



ASSESSMENT REVIEW BOARD

Churchill Building
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NOTICE OF DECISION NO. 0098 229/11

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 19, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
1066372	3711 - 98 Street NW	Plan: 8121339 Block: 20 Lot: 11B	\$1,855,000	Annual New	2011

Before:

Hatem Naboulsi, Presiding Officer
Judy Shewchuk, Board Member
Ron Funnell, Board Member

Board Officer:

Jason Morris

Persons Appearing on behalf of Complainant:

Tom Janzen, Canadian Valuation Group

Persons Appearing on behalf of Respondent:

Suzanne Magdiak, Assessor, City of Edmonton

PROCEDURAL 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.

BACKGROUND

The subject property is a multi-tenant warehouse property built in 1981 and located at 3711 - 98 Street in southeast Edmonton, in the Strathcona Industrial Park neighborhood. The subject is 16,152 square feet with 384 square feet of finished mezzanine on a lot of 33,369 square feet for a site coverage of 47%. The 2011 assessment of the property is \$1,855,000 which equates to \$114.85 per square foot.

ISSUE

Is the 2011 assessment of the subject property at \$1,855,000 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 presented five sales and assessment comparables ranging in time adjusted sale price from \$91.09 to \$110.24 per square foot and assessment from \$101.12 to \$132.07. The Complainant asked that the assessment be reduced to \$95.00 per square foot for a total of \$1,534,000.

Of their five comparables the Complainant emphasized #2, #3, and #5:

Comparable #2 at 7216 – 76 Avenue, a building of 15,000 square feet, built in 1976, with 55% site coverage, sold in May 2009 for a time adjusted sale price of \$91.09 per square foot and assessed at \$107.79 per square foot;

Comparable #3 at 7703/15 – 69 Street, a building of 15,800 square feet, built in 1975, with 36% site coverage, sold in July 2009 for a time adjusted sale price of \$106.84 per square foot and assessed at \$109.76 per square foot;

Comparable #5 at 5820 – 96 Street, a building of 10,000 square feet, built in 1979, with 45% site coverage, sold in August 2010 for a time adjusted sale price of \$100.00 per square foot and assessed at \$116.41 per square foot.

The Complainant criticized the Respondent's comparables as being dated – five out of seven were from 2007, one was from 2008, and two were from 2009. The Complainant also criticized the Respondent's sales comparables #1, #5, and #7 as they are situated on main roadways whereas the subject is not.

The Complainant also presented rebuttal evidence which listed the assessments of the Respondent's eight sales comparables. These ranged from \$79.80 to \$135.07 per square foot. The Complainant argued that the Respondent's sales comparables #1, #3, and #7 assessed at \$84.31, \$79.60, and \$95.59 respectively support a reduction in assessment of the subject.

POSITION OF THE RESPONDENT

The Respondent presented eight sales comparables, all located in the southeast quadrant, ranging in time adjusted sale prices from \$112.15 to \$139.52 per square foot. While seven were similar in size, the eighth (comparable #7) was much larger at 38,859 square feet. The Respondent submitted that while comparable #7 was larger, its value was offset by the fact that it was on a main roadway. The Respondent pointed out that their sales comparables #1, #5, and #7 were nearest the subject and sold for \$137.48, \$120.07, and \$112.15 per square foot respectively.

In support of the assessment the Respondent also presented six equity comparables, all in Strathcona Industrial Park.

The Respondent criticized the Complainant's comparable #4 at 9719 – 63 Avenue as requiring major renovations after the sale and comparable #5 as being a non-arms-length sale and therefore invalid. The Complainant's comparables #4 and #5 were also criticized as being post facto.

The Respondent further stated that the Complainant's rebuttal evidence was inconclusive.

DECISION

The decision of the Board is to reduce the 2011 assessment from \$1,855,000 to \$1,722,000.

REASONS FOR THE DECISION

The Board finds that the Complainant's comparables #2, #3, and #5 did not provide sufficient evidence to justify a reduction to \$95.00 per square foot. However, the Board was persuaded by the Complainant's rebuttal evidence which demonstrated that the average assessment of seven of the Respondent's eight sales comparables was \$106.60 per square foot (There was no assessment figure for the Respondent's sales comparable #5). Accordingly, in the interest of fairness and equity, the Board reduces the assessment to \$1,722,000.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 7th day of October, 2011, at the City of Edmonton, in the Province of Alberta.

Hatem Naboulsi, 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: Canadian Valuation Group
Kerry Developments Ltd.