



## ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL  
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### NOTICE OF DECISION NO. 0098 203/10

Penfabco Piping Engineering Fabricating Co Ltd.  
33 Stirling Road NW  
Edmonton AB  
T5X 4C2

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 5, 2010, respecting a complaint for:

<b>Roll Number</b> 7810658	<b>Municipal Address</b> 5720 103A STREET NW	<b>Legal Description</b> Plan: 398NY Block: 88 Lot: 10
<b>Assessed Value</b> \$1,031,500	<b>Assessment Type</b> Annual New	<b>Assessment Notice For:</b> 2010

**Before:**

**Board Officer:** Kyle MacLeod

Lynn Patrick, Presiding Officer  
Judy Shewchuk, Board Member  
George Zaharia, Board Member

**Persons Appearing: Complainant**  
Luigi Iacobelli

**Persons Appearing: Respondent**  
Steve Radenic, Assessor  
Rebecca Ratti, City of Edmonton, Law Branch

### **PRELIMINARY MATTERS**

There were no preliminary matters.

### **BACKGROUND**

The property consists of an industrial warehouse containing two bays totalling 8,912 square feet located on a 23,437 square foot parcel of land. The site coverage is 38% and the parcel has access from the front street only and receives a -5% allowance for this characteristic. The subject is assessed on the direct comparison approach. The Complainant is requesting a revised assessment of \$700,000.

### **ISSUES**

Is the assessment fair and equitable when compared to sales of other industrial warehouse in the SE sector of Edmonton?

## **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 two offers to purchase the subject, dated March 28, 2008 and June 3, 2008 for \$650,000 and \$700,000 respectively. They were received by the Complainant corporation, and were not accepted, but the Complainant suggests they are the best indication of the value of the subject. The Respondent indicated that the reason neither was accepted was because of a disagreement among the directors and shareholders of the corporation. The Complainant also submitted an appraisal of the subject prepared by Ergil & Jackson Appraisals Ltd dated March 11, 2010 which suggested a value of \$855,000 as of the effective date of the appraisal, March 1, 2010.

## **POSITION OF THE RESPONDENT**

The Respondent submitted that the fact that neither offer tendered in evidence was accepted, because of the dispute alluded to by the representative of the corporation, is a strong indication that the purchase prices offered were not market value, and as such ought not to be relied upon or given much weight by the Board.

The Respondent submitted nine time adjusted sales comparables of properties in the south east sector which were determined to be in average condition and ranged in value from \$109.80/ sq. ft. to \$177.53/ sq. ft., averaging \$137.16/ sq. ft., compared to the assessment of the subject at \$115.73/ sq. ft. The highest and lowest of the comparables also contained 2<sup>nd</sup> floor office space, which is not present in the subject. However, the most recent sale dated May 2009 indicated a time adjusted sale price of \$115.21/ sq. ft., the same value as the assessment.

The nine equity comparables submitted by the Respondent indicated a range from \$114.57/ sq. ft. to \$139.80/ sq. ft. These comparables are in close proximity to the subject, in particular, number 7; it is in average condition, close in age, size, site coverage and is assessed at \$124.68/ sq. ft. The difference in condition would account for the difference in value per square foot. The Respondent noted the appraisal submitted by the Complainant was done both on an income approach and a direct comparison approach and suggested that the income approach be given little, if any, weight for various reasons, including the fact that some comparable properties were located outside of the City. Referring to the appraisal's direct sales comparison approach, the Respondent noted all the sales used by the appraiser are post facto to the assessment date and the appraisal is also post facto. That, combined with the fact that the appraiser was not present at the hearing for cross examination, is the basis for the respondent requesting the Board put little weight on the appraisal.

## **DECISION**

The 2010 assessment is confirmed.

## **REASONS FOR THE DECISION**

The Board was unable to put any weight on the 2008 offers made to the Complainant, because they were invited offers by one of the shareholders of the corporate Complainant, in an effort to resolve a deadlock and were not through a marketing effort that would have exposed the property to the public. The appraisal was prepared in furtherance of that objective and, consequently, is post facto without time adjustments or application of the limitations that affect assessment such as confining the comparables to the municipality where the subject is located. Without the appraiser being present there was no opportunity to test the information or the conclusions made by the appraiser. The sales comparables of the Respondent were supportive of the assessment, but more importantly the equity comparables were, in the view of the Board, soundly demonstrative of the fact that the assessment had been done correctly and on a fair and equitable basis.

## **DISSENTING OPINION AND REASONS**

There was no dissenting opinion.

Dated this 4<sup>th</sup> day of September, 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: Municipal Government Board  
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