



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 176/10

Jasper Summerlea Shopping Center
9424 102 Avenue NW
Edmonton AB T5H 4L7

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:

Roll Number 1160829	Municipal Address 17118 90 Ave. N.W.	Legal Description Plan: 8220508 Block: 30 Lot: 9
Assessed Value \$3,628,000	Assessment Type Annual New	Assessment Notice for: 2010

Before:

Board Officer: Kyle MacLeod

Ted Sadlowski, Presiding Officer
Judy Shewchuk, Board Member
George Zaharia, Board Member

Persons Appearing: Complainant

Judy Chen
Larry Chang
Kim Lee

Persons Appearing: Respondent

Ning Zheng, Assessor, City of Edmonton
Peter Bubula, Assessor, City of Edmonton

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 Respondent did not have a recommendation on the file.

The Respondent stated that additional evidence had been submitted after the rebuttal deadline and requested that page 3 of Exhibit C-3 not be accepted into evidence. The Complainant argued that the evidence was paramount to the case and must be heard, but agreed with the timelines on evidence disclosure.

The decision of the Board was to accept exhibit C-3 except for page 3. The reason for the Board to deny acceptance of page 3 is found in s. 8(2)(c) in the *Matters Relating to Assessment Complaints Regulation - AB Regulation 310/2009 (MRAC)* which is quoted below under the heading, "Legislation".

BACKGROUND

The subject property was purchased in 2005 as part of a two building purchase for a total of \$3,620,000. Accordingly, the subject property was valued at \$1,883,239 and has an area of 10,792 square feet. The subject property comprises four tenants: a hair salon, a liquor store, a pizza restaurant, and a family restaurant in west Edmonton.

ISSUES

The issue in this case is that the assessment of the subject property is 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.

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:

(c) the complainant must, at least 7 days before the hearing date, disclose to the respondent 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 complainant intends to present at the hearing in rebuttal to the disclosure made under clause (b) in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing.

POSITION OF THE COMPLAINANT

The Complainant submitted that because the subject property was part of a two building purchase agreement, the City of Edmonton had mistakenly assessed the subject property on the basis of the purchase price for both buildings.

The Complainant further asserted that, in view of the poor economy in Edmonton, they were limited in the amount of rent they could charge their tenants. The Complainant submitted four packages of evidence: exhibits C-1, C-2, C-3 (excluding page 3), and C-4. The evidence the Complainant relied on most heavily was at C-1, page 4 and C-2, pages 7 and 11, which showed 2010 actual rents ranging from \$18.00 to \$21.50 per square foot.

The Complainant asked that the 2010 assessment be reduced from \$3,628,000 to \$2,800,000.

POSITION OF THE RESPONDENT

The Respondent agreed with the Complainant with respect to the information regarding the purchase made in 2005 and asked that no weight be placed on erroneous information at R-1, page 26.

The Respondent submitted the subject property's rent roll information as reported by the Complainant. Additionally, the Respondent provided projected lease rates that are used in all assessments and includes the amortized tenant-paid interior improvements (R-1, pg. 27). The typical rents range from \$21.75 to \$30.00 per square foot and vary based on the use of the space.

The Respondent requested that the 2010 assessment be confirmed at \$3,628,000.

FINDINGS

The Board recognized that the 2005 purchase included two buildings and that the purchase price of the subject property was \$1,883,239 (C-2, pp. 2-3).

DECISION

The Board finds that the 2010 assessment be confirmed at \$3,628,000.

REASONS FOR THE DECISION

The Board placed little weight on the Complainant's position with respect to the impact of a downturn in the Edmonton economy. It is incumbent upon the Complainant to introduce evidence that the assessment is incorrect. The Board was not provided with comparable information from similar properties that would justify a reduction in the assessment.

The Board placed greater weight on the Respondent's evidence with respect to the application of typical rents to derive assessed values. These typical rents are established by analyzing rental information submitted by property owners in response to requests for information sent by the City of Edmonton to all property owners. Properties are not valued using site specific rents.

The Board is persuaded that the 2010 assessment at \$3,628,000 is fair and equitable.

Dated this 12th 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