



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 209/10

Kailash Kanwar
1219503 Alberta Ltd
128 Twin Brooks Cove NW
Edmonton, AB T6J 6Y2

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 27, 2010 respecting a complaint for:

Roll Number	Assessed Value	Municipal Address	Legal Description	Assessment Type	Assessment Notice for
9977995	\$311,500	6013 Mill Woods Road South NW	Plan: 0020534 Unit: 6	Annual - New	2010
9977996	\$250,000	6015 Mill Woods Road South NW	Plan: 0020534 Unit: 7	Annual - New	2010
9977997	\$243,000	6017 Mill Woods Road South NW	Plan: 0020534 Unit: 8	Annual - New	2010
9977998	\$243,000	6019 Mill Woods Road South NW	Plan: 0020534 Unit: 9	Annual - New	2010
9977999	\$247,500	6021 Mill Woods Road South NW	Plan: 0020534 Unit: 10	Annual - New	2010
9978000	\$240,500	6023 Mill Woods Road South NW	Plan: 0020534 Unit: 11	Annual - New	2010

Before:

Jack Schmidt, Presiding Officer
Petra Hagemann, Board Member
Howard Worrell, Board Member

Board Officer: Annet N. Adetunji

Persons Appearing: Complainant

Kailash Kanwar

Persons Appearing: Respondent

Allison Cossey, Assessment and Taxation Branch

PRELIMINARY MATTERS

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

The parties agreed that evidence and argument for roll number 9977995 would be carried forward for all the listed roll numbers.

BACKGROUND

The subject property is located in a retail condominium strip mall at 6013 Mill Woods Road South in the Sakaw neighborhood. It was constructed in 1984 as a single strip mall property and subsequently condominiumized into eleven individual units, six of which (units 6–11), are under appeal and vary in size from 1076 sq. ft. to 1400 sq. ft.

The complaint came forward on grounds that the assessment is too high.

ISSUES

1. Does the assessment fairly reflect market value?
2. Is the assessment fair and equitable in relation to similar properties?

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

From the summary of Title Transfers from the City of Edmonton a time adjusted value of \$625,595 was ascribed to unit #5, at 6009 Mill Woods Road (C3, page 1); this represents a value of \$154.16 per sq. ft.

The Complainant submitted that units 1-5 of the subject condominium sold in February 2009 for \$1,600,000. The Complainant further raised the issue of the correctness of the size of the gross area of the five sales. It was argued that the correct size should be 8665 sq. ft.

The Complainant indicated that for the purpose of the assessments of the units under complaint, this value of \$155.00/ sq. ft. should be used in determining the final assessment values.

POSITION OF THE RESPONDENT

The Respondent submitted that the City of Edmonton completed the assessment pursuant to the legislative provisions using the mass appraisal process. For purposes of assessment of retail condominium units, the direct sales data approach was utilized.

To support the assessment, three sales comparables were supplied (R1, pages 43 and 44). In addition to these three sales, the Respondent argued that the five units purchased by the Complainant in 2009 support the assessment.

The sale of the subject property indicates an assessment to sales ratio (ASR) of .99 which further supports the assessment.

In response to the Complainant's concern with respect to the size of the adjoining five units sold February 2009, the Respondent corrected the net building size from 6897 sq. ft. to 8665 sq. ft. (R2). It was conceded by the Respondent that the ASR, therefore, changed from .99 to 1.25.

FINDINGS

1. The assessments under complaint do not fairly reflect market value.
2. The assessments are not fair and equitable in relation to similar properties.

DECISION

The complaints are allowed.

REASONS FOR THE DECISION

The Complainant provided the Board six sales comparables (C4, page 4). The Board reviewed these sales; five of these are not in the same geographic area as the subject and, therefore, the Board placed little weight on them. The remaining sale was unit #5, adjoining the subject property. As this property was part of a multi-unit sale, the Board was not convinced that the value of \$625,595 was reflective of its market value.

The Respondent submitted three sales for consideration. The first sale at #48 - 9703 41 Avenue was a newer building built in 1996 compared to the subject which was built in 1984. It is located in an industrial area which is dissimilar to the subject properties. The other two comparables at #202/201 9333 47 Street are two storey office complexes and also located in an industrial area. The Board placed little weight on these comparables for the above reasons.

In this case the Board was convinced that the best evidence was the sale of the adjoining properties which transacted during the year of the assessment. Further, the Board does accept the

Respondent's position that the best indicator of value are valid subject sales. In this case the evidence shows that the indicated value of \$178.35/ sq. ft. is reasonable.

Having considered the evidence, argument and fact which came forward, the assessments are reduced as follows:

- Roll # 9977995 is reduced from \$311,500 to \$249,000
- Roll # 9977996 is reduced from \$250,000 to \$199,000
- Roll # 9977997 is reduced from \$243,000 to \$193,000
- Roll # 9977998 is reduced from \$243,000 to \$193,000
- Roll # 9977999 is reduced from \$247,500 to \$197,000
- Roll # 9978000 is reduced from \$240,500 to \$197,500

DISSENTING OPINIONS AND REASONS

There was no dissenting decision.

Dated this 8th 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