



## ASSESSMENT REVIEW BOARD

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

July 6, 2010

### NOTICE OF DECISION NO. 0098 13/10

CANADIAN VALUATION GROUP LTD  
SUITE 1200, 10665 JASPER AVENUE  
EDMONTON, AB T5J 3S9

THE CITY OF EDMONTON  
600 CHANCERY HALL  
3 SIR WINSTON CHURCHILL SQUARE  
EDMONTON, AB T5J 2C3

This is a decision of the Assessment Review Board (ARB) from a hearing held on June 30, 2010 respecting an appeal on the 2010 Annual New Realty Assessment.

<b>Roll Number</b> <b>8636342</b>	<b>Municipal Address</b> 5830 99 Street NW Edmonton	<b>Legal Description</b> Plan 6312NY Block 15 Lot 1
<b>Assessed Value</b> \$1,398,500	<b>Assessment Type</b> Annual New	<b>Assessment Year</b> 2010

#### **Before:**

Dean Sanduga, Presiding Officer  
Mary Sheldon, Board Member  
Brian Hetherington, Board Member

Alison Mazoff, Board Officer

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

Tom Janzen,  
Canadian Valuation Group LTD. (CVG)

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

Steve Radenic, City Assessor  
Rebecca Ratti, Lawyer

#### **PROCEDURAL MATTERS**

The question of bias was raised and all parties indicated that there was no bias

Both the Complainant and the Respondent indicated that there were no preliminary matters.



## **ISSUES**

1. Is the 2010 assessment of the subject property correct when the sales of similar properties are considered?
2. Is the 2010 assessment of the subject property equitable in relation to the 2010 assessments of similar properties?
3. Is the value per sq. ft. of the subject assessed by the Respondent higher than the values derived from sales of 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.

## **BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT**

The subject property was described to the Board as a single - tenant warehouse building constructed in 1969 in the South East quadrant of the City and comprising 6,400 sq. ft. The site coverage was 15%. (Exhibit C-1, page 1) Both parties agreed that the appropriate method of assessing industrial warehouse properties was the direct sales approach.

## **POSITION OF THE COMPLAINANT**

1. The Complainant submitted 6 sales comparables located in the South East quadrant of the City for the Board's consideration, all of which he stated were similar in some respects to the subject. (Exhibit C-1, page 1 with detailed information on pages 3-8). He submitted as well, the City's current assessment per sq. ft. of these properties as equity comparables. (Exhibit C-1, page 1)
2. The Complainant advised the Board that the sales of these properties took place in close proximity to the July 1 valuation date.
3. The Complainant's opinion was that it was most valuable to consider sales close to the valuation date in establishing value in that no time adjustment, or only a minor one, would have to be applied. He further submitted to the Board that the one post facto sale ought to be considered as it took place close to the valuation date.

4. The Complainant informed the Board that, while his sales comparables did differ in various respects from the subject, such as in site coverage, building size, age and location, he suggested that these differences could be accounted for by making appropriate upward or downward value adjustments.
5. The Complainant submitted to the Board that the 2010 assessment for the subject property should be based on \$180.00 per sq. ft. which would result in an assessment of \$1,152,000.

### **POSITION OF THE RESPONDENT**

1. In support of the Respondent's position that the 2010 assessment of the subject was fair and equitable, the Respondent submitted sales comparables for the Board's consideration. (Exhibit R-1, page 17) The Respondent submitted to the Board that, while these sales were completed in 2007 and 2008, time adjustments were applied to arrive at a proper time adjusted sales value. The Respondent submitted that the average time adjusted price per sq. ft. of the comparables was \$257.17. The 2010 assessment per sq. ft. of the subject was \$218.50. The Respondent argued that this would support the 2010 assessment of the subject property.
2. The Respondent provided equity comparables to the Board. (Exhibit R-1, page 22) This chart showed that the average assessment per square foot of these equity comparables which were located in the South East quadrant of the City was \$221.13. The Respondent argued that the assessment per sq. ft. of the subject, at \$218.50 was appropriate.
3. The Respondent submitted that any post facto sale should not be considered in establishing current assessment year value. (Exhibit R-2, page 22-23)
4. The Respondent submitted to the Board that the 2010 assessment of the subject property was fair and equitable.

### **FINDINGS**

1. The Board notes that in accordance with the *Matters relating to Assessment and Taxation Regulation of the Municipal Government Act, Part 1, Sec. 3*,  
"Any assessment prepared in accordance with the Act must be an estimate of the value of property on July 1 of the assessment year."

The Board accepts that, in general, a post facto sale should only be used to establish trends in the marketplace. However, a post facto sale could be used to assist in establishing value if evidence were provided that the parties to the sale agreed to the purchase price prior to the valuation date.

### **DECISION**

The Board concludes that the 2010 assessment of the subject property should be confirmed at \$1,398,500.

## **REASONS FOR THE DECISION**

1. The Board notes that the Complainant did not supply any calculations to the Board to support the upward or downward adjustments to the sales comparables he considers necessary.
2. Further to the above, the Board notes that the Complainant's sales comparables differ in many respects from the subject property's characteristics. For example, only the Complainant's #4 comparable is located on a major roadway, as is the subject. Furthermore, during the Respondent's cross-examination, the Board heard that the information provided by the Complainant, which had been obtained from the Network data, regarding two of his sales comparables was incorrect. The assessment provided for sales comparable # 1 was not correct and the site coverage provided for sales comparable # 2 was noted as 14% whereas the actual site coverage for that comparable was 36%.
3. The Board did not accept the one post facto sales comparable provided by the Complainant as no evidence was provided to the Board to indicate an agreement to the purchase price prior to the valuation date.

## **DISSENTING DECISION AND REASONS**

There were no dissenting opinions.

Dated this 6th day of July, 2010 at the City of Edmonton, in the Province of Alberta.

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Presiding Officer

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CC: MUNICIPAL GOVERNMENT BOARD  
CC WALFAM INC.