



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 210/11

John C. Manning
c/o 1200, 10665 Jasper Avenue
Edmonton, AB T5J 3S9

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 7, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
8635948	5210 - 99 Street NW	Plan: 6351NY Block: 13 Lot: 5	\$2,880,500	Annual Revised	2011

Before:

John Noonan, Presiding Officer
Judy Shewchuk, Board Member
Ron Funnell, Board Member

Board Officer: Jason Morris

Persons Appearing on behalf of Complainant:

Tom Janzen, CVG

Persons Appearing on behalf of Respondent:

Susen Douglass, Assessor, City of Edmonton

BACKGROUND

The subject is a 2 building, multi-tenant office/warehouse of 20,986 sq.ft. with 7,882 sq.ft. of office space. There is a third building described as a 960 sq.ft. shed of nominal value. The 2 main buildings were built in 1975 and are assessed, by the direct sales comparison approach, at \$137.26 per sq. ft. They are situated on a 1.58 acre lot for a site coverage of 32%.

ISSUE(S)

The complaint form identified a number of issues: that the assessment was greater than the July 1, 2010 market value and inequitable in relation to assessments of similar properties; the capitalized value of the actual net operating income is less than the assessment; the property details and description do not correctly reflect actual physical characteristics; an analysis of ASRs (assessment to sales ratios) of similar properties supported a lower assessment value.

At the hearing, evidence and argument from the Complainant addressed a single issue:

1. Do the Complainant's sales comparables justify a lower assessment?

In addition to market sales evidence, the Respondent also addressed assessment equity.

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 requested the assessment be reduced to \$2,308,000. The request was based on an analysis and comparison of 7 sales that concluded an appropriate per sq.ft. value for the subject of \$110 as opposed to the assessed value of \$137.26.

The 7 sales occurred between April 2009 and September 2010, were time-adjusted by the same factors employed by the Respondent, and showed per sq.ft. values ranging from \$95.95 to \$114.

POSITION OF THE RESPONDENT

The Respondent presented 8 sales comparables dated from January 2007 to June 2010. The sales showed an average adjusted sale price per sq.ft. of main floor area and total building area of \$135.98 and \$125.77 as compared to the subject's assessed value of \$137.25.

A list of 6 equity comparables selected for similar age, south side location, and building and lot sizes showed assessments per sq.ft. of main floor building area in a range from \$126.65 to \$164.72 and assessment of total building area in a range from \$114.71 to \$164.72.

DECISION

The CARB reduces the 2011 assessment to \$2,308,000.

REASONS FOR THE DECISION

The subject assessment is complicated by there being two buildings on site. The second smaller building, comprising one third of the total improvement area, is hidden from 99 Street at the extreme rear of the lot and, accordingly, the CARB found this negative attribute distinguished the subject from typical 99 Street values.

The CARB found merit in the \$110 per sq.ft. value requested by the Complainant. The Board especially noted a sales comparable at 8225 Coronet Road purchased by the City of Edmonton some 2 months after valuation date for \$2.75 million. As a broad indicator of value, \$2.75 million acquired a 10% larger building on a slightly smaller lot than the subject. Some one third of the improvement was added in 2005 and this would tend to make the comparable more valuable than the subject. As this property sold for \$116 per sq.ft., the Complainant's requested value of \$110 looks reasonable. Accordingly the CARB reduced the assessment to \$2,308,000.

Dated this 29th day of September, 2011, at the City of Edmonton, in the Province of Alberta.

John Noonan, 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.

cc: CVG
99 STREET ENTERPRISES LTD