



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 189/11

Radek Kwasniewski, R.H.E.A Developments
5604 103A St.
Edmonton, AB T6H 2J5

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 September 19, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
7810500	5600 103A STREET NW	Plan: 6164HW Block: 88 Lot: 5 & 6	\$2,172,500	Annual New	2011

Before:

Dean Sanduga, Presiding Officer
Jack Jones, Board Member
Jasbeer Singh, Board Member

Board Officer: Karin Lauderdale

Persons Appearing on behalf of Complainant:

Radek Kwasniewski, R.H.E.A Developments

Persons Appearing on behalf of Respondent:

Luis Delgado, Assessor, City of Edmonton

PROCEDURAL MATTERS

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

BACKGROUND

The subject property contains three separate buildings located on lot #6. Building one was built in 1963, expanded in 1969 and covers 7,200 square feet; building two was built in 1965 and covers 3,200 square feet; and building three was built in 1978 and covers 4,500 square feet.

The subject property is zoned Heavy Industrial (IH) with a lot size of 42,992 square feet. Site coverage for the subject property is 35% and the condition of the buildings is classed as average.

ISSUE(S)

Is the 2011 assessment amount of \$2,172,500 fair and equitable?

LEGISLATION

Municipal Government Act, RSA 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 provided the Board with a brief (C-1) in support of his request for a lower assessment. The Complainant's position is that the subject property's 2011 assessment is excessive when compared to sales of similar properties.

- The subject property is a multi complex of 3 buildings containing a total of 14,900 square feet built in 1963, 1965 and 1978.
- The 2011 assessment equates to \$143.56 per square foot.
- The Complainant stated the important factors affecting the value of the subject property are primarily age, condition, location, and site coverage.

- The Complainant indicated that the Respondent's comparables were dated and the Complainant's five comparables (C-1, page 5) were more recent sales and should be given greater consideration.
- The Complainant indicated that comparable #1 (C-1, page 5) was the most similar with respect to location influences.
- The Complainant indicated comparables #2 and #4 had similar site coverage, whereas, sales #3 and #5 were located in north Edmonton.
- The Complainant provided an undated Realtor opinion of value (C-1, page 7) and the Network documents relating to the sales comparables (C-1, pages 8-17) in support of a lower assessment.
- The Complainant questioned the comparability of the Respondent's equity comparables (R-1, page 31).
- The Complainant requested a value of \$94.57 per square foot or a requested reduction in the 2011 assessment to \$1,409,093.

POSITION OF THE RESPONDENT

- The Respondent attended the hearing and provided an assessment brief (R-1) and a law and legislation brief (R-2).
- The Respondent indicated, for the purposes of the 2011 annual assessment, the sales comparison approach was employed since there was sufficient data to derive reliable value estimates.
- The Respondent outlined the factors affecting value which are considered in the assessment of warehouse properties (R-1, pages 8 & 9).
- Mass appraisal is used to derive typical values and time adjusted sales occurring from January 2007 through June 2010, which are utilized for comparison and testing purposes.
- The Respondent submitted six comparable sales (R-1, page 22) and indicated that sales #2, #5 and #6 were the best comparables.
- The Respondent submitted eleven equity comparables (R-1, page 31) to support the 2011 assessment of the subject property.

DECISION

The Decision of the Board is to confirm the 2011 assessment of the subject property at \$2,172,500 as fair and equitable.

REASONS FOR THE DECISION

1. The Board considered the Respondent's sales comparables (R-1, page 22) and placed greatest weight on comparable sales #2, #5 and #6 as these were most similar to the subject in location, condition, age and site coverage.
2. The subject property's 2011 assessment of \$143.56 per square foot was at the lower end of the comparables which ranged between \$130.73 and \$168.03 per square foot.
3. The Board reviewed the Complainant's sales comparables (C-1, page 5) and placed little weight on these comparables. The Board noted that the Complainant's best sales comparable #1, was a larger building than the subject; sales comparable #2 had a large mezzanine area (1,980 ft²) and was on a smaller lot; comparables #4 and #5 were post-facto sales (after the valuation date of July 1, 2010) and sales comparables #3 and #5 were located in a different market area than the subject property.
4. The Respondent's equity comparables (R-1, page 31) were located in the same or similar market area as the subject property. The Board placed greatest weight on equity comparables #3, #6, #7 and #11, as these were most similar to the subject property in age, site coverage, lot size, condition, and total building area. The assessment of the subject property at \$143.56 per square foot was within the range of these equity comparables which ranged between \$140.59 and \$156.89 per square foot.
5. The Board found that the Complainant did not provide sufficient evidence to support the requested reduced 2011 assessment.
6. The Board finds that the 2011 assessment of \$2,172,500 is fair and equitable.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 22th day of September, 2011, at the City of Edmonton, in the Province of Alberta.

Dean Sanduga, 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, RSA 2000, c M-26.