located on a former landfill?
- Based on comparable sales, is the assessment deemed to be reflective of market value?
- When compared to comparable property assessments, is the subject property's assessment equitable?

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 was not correct based on comparable sales, the Complainant presented a chart of four sales of comparable properties (C-3ll, page 9). All were located on interior lots and all were sales which occurred in 2008. The average time adjusted price per sq. ft. of these comparables was \$145.72 whereas the subject was assessed at \$172.55 per sq. ft.

In support of his position that the assessment of the subject was not correct based on the assessments of comparable properties, the Complainant presented a chart of seven equity comparables. (C-3ll page 11). The average assessment per sq. ft. of these comparables was \$153.05.

The Complainant asked the Board to reduce the assessment as a result of the contamination of the site which the Complainant indicated would reduce the value of the property. He submitted to the Board that a phase 3 environmental study was being prepared but was not yet ready. The Complainant proposed that a 10% downward adjustment should be applied to account for the stigma and costs associated with the contamination of the property.

The Complainant therefore requested the Board to apply the average assessment per sq. ft. of the sales comparables less a 10% negative adjustment, to account for the contamination problem. This would result in a value of \$1,225,500.

POSITION OF THE RESPONDENT

At the outset of his presentation, the Respondent informed the Board that he was prepared to recommend an amended assessment of \$1,390,500 for the property. Upon inspection, it had been learned that there was no second building on the property and accordingly there would have to be an adjustment to the assessment.

The Respondent presented four sales comparables for the Board's consideration (R-3ll, page 20). He noted that the comparable # 2 is the same as the Complainant's sales comparable # 1. The range of values for the time adjusted price per sq. ft. supported the assessment in his opinion.

To support his submission that the assessments of comparables properties supported the assessment of the subject, the Respondent presented a chart of equity comparables (R-3ll, page 25). The range of assessments per sq. ft. was from \$181 to \$196. The Respondent noted that equity comparable # 1 was the same as the Complainant's equity comparable # 4.

The Respondent noted that the evidence presented in the Complainant's indicated that the contamination did not hinder the use of the property for the owner and the property could be left undisturbed (C-3ll, page 39). As well, the Respondent indicated that the 10% downward adjustment for contamination requested by the Complainant was not supported by any evidence.

The Respondent requested the Board to reduce the assessment of the subject from \$1,535,500 to \$1,390,500.

DECISION

The decision of the Board is to reduce the assessment of the subject property from \$1,535,500 to \$1,390,500 pursuant to the recommendation.

REASONS FOR THE DECISION

The Board agrees with the Respondent that there has been no evidence supplied by the Complainant that a downward adjustment of 10% for contamination is warranted or justified.

The Board is satisfied that the reduction to \$1,390,500 is justified by the discovery that there is only one building on the site.

The Board is not satisfied that the sales or equity comparables presented by the Complainant support a further reduction in 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
Gellarne Holdings (2001) Ltd