



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 399/10

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 8636375	Municipal Address 5912 99 Street NW	Legal Description Plan: 6312NY Block: 15 Lot: 1
Assessed Value \$5,071,500	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

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 medium warehouse built in 1969 and located in the Coronet Industrial subdivision of the City of Edmonton. The property has a building area of 49,498 square feet with site coverage of 34%.

ISSUES

The Complainant had attached a schedule listing numerous issues to the complaint form. However, most of those issues were abandoned and only the following issues remained for the Board to decide:

- What is the market value of the subject property?
- Is the assessment of the subject property fair and equitable in comparison with similar 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

The Complainant submitted seven sales comparables with time adjusted sales prices ranging from \$65.30 to \$120.36 per sq. ft. (C-31, page 10). The Complainant indicated that comparables # 3 and # 4 were not representative of the subject as they were considered outliers. These two comparables were not included in the computation of the average sale price of \$97.37 per sq. ft.

The Complainant argued that the indicated average sale price of \$97.37 per sq. ft. should be reduced by 10% being the adjustment applied by the Respondent for building configuration (C-31, page 18). Based on the adjustment the Complainant requested a reduction of the assessment to \$87.63 resulting in a total assessment of \$4,337,500.

The Complainant also provided nine comparables with an average assessment per sq. ft. of \$102.69 (C-31, page 12). The Complainant argued that after applying the 10% reduction for building configuration, the resulting value of \$92.42 per sq. ft. indicated that the assessment of the subject was too high.

POSITION OF THE RESPONDENT

The Respondent provided eleven sales comparables with time adjusted sales prices ranging from \$114.29 to \$170.77 (R-31, page 18). The Respondent argued that the best comparables were those located on 99 street. The Respondent submitted that the best indicator of value was sales comparable #11 which sold in 2009 for a time adjusted sale price of \$114.29. This sale when adjusted for size, site coverage and age supports the assessment of the subject at \$102.46 per sq. ft.

The Respondent also provided ten equity comparables assessed within a range of \$95.81 to \$131.20 per sq. ft. and indicating an average assessment value of \$110.26 per sq. ft.

DECISION

The decision of the Board is to confirm the assessment of the subject property at \$5,071,500.

REASONS FOR THE DECISION

The Board accepts that the range of values indicated by both the direct sales and equity comparables of the Respondent support the assessment of the subject.

Five of the Complainant's equity comparables had substantial 2nd floor areas for which no adjustments were made by the Complainant. The Board is of the opinion that the values derived by the Complainant would have been higher, and more in line with the assessment of the subject, had these adjustments been made.

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
Sunlife Assurance Company of Canada