



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 101/10

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 on August 03, 2010 respecting a complaint for:

Roll Number	Assessed Value	Municipal Address	Legal Description	Assessment Type	Assessment Notice For
2687754	1,898,000	13608 109A Avenue NW	Plan: 3624HW Block: 9 Lot: 65	Annual New	2010
2758902	2,601,000	11343 124 Street NW	Plan: 747AF Block: 15 Lot: 11 / 12	Annual New	2010

Before:

Tom Robert, Presiding Officer
Reg Pointe, Board Member
Ron Funnell, Board Member

Board Officer:

Annet N. Adetunji

Persons Appearing: Complainant

Chris Buchanan, Altus Group Ltd

Persons Appearing: Respondent

Abdi Abubakar, Assessment and Taxation Branch
Steve Lutes, Law Branch

PRELIMINARY MATTERS

Both parties agreed that roll number 2687754 (13608 109A Avenue) represents the evidence and argument for both properties.

BACKGROUND

The subject properties are walk-up apartments located in market area number 4.

ISSUE

Whether the 2010 assessments for the subject properties represent market value for the specific assessment period and are fair and 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

The Complainant argues that the gross income multiplier used by the Respondent is too high and does not ultimately represent the resulting market value of the subject properties as of July 1, 2009. Further, the Complainant argues that the vacancy rate applied by the Respondent does not reflect typical vacancies as of valuation date.

The Complainant put forward a rent roll as well as typical lease rates indicating market rents of \$750.00 for bachelor suites, \$825.00 for 1 bedroom suites, \$1,047.08 for two bedroom suites, and \$1,328.95 for three bedroom suites (C1, page 9).

Further the Complainant presented 8 sales in market area 4 with a weighted average gross income multiplier of 8.29% and weighted average cap rate of 7.66% (average expenses of \$3,446 per suite).

POSITION OF THE RESPONDENT

The Respondent argues that when determining gross potential rent, rental income must be determined on the basis of what is typically paid in the market at the time of valuation. The Respondent argues that the rent roll put forward by the Complainant is only for a specific period (July 2009) and does not represent a typical condition.

Further, the Respondent argues that the lease rate study put forward does not represent the typical market in that the leases are all from the same owner (that being the owner of the subject properties), and although actual, these properties only represent 10% of the total walk-up market in the subject market area.

DECISION

The Board Confirms the 2010 assessments of both properties.

REASONS FOR THE DECISION

The Board, in regard to the issue of gross income multiplier or income approach issue is of the opinion that applying rates derived from the owner's own properties (C1, pages 23 and 24) does not represent typical market rents.

Further, the Complainant's sales put forward as well as the Respondent's indicate a value per suite range, of the best comparable data (properties) from \$91,000 to \$123,000. The subject property assessed at \$111,647 per suite falls within an acceptable range and supports the gross income multiplier/ income approach for both properties as calculated by the Respondent.

DISSENTING DECISION AND REASONS

None.

Dated this 9th day of August 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
Mainstreet Equity Corp