



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 161/10

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 11, 2010 respecting a complaint for:

Roll Number 1072644	Municipal Address 2411 76 Avenue NW	Legal Description NE 19-52-23-4
Assessed Value \$8,934,500	Assessment Type Annual - New	Assessment Notice for: 2010

Before:

Ted Sadlowski, Presiding Officer
Mary Sheldon, Board Member
Brian Carbol, Board Member

Board Officer:

Segun Kaffo

Persons Appearing: Complainant

Walid Melhem, Altus Group

Persons Appearing: Respondent

Blaire Rustulka, Assessment and Taxation

PRELIMINARY MATTERS

Upon questioning by the Presiding Officer, the parties present indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.

The Complainant raised a preliminary issue alleging that the Respondent was in violation of section 8 of the *Matters Relating to Assessment Complaints Regulation*, AR 310/2009. According to the allegation, the Respondent's summary of the testimonial evidence was not in "sufficient detail to allow the Complainant to respond to or rebut the evidence at the hearing."

The Board did not concur with the allegation and considered that the summary of testimonial evidence provided by the Respondent was sufficient. As a result, the preliminary issue was denied.

Submissions concerning zoning were carried forward from Roll # 1075720

BACKGROUND

The subject property is described as a relocatable office located in the Southeast (annexed) Industrial subdivision of the City of Edmonton. The property has a lot size of 893,513 square feet and is zoned IM (Medium Industrial). The property has direct access to a major truck route.

ISSUES

The Complainant attached a schedule to the complaint form listing numerous issues. However, most of these issues were abandoned. The issues that remained to be decided were as follows:

1. The assessment of the subject property is in excess of its market value for assessment purposes;
2. The assessment of the subject property is not fair and equitable considering the assessed value and assessment classification of comparable properties;
3. The use, quality and physical condition attributed by the municipality to the subject property are incorrect, inequitable and do not satisfy the requirement of Section 289(2) of the *Municipal Government Act*, specifically, the subject property is not fully serviced; however, the assessment appears to be of a fully serviced lot.

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.*

s. 289(2) Each assessment must reflect

- (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and*
- (b) the valuation and other standards set out in the regulations for that property.*

The Matters Relating to Assessment Complaints Regulation, AR 310/2009;

s.8 (2) If a complaint is to be heard by a composite assessment review board, the following rules apply with respect to the disclosure of evidence:

*(b) the respondent must, at least 14 days before the hearing date,
(i) disclose to the complainant and the composite assessment review board the documentary evidence, a summary of the testimonial evidence, including a signed witness report for each witness, and any written argument that the respondent intends to present at the hearing in sufficient detail to allow the complainant to respond to or rebut the evidence at the hearing.*

POSITION OF THE COMPLAINANT

1. The Complainant acknowledged and agreed that the subject property was properly assessed using the cost approach and no issue with the value of \$80,655 applied to the improvements (C-1, page 6). However, the Complainant argued that the assessment of the land portion of the subject was excessive.
2. In support of this argument, the Complainant provided the Board with a chart of sales of similar parcels of land (C-1, page 8). The average time adjusted price per square foot of these properties was \$7.16 while the subject was assessed at \$9.91 per sq. ft.
3. The Complainant also produced a chart of the assessments of similar parcels of land (C-1, page 10). The average assessment per sq. ft. of these three comparables was \$7.29 while the subject was assessed at \$9.91 per sq. ft.
4. With respect to the issue of servicing, the Complainant produced photographs of the subject (C-1, page 26) which, he argued, showed that there was no curb and gutter available and that the property was only partially serviced.
5. The Complainant argued that the proper comparables to the subject should be unserviced lots.
6. The Complainant argued that the best comparable to the subject was the sale of 2603 76 Avenue (C-1, page 8). This comparable is very close to the subject and the site is of similar size and is compacted and covered with gravel, as is the subject. This property has water services provided and the sanitary sewer is located on the opposite side of 76 Avenue. The adjusted sale price per square foot of this property is \$8.87 (C-1, page 8).
7. The Complainant requested a reduction in the assessment of the subject to \$6,477,000 based on a value of \$7.16 per sq. ft. to be applied to the assessment (C-1, page 9).

POSITION OF THE RESPONDENT

1. The Respondent challenged the sales and equity comparables brought forward by the Complainant on the basis that these comparables were all unserviced and he submitted that servicing would add approximately 30% to the value of the land.
2. The Respondent submitted that the land should be considered as serviced as the services were available to the property owner. The property owner only needed to tie in to these services.
3. The Respondent submitted a chart of sales of similar parcels of land (R-1, page 11). The average time adjusted sale price per square foot of these comparables was \$9.92 and the subject was within range at \$9.91 assessed value per square foot.
4. As well, the Respondent provided a chart of equity comparables (R-1, page 12). The average value per square foot of these comparables was \$11.52 while the subject was assessed at \$9.91 per sq. ft.
5. The Respondent requested that the Board confirm the 2010 assessment of the subject property at \$8,934,500.

DECISION

The Board's decision is that the 2010 assessment for the subject property should be reduced to \$8,006,000.

REASONS FOR THE DECISION

1. The Board agrees with the Respondent that the land portion of the subject should be considered and valued as serviced land. The Board notes that the Complainant indicated there is water service to the subject and the Board notes that there is sewer service along 76 Avenue.
2. The Board notes that the Complainant's land value comparable #6 (C-1, page 8 and C-1, page 22) is very comparable to subject in terms of size and location and servicing.
3. The Board notes that the Respondent's land value comparables are, with two exceptions, much smaller than the subject, thus making these comparisons less valuable. The Board notes further that two of the Respondent's land sales comparables are in different parts of Edmonton and that three sold for a time adjusted value per square foot that was less than the assessment per square foot of the subject (R-1, page 11).
4. The Board places less weight on the Respondent's land value equity comparables since the majority of these comparables are much smaller in size than the subject, making any comparison less reliable.
5. The Board finds that the closest comparable to the subject is the Complainant's land value comparable #6 which has a time adjusted sale price per square foot of \$8.87. The Board finds that this is a reasonable value to apply to the subject. If this value is applied to the property size of 893,513 square feet and the value of the improvements at \$80,666 added, the resulting value of \$8,006,126 is obtained.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 30th 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
583611 Saskatchewan Ltd.