



## ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL  
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EDMONTON AB T5J 2R7  
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### NOTICE OF DECISION NO. 0098 117/10

Canadian Valuation Group Ltd.  
1200, 10665 Jasper Avenue  
Edmonton AB T5J 3S9

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 July 26, 2010 respecting a complaint for:

<b>Roll Number</b> 3528155	<b>Municipal Address</b> 11140 120 Street NW	<b>Legal Description</b> Plan 1743HW Block 201 Lot A
<b>Assessed Value</b> \$2,057,500	<b>Assessment Type</b> Annual New	<b>Assessment Notice for:</b> 2010

#### **Before:**

Patricia Mowbrey, Presiding Officer  
Petra Hagemann, Board Member  
Howard Worrell, Board Member

#### **Board Officer:**

J. Halicki

#### **Persons Appearing: Complainant**

Tom Janzen, Agent  
Canadian Valuation Group

#### **Persons Appearing: Respondent**

Stephen Leroux, Assessor  
Assessment and Taxation Branch

Steve Lutes, Solicitor, Law Branch

#### **PRELIMINARY MATTERS**

There were no preliminary matters.

#### **PROCEDURAL MATTERS**

The Complainant and Respondent expressed no objection to the composition of the Board and the Board Members had no bias to this file.

## **BACKGROUND**

The subject property, built in 1956 with an effective age of 1976 and located in the Prince Rupert subdivision, consists of an 18,675 sq. ft. office/warehouse (6,065 sq. ft. of office space including 1,225 sq. ft. of mezzanine office). The 2010 assessment at \$2,057,500 equates to \$110.15 per square foot.

## **ISSUE(S)**

Is the 2010 assessment of \$2,057,500 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 requested a reduction in the 2010 assessment from \$2,057,500 to \$1,680,500 which equates, respectively, from \$110.15 to \$90 per square foot.

The Complainant presented as evidence exhibit C1 that included five sales comparables and their assessments (C1, pg. 1). Sales #1, #2, and #5 were put forward as the best comparables (C1, pg. 1) with more weight placed on sales #1 considering similar location, age, building size, and site coverage. The Complainant indicated the neighbourhood was an older, central subdivision, therefore, making it difficult to find similar comparables.

In rebuttal, the Complainant submitted a chart (C2) of the Respondent's sales comparables with calculations showing the 2010 assessments and assessments per square foot for information purposes.

## **POSITION OF THE RESPONDENT**

The Respondent stated that the 2010 assessment of the subject is fair and equitable and presented as evidence exhibit R1.

The Respondent stated that the subject property, having a site coverage of 34%, is located in a central industrial area of Prince Rupert neighbourhood where site coverage is typically higher.

The Respondent presented a chart documenting eleven sales comparables (R1, pg. 20) to support the current assessment. Sales #1 through #7 are located in the subject area; sales #8 to #11 are located in the NE area industrial area of Edmonton and were chosen for size and site coverage comparison. Time-

adjusted sales prices range between \$94 and \$125 per square foot, although site coverages of most of these are higher except for sales #2, #4, and #7. Although the building sizes of the comparable sales varied, some had mezzanine space similar to the subject. Of the sales comparables, the Respondent put forward sale #6 as the best.

The Respondent also presented a chart documenting twelve equity comparables (R1, pg. 32) selected for site coverage, size, age, and mezzanine space. These comparables ranged from \$101.74 to \$119.54 per square foot. The Respondent stated the subject property is within this range at \$110.17 per square foot.

The Respondent submitted a Property Assessment Law and Legislation brief (R2).

## **FINDINGS**

The Board found the Complainant brought forward sufficient evidence to question the correctness of the assessment of the subject property.

## **DECISION**

The Board's decision is to reduce the 2010 assessment from \$2,057,500 to \$1,900,000.

## **REASONS FOR THE DECISION**

1. The Board reviewed the Complainant's and the Respondent's evidence (exhibits C1, C2, R1 and R2).
2. The Board considered location the prime factor that affects value along with the other factors of: lot size, age, site coverage, building area, and mezzanine space (R1, pg. 7).
3. The Board noted the Complainant indicated sales comparables #1, #2, and #5 (C1, pg. 1) were to be given the most consideration since these were closest in location, building area, and site coverage in relation to the subject property. Their average time-adjusted sales price is \$94.82 per square foot. The Board also noted the corresponding 2010 average assessment values of sales #1, #2, and #5 is \$88.34 per square foot.
4. The Board reviewed the Respondent's eleven sales comparables (R1, pg. 30). Sales #6, #8, #9, #10, and #11 were given less consideration as they were outside the geographic area of the subject property. By averaging the remaining six comparables, the result is a time-adjusted sales price of \$102.33 per square foot.
5. The Board also reviewed the Respondent's twelve equity comparables (R1, pg. 32). These comparables were similar in age, condition, site coverage, size, and office mezzanine. The assessments ranged from \$101.74 to \$119.54 per square foot. The Board notes that these comparables were located in the north, northwest, and northeast areas of Edmonton. Equity comparable #1 is in close proximity to the subject property and, therefore, the Board placed considerable weight on this comparable which is assessed at \$101.74 per square foot.
6. The Board noted, in reviewing the Complainant's sales comparables #1, #2, and #5 (C1, pg. 1), that the average time-adjusted sale price calculates to be \$94.82 per square foot, whereas the Respondent's sales comparables #1 to #5, and #7 average time-adjusted sale price was calculated to be \$102.33 per square foot. Even though these were put forward as the best sales comparables by the parties, the Board had difficulty analyzing and considering them since their attributes (i.e. site

coverage, building area, etc.) varied widely. Therefore, the Board placed less weight on these sales comparables.

7. The Complainant, in rebuttal (exhibit C2), provided the 2010 assessments for the Respondent's sales comparables (R1, pg. 30). Using the assessments for sales #1 to #5 and #7 results in an average assessment of \$98.38 per square foot.
8. The Board concluded the Complainant brought forward sufficient evidence to question the correctness of the assessment of the subject property. The Board found the Respondent's equity comparable #1, assessed at \$101.74 per square foot, is most similar to the subject property because it is located within close proximity and exhibits the other factors affecting value (i.e. location, age, condition, site coverage, size, and mezzanine area).
9. The Board finds the reduced assessment for the subject property of \$101.74 per square foot or \$1,900,000 is fair and equitable.

### **DISSENTING DECISION AND REASONS**

There were no dissenting decisions.

Dated this twenty-seventh day of July, 2010, at the City of Edmonton, in the Province of Alberta.

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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  
City of Edmonton, Assessment and Taxation Branch  
City of Edmonton, Law Branch  
AMA Properties Ltd.