



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 182/10

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 9979206	Municipal Address 7605 67 Street NW	Legal Description Plan: 0021361 Block: 6 Lot: 21
Assessed Value \$4,215,500	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.

BACKGROUND

The subject is a medium warehouse located in the Girard Industrial subdivision of the City of Edmonton. The property has a surface area of 290,264 square feet and several buildings are located on the property. The shape of the property is irregular, almost a triangular shape. A railway line runs along one side of the property and several spur lines service the property. As a unique property, it is assessed by the cost method.

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. Is the assessment of the subject property in excess of its market value for assessment purposes?
2. Has the size, shape and topography of the subject property been adequately adjusted for in the assessment?

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.*

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 agreed with the Respondent that the cost approach was the correct method to use in valuing this property, given its unique nature. The Complainant also had no issue with the value of \$719,063 placed by the Respondent upon the improvements on the subject (C-1, page 10). However, he disagreed with the value placed by the Respondent upon the land portion. In support of this argument, he presented a chart of sales of comparable parcels of land. These six comparables which, he indicated, were all industrial zoned lots situated in south east Edmonton had an average time adjusted sale price per square foot of \$10.14 (C-1, page 9). He compared this with the \$12.04 per square foot assessment of the subject and argued that this assessment was excessive.
2. The Complainant advised the Board that the subject property was of an extremely unusual and irregular shape and submitted that this feature would lower the value of the property in the market place. He submitted to the Board that a downward adjustment of 10% would be appropriate to account for the irregular shape of the property.
3. He requested the Board to reduce the assessment to \$3,368,500 based on a price per square foot of \$10.14 for the 290,303 lot size less a 10% adjustment for the irregular shape plus the undisputed value of the improvements at \$719,063.

POSITION OF THE RESPONDENT

1. The Respondent provided a chart of sales of similar land properties (R-1, page 12). All these comparables were interior lots in close proximity to the subject. This chart showed that the average time adjusted sale price per acre was \$578,600 whereas the subject was assessed at \$529,000. The Respondent argued that this showed that the assessment was fair and equitable.
2. Also in support of his argument that the assessment was correct, the Respondent produced a chart of land equity comparables (R-1, page 17). These equity comparables used by the Respondent were the same properties used as sales comparables by the Complainant (C-1, page 9). The average value per square foot of these comparables was \$12.34 while the assessment per square foot of the subject was \$12.04.
3. The Respondent argued further that the irregular shape of the subject had no impact on the market value of the property, and indeed that the presence of the railway spur lines into the property added value.

DECISION

The Board concludes that the 2010 assessment for the subject is fair and equitable and that the assessment of \$4,215,500 should be confirmed.

REASONS FOR THE DECISION

1. With respect to issue # 1, the Board concludes that the assessment of the subject property is not in excess of its market value. In particular, the Board notes the Respondent's chart of land sales comparables which shows that the assessment value

- per acre of the subject is less than the average time adjusted sale price per acre of the comparables. In addition, the Board is persuaded by the Respondent's chart of equity comparables (which reference the Complainant's sales comparables) that shows that the assessment is fair and equitable.
2. With respect to issue # 2, the Board is not persuaded by the Complainant's argument that a downward adjustment should be made to account for the irregular shape of the subject. However, the Complainant provided no sales or equity comparables of irregularly shaped lots to show that an adjustment was warranted.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 9th day of September, 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
603048 BC Ltd.