



## ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL  
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### NOTICE OF DECISION NO. 0098 175/10

Vivian Pak  
Wellming Group Ltd.  
644 Henderson St. NW  
Edmonton AB  
T6R 1S8

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 21, 2010, respecting a complaint for:

<b>Roll Number</b> 3823762	<b>Municipal Address</b> 10632 98 St. N.W.	<b>Legal Description</b> Plan: NA Block: 11 Lot: 8 / 9/10/11/12/13
<b>Assessed Value</b> \$3,225,000	<b>Assessment Type</b> Annual New	<b>Assessment Notice For:</b> 2010

**Before:**

Ted Sadlowski, Presiding Officer  
George Zaharia, Board Member  
Jack Jones, Board Member

**Board Officer:**

Kyle MacLeod, Board Officer

**Persons Appearing: Complainant**

Curtis Cossey, Appraiser, CDC Consulting  
Services  
Darren Gibbons, Appraiser, CDC Consulting  
Services

**Persons Appearing: Respondent**

Ning Zheng, Assessor  
Peter Bubula, Assessor

### **PRELIMINARY MATTERS**

The Respondent objected to the representation of CDC Consulting arguing there was no completed Agent Authorization form. The objection was withdrawn as there was a letter on file authorizing CDC Consulting Services Inc. to act on behalf of the owner.

The Respondent also submitted a recommendation that the assessment be reduced to \$15.00 per square foot, but the Complainant did not accept this proposal.

The Complainant notes that the correspondence was not sent to the Complainant's representatives but to the owner of the subject property, despite a signed agent authorization form.

## **BACKGROUND**

The subject property was built in 1991. The total building size is 15,250 square feet and it has nine tenants with leased areas ranging from 480 to 3,500 square feet. The subject is a neighbourhood shopping centre in the McCauley neighbourhood. The site area is 22,847 square feet and has a site coverage of 67%. The property is known as Asia Square and is located north of 106 Avenue, between 99<sup>th</sup> Street and 98<sup>th</sup> Street.

## **ISSUES**

Is the assessment of the subject property too high and in excess of market value?

## **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 a site specific appraisal of the subject property dated August 18, 2009 (C-1 and C-2). The value was determined to be \$1,635,000 as of the above date. Also provided were the lease terms for the nine tenants. The terms were all expired with the first expiring in December 2000 and the last in January 2010 (C-1, p. 21). Upon expiration, the leases continued on a month-to-month basis. The lease rates range from \$12.67 per square foot to \$26.33 per square foot (C-1, p. 21). The subject is in an interior location and is not on a major roadway.

## **POSITION OF THE RESPONDENT**

The Respondent submitted a 2010 assessment brief for the subject property that described the subject as a commercial rental property (R-1). The Respondent's disclosure also contained the Complainant's submission (C-2) which alluded to a comparable known as the Hull Block, within (R-1, pp. 22-24). The Hull Block is located at 9664-106 Avenue and is an apartment building with main floor commercial rental space. The main floor units range from 847 to 2,855 square feet and the rental rates ranged from \$15.56 per square foot to \$17.75 per square foot. The location of the Hull Block is considered to be superior to the subject as the Hull Block fronts a major roadway (97<sup>th</sup> Street) and is on a corner lot.

## **DECISION**

The decision of the Board is to reduce the 2010 assessment from \$3,225,000 to \$2,709,000 based on a \$15.56 per square foot lease rate.

## **REASONS FOR THE DECISION**

The Board was persuaded by the evidence presented in C-2 and R-1, pertaining to the Hull Block. Both the subject and the Hull Block have commercial real estate components and are in close proximity to each other, as they are approximately two blocks apart. Their rental units were also similar in size. The rental spaces in the subject ranged from 480 to 3,500 square feet while in the Hull Block the range was 847 to 2,855 square feet. There was agreement between the parties regarding capitalization rate, vacancy rate and structured repair allowance. Little weight was placed on the Respondent's comparables as they were in different locations which undermined their similarity to the subject property.

Dated this 12<sup>th</sup> day of August, 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.*

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CC: COSSEY, CURTIS/CDC CONSULTING SERVICES